



SECURITIES AND EXCHANGE COMMISSION

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COVER SHEET

for AUDITED FINANCIAL STATEMENTS

Sec Registration Number

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COMPANY NAME

G	L	O	B	A	L		E	S	T	A	T	E		R	E	S	O	R	T	S	,		I	N	C	.				

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

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Form Type

1	7	-	A

Department requiring the report

S	E	C	

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address

lvillanueva@global-estate.ph

Company's Telephone Number/s

5-328-4374

Mobile Number

N/A

No. of Stockholders

4,116

Annual Meeting (Month / Day)

Last Thursday of June

Fiscal Year (Month / Day)

December-31

CONTACT PERSON INFORMATION

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

Name of Contact Person

LAILANI V. VILLANUEVA

Email Address

lvillanueva@global-estate.ph

Telephone Number/s

5-328-4374

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

9/F Eastwood Global Plaza, Palm Tree Ave., Eastwood City, Bagumbayan, Quezon City

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

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

SEC Number: AS 094-004462

File Number: _____

GLOBAL-ESTATE RESORTS, INC.

(Company's Full Name)

9th Floor, Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

(Company's Address)

SEC Form 17 - Annual Report

(Form Type)

(Amendments – if applicable)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

1. For the fiscal year ended **December 31, 2025**
2. SEC Identification Number **AS 094-004462**
3. BIR Tax Identification No. **000-426-523**
4. Exact name of issuer as specified in its charter **GLOBAL-ESTATE RESORTS, INC.**
5. **Quezon City, Philippines** (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization Industry Classification Code:
7. **9th Floor, Eastwood Global Plaza, Palm Tree Avenue**
Eastwood City, Bagumbayan, Quezon City **1110**
Address of principal office Postal Code
8. **(632) 5328-4370 to 78**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	10,986,000,000
Outstanding debts (loans)	9,588,326,551

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

Yes [X] No []

Name of Stock Exchange: **Philippine Stock Exchange**

Class of securities listed: Common Stocks

10,986,000,000 common shares have been listed with the Philippines Stock Exchange as of December 31, 2025.

12. Check whether the issuer:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

13. Aggregate market value of the voting stock held by non-affiliates of the registrant:

P 1,324,222,944.72 (as of December 31, 2025) based on the closing price of Php0.69 per share

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☐ **Not Applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

2025 Audited Consolidated Financial Statements (incorporated as reference for Item 7 of SEC Form 17-A) and Annual and Sustainability Report for 2025

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Business Development

Global-Estate Resorts, Inc. (“**GERI**” or the “**Company**”) was incorporated on 18 May 1994 as Fil-Estate Land, Inc. to engage in real estate development. The Company went public in November 1995 when its common shares were listed in the Philippine Stock Exchange (PSE).

In 2011, Alliance Global Group, Inc. (“**AGI**”) acquired a majority stake in the Company and re-branded it as Global-Estate Resorts, Inc. to engage in the development of integrated tourism and leisure estates.

In 2014, GERI was consolidated under Megaworld Corporation when the latter acquired AGI’s stake in the Company.

Description of Business

The Company is primarily engaged in the development of integrated tourism and leisure estates, as well as integrated lifestyle communities that combine residential, retail, hotel and/or leisure components within natural resort settings. This aligns with the Company’s strategic objective of positioning itself as a leading developer of master-planned fully integrated tourism estates in the Philippines catering to both the domestic and foreign markets. Its key developments are Boracay Newcoast in Malay, Aklan, Twin Lakes in Laurel, Batangas, Sta. Barbara Heights in Iloilo, Southwoods City in Laguna and Cavite, Alabang West in Las Piñas, Metro Manila, Eastland Heights in Antipolo City, Rizal, The Hamptons Caliraya in Lumban-Cavinti, Laguna, Arden Botanical Estate in Trece and Tanza, Cavite, Sherwood Hills in Trece, Cavite, The Fifth in Pasig City, Metro Manila and Lialto Beach and Golf Estates in Lian, Batangas. The Company undertakes its development business by itself or in joint venture with landowners. Among the Company’s subsidiaries are joint venture corporations: i) Twin Lakes Corporation (“**TLC**”), which was incorporated on 02 March 2011 to develop Twin Lakes in Laurel, Batangas; ii) Oceanfront Properties, Inc. (“**OPI**”), which was incorporated on 12 October 2010 to develop parts of Boracay Newcoast; and iii) Southwoods Mall, Inc. (“**SMI**”), which was incorporated on 18 July 2013 to develop the Southwoods Mall and Office Towers in Southwoods City.

The Company’s developments are marketed by Megaworld Global-Estate, Inc. (“**MGEI**”), a subsidiary incorporated on 14 March 2011, and by the Company’s in-house marketing group.

The Company’s hotel developments in Twin Lakes and Boracay are operated by its subsidiaries Twin Lakes Hotel, Inc. (incorporated on 28 September 2018), Savoy Hotel Boracay, Inc. (incorporated on 24 January 2017), Belmont Hotel Boracay, Inc. (incorporated on 18 March 2019), Chancellor Hotel Boracay, Inc. (incorporated on 16 April 2024), and Global Newcoast Development Corporation, formerly Fil-Estate Urban Development Corporation (incorporated on 6 March 2000).

Prior to 2011, the Company's subsidiaries Global-Estate Properties, Inc. *(formerly known as Fil-Estate Properties, Inc. or "GEPI")* and Global-Estate Golf and Development, Inc. *(formerly known as Fil-Estate Golf and Development, Inc. or "GEGDI")*, incorporated on 13 February 1990 and 06 March 1990, respectively, had engaged in the development of residential subdivisions, condominium buildings, commercial lots, and golf clubs.

Bankruptcy, Receivership or Similar Proceedings

Neither the Company nor its significant subsidiaries have been involved in bankruptcy, receivership or similar proceeding.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

On 31 December 2019, GEPI sold 100% ownership interest in Boracay Newcoast Hotel Group, Inc., a hotel development company incorporated on 17 July 2012.

Products

GERI together with its subsidiaries (the "**GERI Group**" or the "**Group**") have a diversified real estate inventory including residential and commercial lots, residential house and lots, residential condominium units, condominium hotel units, and golf club shares.

Percentage of sales or revenues and net income contributed by foreign sales

Sales to the foreign market accounted for 11% of the consolidated real estate sales for the year 2025.

Distribution Methods of Products

Real estate products in GERI developments are promoted and marketed to a wide range of clients by GERI's in-house marketing group and marketing subsidiary, MGEI. Real estate products in GEPI and GEGDI developments are sold thru third party real estate brokers.

Suppliers

The Company has a broad base of suppliers. The Company is not dependent on one or a limited number of suppliers.

Customers

GERI has a broad market base that consists of end-users and investors, both from the local and foreign markets.

The Company targets the Class A and B markets with special niche products such as integrated tourism and leisure estates and integrated lifestyle communities with residential, commercial and leisure components.

Competition

Significant competitors of the Company in its real estate development business include Ayala Land Premiere, Alveo, Filinvest Premiere, Landco, and SM Prime.

The Company competes with other developers in the acquisition of land or development rights to land in key growth areas in the country.

The Company aims to be the leading developer of integrated tourism and leisure estates in the Philippines. The Company's tourism projects are strategically located in Boracay, Laurel, Lian and Nasugbu, Batangas and Cavinti, Laguna and feature strategic master-planned communities integrated with resort amenities.

The Company believes that its land bank, real estate development experience, innovative real estate offerings, and the solid financial backing of its parent, Megaworld Corporation, are its competitive advantages. Its massive landbank in tourist destinations such as Boracay Island, and Laurel, Lian gives it a lead over its competitors and has enabled the Company to be a pioneer in master-planned integrated tourism developments.

Transactions with and/or dependence on related parties

The Company has a Policy on Related Party Transactions. The Company and its subsidiaries, in their regular conduct of business, have entered into transactions with associates and related parties including investments in and advances granted to or obtained from subsidiaries, associates, and other related parties for purposes of working capital requirements. For more information, see Note 25 to the Audited Financial Statements.

Amount spent on research and development activities and its percentage to revenues

The Company incurs minimal amounts for development research activities, which do not amount to a significant percentage of revenues.

Intellectual Property

The Company believes that its operations and that of its subsidiaries are not dependent on any trademark, patent, copyright, license, franchise, or royalty agreement. Nonetheless, the Company has trademark registrations and/or applications for its corporate name and key projects.

Government Approvals / Regulations

The Company secures various government approvals such as the Environmental Compliance Certificate, development permits, license to sell, etc. as part of the normal course of its business.

Development Permit and License to Sell

Prior to the enactment of Republic Act No. 11201, otherwise known as the “Department of Human Settlements and Urban Development Act”, on 14 February 2019, Housing and Land Use Regulatory Board (“**HLURB**”) was the planning, regulatory and quasi-judicial national government body tasked to regulate land use and real estate and housing development.

With the enactment of RA 11201, the Department of Human Settlement and Urban Development (“**DHSUD**”) is now the primary national government entity responsible for the management of housing, human settlement, and urban development.

DHSUD is the sole and main planning and policy-making, regulatory, program coordination and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. One of its regulatory functions include the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums, and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws.

DHSUD is a merger of the Housing and Urban Development Coordinating Council (HUDCC) and the HLURB, with the former becoming defunct and the latter reorganized as the Human Settlements Adjudication Commission (HSAC).

A registered owner or developer of a parcel of land who wishes to convert the same into a subdivision project shall apply with the Local Government Unit (“**LGU**”) concerned for the approval of subdivision Development Permit. The owner/developer shall subsequently apply for Certificate of Registration and License to Sell with HLURB, now DHSUD, prior to the selling of units/house or lots.

On the other hand, an owner/developer of a condominium project is required to apply for Development Permit, Certificate of Registration and License to Sell with the HLURB, now DHSUD, prior to actual development and selling of units therein.

Agrarian Reform Law

The Comprehensive Agrarian Reform Law, as amended, covers all public and private agricultural lands as provided in Proclamation No. 131 and Executive Order No. 229. More specifically, with respect to private lands, all private lands devoted to or suitable to agriculture regardless of the agricultural products raised or that can be raised thereon, are covered by the Comprehensive Agrarian Reform Program (CARP). No person may own or retain, directly or indirectly, any public or private agricultural land, in excess of

five (5) hectares. A limit of three (3) hectares may be awarded to each child of the landowners, subject to certain qualifications. The law allows the conversion of agricultural lands to non-agricultural use when the land ceases to be economically feasible and sound for agricultural purposes. Furthermore, the Department of Agrarian Reform Administrative Order No. 01 s. 1990 provides that any such classification or re-classification made after 15 June 1988 shall be subject to Department of Agrarian Reform (“**DAR**”) approval. While pursuant to the aforementioned law, the issuance of notices of coverage of CARP has effectively expired on June 30, 2014, any case and/or proceeding involving the implementation of the said law, which may remain pending on June 30, 2014 shall be allowed to proceed to its finality and be executed even beyond such date.

Environmental Compliance Certificate

Any project in the Philippines that poses a potential environmental risk or impact (e.g., golf courses, beach resorts, developments adjacent to watershed areas, etc.) is required to secure an Environmental Compliance Certificate (“**ECC**”) from the Department of the Environment and Natural Resources – Environmental Management Board (“**DENR-EMB**”).

An ECC is issued by DENR-EMB after a positive review of the project’s application. This certificate indicates that the proposed project or undertaking will not cause a significantly negative impact on the Philippine environment. The ECC contains specific measures and conditions that must be met by the project proponent before and during the operation of the project. In some cases, conditions are listed to be performed during the project’s abandonment phase to lessen identified potential environmental impacts.

An ECC also certifies that the proponent has complied with all the requirements of the Environmental Impact Statement (EIS) System and has committed to implement its approved environmental management plan. Compliance with the terms and conditions of the ECC is monitored by the appropriate DENR regional office and failure to comply may lead to penalties and sanctions being imposed, including fines and/or temporary cessation of project operation.

Effect of Existing and Probable Government Regulations

Republic Act No. 7279 (“**Urban Development Housing Act**”), as amended by Republic Act 10884 (“**Balanced Housing Development Program Amendments**”), requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost and at least 5% of condominium area or project cost, at the option of the developer, in accordance with the standards as provided by law.

Tax Regulations

The following are the major changes to the National Internal Revenue Code of 1997 (NIRC) that are relevant to and considered by the Group:

On 26 March 2021, Republic Act No. 11534 or the “Corporate Recovery and Tax incentives for Enterprises Act” (CREATE) was signed into law. Among others, it reduced the Regular Corporate Income Tax (RCIT) rate from 30% to 25% , or 20% subject to certain qualifications, and repealed the 10% Improperly Accumulated Earnings Tax (IAET).

On 22 January 2024, Republic Act No. 11976 or the “Ease of Paying Taxes Act” (EOPT) took effect amending certain provisions of the NIRC, such as the uniform sales invoice for both sales of goods and services and the alignment of Value-Added Tax (VAT) reporting with the accrual method of accounting.

On 1 July 2025, Republic Act No. 12214 or the “Capital Markets Efficiency Promotion Act” (CMEPA) took effect, which, among others, reduced the documentary stamp tax on original issue of shares of stock and on original issue of debt instruments to 75% of 1%.

The Maceda Law

Republic Act No. 6552, otherwise known as the Maceda Law, applies to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units but excluding industrial and commercial lots). Under the provisions of the law, buyers of real estate who have paid at least two years of installments are granted a grace period to cure the default, at the rate of one month for every year of installment payments made, exercisable only once every 5 years. If the contract is cancelled, the seller shall refund at least 50% of the payments made, with an additional 5% every year in cases where at least 5 years of installments have been paid (but with a total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments are entitled to a grace period of 60 days to cure the default, but without a right of refund.

Zoning and Land Use

The Department of Agrarian Reform (DAR) has issued regulations to implement the provisions of the Agrarian Reform Law in the Philippines. Under the law, all land classified for agricultural purposes as of or after 1 June 1988 cannot be converted to non-agricultural use without the prior approval of the DAR.

Land use may also be limited by the zoning ordinances of Local Government Units. Lands may be classified as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (ECC) prior to commencement of development. The Department of Environment and Natural Resources (DENR) through its regional offices or through the Environmental Management Bureau (EMB), determines whether

a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (EIS) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (IEE) to the proper DENR regional office.

GERI has an environmental compliance team that monitors and maintains compliance by its developments with applicable Philippine environmental laws and regulations. There are no compliance issues, which would have a material effect on GERI's capital expenditures, earnings or competitive position in the property market.

Anti-Money Laundering Act

Pursuant to the Anti-Money Laundering Act of 2001 (AMLA), as amended by Republic Act No. 11521 (effective 30 January 2021), real estate developers (REDs) are covered institutions. Thus, REDs are required to report covered and suspicious transactions to the AMLC within the period prescribed by the law and its implementing rules and regulations. For REDs, a covered transaction involves a single cash transaction involving an amount in excess of Php7,500,000.00 or its equivalent in any other currency. Suspicious transactions are as defined under the AMLA and under Republic Act No. 10168 or the Terrorism Financing Prevention and Suppression Act of 2012, and their respective implementing rules and regulations.

Employees

As of 31 December 2025, GERI Group has a total of 1,188 employees, divided into:

Top Management	-	13
Middle Management	-	204
Rank and File	-	971

The Company expects to increase its number of employees in the next 12 months in accordance with operational requirements.

The employees are not subject to any collective bargaining agreements. There has been no employee union since the start of Company's operations.

In addition to basic salary and 13th month pay, other supplemental benefits provided by GERI to its employees include: retirement benefits as mandated by law, vacation and sick leave benefits, rice subsidy, and HMO health care coverage.

Risk Factors Relating to the Company

Highly Competitive Business Environment

The Company faces increased competition from other developers who undertake residential subdivisions and vertical residential, commercial and office projects, particularly in key cities of the Philippines where several of the Company's present and future projects are located.

Notwithstanding increased competition in the industry, GERI intends to enhance its position as one of the leading property developers of integrated tourism estates in the Philippines. The track record of the Company and the Megaworld Group and the Company's strategic land bank are perceived to be major advantages against this anticipated growth in competition.

Demand for Real Estate Developments

The Company engages, among others, in the development of integrated tourism and leisure estates as well as integrated lifestyle communities. Demand for real estate developments tends to be affected by any long-term economic downturn and political instability in the country.

The Company engages in the development of mixed-use developments in different market segments and geographic areas in order to diversify its real estate portfolio.

Limitations on Land Acquisition

As other developers race to acquire choice locations, it may become more difficult to locate parcels of suitable size in location and at prices acceptable to the Company that will enhance its present land bank. In this regard, the Company continues to explore joint ventures as an alternative to building its land bank and identifying properties that can be developed under project agreements with landowners.

Legal Issues or Disputes on Properties

There are legal disputes pertaining to some of the Company's real estate properties but these disputes are not expected to significantly impact the Company's business or financial condition.

Government Approvals, Licenses and Permits

The implementation of projects requires various government permits, approval and clearances from various municipal, city, regional and national government authorities and offices, such as, among others, the Development Permit, Certificate of Registration, License to Sell and in certain instances, the Environmental Compliance Certificate. Accordingly, any delays in obtaining such government permits, approvals and clearances may affect the Company's projects. The Company routinely applies for governmental approvals required for its development projects.

Political and Economic Factors

In general, the profitability of the Company depends on the overall demand for Company's products, which in turn is affected by political and economic factors. Any political instability in the future may have a negative effect on the viability of real estate companies. Economic factors such as substantial increases in interest and financing costs may dampen the overall demand for Company's products in the future, thus affecting the Company's profitability.

Credit Risk

Generally, the Group's credit risk is attributable to trade receivables, advances to related party and other financial assets. The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group transfers title to buyers over its inventory only after full payment. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position.

Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows arising from day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection.

Long-term needs for a six-month and one-year period are identified monthly.

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

Interest Rate Risk

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates.

The Group follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

Foreign Exchange Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposure to currency exchange rates arises mainly from the Group's U.S. dollar-denominated cash and cash equivalents, which have been used to fund new projects.

In Management's assessment, the foreign currency risks related to these U.S. dollar-denominated cash and cash equivalents are not material.

As of December 31, 2025, the Group has no outstanding foreign denominated loans.

ITEM 2. PROPERTIES

The GERI Group has a landbank of approximately 2,640 hectares.

These land bank held for future development are strategically located in various parts of the country, but a large portion is located in Sta. Barbara in Iloilo, Boracay, Laurel, Lian and Nasugbu in Batangas, Southwoods, Laguna, Cagayan de Oro, Cavite, Antipolo, Rizal, and Cavinti, Laguna.

The inventory portfolio of the Company consists mainly of inventory also strategically located in various parts of the country but mainly in Iloilo, Boracay, Laurel in Batangas, Laguna, Cavite, Antipolo, Rizal, Pasig, and Las Piñas. Real estate and golf club and resort shares for sale and land held for future development are valued at the lower of cost or net realizable value in conformity with PAS 2 “Inventories”. Cost includes the acquisition cost of the land plus all costs directly attributable to the acquisition for projects where the Company is the landowner, and includes actual development cost incurred up to balance sheet date for projects where the Company is the developer. Net realizable value is the selling price in the ordinary course of business less cost to complete and to market. A valuation allowance is provided for real estate and golf club and resort shares for sale and land held for future development when the net realizable values of the properties are less than the carrying costs.

The GERI Group has adequate land bank for its long-term development requirements. It is, however, open to new land acquisitions in strategic growth areas. Funding for these acquisitions will be internally generated.

In 2018, GERI Group adopted PIC Q&A 2018-11, Classification of Land by Real Estate Developer, retrospectively. PIC Q&A 2018-11 requires real estate developers to classify land based on management’s intention and apply the appropriate accounting treatment as required by relevant standards. In previous years, land, including other costs and expenses related to the transfer of title of the property, were presented as Land for Future Development and only reclassified to Property Development Costs account (a real estate inventory account), when the development of the property starts. Upon the adoption of PIC Q&A 2018-11, parcels of land with no definite plan of future use were reclassified to Investment Property and parcels of land with intention by management to develop into residential or commercial properties for sale were reclassified to Real Estate for Sale.

The GERI Group has real estate inventories in its various developments including the following:

PROJECT NAME	LOCATION	LIMITATIONS ON OWNERSHIP	DEVELOPER
LUZON			
A. <u>Metro Manila</u>			
Alabang West	Las Piñas City	Joint Venture	GERI
The Fifth	Pasig City	Joint Venture	GERI
8 Sto. Domingo Place	Quezon City	Joint Venture	GEPI
Cathedral Heights	Quezon City	Joint Venture	GEPI/FEUDC
Capitol Plaza	Quezon City	Co-development	GEPI
B. <u>Laguna</u>			
Holland Park	Biñan, Laguna	Joint Venture	GERI
Tulip Gardens	Biñan, Laguna	Joint Venture	GERI
The Hamptons Caliraya	Cavinti, Laguna	Joint Venture	GERI
Caliraya Springs	Cavinti, Laguna	Joint Venture	GEPI
Riverina	San Pablo City	Joint Venture	GEPI
C. <u>Cavite</u>			
Arden Botanical Estate	Trece Martires City, Cavite	Joint Venture	GERI
Pahara at Southwoods	GMA, Cavite	Joint Venture	GERI
The Upland Estates	GMA, Cavite	Joint Venture	GERI
Holiday Homes	Gen. Trias, Cavite	Joint Venture	GEPI
Mango Orchard	Naic, Cavite	Joint Venture	GEPI
Manila Southwoods	Carmona and GMA Cavite	Joint Venture	GEGDI/GEPI
Sherwood Hills	Trece Martires City, Cavite	Joint Venture	GEPI/GERI
D. <u>Batangas</u>			
Domaine Le Jardin	Laurel, Batangas	None	Twin Lakes
Lucerne at Domaine Le Jardin	Laurel, Batangas	None	Twin Lakes
Vineyard Residences	Laurel, Batangas	None	Twin Lakes
The Belvedere	Laurel, Batangas	None	Twin Lakes
Vineyard Manor	Laurel, Batangas	None	Twin Lakes
Countrywoods	Laurel, Batangas	None	Twin Lakes
Magnificat Executive Village	Lipa, Batangas	Joint Venture	GEPI
Lialto Beach and Golf Estates	Lian, Batangas	Joint Venture	GEPI
Residencia Lipa	Lipa, Batangas	Joint Venture	GEPI
Palmridge Point	Talisay, Batangas	Joint Venture	GEPI
Windsor Heights	Tagaytay	Joint Venture	GEPI
E. <u>Bulacan</u>			
Goldridge Estate	Guiguinto, Bulacan	Joint Venture	GEPI
Plaridel Heights	Plaridel, Bulacan	Joint Venture	GEPI
<u>Queensborough</u>	Mexico, Pampanga	Joint Venture	GEPI
F. <u>Antipolo City</u>			
Eastland Heights	Antipolo City	Joint Venture	GEPI/GERI
Parkridge Estate	Antipolo City	None	GEPI
G. <u>Naga City, Camarines Sur</u>			
Monte Cielo De Naga	Naga City	Joint Venture	GEPI
Monte Cielo De Peñafrancia	Naga City	Joint Venture	GEPI
H. <u>Quezon</u>			
Puerto Del Mar	Lucena City	Joint Venture	GEPI

VISAYAS			
I. Malay, Aklan			
Belmont Hotel Boracay	Malay, Aklan	None	GERI
Chancellor Hotel Boracay	Malay, Aklan	None	GERI
Town Center North Boutique Hotel District	Malay, Aklan	Joint Venture	GERI/OPI
Newcoast Shophouse District	Malay, Aklan	Joint Venture	GERI/OPI
Boracay Newcoast Village	Malay, Aklan	None	OPI
Oceanway Residences	Malay, Aklan	None	GERI
Ocean Garden Villas	Malay, Aklan	None	GERI
Savoy Hotel Boracay	Malay, Aklan	None	GERI
Fairways & Bluewater	Boracay, Aklan	None	GEPI
J. Iloilo			
Sta. Barbara Heights Residential Estate	Sta. Barbara, Iloilo	Joint Venture	GERI
Sta. Barbara Heights Shophouse District	Sta. Barbara, Iloilo	Joint Venture	GERI
MINDANAO			
K. Cagayan De Oro			
The Upper Central	Cagayan De Oro	Joint Venture	GEPI

The GERI Group has hotel properties in Boracay and Laurel, Batangas as listed below:

- A. Fairways and Bluewater Villas in Boracay, Malay, Aklan
- B. Savoy Hotel Boracay in Boracay Newcoast, Malay, Aklan
- C. Belmont Hotel Boracay in Boracay Newcoast, Malay, Aklan
- D. Chancellor Hotel Boracay in Boracay Newcoast, Malay, Aklan
- E. Twin Lakes Hotel in Laurel, Batangas

The GERI Group has retail and office buildings for lease, as listed below:

BUILDING NAME	LOCATION
Alabang West Parade	Las Piñas City
Southwoods Mall	Biñan, Laguna
Southwoods Office Towers	Biñan, Laguna
Twin Lakes Shopping Village	Laurel, Batangas
Renaissance 1000 (Office Tower)	Pasig City
D'Olive	Antipolo City
Newcoast Beachwalk	Malay, Aklan
Mercato at Sta. Barbara	Sta. Barbara, Iloilo

ITEM 3. LEGAL PROCEEDINGS

No Material Pending Legal Proceedings

The Company and its subsidiaries are parties to certain legal proceedings and claims arising in the ordinary course of business. Management and the legal department believe that any potential liabilities are unlikely to have a material adverse effect on the financial position, results of operations, or assets of the Company or its subsidiaries.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Aside from the matters taken up during the Annual Meeting of Stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

Market price information

The common shares of the Company are traded on the Philippine Stock Exchange ("PSE") under the symbol of GERI.

	Philippine Stock Exchange	
	Closing Price per Share (₱) 0.69 as of December 31, 2025	
<u>2026</u>	High	Low
First Quarter	0.68	0.68
<u>2025</u>	High	Low
First Quarter	0.58	0.50
Second Quarter	0.76	0.70
Third Quarter	0.68	0.63
Fourth Quarter	0.74	0.69
<u>2024</u>	High	Low
First Quarter	0.94	0.80
Second Quarter	0.89	0.89
Third Quarter	0.75	0.70
Fourth Quarter	0.64	0.60
<u>2023</u>	High	Low
First Quarter	0.91	0.89
Second Quarter	0.89	0.84
Third Quarter	0.87	0.79
Fourth Quarter	0.95	0.80

The market capitalization of GERI as of 31 December 2025 based on the closing price at Php 0.69 per share of GERI's shares at that date, was approximately Php7.580 billion. The price information as of the close of the latest practicable trading date March 26, 2026 is Php 0.68 per share.

Stockholders

GERI has a total of about 4,116 common shareholders as of December 31, 2025.

TOP 20 STOCKHOLDERS AS OF DECEMBER 31, 2025

	STOCKHOLDER'S NAME	NO. OF SHARES	% OF OWNERSHIP
1	MEGAWORLD CORPORATION*	9,062,994,139	82.49
2	PCD NOMINEE CORPORATION (FILIPINO)	1,189,286,562	10.825
3	JOSEFINA MULTI-VENTURES CORPORATION	281,409,000	2.562
4	PRYCE CORPORATION	225,748,000	2.055
5	PGI RETIREMENT FUND, INC.	75,065,500	0.683
6	FIL-ESTATE MANAGEMENT INC.	38,000,159	0.346
7	F. YAP SECURITIES, INC.	32,947,000	0.300
8	PCD NOMINEE CORPORATION (FOREIGN)	15,310,786	0.139
9	GREENFIELD DEVELOPMENT CORPORATION	8,640,000	0.079
10	JOHN T. LAO	8,000,100	0.073
11	THE ANDRESONS GROUP INC.	8,000,000	0.073
12	LUCIO W. YAN	5,755,000	0.052
13	ROMEO G. ROXAS	3,716,000	0.034
14	AVESCO MARKETING	3,512,106	0.032
15	WILBUR L. CHAN	2,611,826	0.024
16	GILMORE PROPERTY MARKETING ASSOCIATES, INC.	1,983,000	0.018
17	FEDERAL HOMES, INC.	1,939,860	0.018
18	FRITZ L. DY	1,813,500	0.017
19	DYNALAND PROPERTIES & DEVELOPERS, INC.	1,700,001	0.015
20	MAXIMINO S. UY &/OR LIM HUE HUA	1,478,400	0.013

***Includes direct (9,035,638,139) and indirect (27,356,000) shares**

Dividends

With respect to dividend declaration, the Company is guided by the provisions of its Amended By-Laws , the Revised Corporation Code of the Philippines (RCCP) and relevant issuances of the Securities and Exchange Commission. Payment of dividends, either in the form of cash or stock, will depend upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings

of the Company with its capital unimpaired, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to the approval by the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.

The RCCP prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividends without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation.

The retained earnings account as of December 31, 2025 amounting to Php 20.2 billion, December 31, 2024 amounting to Php 18.4 billion, and December 31, 2023 amounting to Php 17.7 billion, are restricted from being declared as dividends to the extent of the undistributed net earnings of subsidiaries and associates. In 2025 and 2023, the Company declared and paid cash dividends amounting to Php 120.0 million and Php 124.1 million, respectively. No declaration of cash dividends was made in 2024 and 2022.

Recent Sales of Unregistered or Exempt Securities (including recent issuance of securities constituting an exempt transaction)

In 2011, the Board of Directors of the Company approved an Executive Stock Option Plan (ESOP). From 2012 to 2016, the Company granted the option to its key company directors and executives to subscribe to a total of 400 million shares of the Company. The ESOP expired on 16 June 2023. As of that time, none of the Option Holders exercised the options granted to them under the ESOP, and no underlying shares have been subscribed nor fully paid for by the Option Holders in connection therewith. Thus, as of 31 December 2024, no unexercised options remain valid under the ESOP.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Key Performance Indicators

LIQUIDITY RATIOS

	December 31, 2025	December 31, 2024 as restated	January 1, 2024 as restated
Current Ratio	4.99	4.47	4.83
Quick Assets Ratio	2.09	1.98	1.84

Current Ratio (Current Assets/ Current Liabilities)

Liquidity ratio that measures a company's ability to pay short-term obligations.

Quick Assets Ratio (Total Current Assets less Inventories and Other Current Assets/ Current Liabilities)

It measures a company's ability to meet its short-term obligations with its most liquid assets.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2025	December 31, 2024 as restated	January 1, 2024 as restated
Debt to Total Assets	34%	35%	35%
Equity to Total Assets	66%	65%	65%
Debt to Equity	51%	54%	55%
Asset to Equity	1.51	1.54	1.55

Debt to Total Assets

It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets

It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity

It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/Total Owner's Equity)

It measures the company's leverage.

ACTIVITY RATIOS

	December 31, 2025	December 31, 2024 as restated	January 1, 2024 as restated
Assets Turnover	8.91%	9.36%	10.53%

Assets Turnover

It measures the level of capital investment relative to sales volume.

PROFITABILITY RATIOS

	December 31, 2025	December 31, 2024 as restated	January 1, 2024 as restated
Return on Equity	5.48%	5.26%	5.63%
Return on Assets	3.54%	3.46%	3.54%
Earnings per Share	₱ 0.175	₱ 0.162	₱ 0.168

Return on Equity (Net Income Attributable to Parent Company's shareholders/Average Equity Attributable to Parent Company's shareholders)

It tests the productivity of the owners' investments.

Return on Assets (Net Income/Average Total Assets)

This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)

It indicates the earnings for each of the common shares held.

INTEREST COVERAGE RATIO

	December 31, 2025	December 31, 2024 as restated	January 1, 2024 as restated
Interest Coverage	₱9.12	₱8.83	₱31.02

Interest Coverage Ratio (Earnings before Interest and Income Tax/Interest Expense)

It measures how easily a company can pay interest on an outstanding debt.

Others

As of the year ended December 31, 2025, there are no material events and uncertainties known to management that would have an impact on the future operations such as:

- Known trends, demands, commitments, events or uncertainties that would have an impact on the Company;
- Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Causes for any material changes from period to period in one or more line item of the Company's financial operations;
- Seasonal aspects that had a material effect on the financial condition or results of the operations;

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

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

Review for the year ended December 31, 2025

Results of Operations

For the year ended December 31, 2025, the Group reported consolidated net income of Php 2.26 billion, representing an increase of Php 0.10 billion or 5% from Php 2.16 billion in 2024. The increase was primarily attributable to higher revenues and improved cost management during the period.

Consolidated revenues amounted to Php 8.94 billion, with the bulk derived from real estate sales, hotel operations, rental income, and finance and other income. The increase in revenues was mainly driven by continued sales of residential lots and condominium units across key developments, including Newcoast Village (Malay, Aklan), Sta. Barbara Heights (Iloilo), Twin Lakes developments (Laurel, Batangas), Southwoods City projects, Alabang West, Eastland Heights (Antipolo, Rizal), and Arden Botanical Estate (Cavite), as well as condominium projects in Boracay and Twin Lakes.

Cost and expenses amounted to Php 6.68 billion, representing a decrease of Php 0.05 billion or 1% from Php 6.73 billion in 2024. The decline was primarily due to lower cost of real estate sales, hotel operations, and rental and service-related costs, partially offset by increases in other operating expenses.

As a result, the Group recorded an improvement in operating margins, driven by a combination of revenue growth and cost optimization efforts.

Financial Condition

The Group's financial position remained stable as of December 31, 2025, with total assets amounting to Php 64.7 billion, an increase of Php 1.8 billion or 3% from Php 62.9 billion as of December 31, 2024. The increase was primarily attributable to higher trade and other receivables, inventories, and advances to related parties, partially offset by the decline in contract assets, advances to real estate property owners and property and equipment.

Trade and other receivables increased by 6% to Php 16.2 billion from Php 15.3 billion, primarily due to installment sales recognized during the year. Contract assets decreased by 21% to Php 3.9 billion from Php 5.0 billion, mainly due to collections and reclassification to trade receivables upon completion of projects.

Advances to related parties increased by 49% to Php 957.3 million, reflecting additional advances extended during the year. Meanwhile, advances to real property owners decreased by 17% to Php 1.1 billion, due to collections from joint venture partners.

Inventories increased by 7% to Php 21.3 billion from Php 19.8 billion, primarily due to ongoing development and completion of various projects. Property and equipment decreased by 11%, mainly due to depreciation for the period. Right-of-use assets increased by 135% or Php 164.0 million, attributable to new lease agreements recognized during the year. Other current and non-current assets increased by 5%, mainly due to higher advances to contractors and suppliers.

Total liabilities decreased by Php 228.5 million or 1% from the prior year. Contract liabilities increased by 6% to Php 370.2 million, reflecting higher collections on uncompleted projects relative to the percentage of completion. Advances from related parties decreased by 7% or Php 45.8 million, due to settlements made during the year.

Customers' deposits decreased by 60% to Php 537.6 million, as deposits were recognized as revenue during the period. Retirement benefit obligation increased by 14%, due to higher actuarial accruals. Deferred tax liabilities increased by 5% to Php

3.6 billion, due to higher taxable temporary differences. Lease liabilities increased by 33% to Php 620.8 million, in line with new lease arrangements. Other non-current liabilities increased by 13% or Php 77.2 million, primarily due to higher retention payables and security deposits.

Shareholders' equity increased by 5% to Php 36.0 billion from Php 34.2 billion, mainly attributable to the net income recognized during the year.

Material Changes in the Statements of Final Position for the year ended December 31, 2025

(Increase/decrease of 5% or more versus December 31, 2024 as restated)

- 6% increase in Trade and other receivables – mainly due to installment sales recognized during the year.
- 21% decrease in Contract assets – primarily due to completion of projects and corresponding reclassification to trade receivables.
- 49% increase in Advances to related parties – due to additional advances extended during the period.
- 17% decrease in Advances to real property owners – attributable to collections from joint venture partners.
- 7% increase in Inventories – mainly due to the progress and completion of various projects under construction.
- 11% decrease in Property and equipment – due to depreciation for the period.
- 135% increase in Right of use-asset – reflecting new lease arrangements recognized during the year.
- 5% increase in Other current and non-current assets – primarily due to higher Advances to contractors and suppliers.
- 6% increase in Contract Liabilities - due to higher collections on uncompleted projects relative to percentage of completion.
- 7% decrease in Advances from related parties – due to settlement during the year.
- 60% decrease in Customer's deposit – as these were recognized as revenue during the period.
- 14% increase in Retirement benefit obligation – due to accrual of retirement benefit.
- 5% increase in Deferred tax liability – due to higher taxable temporary difference.
- 33% increase in Lease liability – in line with new lease arrangement.
- 13% increase in Other non-current liabilities – mainly due to higher retention payables and security deposits.

Material Changes in the Statements of Comprehensive Income the year ended December 31, 2025

(Increase/decrease of 5% or more versus December 31, 2024)

- 8% increase in Rental income – primarily due to higher occupancy rates and improved tenant sales during the period.
- 7% decrease in Hotel Operations – mainly attributable to lower occupancy rates.

- 576% increase in Marketing fees – driven by higher marketing income from the sale of joint venture partners' inventory.
- 20% decrease in Cost of real estate sales – mainly due to favorable sales mix, with recognized revenues coming from projects with higher gross profit margins.
- 15% decrease in Cost of hotel operations – in line with the decline in hotel operations.
- 8% increase in Operating expenses – primarily due to higher expenses directly related to increased revenues, as well as higher administrative expenses.
- 31% increase in Finance cost and other charges – mainly due to higher borrowing costs and the recognition of losses on sales cancellations.
- 17% increase on Income tax expense – in line with higher taxable income during the period.

Review for the year ended December 31, 2024 as restated

Results of Operations

For the year ended December 31, 2024, the Group reported consolidated net income of Php 2.16 billion, representing an increase of Php 0.04 billion or 2% from Php 2.11 billion in 2023. The increase was primarily attributable to growth in revenues, partially offset by higher costs and expenses during the period.

Consolidated revenues amounted to Php 8.89 billion, with the bulk derived from real estate sales, hotel operations, rental income, and finance and other income. Revenue growth was mainly driven by continued sales of residential lots and condominium units across key developments, including Newcoast Village (Malay, Aklan), Sta. Barbara Heights (Iloilo), Twin Lakes developments (Laurel, Batangas), Southwoods City projects, Alabang West, Eastland Heights (Antipolo, Rizal), and Arden Botanical Estate (Cavite), as well as condominium projects in Boracay, Southwoods City, Laguna and Twin Lakes.

Cost and expenses amounted to Php 6.73 billion, representing an increase of Php 0.50 billion or 8% from Php 6.23 billion in 2023. The increase was primarily due to higher cost of hotel operations, increased operating expenses, and higher finance costs and other charges.

As a result, while revenues increased, margin expansion was partially offset by higher operating and financing costs, resulting in a modest increase in net income for the year.

Financial Condition

The Group's financial position remained stable as of December 31, 2024, with sufficient capacity to support its growth. Total assets amounted to Php 62.9 billion, representing an increase of Php 1.1 billion or 2% from Php 61.8 billion as of December 31, 2023. The increase was primarily attributable to higher cash and cash equivalents, trade and other receivables and investment properties, partially offset by the decline in inventories and contract assets.

Cash and cash equivalents increased by 8% to Php 2.3 billion from Php 2.1 billion, mainly due to higher collections and additional interest-bearing loans and borrowings. Trade and other receivables increased by 11% to Php 15.3 billion from Php 13.8 billion, primarily due to installment sales recognized during the year. Contract assets decreased by 14% to Php 5.0 billion from Php 5.8 billion, mainly due to completion of projects and corresponding reclassification to trade receivables.

Inventories decreased by 6% to Php 19.8 billion from Php 21.2 billion, primarily due to changes in accounting treatment of borrowing costs and reclassification of certain properties to investment properties, which increased by 13% during the year. Right-of-use assets decreased by 30%, mainly due to amortization.

On the liabilities side, trade and other payables increased by 12% to Php 5.1 billion from Php 4.6 billion, primarily due to higher payables to contractors and suppliers. Contract liabilities decreased by 62% to Php 348.9 million from Php 925.8 million, mainly due to lower sales from uncompleted projects relative to collections.

Advances from related parties decreased by 7% or Php 46.2 million, due to settlements made during the year. Customers' deposits increased by 9% to Php 1.3 billion, reflecting collections from existing buyers and new reservation sales. Retirement benefit obligation increased by 32%, due to higher actuarial accruals. Deferred tax liabilities increased by 5% to Php 3.4 billion, due to higher taxable temporary differences.

Lease liabilities decreased by 10% to Php 465.8 million from Php 517.7 million, mainly due to the expiration of a lease contract during the period.

Other non-current liabilities increased by 16%, mainly due to higher retention payable.

Shareholders' Equity increased from Php 33.5 billion to Php 34.2 billion mainly due to net income for the year.

Material Changes in the Statements of Final Position for the year ended December 31, 2024

(Increase/decrease of 5% or more versus December 31, 2023 as restated)

- 8% increase in Cash and cash equivalents – primarily due to higher collections and additional interest-bearing loans and borrowings.
- 11% increase in Trade and other receivables – mainly due to higher installment sales recognized during the year .
- 14% decrease in Contract assets – primarily due to completion of projects and corresponding reclassification to trade receivables .
- 6% decrease in Inventories – mainly due to change in accounting treatment of borrowing costs and reclassification of certain properties to Investment Properties.
- 13% increase in Investment Properties – mainly transfer from Inventories.
- 30% decrease in Right of use-asset – due to amortization for the period.
- 12% increase in Trade and other payables – mainly due higher payables to contractors and suppliers.

- 62% decrease in Contract Liabilities - due to lower sales from uncompleted projects relative to collections.
- 7% decrease in Advances from related parties – due to settlements made during the year.
- 9% increase in Customer’s deposit – reflecting collection from existing buyers and new reservation sales.
- 32% increase in Retirement benefit obligation – due to higher accrual of retirement benefit.
- 5% increase in Deferred tax liability – due to higher taxable temporary difference.
- 10% decrease in Lease liability – mainly due to the expiration of a lease contract during the period.
- 16% increase in Other Non-current Liabilities – mainly due to higher retention payable.

Material Changes in the Statements of Comprehensive Income the year ended December 31, 2024

(Increase/decrease of 5% or more versus December 31, 2023 as restated)

- 10% decrease in Real estate sales – mainly due to implementation of new accounting standard on concept of significant financing component in the contract to sell.
- 6% increase in Rental income – driven by higher occupancy rates and improved tenant sales.
- 69% increase in Hotel Operations – mainly due to higher occupancy and the continued recovery in tourism and travel.
- 30% increase in Service Income – due to higher service-related revenues during the year.
- 44% decrease in Marketing fees – due to lower marketing income from sale of joint venture partners’ inventory.
- 162% increase in Finance and other income – mainly attributable to higher interest income recognized on real estate sales in line with the implementation of the significant financing component under the new accounting standard.
- 13% decrease in Cost of real estate sales – consistent with the decline in real estate sales .
- 78% increase in Cost of hotel operations – in line with the increase in hotel revenues.
- 29% increase in Operating expenses – primarily due to higher expenses directly related to increased revenues, including commissions, hotel-related expenses, and other administrative costs.
- 121% increase in Finance cost and other charges – mainly due to the implementation of the new accounting standard on borrowing cost for real estate industry.

- 33% decrease on Income tax expense – primarily due to the reversal of deferred tax liabilities on capitalized borrowing costs in connection with the implementation of the new accounting standard.

Review for the year ended December 31, 2023 as restated

Results of Operations

For the year ended December 31, 2023, the Group reported consolidated net income of Php 2.11 billion, representing an increase of Php 0.03 billion or 1% from Php 2.08 billion in 2022. The increase was primarily attributable to growth in revenues, partially offset by higher costs and expenses during the period.

Consolidated revenues amounted to Php 8.34 billion, with the bulk derived from real estate sales, hotel operations, rental income, and service income. Revenue growth was mainly driven by continued sales of residential lots and condominium units across key developments, including Newcoast Village (Malay, Aklan), Sta. Barbara Heights (Iloilo), Twin Lakes developments (Laurel, Batangas), Southwoods City projects, Alabang West, Eastland Heights (Antipolo, Rizal), and Arden Botanical Estate (Cavite), as well as condominium projects in Boracay and Southwoods City.

Cost and expenses amounted to Php 6.23 billion, representing an increase of Php 0.99 billion or 19% from Php 5.25 billion in 2022. The increase was primarily due to higher cost of real estate sales, hotel operations, rentals and services, and income tax expense.

As a result, while revenues increased, margin expansion was constrained by higher operating and tax-related costs, resulting in a modest increase in net income for the year.

Financial Condition

The Group's financial position remained stable as of December 31, 2023, with sufficient capacity to support its growth. Total assets amounted to Php 61.8 billion, representing an increase of Php 4.4 billion or 8% from Php 57.3 billion as of December 31, 2022. The increase was primarily attributable to higher trade and other receivables, contract assets, inventories, and other assets, partially offset by the decline in cash and cash equivalents, investment properties and right-of-use assets.

Cash and cash equivalents decreased by 10% to Php 2.1 billion from Php 2.4 billion, mainly due to payments to contractors and suppliers for ongoing project developments. Trade and other receivables increased by 17% to Php 13.8 billion from Php 11.8 billion, primarily due to installment sales recognized during the year. Contract assets increased by 29% to Php 5.8 billion from Php 4.5 billion, driven by additional sales from uncompleted projects where the percentage of completion exceeded collections.

Inventories increased by 6% to Php 21.2 billion from Php 20.0 billion, mainly due to the progress of various projects under construction. Right-of-use assets decreased by 19%, due to amortization. Other current and non-current assets increased by 14% to

Php 4.7 billion from Php 4.1 billion, primarily due to higher advances to contractors and suppliers.

On the liabilities side, trade and other payables increased by 13% to Php 4.6 billion from Php 4.1 billion, mainly due to higher payables to contractors and suppliers. Interest-bearing loans and borrowings increased by 25% to Php 9.5 billion from Php 7.6 billion, due to the availment of new borrowings. Due to joint venture partners increased by 28% to Php 493.2 million, reflecting higher collections from projects with joint venture partners.

Advances from related parties decreased by 19%, due to settlements made during the year. Customers' deposits decreased by 17% to Php 1.2 billion, as installment sales were recognized during the period. Retirement benefit obligation increased by 29%, due to higher actuarial accruals. Deferred tax liabilities increased by 23% to Php 3.3 billion, due to higher taxable temporary differences. Lease liabilities decreased by 7% to Php 517.7 million, mainly due to the amortization during the period.

Shareholders' equity increased by 5% to Php 39.9 billion from Php 38.2 billion, primarily attributable to the net income generated during the year.

Material Changes in the Statements of Final Position for the year ended December 31, 2023 as restated

(Increase/decrease of 5% or more versus December 31, 2022 as restated)

- 10% decrease in Cash and cash equivalents – mainly due to payments to contractors and suppliers for the ongoing development of various projects.
- 17% increase in Trade and other receivables – primarily due to higher installment sales recognized during the year.
- 29% increase in Contract assets – driven by additional sales from uncompleted projects where the percentage of completion exceeded collections.
- 6% increase in Inventories – mainly due to the progress of various projects under construction.
- 19% decrease in Right of use-asset – due to amortization for the period.
- 14% increase in Other current and non-current assets – primarily due to higher advances to contractors and suppliers .
- 13% increase in Trade and other payables – mainly due to higher payables to contractors and suppliers.
- 25% increase in Interest-bearing loans and borrowings – reflecting the availment of new loans.
- 28% increase in Due to joint venture partners – attributable to higher collections from projects with joint venture partners.
- 19% decrease in Advances from related parties – due to settlements made during the year.
- 17% decrease in Customer's deposit – due to installment sales recognized for the period.
- 29% increase in Retirement benefit obligation – due to increase in accrual of retirement benefit.
- 23% increase in Deferred tax liability – due to higher taxable temporary difference.

- 7% decrease in Lease liability – due to amortization for the period .

Material Changes in the Statements of Comprehensive Income the year ended December 31, 2023 as restated

(Increase/decrease of 5% or more versus December 31, 2022 as restated)

- 10% increase in Real estate sales – primarily due to higher sales recognized during the period.
- 21% increase in Rental income – driven by higher occupancy rates and improved tenant sales.
- 35% increase in Hotel Operations – mainly due to higher occupancy and the continued recovery in tourism and travel.
- 38% increase in Service Income – reflecting higher service-related revenues during the year.
- 6% increase in Marketing fees – due to higher marketing income from the sale of joint venture partners' inventory.
- 29% increase in Finance and other income – mainly attributable to higher interest income on real estate sales and other income sources.
- 31% increase in Cost of real estate sales – in line with the increase in real estate sales.
- 14% increase in Cost of rentals and services – primarily due to costs directly related to higher rental and service income.
- 55% increase in Cost of hotel operations – consistent with the increase in hotel revenues.
- 6% increase in Operating expenses – mainly due to higher expenses directly related to increased revenues, including commissions, hotel-related expenses.
- 5% decrease in Finance cost and other charges – primarily due to lower other finance charges.
- 16% increase on Income tax expense – due to increase in taxable income for the period.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025, 31 December 2024, and 31 December 2023 of the Company are incorporated herein duly signed by the external auditors.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Independent Public Accountants

The Company's Board of Directors and Stockholders, upon the recommendation of the audit committee approved, on 26 June 2025, the designation of Punongbayan and Araullo as the external auditor for the audit of the financial statements of the Company for the year ending 31 December 2025. For the years 2016 to 2022, the handling partner has been Mr. Renan Piamonte, an Audit and Assurance partner of Punongbayan and Araullo. Starting year 2023, the handling partner is Mr. Edcel U. Costales, an Audit and Assurance partner of Punongbayan and Araullo.

Changes in Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company at its subsidiaries.

External Audit Fees and Services

For the audit of the Group's financial statements and services that are normally provided by the external auditors in connection with statutory and regulatory filings for the calendar year reports of 2025, 2024, and 2023, the fee was approximately Php 9.19 million, Php 7.50 million, and Php 6.40 million, respectively.

The external auditors rendered no other assurance and related services to the Company other than the items discussed above.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Conformably with the Company's By-Laws and Manual on Corporate Governance, the Company has nine (9) directors, two (2) of whom are independent directors. The Board is composed of a majority of non-executive directors.

All the incumbent directors possess collective working knowledge, experience and expertise that is relevant to the real estate industry. They have been evaluated by the Corporate Governance Committee and found to meet the qualifications and none of the disqualifications under the Company's Manual and other applicable rules and regulations, including the relevant issuances of the SEC. Accordingly, they were elected during the Annual Stockholders' Meeting held on 26 June 2025.

The table sets forth each member of the Company's Board as of 31 December 2025:

Name	Age	Citizenship	Position
Andrew L. Tan	76	Filipino	Chairman & CEO
Lourdes T. Gutierrez-Alfonso	62	Filipino	Managing Director
Monica T. Salomon	57	Filipino	Director & President
Kevin Andrew L. Tan	46	Filipino	Director (Non-executive)
Ferdinand T. Santos	75	Filipino	Director (Non-executive)
Wilbur L. Chan	66	Filipino	Director & Director for Clubs and Hotels
Giancarlo C. Ng	48	Filipino	Director (Non-executive)
Cresencio P. Aquino	72	Filipino	Independent Director
Maria Milagros C. Yuhico	69	Filipino	Independent Director

The table sets forth the Company's executive officers as of 31 December 2025.

Name	Age	Citizenship	Position
Andrew L. Tan	76	Filipino	Chief Executive Officer
Monica T. Salomon	57	Filipino	President
Lailani V. Villanueva	46	Filipino	Chief Finance Officer/Treasurer, Compliance Officer, Corporate Information Officer
Marie Emelyn Gertrudes C. Martinez	61	Filipino	EVP, Head of Legal
Karen B. Maderazo	47	Filipino	FVP, Head of Human Resources, Corporate Services and Real Estate Management
Felipe L. Mangubat Jr.	60	Filipino	VP, Head of Operations Management
Kirk P. Abot	56	Filipino	VP, Head of Planning and Design
Maria Carla T. Uykim	49	Filipino	Corporate Secretary and Assistant Corporate Information Officer
Nelileen S. Baxa	46	Filipino	Asst. Corporate Secretary
Allan D. Espiritu	45	Filipino	Chief Audit Executive

Detailed information of the abovementioned directors including their directorships for the past five (5) years, as well as information relative to the officers are discussed below:

Board of Directors

ANDREW L. TAN, Filipino, 76 years old, was first elected as Chairman of the Board and Chief Executive Officer ("CEO") of the Company on 12 January 2011. He is also the Chairman of the Board Executive Committee of the Company. Dr. Tan serves as

Chairman of Board of Megaworld Corporation (“Megaworld”), Alliance Global Group, Inc. and Empire East Land Holdings, Inc., which are all publicly listed companies. He pioneered the live-work-play-learn model in real estate development through Megaworld’s integrated township communities, fueling the growth of the business process outsourcing industry. He embarked on the development of integrated tourism and leisure estates through the Company and is the Chairman, President and CEO of Twin Lakes Corporation; Chairman and CEO of Southwoods Ecocentrum Corporation; and Chairman of Southwoods Mall, Inc. and Oceanfront Properties, Inc., all subsidiaries of the Company. He also serves in the boards of other Megaworld subsidiaries including Eastwood Cyber One Corporation, Megaworld Newport Property Holdings, Inc. and Richmonde Hotel Group International Limited. He is also the Chairman Emeritus of Emperador Inc., a publicly-listed company that owns Emperador Distillers, Inc., the leading brandy manufacturer and distributor in the Philippines, and Megaworld Foundation, Inc., Megaworld’s corporate social responsibility arm, which primarily focuses on the promotion of education through scholarship programs for financially handicapped but deserving students, and supports causes that promote poverty alleviation, people empowerment, social justice, good governance and environmental conservation. He is a director of Travellers International Hotel Group, Inc., which owns Newport World Resorts Manila, and the following food and beverage companies: The Bar Beverage, Inc., Alliance Global Brands, Inc. and Golden Arches Development Corporation. Dr. Tan graduated magna cum laude from the University of the East with a Bachelor of Science degree in Business Administration. In 2011, Dr. Tan was conferred by the University of the East the degree of Doctor of Humanities, honoris causa.

LOURDES T. GUTIERREZ-ALFONSO, Filipino, 62 years old, was first elected as Director of the Company on 30 June 2011. Effective 01 March 2015, she was appointed as the Company’s Managing Director to oversee the Company’s business performance and lead in the formulation of overall strategic direction, plans, and policies for the Company. She is also a member of the Board Executive Committee of the Company. She is also the Chairman of Global Estates Properties, Inc., Global-Estate Golf and Development, Inc., Southwoods Mall, Inc., and Megaworld Global Estates, Inc. and director of Twin Lakes Corporation and Southwoods Ecocentrum Corporation, which are all subsidiaries of the Company. She is currently the President of publicly-listed Megaworld Corporation and is a member of Megaworld’s Management Executive Committee. She is concurrently the Chairman of First Oceanic Property Management, Inc. Belmont Newport Luxury Hotels, Inc., Megaworld Global-Estate, Inc., and Savoy Hotel Manila, Inc. She likewise serves as a director of publicly listed-companies, Alliance Global Group, Inc. and MREIT, Inc. and several other companies including Suntrust Properties, Inc., Megaworld Cebu Properties, Inc., Megaworld Resort Estates, Inc., Megaworld Oceantown Properties, Inc., Eastwood Cyber One Corporation, Mactan Oceanview Properties and Holdings, Inc., Megaworld Bacolod Properties, Inc., Davao Park District Holdings, Inc. and Prestige Hotels & Resorts, Inc. She is also a trustee and Corporate Secretary of Megaworld Foundation, Inc. Ms. Gutierrez-Alfonso is a certified public accountant by profession and has extensive experience in real estate and a strong background in finance and marketing. She graduated Cum Laude from Far Eastern University with the degree of Bachelor of Science major in Accounting.

MONICA T. SALOMON, Filipino, 57 years old, has served as Director and President of the Company since 01 March 2015. She is also a member of the Board Executive Committee of the Company. She occupies various roles in several subsidiaries of the Company: Chairman of Golforce, Inc.; Director and President of Global Estates Properties, Inc., Global-Estate Golf and Development, Inc., Global Homes and Communities, Inc., Southwoods Mall, Inc., Megaworld Global-Estates, Inc., and Southwoods Ecocentrum Corporation; and director of Twin Lakes Corporation and Integrated Resorts Property Management, Inc. She is also a Director and Corporate Secretary of the Luxury Global Hotels and Leisure, Inc., and Director and CFO of Megaworld Foundation, Inc. Prior to joining GERI, she was the Head of Megaworld's Corporate Management Division and spearheaded strategic real estate acquisitions and joint ventures for the Megaworld Group. She was also a member of Megaworld's Management Executive Committee, which is responsible for the development and execution of the Group's corporate strategies, policies and initiatives. She obtained her Bachelor of Laws degree in 1994 from the University of the Philippines.

KEVIN ANDREW L. TAN, Filipino, 46 years old, was elected as Director of the Company on 26 June 2014. He is also a member of the Board Risk Oversight Committee and Audit Committee of the Company. He is the Chief Executive Officer, President, Vice Chairman and director of Alliance Global Group, Inc.; Executive Director and Executive Vice-President and Chief Strategy Officer of Megaworld Corporation; President and Chief Executive Officer of MREIT, Inc; and director of Emperador Inc. and Empire East Land Holdings, Inc., all publicly-listed companies. He is also a director of Global Estates Properties, Inc., Global-Estate Golf and Development, Inc., Southwoods Mall, Inc., Southwoods Ecocentrum Corp., and Twin Lakes Corporation, which are subsidiaries of the Company. He also serves as a director of several companies within the Alliance Global Group including Emperador Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., and Emperador Brandy, Inc. He is also the Chairman of Megaworld Foundation, Inc. and the Chairman and President of Alliance Global-Infracorp. Development, Inc. and Agile Digital Ventures, Inc. He has extensive experience in retail leasing, marketing, and operations having previously held the position of Senior Vice President for Commercial Division which markets and operates the Megaworld Lifestyle Malls including but not limited to Eastwood Mall, Venice Piazza at McKinly Hill, Newport Mall, Lucky Chinatown Mall and Uptown Mall. Mr. Tan holds a bachelor's degree in Business Administration major in Management, from the University of Asia and the Pacific.

FERDINAND T. SANTOS, Filipino, 75 years old, was elected as Director of the Company since its incorporation in 1994. He served as the Company's President until his retirement on 28 February 2015. He is also the President of several companies, such as but not limited to Fil-Estate Management Inc. , Metro Global Holdings, Inc., MRT Development Corporation, Fairways & Bluewater Resort Golf & Country Club, Inc., Newport Hills Golf Club, Inc., St. Benedict Realty & Development Inc., Royal Jade Memorial Inc., and Mt. Zion Memorial, Inc. He graduated from Arellano University with Bachelor of Arts degree in 1970 and took his Bachelor of Laws at San Beda College where he graduated Valedictorian and Magna Cum Laude in 1974. He was a topnotcher in the 1974 Philippine Bar (2nd Place).

WILBUR L. CHAN, Filipino, 66 years old, was first elected as Director of the Company on 12 January 2011. He also serves as Director for Hotels and Clubs of the Company and is currently the Chairman of Fairways & Bluewater Resorts Golf & Country Club, Inc. and Global Newcoast Development Corporation. He is also a director of Southwoods Ecocentrum Corporation and Uni-Asia Properties, Inc. He has a Master's Degree in Business Management from the Asian Institute of Management, a Master's Degree in National Security Administration (Silver Medalist) from the National Defense College of the Philippines and a Degree in Command & General Staff Course at Command & General Staff College.

GIANCARLO C. NG, Filipino, 48 years old, was first elected as Director of the Company on 28 August 2020. He is a member of the Corporate Governance Committee and Related Party Transactions Committee of the Company. He is the Sales and Operations Support Vice-President of Progreen Agricorp, Inc. He has 20 years of leadership roles in the areas of Information Technology consulting and customer support. He is experienced in strategic and tactical planning, client relationship management, corporate governance, and change management. Mr. Ng holds a Bachelor of Arts in Humanities and a degree of Master of Science in Information Technology, having graduated Magna Cum Laude in 2000 from the University of Asia and the Pacific.

CRESENCIO P. AQUINO, Filipino, 72 years old, was elected as Independent Director of the Company on 15 February 2018. He is the Chairman of the Board Risk Oversight Committee, Audit Committee and Related Party Transactions Committee and a member of the Corporate Governance Committee of the Company. He is also an independent director in the publicly listed companies, Megaworld Corporation and Empire East Land Holdings, Inc. and Managing Partner of The Law Firm of CP Aquino & Partners. Atty. Aquino has extensive experience in both the public and private sectors as follows: Director of Clark Development Corporation from 2012 to 2016, Independent Director of Suntrust Home Developers, Inc. from 2009 to 2012, Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, member of the Board of Directors of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bank from September 1992 to June 1998, Executive Director of the Department of Interior and Local Government (DILG) from 1998 to 1992, and Ex-Officio Commissioner of the DILG with the Housing and Land Use Regulatory Board also for the same period. Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus and the Lawyers League of the Philippines. He is a graduate of San Sebastian College Manila with degrees in Bachelor of Arts and Bachelor of Laws.

MA. MILAGROS C. YUHICO, Filipino, 69 years old, has served as Independent Director of the Company since 26 June 2025. She is the Chairman of the Corporate Governance Committee and member of the Board Risk Oversight Committee, Audit Committee and Related Party Transactions Committee of the Company. She is likewise an Independent Director of Megaworld Corporation since 2024 and MREIT Property Managers, Inc. ("MPMI"), since 2021. Prior to joining MPMI, Ms. Yuhico rose from

the ranks in Philippine Veterans Bank, serving for 20 years and ultimately served as First Vice President and Head of the Trust and Investment Division. She also held various positions in Peninsula Development Bank, Campomanes Realty and Development Corporation, CAPLIFE (representing CAP Trust Fund), and BIC Investment Corporation (also representing CAP Trust Fund). Ms. Yuhico is a Certified Public Accountant, with extensive experience in the fields of accounting, audit, banking, trust and finance, having held both executive and advisory roles in these fields. She earned her Bachelor of Science degree from De La Salle University and completed a Special Course for Trust at the Trust Institute Foundation of the Philippines.

Key Executive Officers (other than those presented above under “Directors”)

LAILANI V. VILLANUEVA, Filipino, 46 years old, is the Chief Finance Officer, Treasurer, Compliance Officer and Corporate Information Officer of the Company. She joined the Company on 31 January 2011. She is a Certified Public Accountant with over 24 years of experience in accounting and finance. She concurrently holds the position of Director and Treasurer in various subsidiaries of the Company, including but not limited to Global Estates Properties, Inc., Global-Estate Golf and Development, Inc., Southwoods Mall, Inc., and Megaworld Global-Estates, Inc. She is also a Director and Chief Finance Officer of Southwoods Ecocentrum Corporation and Director of Twin Lakes Corporation, Golf force, Inc. and Global Homes and Communities, Inc. Prior to joining the Company, she was Senior Accounting Manager for Megaworld Corporation from 2007 until 2010. Ms. Villanueva obtained her bachelor’s degree in Accountancy from the College of the Immaculate Conception.

MARIE EMELYN GERTRUDES C. MARTINEZ, Filipino, 61 years old, is the Company’s Executive Vice President and Head of the Legal Division. She joined the Company on 13 February 2012. She is also the Corporate Secretary of several subsidiaries of the Company such as Global-Estate Golf and Development, Inc., Golf force, Inc., Sherwood Hills Development, Inc., Global Newcoast Development Corporation, Integrated Resorts Property Management, Inc., Fairways & Bluewater Resorts Golf & Country Club, Inc. and Boracay Newcoast Federation, Inc., to name a few. Before joining GERI, she was the Chief of Staff of the Office of COMELEC Commissioner Augusto C. Lagman, was a Partner in Ponce Enrile Reyes & Manalastas (PECABAR) Law Offices and in Nisce Mamuric Guinto Rivera & Alcantara Law Offices. She was admitted to the Bar in 1991 after obtaining her Bachelor of Laws degree from the University of the Philippines and her Bachelor of Arts major in Economics from the same university.

KAREN B. MADERAZO, Filipino, 47 years old, is the First Vice President and Head of the Company’s Human Resources, Corporate Services and Real Estate Management Division. She joined the Company on 1 October 2013. She is currently the President of Integrated Resorts Property Management, Inc. and a Director of Southwoods City Estate Association, Inc. Ms. Maderazo served as the Senior Manager for Human Resources Division of Megaworld Corporation from May 2005 to September 2013. She also worked for Suyen Corporation from June 2003 to February 2005 as Training Specialist of the Personnel Department. She obtained her Bachelor of Science degree in Psychology and a pursued graduate studies in Psychology both at the Centro Escolar University.

FELIPE L. MANGUBAT, JR., Filipino, 60 years old, is First Vice President and Head of Operations Management of the Company. He joined the Company on 28 January 2013. He is also the Chairman and President of Safehold Property Management, Inc. and director of Boracay Newcoast Federation, Inc and Integrated Resorts Property Management, Inc. A civil engineer by profession, he has extensive experience in project development, having managed various residential, commercial, institutional and industrial projects in the Philippines and in the Middle East. He served as Project Development Head of the Company's Boracay Newcoast and Twin Lakes projects.

KIRK P. ABOT, Filipino, 56 years old, is the Vice President and Head of Planning and Design of the Company. He joined the Company on 20 June 2018. He also holds various positions in several companies, such as Chairman and President of Savoy Hotel Boracay Condominium Corporation and Belmont Hotel Boracay Condominium Corporation; Chairman of Novo Sierra Holdings, Corp. and MCX Corporation, and Director of Safehold Property Management, Inc. An architect by profession, he is a graduate of the Mapua Institute of Technology and ranked in the top 10 of the architectural licensure examinees in 1994. Prior to GERI, he had 21 years of experience and expertise from Megaworld Corporation, where he headed the Building Architectural Group of the Architectural and Planning Department, handling BPO and office projects.

MARIA CARLA T. UYKIM, 49 years old, Filipino, is the Corporate Secretary and Assistant Corporate Information Officer of the Company. She is also the Corporate Secretary of several subsidiaries of the Company such as Global Estate Properties, Inc., Twin Lakes Corporation, Global Homes and Communities, Inc. and Southwoods Mall, Inc. She is the head of the Corporate Advisory and Compliance Division of Megaworld Corporation and a member of the Management Executive Committee. She is concurrently the Corporate Secretary of publicly-listed company MREIT, Inc., and serves as Corporate Secretary in various companies such as Global One Integrated Business Services, Inc., Megaworld Bacolod Properties, Inc., Northwin Properties, Inc., Suntrust Properties, Inc. and Maple Grove Land, Inc. She likewise serves as a Director and Corporate Secretary of various companies, such as Asia Affinity Property Management, Inc., Asian E-commerce, Inc., Luxury Global Malls, Inc., Manila Bayshore Property Holdings, Inc., Megaworld Capital Town, Inc., and Megaworld San Vicente Coast, Inc. Atty. Uykim was previously an Associate at Andres Marcelo Padernal Guerrero and Paras law offices from August 2005 to April 2007, where she specialized in labor and corporate law, and at ACCRA Law from February 2003 to January 2004, where she practiced immigration law. She also served as Chief of Staff of Congresswoman Remedios L. Petilla from July 2004 until June 2005. Atty. Uykim obtained her Juris Doctor Degree from the Ateneo De Manila School of Law in 2002 and is a graduate of the double degree program of De La Salle University, with a Bachelor of Arts in Psychology and a Bachelor of Science in Marketing Management in 1997.

NELILEEN S. BAXA, Filipino, 46 years old, is the Assistant Corporate Secretary of the Company. She is also a Senior Accounting Manager and Assistant Corporate Secretary of Megaworld Corporation, and Chief Risk Officer of Alliance Global Group, Inc., which are publicly listed companies. She is also the Assistant Corporate Secretary of Suntrust Properties, Inc. Ms. Baxa concurrently serves as a Director of Asia Finest

Cuisine, Inc., Bordeaux Properties, Inc., Langham Properties, Inc., Rowenta International, Inc., and Venetian Properties, Inc. She is a Certified Public Accountant with over 23 years of experience in the fields of accounting and finance. Ms. Baxa obtained her Bachelor's Degree in Accountancy from the University of Sto. Tomas.

ALLAN D. ESPIRITU, Filipino, 45 years old, is the Company's Chief Risk Officer and Chief Audit Executive. He joined the Company on 02 November 2021. Prior to joining the Company, he was a full-time internal auditor at Aboitiz Transport System (now known as 2Go Group, Inc.), Philex Mining Corporation, SM Prime Holdings, Inc., and Isla Lipana & Co. (PwC Philippines). He is a Certified Public Accountant (CPA) and a Certified Internal Auditor (CIA). Mr. Espiritu is a graduate of the University of the East in 2003 with a degree of Bachelor of Science in Accountancy.

Significant Employees

While the Company values its workforce, the business of the Company is not highly dependent on the services of personnel outside of Senior Management.

Family Relationships

The Company's Chairman, Mr. Andrew L. Tan, is the father of Mr. Kevin Andrew L. Tan, who serves as one of the Company's Directors. Other than this relationship, there are no known family relationships between the current members of the Board and key officers.

Involvement in Certain Legal Proceedings (over the past 5 years)

The Company has no knowledge of any events that have occurred during the past five (5) years up to the date of this report that would be material to an evaluation of the ability or integrity of any of its directors or executive officers. Specifically, none of them has been involved in any bankruptcy petition; convicted by final judgment in a criminal proceeding or subject, in a personal capacity, to any pending criminal proceeding, whether domestic or foreign, excluding traffic violations or other minor offenses; subject to any order, judgment, or decree of any court of competent jurisdiction, whether domestic or foreign, that permanently or temporarily enjoins, bars, suspends, or otherwise limits their involvement in any type of business, securities, commodities, or banking activities; or found by any domestic or foreign court of competent jurisdiction, regulatory body, exchange, or self-regulatory organization to have violated any securities or commodities law or regulation.

Attendance at Board and Committee Meetings Held in 2025

Name	No. of Meetings Held During the Year	No. of Meetings Attended	Percentage of Attendance
Andrew L. Tan	7	7	100%
Monica T. Salomon	7	7	100%
Lourdes T. Gutierrez-Alfonso	7	7	100%
Ferdinand T. Santos	7	7	100%
Wilbur L. Chan	7	7	100%

Giancarlo C. Ng	7	7	100%
Kevin Andrew L. Tan	7	7	100%
Cresencio P. Aquino (Independent Director)	7	7	100%
Jesus B. Valera ¹ (Independent Director)	4	4	100%
Ma. Milagros C. Yuhico ² (Independent Director)	3	3	100%

The attendance of the members of the Audit Committee at the committee meetings for the year 2025 is as follows:

Name	No. of Meetings Held During the Year	No. of Meetings Attended	Percentage of Attendance
Cresencio P. Aquino (Independent Director/Committee Chairman)	4	4	100%
Jesus B. Valera ³ (Independent Director)	2	2	100%
Ma. Milagros C. Yuhico ⁴ (Independent Director)	2	2	100%
Kevin Andrew L. Tan	4	4	100%

The attendance of the members of the Corporate Governance Committee at the committee meetings for the year 2025 is as follows:

Name	No. of Meetings Held During the Year	No. of Meetings Attended	Percentage of Attendance
Cresencio P. Aquino (Independent Director)	2	2	100%
Jesus B. Valera ⁵ (Independent Director)	1	1	100%
Ma. Milagros C. Yuhico ⁶ (Independent Director/Committee Chairman)	1	1	100%
Giancarlo C. Ng	2	2	100%

While the Company's Amended By-Laws require only a majority to constitute a quorum, attendance records show 100% participation in all Board and committee meetings for the year, thereby ensuring that at least two-thirds of the members were present at all meetings.

¹ Mr. Jesus B. Valera attended a total of four (4) Board of Directors' meetings in 2025 prior to the end of his term as Independent Director on June 25, 2025.

² Ms. Ma. Milagros C. Yuhico attended a total of three (3) Board of Directors' meeting in 2025 since the date of her election as Independent Director on June 26, 2025.

³ Mr. Jesus B. Valera attended a total of two (2) Audit Committee meetings in 2025 prior to the end of his term as Independent Director on June 25, 2025.

⁴ Ms. Ma. Milagros C. Yuhico attended a total of two (2) Audit Committee meetings in 2025 since the date of her election as Independent Director on June 26, 2025.

⁵ Mr. Jesus B. Valera attended a total of two (2) Audit Committee meetings in 2025 prior to the end of his term as Independent Director on June 25, 2025.

⁶ Ms. Ma. Milagros C. Yuhico attended a total of two (2) Audit Committee meetings in 2025 since the date of her election as Independent Director on June 26, 2025.

ITEM 10. EXECUTIVE COMPENSATION

The Company is guided by its Manual on Corporate Governance (the “Manual”) in determining the remuneration of its officers and adheres to the principle that compensation levels should be sufficient to attract and retain qualified and competent officers. As provided in the Manual, it is the responsibility of the Board to ensure that the remuneration of key officers is aligned with the long-term interests of the Company.

SUMMARY COMPENSATION TABLE

NAME	POSITION	YEAR	SALARY	Other Annual Compensation
A. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat, Jr. Lailani V. Villanueva	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	Estimate 2026	27.6 Million	5.6 Million
B. All other officers and directors as a group unnamed			63.1 Million	12.5 Million
A. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat, Jr. Lailani V. Villanueva	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	2025	25.8 Million	5.2 Million
B. All other officers and directors as a group unnamed			59.5 Million	11.7 Million

A. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat, Jr. Lailani V. Villanueva B. All other officers and directors as a group unnamed	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	2024	24.6 Million	5.1 Million
			49.5 Million	10.4 Million
A. Five Most Highly Compensated Officers Monica T. Salomon Wilbur L. Chan Emelyn C. Martinez Felipe L. Mangubat, Jr. Lailani V. Villanueva B. All other officers and directors as a group unnamed	President Director for Hotels and Clubs EVP-Legal Head of Operations Management Chief Finance Officer	2023	23.3 Million	4.9 Million
			37.9 Million	7.8 Million

The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top five highly compensated executives amounted to Php 31.0 million in 2025, and Php 29.7 million in 2024. The projected total annual compensation for the current year is Php 33.2 million.

The total annual compensation paid to all senior personnel from AVP and up are all payable in cash. The total annual compensation includes the basic salary and 13th month pay.

The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The Directors receive reasonable per diem.

On 23 September 2011, the Board of Directors of the Company approved an Executive Stock Option Plan (“ESOP”) and this was approved on 8 November 2011 by stockholders holding at least 2/3 of the outstanding capital stock. The purpose of the Plan is to enable the key Company executives, directors and senior officers who are

largely responsible for its further growth and development to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The Plan is being administered by the Corporate Governance Committee of the Board.

The ESOP provides that stock options may be granted within ten (10) years from the adoption of the ESOP and may be exercised within seven (7) years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for twelve (12) months immediately preceding the date of grant. The options shall vest within three (3) years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three (3) year period. The Company shall receive cash for the stock options.

Pursuant to the ESOP, the Company granted the option to its key company directors and executives to subscribe to a total of 400 million Company shares, which were offered in five (5) tranches for the period 2012 to 2016. The PSE approved the Company's application for the listing of the said shares. The said shares were fully vested but none has been exercised by any of the option holders.

All 5 tranches of the ESOP has expired, the last of which expired on 16 June 2023. Thus, as of 31 December 2024, there are no remaining share options that can be exercised.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

Security ownership of certain record and beneficial owners owning more than 5% of any class of the Corporation's voting securities as of 31 December 2025 are as follows:

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based in total shares)
Common Shares	Megaworld Corporation 30th Floor, Alliance Global Tower, 36 th St. corner 11 th Avenue, Uptown Bonifacio, Taguig City	Megaworld Corporation*	Filipino	9,062,994,139	82.49%
Common shares	PCD Nominee Corporation (Filipino)	Various shareholders	Filipino	1,189,286,562	10.825%

	6/F MKSE Bldg. Ayala Avenue, Makati City				

**Includes direct (9,035,638,139) and indirect (27,356,000) shares. The indirect shares were acquired on April 19, 2024 as disclosed in SEC Form 23-B of Megaworld Corporation.*

Other than the persons identified above, there are no other beneficial owners of more than 5% of the Company's outstanding capital stock that are known to the Company.

Security Ownership of Management

As of 31 December 2025 common shares owned by all directors and executive officers of GERI, representing original issues and stock dividends are as follows:

Title of Class	Name of Beneficial Owner	Amount and nature of Beneficial Ownership as of 31 December 2025	Citizenship	Percent of Class
Common	Dr. Andrew L. Tan	2 (direct)	Filipino	0.00%
Common	Lourdes T. Gutierrez-Alfonso	2 (direct)	Filipino	0.00%
Common	Monica T. Salomon	1 (direct)	Filipino	0.00%
Common	Kevin Andrew L. Tan	2 (direct)	Filipino	0.00%
Common	Ferdinand T. Santos	30,007 (direct)	Filipino	0.00%
Common	Wilbur L. Chan	2,611,826 (direct)	Filipino	0.02%
Common	Giancarlo S. Ng	1 (direct)	Filipino	0.00%
Common	Ma. Milagros C. Yuhico	1000 (direct)	Filipino	0.00%
Common	Cresencio P. Aquino	1 (direct)	Filipino	0.00%
Common	Lailani V. Villanueva	0	Filipino	n/a
Common	Marie Emelyn Gertrudes C. Martinez	0	Filipino	n/a
Common	Karen B. Maderazo	0	Filipino	n/a
Common	Felipe L. Mangubat, Jr.	0	Filipino	n/a
Common	Kirk P. Abot	0	Filipino	n/a
Common	Allan D. Espiritu	0	Filipino	n/a
Common	Maria Carla T. Uykim	0	Filipino	n/a
Common	Nelileen S. Baxa	0	Filipino	n/a

The foregoing information, except for that pertaining to Director Yuhico who was elected only on 26 June 2025, is substantially the same as the information as of 31 December 2024.

Voting Trust Holders of 5% or more

The Company knows of no persons holding more than 5% of common shares under voting trust or similar agreement.

Changes in Control

There has been no change in the control of the Company since it became a subsidiary of Megaworld Corporation.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Group, in its regular conduct of business, has entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, and development, management, marketing, leasing and administrative service agreements.

Advances granted to and obtained from subsidiaries, associates and other related parties are for purposes of working capital requirements.

Except with respect to the Related Party Transactions as discussed in Note 25 to the consolidated financial statements as at 31 December 2025 and 2024 and for each of the last three (3) years ended 31 December, there was no transaction during the last three (3) years involving the Company in which any of its directors or executive officers, any nominee for election as director, or security holder owning 10% or more of the Company's total outstanding shares and members of their immediate family had a material interest.

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

On 10 May 2017, the Board of Directors of the Company formally adopted its New Manual on Corporate Governance (the "Manual") in accordance with Securities and Exchange Commission Memorandum Circular No. 19, Series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies ("Code"). The Manual reflects the Company's commitment to the principles of transparency, accountability, fairness, and integrity, and provides a framework to guide the Board, Management, and employees in the discharge of their duties and responsibilities. It likewise promotes the protection of shareholders' rights, equitable treatment of all shareholders, and recognition of stakeholders' roles.

The Manual establishes mechanisms for effective board oversight, including an internal self-rating system to evaluate the performance of the Board, its committees, and Management, as well as compliance with corporate governance policies.

The Company has designated a Compliance Officer who is not a member of the Board to ensure adherence to sound governance practices. The Compliance Officer monitors compliance with the Manual, advises the Board on governance matters, and ensures that governance-related disclosures are accurate and timely.

The Company ensures that its directors and key officers participate in continuing corporate governance training. In 2025, directors and officers attended programs conducted by recognized institutions, including P&A Grant Thornton, Institute of Corporate Directors, and Center for Global Best Practices, enabling them to remain current with regulatory developments, emerging risks, and leading governance practices.

The Company has exerted its best efforts to comply with the provisions of the Manual and is not aware of any material deviations therefrom. It continues to improve and enhance its governance framework, as well as its existing systems and processes, in line with leading corporate governance practices.

In line with reportorial requirements, the Company annually submits its Integrated Annual Corporate Governance Report, which details its compliance with corporate governance principles, including disclosures on its governance structures, policies, practices, and adherence to the requirements of the Code.

PART V – EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

a.) Exhibits

The following exhibits are incorporated by reference in this report, which have been reviewed and approved by the Board:

1. 2025 Consolidated Audited Financial Statements
2. Annual and Sustainability Report for 2025

No other exhibits, as indicated in the Index to Exhibits are either applicable to the Company or require no answer.

b.) Reports on SEC Form 17- C and Other Disclosures

The following reports were submitted by the Company to the Securities and Exchange Commission and/or The Philippines Stock Exchange, Inc. during the year 2025:

SEC Form 17-C

- Results of Annual Stockholders Meeting and Results of Organizational Meeting of the Board
- Press Release-Megaworld's GERI to develop 116-HA Beachside Estate in Nasugbu, Batangas
- Declaration of Cash Dividends
- Notice of Annual Stockholders' Meeting

Structured Disclosures

- Public Ownership Report
- Foreign Ownership Report
- List of Top 100 Stockholders
- Advisement Letter on Attendance in Board Meetings for 2025
- Annual Report
- Notice of Annual Stockholders' Meeting
- Information Statement
- Quarterly Report
- Integrated Annual Corporate Governance Report
- Results of Annual Stockholders Meeting
- Results of Organizational Board Meeting
- Initial Statement of Beneficial Ownership of Securities
- Certification of Completion of 2025 Corporate Governance Seminar

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in **MAR 19 2026** on , 2026.

By:


Atty. Monica T. Salomon
President
Principal Operating Officer


Lailani V. Villanueva
Chief Finance Officer
Principal Financial Officer

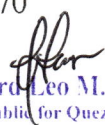

Atty. Maria Carla T. Uykim
Corporate Secretary


Christian R. Sta. Rita
Assistant Vice President
General Accounting I

SUBSCRIBED AND SWORN to before me this **19 MAR 2026** day of , 2026, affiants exhibiting to me their valid identification card, as follows:

<u>NAMES</u>	<u>TIN/UMID/ SSS No./Driver's License</u>	<u>Expiration Date</u>	<u>Place of Issue</u>
Monica T. Salomon	TIN 182-240-560-000	--	Manila
Lailani V. Villanueva	CRN 0002-1985165-5	--	Manila
Maria Carla T. Uykim	TIN 159-353-280-000	--	--
Christian R. Sta. Rita	N03-20-005870	--	--

Doc. No.: 521 ;
Page No.: 106 ;
Book No.: VIII ;
Series of 2026


Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
F RV Mitra Bldg., House of Representative
Batasan Hills, Quezon City
(NP-080 / 2026-2027)
Until December 31, 2027
Roll No. 53953
PTR No. 5052411 - 02-03-2026 - Plaridel Bulacan
MCLE Compliance No. VIII - 26723 04-10-2025
IBP Lifetime No. 7203 (01-17-08)

COVER SHEET

for
FINANCIAL STATEMENTS

Sec Registration Number

A	S	O	9	4	0	0	4	4	6	2

COMPANY NAME

G	L	O	B	A	L		E	S	T	A	T	E		R	E	S	O	R	T	S	,		I	N	C	.		A	N	D
S	U	B	S	I	D	I	A	R	I	E	S																			

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

9	T	H		F	L	O	O	R		E	A	S	T	W	O	O	D		G	L	O	B	A	L		P	L	A	Z	A
P	A	L	M		T	R	E	E		A	V	E	N	U	E		B	A	G	U	M	B	A	Y	A	N				
1	1	1	0		Q	U	E	Z	O	N		C	I	T	Y															

Form Type

A	A	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address

lvillanueva@global-estate.ph

Company's Telephone Number/s

5-328-4374

Mobile Number

N/A

No. of Stockholders

4,116

Annual Meeting (Month / Day)

Last Thursday of June

Fiscal Year (Month / Day)

December-31

CONTACT PERSON INFORMATION

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

Name of Contact Person

LAILANI V. VILLANUEVA

Email Address

lvillanueva@global-estate.ph

Telephone Number/s

5-328-4374

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

9/F Eastwood Global Plaza, Palm Tree Ave., Eastwood City, Bagumbayan, Quezon City

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

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



GLOBAL-ESTATE RESORTS, INC.

9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Global-Estate Resorts, Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Andrew L. Tan
Chairman of the Board

Monica T. Salomon
President

Lailani V. Villanueva
Chief Finance Officer

Signed this 16th day of March, 2026



GLOBAL-ESTATE RESORTS, INC.

9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

SUBSCRIBED AND SWORN to before me this 25 MAR 2026 day of QUEZON CITY, Philippines, affiant(s) exhibited to me their respective Identification Cards, as follows:

NAMES

Identification Number

Andrew L. Tan
Monica T. Salomon
Lailani V. Villanueva

TIN 125-960-003-000
TIN 182-240-560-000
Unified Multi-Purpose ID CRN -0002-1985165-5

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal on the date and place above written.

Doc No. 302
Page No. 62
Book No. 17
Series of Wm


Atty. Richard Leo M. Baldeza
Notary Public for Quezon City
3/F RV Mitra Bldg., House of Representatives,
Batasan Hills, Quezon City
(NP-080 / 2026-2027)
Until December 31, 2027
Roll No. 53953
PTR No. 5052411 / 02-03-2026 / Plaridel Bulacan
MCLE Compliance No. VII - 26723/04-10-2025
IBP Lifetime No. 7203 (01-17-08)

Consolidated Financial Statements and
Independent Auditors' Report

Global-Estate Resorts, Inc. and Subsidiaries

December 31, 2025, 2024 and 2023

(With Corresponding Figures as of January 1, 2024)

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)

9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

Opinion

We have audited the consolidated financial statements of Global-Estate Resorts, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). The consolidated financial performance and consolidated cash flows for the year ended December 31, 2023 are presented in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Philippine Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financing reporting interpretations affecting the real estate industry, using modified retrospective approach. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Revenue Recognition on Real Estate Sales and Determination of Related Costs***Description of the Matter***

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because of the volume of transactions, the complexity of the application of PFRS 15 and the related financial reporting interpretations, and involvement of significant judgment and estimation. Moreover, real estate sales amounted to P5.8 billion or 64.5% of consolidated Revenues and Income while costs of real estate sales amounted to P1.9 billion or 32.1% of consolidated Costs and Expenses for the year ended December 31, 2025. The areas affected by revenue recognition and determination of related costs, which require significant judgment and estimate, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects that defines the amount of revenue to be recognized, and determining the amount of actual costs incurred as cost of real estate sales.

The Group's policies for revenue recognition on real estate sales and determination of costs of real estate sales are more fully described in Note 2 to the consolidated financial statements. The significant judgments applied, and estimates used by management related to revenue recognition and cost determination are more fully described in Note 3 to the consolidated financial statements. The breakdown of real estate sales and costs of real estate sales are also disclosed in Notes 19 and 22, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

We obtained an understanding of the revenue recognition policy regarding real estate sales transactions and the related significant business processes of the Group.

Our procedures in testing the appropriateness and proper application of the Group's revenue recognition policy and process include tests of design and operating effectiveness of relevant controls over real estate sale contract generation and recognition, as well as tests of information technology (IT) general controls. We also performed tests of details to ascertain accuracy and occurrence of revenue recognized through examination of real estate sales contracts and other relevant supporting documents of the samples selected and performed overall analytical review of actual results.

As part of our test of compliance with revenue recognition criteria, we evaluated the reasonableness of management's judgment in determining the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behavior.

Relative to the Group's measurement of progress towards complete satisfaction of performance obligation using the input method, we tested the progress reported for the year in reference to the actual costs incurred relative to the total budgeted project development costs. Our procedures included test of details over recognition and allocation of costs per project and examination of supporting documents. We also conducted ocular inspection of projects selected using risk-based criteria to assess the status of the projects and determine whether the percentage of completion using the input method is consistent with the physical completion of the projects. In testing the reasonableness of budgetary estimates, we ascertained the qualification of projects engineers who prepared the budgets and reviewed the actual performance of completed projects with reference to their budgeted costs.

In relation to cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed understanding of relevant controls over cost recognition and measurement, including IT general controls. On a sampling basis, we traced costs accumulated to supporting documents such as invoices, accomplishment reports and official receipts from the contractors and suppliers.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the relevant accounting frameworks as discussed in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audits resulting in this independent auditors' report is Edcel U. Costales.

PUNONGBAYAN & ARAULLO


By: Edcel U. Costales
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10770757, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 134633-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-045-2025 (until November 11, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-017 (until August 12, 2027)

March 16, 2026

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(With Corresponding Figures as of January 1, 2024)
(Amounts in Philippine Pesos)

	Notes	2025	December 31, 2024 (As Restated – see Note 2)	January 1, 2024 (As Restated – see Note 2)
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	5	P 2,268,417,517	P 2,294,241,764	P 2,126,242,354
Trade and other receivables - net	6	12,101,662,209	11,567,141,423	8,748,155,409
Contract assets	19	3,084,755,155	4,473,585,570	4,002,000,089
Advances to real estate property owners	9	81,052,387	45,424,169	43,536,149
Advances to related parties - net	25	957,290,869	642,546,103	654,603,185
Inventories - net	7	21,277,246,943	19,811,862,169	21,153,887,807
Prepayments and other current assets - net	8	4,301,540,398	4,097,979,626	4,162,728,557
Total Current Assets		44,071,965,478	42,932,780,824	40,891,153,550
NON-CURRENT ASSETS				
Trade and other receivables - net	6	4,077,837,042	3,757,018,414	5,029,437,719
Contract assets	19	847,953,590	526,379,353	1,805,263,926
Advances to real estate property owners	9	1,054,420,063	1,324,000,935	1,293,330,994
Investment in associates - net	10	731,055,666	731,407,570	732,082,333
Investment properties - net	11	11,972,032,134	11,790,096,602	10,465,722,472
Property and equipment - net	12	802,769,091	897,342,019	879,823,190
Right-of-use assets - net	13	285,768,316	121,739,208	174,741,364
Other non-current assets - net	14	822,484,035	769,340,597	515,735,051
Total Non-current Assets		20,594,319,937	19,917,324,698	20,896,137,049
TOTAL ASSETS		P 64,666,285,415	P 62,850,105,522	P 61,787,290,599

	Notes	2025	December 31, 2024	January 1, 2024
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Interest-bearing loans	15	P 1,859,047,059	P 1,908,200,000	P 1,527,430,205
Trade and other payables	16	5,253,582,920	5,123,765,855	4,578,282,611
Contract liabilities	19	217,630,187	86,684,170	479,315,525
Due to joint venture partners	17	476,974,248	491,051,555	493,245,600
Advances from related parties	25	600,225,613	645,983,964	692,155,728
Customers' deposits	2	381,549,776	1,293,781,652	646,053,302
Lease liabilities	13	48,987,432	45,922,954	51,944,177
Total Current Liabilities		8,837,997,235	9,595,390,150	8,468,427,148
NON-CURRENT LIABILITIES				
Interest-bearing loans	15	7,729,279,492	7,603,919,109	7,966,639,384
Contract liabilities	19	152,590,801	262,195,658	446,497,334
Customers' deposits	2	156,059,285	53,829,261	591,620,464
Retirement benefit obligation	23	215,629,086	188,592,383	142,618,469
Deferred tax liabilities - net	24	3,597,632,628	3,442,881,985	3,282,401,885
Lease liabilities	13	571,815,437	419,873,334	465,796,288
Other non-current liabilities	18	654,920,584	577,727,973	495,027,399
Total Non-current Liabilities		13,077,927,313	12,549,019,703	13,390,601,223
Total Liabilities		21,915,924,548	22,144,409,853	21,859,028,371
EQUITY				
Equity attributable to shareholders of the Parent Company:				
Capital stock	26	10,986,000,000	10,986,000,000	10,986,000,000
Additional paid-in capital		4,747,739,274	4,747,739,274	4,747,739,274
Revaluation reserves		62,235,243	52,333,151	62,666,355
Retained earnings		20,215,523,301	18,410,992,600	17,729,120,394
		36,011,497,818	34,197,065,025	33,525,526,023
Non-controlling interest	10	6,738,863,049	6,508,630,644	6,402,736,205
Total Equity		42,750,360,867	40,705,695,669	39,928,262,228
TOTAL LIABILITIES AND EQUITY		P 64,666,285,415	P 62,850,105,522	P 61,787,290,599

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
REVENUES AND INCOME				
Real estate sales	19	P 5,762,839,550	P 5,885,396,891	P 6,508,829,115
Hotel operations	19	885,518,182	956,318,317	567,165,206
Rental income	19	628,568,978	584,179,297	551,559,805
Service income	2	245,565,281	248,232,198	191,002,197
Marketing fees	9	276,462,655	40,897,618	72,567,468
Finance and other income	20	1,138,634,146	1,171,495,292	447,540,825
		<u>8,937,588,792</u>	<u>8,886,519,613</u>	<u>8,338,664,616</u>
COSTS AND EXPENSES				
Cost of real estate sales	21, 22	1,939,737,872	2,422,416,935	2,798,985,876
Cost of hotel operations	21, 22	447,718,650	528,879,515	297,442,621
Cost of rentals and services	21, 22	359,245,568	371,395,395	365,948,174
Other operating expenses	21	2,189,757,710	2,020,349,166	1,571,114,937
Finance costs and other charges	20	1,100,389,911	837,329,141	378,439,296
		<u>6,036,849,711</u>	<u>6,180,370,152</u>	<u>5,411,930,904</u>
PROFIT BEFORE TAX		2,900,739,081	2,706,149,461	2,926,733,712
TAX EXPENSE	24	644,449,584	549,542,890	816,757,817
NET PROFIT		<u>2,256,289,497</u>	<u>2,156,606,571</u>	<u>2,109,975,895</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to consolidated profit or loss				
Remeasurements of retirement benefit obligation	23	13,202,789	(13,777,606)	(11,783,624)
Tax income (expense)	24	(3,300,697)	3,444,402	2,945,906
		<u>9,902,092</u>	<u>(10,333,204)</u>	<u>(8,837,718)</u>
TOTAL COMPREHENSIVE INCOME		<u>P 2,266,191,589</u>	<u>P 2,146,273,367</u>	<u>P 2,101,138,177</u>
Net profit attributable to:				
Parent Company's shareholders		P 1,924,530,701	P 1,780,517,595	P 1,840,185,198
Non-controlling interest		331,758,796	376,088,976	269,790,697
		<u>P 2,256,289,497</u>	<u>P 2,156,606,571</u>	<u>P 2,109,975,895</u>
Total comprehensive income attributable to:				
Parent Company's shareholders		P 1,934,432,793	P 1,770,184,391	P 1,831,347,480
Non-controlling interest		331,758,796	376,088,976	269,790,697
		<u>P 2,266,191,589</u>	<u>P 2,146,273,367</u>	<u>P 2,101,138,177</u>
EARNINGS PER SHARE				
	27			
Basic		P 0.175	P 0.162	P 0.168
Diluted		P 0.175	P 0.162	P 0.167

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Attributable to Shareholders of the Parent Company					Non-controlling Interest (see Note 10)	Total Equity
	Capital Stock (see Note 26)	Additional Paid-in Capital	Revaluation Reserves (see Notes 23 and 24)	Retained Earnings (see Note 26)	Total		
Balance at January 1, 2025	P 10,986,000,000	P 4,747,739,274	P 52,333,151	P 18,410,992,600	P 34,197,065,025	P 6,508,630,644	P 40,705,695,669
Cash dividends	-	-	-	(120,000,000)	(120,000,000)	(101,526,391)	(221,526,391)
Total comprehensive income for the year	-	-	9,902,092	1,924,530,701	1,934,432,793	331,758,796	2,266,191,589
Balance at December 31, 2025	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 62,235,243</u>	<u>P 20,215,523,301</u>	<u>P 36,011,497,818</u>	<u>P 6,738,863,049</u>	<u>P 42,750,360,867</u>
Balance at January 1, 2024, as previously reported	P 10,986,000,000	P 4,747,739,274	P 62,666,355	P 17,729,120,394	P 33,525,526,023	P 6,402,736,205	P 39,928,262,228
Effect of adoption of PFRS 15 and other related interpretations (see Note 2)	-	-	-	(1,098,645,389)	(1,098,645,389)	(141,937,716)	(1,240,583,105)
Balance at January 1, 2024, as adjusted	10,986,000,000	4,747,739,274	62,666,355	16,630,475,005	32,426,880,634	6,260,798,489	38,687,679,123
Cash dividends	-	-	-	-	-	(128,256,821)	(128,256,821)
Total comprehensive income (loss) for the year	-	-	(10,333,204)	1,780,517,595	1,770,184,391	376,088,976	2,146,273,367
Balance at December 31, 2024	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 52,333,151</u>	<u>P 18,410,992,600</u>	<u>P 34,197,065,025</u>	<u>P 6,508,630,644</u>	<u>P 40,705,695,669</u>
Balance at January 1, 2023	P 10,986,000,000	P 4,747,739,274	P 71,504,073	P 16,013,019,982	P 31,818,263,329	P 6,380,952,578	P 38,199,215,907
Cash dividends	-	-	-	(124,084,786)	(124,084,786)	(248,007,070)	(372,091,856)
Total comprehensive income (loss) for the year	-	-	(8,837,718)	1,840,185,198	1,831,347,480	269,790,697	2,101,138,177
Balance at December 31, 2023	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 62,666,355</u>	<u>P 17,729,120,394</u>	<u>P 33,525,526,023</u>	<u>P 6,402,736,205</u>	<u>P 39,928,262,228</u>

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024 (As Restated – see Note 2)	2023 (As Restated – see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 2,900,739,081	P 2,706,149,461	P 2,926,733,712
Adjustments for:				
Finance income	20	(760,512,450)	(871,826,272)	(256,239,353)
Loss on refund and sales cancellation	20	730,508,360	486,290,819	280,950,630
Depreciation and amortization	21	362,943,501	365,350,693	330,610,025
Finance costs	20	357,323,639	345,576,030	97,488,666
Impairment loss	6	6,048,566	98,340,811	-
Foreign currency gains - net	20	(649,233)	(2,238,530)	(7,868,325)
Equity share in net losses (gains) of associates	10	351,904	674,763	(885,098)
Gain on derecognition of payables	20	-	-	(58,504,431)
Operating profit before working capital changes		3,596,753,368	3,128,317,775	3,312,285,826
Increase in trade and other receivables		(633,555,585)	(981,164,953)	(1,699,558,442)
Decrease (increase) in contract assets		1,524,786,971	136,915,949	(1,306,021,278)
Increase in inventories		(1,158,087,834)	(559,151,588)	(581,977,105)
Increase in prepayments and other current assets		(710,489,915)	(187,885,819)	(714,830,420)
Decrease (increase) in advances to real estate property owners		237,856,327	(32,557,961)	(8,764,347)
Increase in other non-current assets		(18,464,631)	(254,667,816)	(85,743,845)
Increase (decrease) in trade and other payables		(583,643,903)	44,835,340	344,140,720
Increase (decrease) in contract liabilities		358,929	(48,153,773)	19,323,353
Increase (decrease) in customers' deposits		(810,001,852)	109,937,147	(244,319,043)
Increase in retirement benefit obligation		29,323,474	22,927,349	11,185,840
Increase in other non-current liabilities		77,192,611	143,064,033	12,021,146
Cash generated from (used in) operations		1,552,027,960	1,522,415,683	(942,257,595)
Interest paid		(254,608,512)	(231,696,522)	(564,068,008)
Interest received		43,731,535	26,166,971	20,143,974
Cash paid for income taxes		(38,129,136)	(44,586,134)	(15,716,270)
Net Cash From (Used in) Operating Activities		1,303,021,847	1,272,299,998	(1,501,897,899)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investment properties	11	(536,470,272)	(751,203,559)	(53,193,742)
Property and equipment	12	(163,557,301)	(112,900,727)	(68,705,344)
Software	14	(20,777,698)	(1,111,896)	(2,926,220)
Cash advances granted to related parties	25	(348,656,373)	(37,780,792)	(57,716,432)
Collections of advances to related parties	25	33,911,607	49,837,874	162,806,973
Proceeds from disposals of property and equipment	12	-	472,783	379,464
Net Cash Used in Investing Activities		(1,035,550,037)	(852,686,317)	(19,355,301)
Balance brought forward		P 267,471,810	P 419,613,681	(P 1,521,253,200)

	Notes	2025	2024	2023
<i>Balance carried forward</i>		P 267,471,810	P 419,613,681	(P 1,521,253,200)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of interest-bearing loans	33	4,000,000,000	1,500,000,000	5,000,000,000
Repayments of interest-bearing loans	33	(3,923,792,558)	(1,481,950,480)	(3,111,599,911)
Cash dividends paid	10, 26	(221,526,391)	(128,256,821)	(372,091,856)
Repayments of advances from related parties	25, 33	(86,381,285)	(105,302,405)	(186,439,309)
Repayment of lease liabilities	33	(67,894,465)	(63,751,311)	(62,506,760)
Cash advances obtained from related parties	25, 33	5,649,409	25,408,216	17,558,165
Net Cash From (Used in) Financing Activities		(293,945,290)	(253,852,801)	1,284,920,329
Effects of Exchange Rates Changes on Cash and Cash Equivalents		649,233	2,238,530	7,868,324
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(25,824,247)	167,999,410	(228,464,547)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,294,241,764	2,126,242,354	2,354,706,901
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 2,268,417,517	P 2,294,241,764	P 2,126,242,354

Supplemental information on consolidated statements of cash flows is fully disclosed in Note 33 to the consolidated financial statements

See Notes to Consolidated Financial Statements.

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Global-Estate Resorts, Inc. (the Company or GERI) was incorporated in the Philippines on May 18, 1994. It is primarily engaged in the development of integrated tourism and leisure estates, and integrated lifestyle communities with residential, retail, hotel and/or leisure components. The Company also engages in land acquisitions and maintains an inventory of raw land for future development.

The registered office address of the Company, which is also its principal place of business, is located at 9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City.

Megaworld Corporation (Megaworld or the parent company) is the parent company of Global-Estate Resorts, Inc. and subsidiaries (the Group). Megaworld is 61.08% owned by Alliance Global Group, Inc. (AGI), the Company's ultimate parent company.

Megaworld was incorporated in the Philippines primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. Megaworld is presently engaged in property-related activities such as product design, construction and property management. Megaworld's real estate portfolio includes residential condominium units, subdivision lots and townhouses, as well as office projects and retail spaces. The registered office address of Megaworld, which is also its principal place of business, is located at the 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

AGI is a holding company with diversified investments in real estate, food and beverage, quick service restaurants and tourism-entertainment and gaming businesses. AGI's registered office address, which is also its primary place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City.

The shares of stock of the Company, Megaworld and AGI are listed at the Philippine Stock Exchange.

1.2 Composition of the Group

The Company holds interests in the following subsidiaries and associates as of December 31, 2025 and 2024 (unless otherwise indicated).

Subsidiaries / Associates	Explanatory Notes	Percentage of Ownership
Subsidiaries:		
Global-Estate Properties, Inc. (GEPI)		100%
Aklan Holdings Inc. (AHI)	(a)	100%
Blue Sky Airways, Inc. (BSAI)	(a)	100%
Fil-Estate Subic Development Corp. (FESDC)	(a)	100%
Fil-Power Construction Equipment Leasing Corp. (FPCELC)	(a)	100%
Golden Sun Airways, Inc. (GSAI)	(a)	100%
La Compañía De Sta. Barbara, Inc. (LCSBI)	(a)	100%
MCX Corporation (MCX)	(a)	100%
Pioneer L-5 Realty Corp. (PLRC)	(a)	100%
Prime Airways, Inc. (PAI)	(a)	100%
Sto. Domingo Place Development Corp. (SDPDC)	(a)	100%
Fil-Power Concrete Blocks Corp. (FPCBC)	(a)	100%
Fil-Estate Industrial Park, Inc. (FEIPI)	(a)	79%
Sherwood Hills Development Inc. (SHDI)	(a)	55%
Global-Estate Golf and Development, Inc. (GEGDI)		100%
Golforce, Inc. (Golforce)	(b)	100%
Southwoods Ecocentrum Corp. (SWEC)	(b)	60%
Philippine Aquatic Leisure Corp. (PALC)	(c)	60%
Global Newcoast Development Corporation (GNDC) [Formerly Fil-Estate Urban Development Corp.]		100%
Novo Sierra Holdings Corp. (NSHC)		100%
Elite Communities Property Services, Inc. (ECPSI)	(d)	100%
Savoy Hotel Boracay, Inc. (SHBI)	(e)	100%
Belmont Hotel Boracay, Inc. (BHBI)	(e)	100%
Chancellor Hotel Boracay, Inc. (CHBI)	(e)	100%
Megaworld Global-Estate, Inc. (MGEI)	(f)	60%
Twin Lakes Corp. (TLC)		51%
Twin Lakes Hotel, Inc. (TLHI)	(g)	51%
Oceanfront Properties, Inc. (OPI)	(h)	50%
Global Homes and Communities, Inc. (GHCI)		100%
Southwoods Mall, Inc. (SMI)		51%
Elite Club & Leisure Inc. (ECLI)	(i)	100%
Integrated Resorts Property Management Inc. (IRPMI)	(i)	100%
Associates:		
Fil-Estate Network, Inc. (FENI)		20%
Fil-Estate Sales, Inc. (FESI)		20%
Fil-Estate Realty and Sales Associates Inc. (FERSAI)		20%
Fil-Estate Realty Corp. (FERC)		20%
Nasugbu Properties, Inc. (NPI)	(j)	14%

Non-controlling interests (NCI) represent the interests not held by the Group in FEIPI, SHDI, SWEC, PALC, MGEI, TLC, TLHI, OPI and SMI (see Note 10.2).

All subsidiaries and associates were incorporated in the Philippines, operate within the country and are engaged in businesses related to the main business of the Company.

Explanatory notes:

- Subsidiaries of GEPI; percentage ownership represents effective ownership of GERI.
- Subsidiaries of GEGDI; percentage ownership represents effective ownership of GERI.
- Subsidiary of SWEC.
- Subsidiary acquired in prior years primarily to manage and administer real estate properties.
- Subsidiaries engaged primarily to operate and manage resort hotels. CHBI is newly incorporated in 2024.
- Subsidiary acquired in prior years primarily to market the Group's projects.
- A subsidiary of TLC. TLHI was incorporated in 2018 to operate Twin Lakes Hotel, one of the real estate projects of TLC.
- Subsidiary through de facto control [see Note 3.1(k)].
- Newly incorporated subsidiaries in 2023, ECLI maintains and manages on the business and operations of clubs, resorts and leisure facilities. IRPMI manages and administers real estate properties.
- Associate through Board of Directors (BOD) representation [see Note 3.1(j)].

1.3 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2025 (including the comparative financial statements as of December 31, 2024, and for the years ended December 31, 2024 and 2023, and the corresponding figures as of January 1, 2024) were authorized for issue by the Group's BOD on March 16, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group as at and for the years ended December 31, 2025 and 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Prior to January 1, 2024, the Group's consolidated financial statements were prepared in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Philippine Securities and Exchange Commission (SEC) in response to the COVID-19 Pandemic [see Note 2.1(b)]. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks, for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed and Adopted by the Group

Prior to January 1, 2024, the Group has availed of several financial reporting reliefs granted by the SEC relating to the number of implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Group adopted the previously deferred provisions of PFRS 15, and the related issuances of the Philippine Interpretations Committee (PIC), and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) using modified retrospective approaches allowed by SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018*, *MC No. 03-2019*, *MC No. 04-2020*, and *MC No. 34-2020 to clarify transitory provision*.

The adoption of these standards and interpretations has resulted to adjustments to the amounts recognized in the consolidated financial statements as at January 1, 2024, with the cumulative effect recognized in equity as an adjustment to the opening balance of Retained Earnings for 2024.

Discussed below are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant consolidated financial statements accounts as at January 1, 2024.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P1,112.7 million and Deferred Tax Liabilities – net decreased by P187.0 million as at January 1, 2024.

(ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*)

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

As a result of the adoption of this interpretation, Contract Assets decreased by P863.7 million and Contract Liabilities decreased by P548.9 million as at January 1, 2024.

The cumulative impact of the foregoing standards and interpretations resulted in P1,240.6 million debit adjustment to the Retained Earnings as at January 1, 2024.

(c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with PAS 1, *Presentation of Financial Statements*. The Group presents a consolidated statement of comprehensive income separate from the consolidated statement of income.

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

The following retrospective reclassifications were made in 2025:

- (i) In 2025, the Group reclassified deferred commissions amounting to P536.3 million and P349.7 million from Prepayments and Other Current Assets to Other Non-current Assets in the 2024 and 2023 consolidated statements of financial position, respectively, to properly reflect the expected reversal of deferred commissions based on the percentage of completion of related projects (see Note 19.3).
- (ii) The Group reclassified certain advances paid for a purchase of certain property amounting to P86.7 million from Investment Properties to Advances to Related Parties in both 2024 and 2023 consolidated statements of financial position to appropriately reflect the nature and substance of the underlying transaction (see Note 11).
- (iii) To conform with the 2025 cash flow presentation, movements in refundable deposits, previously presented as a separate line item, have been reclassified and included as part of the movements in Other Non-current Assets under operating activities. This change in presentation has no impact on the net cash flows from operating activities for the years ended December 31, 2024 and 2023.

Accordingly, the Group presented a third consolidated statement of financial position as of January 1, 2024, in accordance with the requirement under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

The effect of reclassifications in the consolidated statements of financial position as of December 31, 2024 and January 1, 2024 are summarized as follows.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>As previously reported</u>	<u>Effect of Reclassifications</u>	<u>As restated</u>
<u>December 31, 2024:</u>				
<i>Changes in assets:</i>				
Current:				
Advances to related parties - net	2.1(c)(ii)	555,801,049	86,745,054	642,546,103
Prepayments and other current assets - net	2.1(c)(i)	4,634,292,827	(536,313,201)	4,097,979,626
Non-current:				
Investment properties - net	2.1(c)(ii)	11,876,841,656	(86,745,054)	11,790,096,602
Other non-current assets - net	2.1(c)(i)	233,027,396	<u>536,313,201</u>	<u>769,340,597</u>
Net impact on net assets			<u><u>-</u></u>	

<i>(Amounts in PHP)</i>	Note	As previously reported	Effect of Reclassifications	As restated
<u>January 1, 2024:</u>				
<i>Changes in assets:</i>				
Current:				
Advances to related parties - net	2.1(c)(ii)	567,858,131	86,745,054	654,603,185
Prepayments and other current assets - net	2.1(c)(i)	4,512,403,499	(349,674,942)	4,162,728,557
Non-current:				
Investment properties - net	2.1(c)(ii)	10,552,467,526	(86,745,054)	10,465,722,472
Other non-current assets - net	2.1(c)(i)	166,060,109	349,674,942	515,735,051
Net impact on net assets			-	

The effect of reclassifications in the consolidated statements of cash flows for the years ended December 31, 2024 and 2023 are summarized as follows:

<i>(Amounts in PHP)</i>	Note	As previously reported	Effect of Reclassifications	As restated
<u>December 31, 2024:</u>				
<i>Changes in operating activities:</i>				
Increase in prepayments and other current assets - net	2.1(c)(i)	(374,524,078)	186,638,259	(187,885,819)
Decrease in refundable deposits	2.1(c)(iii)	85,209,560	(85,209,560)	-
Increase in other non-current assets - net	2.1(c)(i), 2.1(c)(iii)	(153,239,117)	(101,428,699)	(254,667,816)
Net impact on cash flows			-	
<u>December 31, 2023:</u>				
<i>Changes in operating activities:</i>				
Increase in prepayments and other current assets - net	2.1(c)(i)	(782,707,257)	67,876,837	(714,830,420)
Decrease in refundable deposits	2.1(c)(iii)	1,758,007	(1,758,007)	-
Increase in other non-current assets - net	2.1(c)(i), 2.1(c)(iii)	(19,625,015)	(66,118,830)	(85,743,845)
Net impact on cash flows			-	

The reclassifications did not result in any adjustments to the Group's consolidated statements of comprehensive income and consolidated statements of changes in equity for the years ended December 31, 2024 and 2023.

(d) *Functional and Presentation Currency*

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

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

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2025 that are Relevant to the Group

The Group adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the consolidated financial statements of the Group.

(b) Effective Subsequent to 2025 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have a significant impact on the Group's consolidated financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- (iii) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Company, and its subsidiaries as enumerated in Note 1.2, after the elimination of material intercompany transactions.

The financial statements of entities in the Group that are prepared as of a date different from that of the date of these consolidated financial statements were adjusted to recognize the effects of significant transactions or events, if any, that occur between that date of their reporting period and the date of these consolidated financial statements. Adjustments are also made to bring into line any dissimilar accounting policies that may exist.

Acquired subsidiaries are subject to either of the following relevant policies:

- (a) Business acquisitions of entities not under common control of a principal stockholder are accounted for using the acquisition method of accounting.
- (b) Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities are reflected in the consolidated financial statements at carrying values and no adjustments are made to reflect fair values or recognize any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method. Acquired investment in associate is subject to the purchase method.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

The Group's financial assets include financial assets at amortized cost which are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables [except for value-added tax (VAT) on contracts with customers, Advances to raw landowners and Advances to officers and employees], Advances to Real Estate Property Owners, Advances to Related Parties, and Refundable deposits (as part of Other Non-current Assets account).

Impairment of Financial Assets

The Group applies the simplified approach in measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all trade and other receivables, contract assets, and other financial assets carried at amortized cost. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. The Group uses historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due (see Note 29.2).

In the case of advances to related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of advances to related parties can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

(b) *Financial Liabilities*

Financial liabilities of the Group include Interest-bearing Loans, Trade and Other Payables (except tax-related liabilities), Advances from Related Parties, Due to Joint Venture Partners, Lease Liabilities and Other Non-current Liabilities account (except Advance rental).

2.5 Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

Reposessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the corresponding contract balances to be derecognized and the cost of the reposessed property is recognized in the consolidated statement of comprehensive income.

2.6 Property and Equipment

Property and equipment, except land, are carried at acquisition or construction cost less subsequent depreciation, amortization for property and equipment and any impairment losses. As no finite useful life for land can be determined, the related carrying amount are not depreciated.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building	50 years
Building and office improvements	5-10 years
Transportation and other equipment	5 years
Office furniture, fixtures and equipment	3-5 years

2.7 Investment Properties

Investment properties consist of parcels of land and buildings, including those under construction, held or intended for lease or for capital appreciation or both. These properties are carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Building and improvements	25-50 years
Land development and improvements	20 years

2.8 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties, hotel operations and leasing activities. The Group's leasing activities are accounted for under PFRS 16, *Leases* (see Note 2.9).

The Group develops real properties such as developed land, house and lot, and condominium units. The Group often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for as contract modification on the year of forfeiture. Cumulative revenue and costs recognized on cancelled contracts are reversed in the year of cancellation, and any gain or loss is charged to profit or loss.

- (a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales is presented as part of Real Estate Sales account under Revenues and Income section in the consolidated statement of comprehensive income.
- (b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Real Estate Sales account under Revenues and Income section in the consolidated statement of comprehensive income.
- (c) *Hotel operations* – Revenues from room accommodation and services are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer. For food and beverage, revenue is recognized at a point in time upon delivery to and receipt of food and beverage by the customer.
- (d) *Service income* – Revenue is recognized over time (i.e., time-and-materials basis as the services are provided) until the performance of contractually agreed tasks has been substantially rendered. Service income comprises fees from maintenance of golf course and management fees. This amounts to P245.6 million, P248.2 million, and P191.0 million in 2025, 2024, and 2023, respectively, comprises fees from maintenance of golf course and management fees.
- (e) *Marketing fees* – Revenue is recognized over time in the same amount to which the entity has the right of invoice to the customer. Any amounts remaining unbilled at the end of the reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Company, GEPI, TLC, GEGDI, GNDC, SWEC, and OPI.

Incremental costs of obtaining a contract to sell real property to customers are recognized as Deferred commission under Prepayments and Other Current Assets, and Other Non-current Assets, and is subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs.

Cost of real estate sales include the acquisition of cost of the land, development costs incurred to date and estimated costs to complete the project, determined based on estimates made by the project engineers.

In determining the transaction price, the Group adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Group recognizes interest expense which is presented as part of Finance cost under Finance Cost and Other Charges in the consolidated statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Group recognizes interest income which is presented as part of Finance income under Finance and Other Income in the consolidated statement of comprehensive income.

The Group applies the practical expedient under PFRS 15 where the promised amount of consideration is no longer adjusted for the effects of significant financing component when the Group expects, at contract inception, that the period between when the Group transfers the promised good or service to a customer and when the customer pays for such good or service will be one year or less. The significant judgment used in determining the existence of significant financing component in the contract is disclosed in Note 3.1(d).

Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets [see Note 2.4(a)].

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Customers' Deposits account in the liabilities section of the consolidated statement of financial position

2.9 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

The Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in consolidated profit or loss on a straight-line basis over the lease term.

(b) Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease.

2.10 Impairment of Non-financial Assets

The Group's investments in associates, investment properties, property and equipment, right-of-use assets and other non-financial assets are subject to impairment testing. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.11 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits. The Group's post-employment defined benefit pension plans covers all regular full-time employees. The pension plans are tax-qualified and non-contributory.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

2.12 Share-based Employee Remuneration

The Group grants share options to key executive officers eligible under a stock option plan. The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date. This fair value excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions), if any. The share-based remuneration is recognized as an expense in profit or loss with a corresponding credit to retained earnings.

The expense is recognized during the vesting period based on the best available estimate of the number of share options expected to vest. The estimate is subsequently revised, if necessary, such that it equals the number that ultimately vests on vesting date. No subsequent adjustment is made to expense after vesting date, even if share options are ultimately not exercised.

Upon exercise of share option, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to capital stock with any excess being recorded as additional paid-in capital.

2.13 Basic and Diluted Earnings per Share

Basic earnings per share (EPS) is computed by dividing consolidated net profit by the weighted average number of common shares issued and outstanding during the period, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of common shares outstanding to assume conversion of potentially dilutive shares.

2.14 Borrowing Costs

Borrowing costs, which consists of interest and other costs that the Group incurs in connection with borrowing of funds, are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Prior to January 1, 2024, borrowing costs are capitalized as part of inventories that are actively being prepared for their intended use or sale. However, starting January 1, 2024, these inventories are no longer considered as qualifying assets, and any related borrowing costs will be expensed as incurred [(see Notes 2.1(b)(i) and 7)].

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards require management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

The Group determines whether any non-cancellable period or notice period in a lease would meet the definition of a contract and thus, would be included as part of the lease term. A contract would be considered to exist only when it creates rights and obligations that are enforceable.

In assessing the enforceability of a contract, the Group considers whether the lessor can refuse to agree to a request from the Group to extend the lease. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

(b) Evaluation of the Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

The Group exercises significant judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time.

In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group determines that its performance obligation for pre-completed real estate properties is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments. On the other hand, performance obligation for completed real estate properties is satisfied at a point in time when the control over the real estate property is transferred to the buyer.

(ii) Hotel Operations

The Group determines that its revenue from hotel operations shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the services without the need of reperformance of other companies. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of hotel services as it performs.

In determining the appropriate method to use in recognizing the Group's revenues from food, beverage and other consumer goods, management assesses that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e. generally when the customer acknowledged delivery of goods. The service component of the restaurant operations is deemed as an insignificant cause on the timing of satisfaction of performance obligation since it is only passage of time until the customer receives and consumes all the benefits after delivery of the food and beverage items.

(iii) Service and Other Income

The Group determines that its revenue from services shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group applies the practical expedient to recognize revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity's performance completed to date i.e., generally when the customer has acknowledged the Group's right to invoice.

(iv) Forfeited Collections and Deposits

The Group determines that its revenue from forfeited collections and deposits shall be recognized at point in time in the year the contract was cancelled.

(c) Determining Existence of a Contract with Customer

The Group uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition.

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is either at the pre-selling stage or completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses 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.

In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(e)].

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(d) Determination of the Existence of the Significant Financing Component in the Contract

The Group enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Group's fulfillment of its performance obligations. The Group exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Group or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) *Determination of Collection Threshold for Revenue Recognition*

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(f) *Determination of ECL on Trade and Other Receivables, Contract Assets and Advances to Related Parties*

The Group uses a provision matrix to calculate ECL for trade and other receivables and contract assets. The provision rates are based on days past due for group of various customer segments that have similar loss patterns (i.e., product type, customer type, and coverage by letters of guarantee and other forms of credit insurance).

The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions).

With respect to Advances to Related Parties and other related party receivables, the Group uses the liquidity approach as the receivables are collectible on demand.

Details about the ECL on the Group's trade and other receivables, contract assets and advances to related parties are disclosed in Note 29.2(b) and (c).

(g) *Distinction among Investment Properties and Owner-occupied Properties*

The Group determines whether an asset qualifies as an item of investment properties or owner-occupied property. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the operations of the Group or for administrative purposes.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment properties only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment properties. The Group considers each property separately in making its judgment.

(b) Distinction Between Real Estate Inventories and Investment Properties

Residential and condominium units comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgment.

(i) Evaluation of Change in Use for Transfers to, or from, Investment Properties

The transfers to, or from, investment properties are made when and only when there is a change in use for such property. A mere change in management's intention does not provide sufficient evidence of such a change. Therefore, management exercises judgment in assessing whether the definition of investment property is met by evaluating all relevant facts and circumstances to determine if there is substantive evidence supporting a change in use.

(j) Determination of Significant Influence over Entities in which the Group Holds Less than 20% Ownership

The Group determines whether significant influence exists over an investee company over which the Group holds less than 20% of the investee's capital stock. The Group considers the ability to influence the operating and financial policies of the investee, representation on the board of directors of the investee, provision of essential technical information for the development of the various projects of these investees, and routine participation in management decisions in making its judgment.

Based on management's judgment, the Group considers that it has significant influence over NPI since it has BOD representation which allows them to participate in the financial and operating policy decisions but has no control or joint control of those policies (see Note 1.2).

(k) Consolidation of Entities in which the Company Holds 50% Ownership or Less

Management considers that the Group has de facto control over OPI even though it does not hold more than 50% of the ordinary shares and voting rights of this subsidiary due to the factors discussed below.

The Group holds 50% equity interest over OPI and has: (1) the ability to direct the relevant activities of the subsidiary; (2) the rights to variable returns from its involvement with the subsidiary; and, (3) the ability to use its power to affect its returns from its involvement with the subsidiary. Based on management's judgment, the Company has control over OPI; hence, the said subsidiary was consolidated in the financial statements of the Group (see Note 1.2).

(l) Distinction Between Operating and Finance Leases

The Group has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management assessment, the Group's lease agreements, as lessor, are classified either operating or finance leases.

(m) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 28.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed below and in the succeeding pages.

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using the effective interest rate on the most recent loan. Since the date of the availment is near the initial date of application, management is satisfied that the selected rate reflects the risks specific to the Group.

(b) Business Combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in profit or loss in the subsequent period.

(c) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(d) Determination of Appropriate Discount Rate in Measuring Significant Financing Component

In the sale of real estate properties, the transaction price is recognized at the present value of the installment payments discounted to the date the entity expects to satisfy its performance obligation.

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity.

Specifically, for contracts classified as ‘seller financing,’ the Group bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction. For contracts classified as ‘buyer financing,’ the Group estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Group is considered the borrower.

(e) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 29.2.

(f) Determination of Net Realizable Value of Inventories

In determining the net realizable value (NRV) of inventories, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of these assets is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation and uncertainty and may cause significant adjustments to the Group’s inventories within the next reporting period. In evaluating net realizable value of inventories, recent market conditions and current market prices have been considered. The carrying value of inventories is disclosed in Note 7.

(g) Fair Value of Stock Options

The Group estimates the fair value of the executive stock option by applying an option valuation model, taking into account the terms and conditions on which the executive stock option was granted. The estimates and assumptions used are presented in Note 26.3, which include, among other things, the option’s time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company’s share price and fair value of the Company’s common shares. Changes in these factors can affect the fair value of stock options at grant date.

(h) Estimation of Useful Lives of Investment Properties, Property and Equipment and Right-of-use Assets

The Group estimates the useful lives of investment properties, property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties, property and equipment, and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of investment properties, property and equipment, and right-of-use assets are analyzed in Notes 11, 12 and 13, respectively. Based on management's assessment as at December 31, 2025 and 2024, there are no changes in the estimated useful lives of those assets as of the end of the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(i) *Determination of Realizable Amount of Deferred Tax Assets*

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2025 and 2024 will be fully utilized within the prescribed period of availment. The carrying value of deferred tax assets as of those dates is disclosed in Note 24.

(j) *Impairment of Non-financial Assets*

Impairment review is required to be performed when certain impairment indicators are present. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses required to be recognized on investment properties, property and equipment, and right-of-use assets and other non-financial assets for the years ended December 31, 2025, 2024 and 2023 (see Notes 11, 12 and 13).

(k) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the retirement benefit obligation in the next reporting period.

The amounts of retirement benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 23.2.

(l) *Fair Value Measurement of Investment Properties*

Investment properties is measured using the cost model. The Group determines the fair values of building and building improvements earning rental income through discounted cash flows valuation technique since the information on current or recent prices of assumptions underlying the discounted cash flow approach of investment properties is not available. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates.

These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

For land and land development and improvements, the Group determines the fair value of land through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Notes 11 and 31.3.

4. SEGMENT INFORMATION

4.1 Business Segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group is engaged in the development of residential and office units including urban centers integrating office, residential and commercial components. The Real Estate segment pertains to the development and sale of residential and office projects. The Rental segment includes leasing of office and commercial spaces. The Hotel Operations segment includes hotel services, sale of food and beverages, and parties and events services. The Service Income segment relates to maintenance of golf courses. The Corporate and Others segment includes marketing services, general and corporate income and expense items. The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

4.2 Segment Assets and Segment Liabilities

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

4.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

4.4 Analysis of Segment Information

The tables presented in the succeeding pages present revenue and profit information regarding industry segments for the years ended December 31, 2025, 2024 and 2023 and certain asset and liability information regarding segments at December 31, 2025, 2024 and 2023.

(Amounts in PHP)	2025					
	Real Estate	Rental	Hotel Operations	Service Income	Corporate and Others	Total
TOTAL REVENUES						
Sales to external customers	6,451,069,850	628,568,978	885,518,182	245,565,281	423,884,844	8,634,607,135
Intersegment sales	-	144,495,936	-	187,508,453	166,358,475	498,362,864
Total revenues	6,451,069,850	773,064,914	885,518,182	433,073,734	590,243,319	9,132,969,999
RESULTS						
Segment results	2,222,907,214	293,176,157	98,588,662	(6,368,740)	347,129,673	2,955,432,966
Unallocated expenses	-	-	-	-	-	-
Income from operations						2,955,432,966
Finance income	184,726,975	-	-	-	118,254,683	302,981,658
Finance cost	-	-	-	-	(357,323,639)	(357,323,639)
Equity in net losses of associates	-	-	-	-	(351,904)	(351,904)
Profit before tax						2,900,739,081
Tax expense						(644,449,584)
Net profit before non-controlling interest						2,256,289,497
Non-controlling interest share in net profit						331,758,796
Net profit after non-controlling interest						1,924,530,701
ASSETS AND LIABILITIES						
Segment assets	49,096,147,350	8,129,951,802	1,091,741,094	498,565,246	4,035,620,672	62,852,026,165
Investments in and advances to associates and other parties	-	-	-	-	1,688,346,535	1,688,346,535
Deferred tax assets	8,636,967	-	116,371,147	904,601	-	125,912,715
Total assets	49,104,784,317	8,129,951,802	1,208,112,241	499,469,847	5,723,967,207	64,666,285,415
Segment liabilities	15,643,153,001	684,228,712	542,463,211	231,413,447	1,217,033,549	18,318,291,920
Deferred tax liabilities	3,597,632,628	-	-	-	-	3,597,632,628
Total liabilities	19,240,785,629	684,228,712	542,463,211	231,413,447	1,217,033,549	21,915,924,548
OTHER SEGMENT INFORMATION						
Project and capital expenditures	3,262,892,345	449,725,218	36,974,039	11,677,798	104,792,239	3,866,061,639
Depreciation and amortization	53,204,453	242,173,227	36,204,427	5,719,176	25,642,218	362,943,501
2024 [As restated – see Note 2.1(c)]						
(Amounts in PHP)	Real Estate	Rental	Hotel Operations	Service Income	Corporate and Others	Total
TOTAL REVENUES						
Sales to external customers	6,284,042,299	584,179,297	956,318,317	248,232,198	160,498,774	8,233,270,885
Intersegment sales	-	134,526,804	-	159,147,889	131,865,228	425,539,921
Total revenues	6,284,042,299	718,706,101	956,318,317	407,380,087	292,364,002	8,658,810,806
RESULTS						
Segment results	1,841,261,956	237,515,160	123,985,349	24,632,934	146,500,696	2,373,896,095
Unallocated expenses	-	-	-	-	-	-
Income from operations						2,373,896,095
Finance income	475,910,861	-	-	-	202,593,298	678,504,159
Finance cost	-	-	-	-	(345,576,030)	(345,576,030)
Equity in net losses of associates	-	-	-	-	(674,763)	(674,763)
Profit before tax						2,706,149,461
Tax expense						(549,542,890)
Net profit before non-controlling interest						2,156,606,571
Non-controlling interest share in net profit						376,088,976
Net profit after non-controlling interest						1,780,517,595

(Amounts in PHP)	2024 [As restated – see Note 2.1(c)]					
	Real Estate	Rental	Hotel Operations	Service Income	Corporate and Others	Total
ASSETS AND LIABILITIES						
Segment assets	49,569,785,061	7,247,997,819	1,382,733,899	450,331,180	2,718,929,192	61,369,777,151
Investments in and advances to associates and other parties	-	-	-	-	1,373,953,673	1,373,953,673
Deferred tax assets	475,434	-	104,994,663	904,601	-	106,374,698
Total assets	<u>49,570,260,495</u>	<u>7,247,997,819</u>	<u>1,487,728,562</u>	<u>451,235,781</u>	<u>4,092,882,865</u>	<u>62,850,105,522</u>
Segment liabilities	16,482,180,950	506,091,985	1,328,658,162	301,049,541	83,547,230	18,701,527,868
Deferred tax liabilities	3,442,881,985	-	-	-	-	3,442,881,985
Total liabilities	<u>19,925,062,935</u>	<u>506,091,985</u>	<u>1,328,658,162</u>	<u>301,049,541</u>	<u>83,547,230</u>	<u>22,144,409,853</u>
OTHER SEGMENT INFORMATION						
Project and capital expenditures	3,083,010,045	649,719,792	10,675,135	3,129,797	98,406,319	3,844,941,088
Depreciation and amortization	36,846,113	273,916,907	16,379,618	5,917,628	32,290,427	365,350,693
(Amounts in PHP)	2023 [As restated – see Note 2.1(c)]					
	Real Estate	Rental	Hotel Operations	Service Income	Corporate and Others	Total
TOTAL REVENUES						
Sales to external customers	6,980,858,625	551,559,805	567,165,206	191,002,197	262,983,842	8,553,569,675
Intersegment sales	-	88,920,815	-	128,436,082	95,278,350	312,635,247
Total revenues	<u>6,980,858,625</u>	<u>640,480,620</u>	<u>567,165,206</u>	<u>319,438,279</u>	<u>358,262,192</u>	<u>8,866,204,922</u>
RESULTS						
Segment results	2,277,381,417	279,694,098	34,398,414	25,523,604	150,100,394	2,767,097,927
Unallocated expenses	-	-	-	-	-	-
Income from operations	-	-	-	-	-	2,767,097,927
Finance income	165,624,824	-	-	-	90,614,529	256,239,353
Finance cost	-	-	-	-	(97,488,666)	(97,488,666)
Equity in net earnings of associates	-	-	-	-	885,098	885,098
Profit before tax	-	-	-	-	-	2,926,733,712
Tax expense	-	-	-	-	-	(816,757,817)
Net profit before non-controlling interest	-	-	-	-	-	2,109,975,895
Non-controlling interest share in net profit	-	-	-	-	-	269,790,697
Net profit after non-controlling interest	-	-	-	-	-	<u>1,840,185,198</u>
ASSETS AND LIABILITIES						
Segment assets	49,844,828,238	6,311,850,455	1,212,463,241	380,361,097	2,581,549,248	60,331,052,279
Investments in and advances to associates and other parties	-	-	-	-	1,386,685,518	1,386,685,518
Deferred tax assets	-	-	69,390,142	162,660	-	69,552,802
Total assets	<u>49,844,828,238</u>	<u>6,311,850,455</u>	<u>1,281,853,383</u>	<u>380,523,757</u>	<u>3,968,234,766</u>	<u>61,787,290,599</u>
Segment liabilities	16,420,755,978	524,656,277	1,045,192,215	254,601,763	331,420,253	18,576,626,486
Deferred tax liabilities	3,282,401,885	-	-	-	-	3,282,401,885
Total liabilities	<u>19,703,157,863</u>	<u>524,656,277</u>	<u>1,045,192,215</u>	<u>254,601,763</u>	<u>331,420,253</u>	<u>21,859,028,371</u>
OTHER SEGMENT INFORMATION						
Project and capital expenditures	4,127,443,883	53,193,742	7,796,894	10,228,540	40,448,399	4,239,111,458
Depreciation and amortization	42,107,993	250,417,287	7,715,118	3,974,752	26,394,875	330,610,025

4.5 Analysis of Segment Information

Presented below is a reconciliation of the Group's net revenues to the revenues presented in its consolidated statements of comprehensive income.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net Revenues			
Total segment revenues	9,132,969,999	8,658,810,806	8,866,204,922
Elimination of intersegment revenues	(498,362,864)	(425,539,921)	(312,635,247)
Interest income from significant financing component	(457,530,793)	(193,322,113)	-
Day-one loss on installment contract receivables	<u>-</u>	<u>(25,255,431)</u>	<u>(471,144,412)</u>
Revenues as reported in profit or loss revenues*	<u>8,177,076,342</u>	<u>8,014,693,341</u>	<u>8,082,425,263</u>

**excluding Finance income amounting to P760.5 million, P871.8 million and P256.2 million in 2025, 2024 and 2023, respectively (see Note 20.1)*

There are no revenues from a single customer amounting to 10% or more of the Group's revenue.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as at the end of the reporting periods:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Cash on hand and in banks	1,995,074,231	2,187,689,636
Short-term placements	<u>273,343,286</u>	<u>106,552,128</u>
	<u>2,268,417,517</u>	<u>2,294,241,764</u>

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements are made between seven to 90 days at prevailing market interest rates and earn effective interest ranging from 3.70% to 5.00% in 2025 and 0.20% to 5.85% in 2024.

Interest income earned from cash in banks and short-term placements is included as part of Finance income under the Finance and Other Income account in the consolidated statements of comprehensive income (see Note 20.1).

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following as at December 31:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Current:			
Installment contracts and other trade receivables		10,731,075,945	10,206,545,132
Unearned discount and interest		(42,895,608)	(60,577,303)
VAT on contracts with customers		845,481,269	946,279,179
Rent receivables		581,729,251	449,212,826
Advances to officers and employees	25.7	161,652,922	225,637,939
Advances to raw landowners		72,556,381	58,679,810
Finance lease receivable	28.1	1,874,098	2,873,035
Others		394,919,628	377,173,916
		12,746,393,886	12,205,824,534
Allowance for impairment		(644,731,677)	(638,683,111)
		12,101,662,209	11,567,141,423
Non-current:			
Installment contracts receivable		3,415,634,350	3,294,101,605
Unearned discount and interest		(52,898,948)	(254,058,929)
VAT on contracts with customers		404,734,255	404,734,255
Finance lease receivable	28.1	310,367,385	312,241,483
		4,077,837,042	3,757,018,414

Instalment contract receivables represent receivables from sale of real estate and resort shares for sale and are normally collectible monthly within one to five years. The titles to the real estate and resort shares sold remain with the Group until such receivables are fully collected. The instalment period of sales contracts averages from three to five years.

Instalment contract receivables are noninterest-bearing and are measured at amortized cost using the effective interest method based on the interest rate of comparable financial instruments in the market. Interest income from amortization amounted to P230.7 million, P652.7 million and P165.6 million in 2025, 2024 and 2023, respectively, and is presented as part of Finance income under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 20.1).

Meanwhile, the related day-one loss on the discounting of the interest-free installment contracts receivables amounting to P25.3 million and P472.0 million in 2024 and 2023, respectively, is presented as a deduction against the Real Estate Sales account in the consolidated statements of comprehensive income. There was no similar transaction in 2025.

VAT on contracts with customers represents the VAT component of the contract price of real estate sales to the extent recognized either as instalment contract receivables or contract assets.

Advances to officers and employees are noninterest-bearing, unsecured and settled through salary deduction or liquidation.

Advances to raw landowners are cash advances pertaining to amounts advanced by the Group to certain raw landowners as down payment for lots to be acquired for future real estate development for sale.

Finance lease receivables pertain to the sublease of certain development rights to a third party. Interest income on the finance lease amounted to P24.6 million, P24.8 million and P34.4 million in 2025, 2024 and 2023, respectively, and are presented as part of Finance Income under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 20.1). The Group has effected the offsetting of payments made directly by the Group's sublessee to the head lessor in relation to its finance lease transaction (see Notes 13.2 and 33.2).

Other receivables include interest receivable from third parties and receivable from buyers arising from payments of real property taxes initially assumed by the sellers.

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of year		638,683,111	540,342,300
Impairment loss	21	6,048,566	98,340,811
Balance at end of year		644,731,677	638,683,111

All of the Group's trade and other receivables have been assessed for impairment. In 2025 and 2024, certain rent receivables were assessed to be impaired amounting to P6.0 million and P98.3 million, respectively, and is presented as part of Impairment Loss under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 21). In 2023, the managements assessed that no additional impairment losses are required to be recognized.

As of December 31, 2025 and 2024, certain past due installment contract receivables are not provided with allowance for impairment to the extent of the expected market value of the property sold to the customer since the titles to the real estate properties sold remain with the Group until such receivables are fully collected. This assessment is undertaken each financial year using the simplified approach in measuring ECL as fully disclosed in Note 29.2(b).

7. INVENTORIES

Except for the portion of Golf and resorts shares for sale stated at NRV, inventories at the end of 2025 and 2024 were stated at cost. The details of inventories are shown below.

<i>(Amounts in PHP)</i>	2025	2024
At cost:		
Real estate for sale	12,047,328,728	11,500,692,675
Property development cost	3,523,104,629	2,828,511,998
Raw land inventory	2,571,465,577	2,551,674,081
	<u>18,141,898,934</u>	<u>16,880,878,754</u>
Golf and resort shares for sale at NRV:		
At cost	3,223,759,511	3,019,394,917
Allowance for impairment	(88,411,502)	(88,411,502)
	<u>3,135,348,009</u>	<u>2,930,983,415</u>
	<u>21,277,246,943</u>	<u>19,811,862,169</u>

Real estate for sale mainly pertains to the accumulated costs incurred in developing the Group's horizontal and condominium projects and certain integrated-tourism projects.

Property development costs include on-going costs incurred by the Group for its own projects. In addition, this account also includes the costs incurred by the Group for the joint development of various projects that are treated as joint operations; there were no separate entities created by these joint venture agreements. The joint operations are undertaken under project agreements with different partner operators. The costs relating to these joint projects represent the amount of investments placed by the Group as original investor/developer or the amount assigned/transferred to the Group by associates or by related parties who were the original investors/developers in the project agreement.

Raw land inventory pertains to acquisition costs of raw land intended for future development of real estate for sale, including other costs and expenses incurred to effect the transfer of title of the property to the Group.

Golf and resort shares for sale pertain to proprietary or membership shares (landowner shares and founders shares) that are of various types and costs. The cost of the landowner resort shares is based on the acquisition and development costs of the land and the project. The cost of the founders shares is based on the par value of the resort shares which is P100 per share.

In 2025 and 2024, the Group made reclassifications between Investment Properties and Inventories to appropriately reflect the use of the underlying assets (see Note 11). There were no similar transactions in 2023.

Prior to January 1, 2024, borrowing costs capitalized in 2023 as part of inventories amounted to P1,112.7 million, which represents the costs incurred on the general and specific borrowings obtained by the Group to fund its construction projects. No borrowing costs were capitalized in 2025 and 2024 [see Notes 2.1(b)(i) and 15].

As at December 31, 2025 and 2024, the Group has neither contingent liabilities with regard to the joint operations nor the remote probability of loss that may arise from contingent liabilities.

No impairment losses related to inventories were recognized in 2025, 2024 and 2023. None of the Group's inventories are used as collateral for its interest-bearing loans.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The composition of this account is shown below.

<i>(Amounts in PHP)</i>	Note	2025	2024 [As restated – see Note 2.1(c)]
Advances to contractors and suppliers		2,186,033,477	2,020,966,838
Input VAT		692,333,879	761,398,340
Creditable withholding tax		515,602,577	598,591,942
Prepayments		410,364,357	349,087,496
Deferred commission	19.3	324,361,297	178,596,497
Deferred input VAT		47,604,577	64,059,680
Others		143,957,159	143,995,758
		<u>4,320,257,323</u>	<u>4,116,696,551</u>
Allowance for impairment		<u>(18,716,925)</u>	<u>(18,716,925)</u>
		<u>4,301,540,398</u>	<u>4,097,979,626</u>

Advances to contractors and suppliers pertain to amounts advanced to the Group's contractors and suppliers as down payment for services to be rendered and goods to be delivered to the Group. These advances are classified as current assets as they relate to the development of real estate projects for sale, consistent with the nature and intended use of the underlying projects to which they pertain.

9. ADVANCES TO REAL ESTATE PROPERTY OWNERS

This account represents advances to real estate property owners and various charges in connection with several project agreements entered into by the Group. The terms of the agreements provide that the Group will undertake the improvement, subdivision and development of the properties. The agreements further stipulate that the Group and the property owners share either in the form of the developed real estate properties or upon collection of sales proceeds using certain pre-agreed sharing ratios. Collections of the advances from the said property owners are generally received upon sale of property owners' shares in the projects.

The outstanding amounts, net of unearned discount and interest, at the end of the reporting period are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Advances to real estate property owners	1,155,021,923	1,392,878,251
Unearned discount and interest	(19,549,473)	(23,453,147)
	<u>1,135,472,450</u>	<u>1,369,425,104</u>

The advances to real estate property owners are classified in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	81,052,387	45,424,169
Non-current	1,054,420,063	1,324,000,935
	<u>1,135,472,450</u>	<u>1,369,425,104</u>

The advances that are contractually due within 12 months after the reporting date are classified as current assets, while remaining balances are classified as non-current assets.

The net commitment for construction expenditures of the Group amounted to:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Total commitment for construction expenditures	8,243,639,758	7,616,013,863
Total expenditures incurred	(6,757,230,204)	(6,489,610,354)
Net commitment	<u>1,486,409,554</u>	<u>1,126,403,509</u>

The list of the Group's projects which are joint operations are as follows:

- Alabang West
- Caliraya Spring
- Eastland Heights
(formerly: Forest Hills)
- Kingsborough
- Monte Cielo de Peñafrancia
- Mountain Meadows
- Newport Hills
- Pahara at Southwoods
- Sta. Barbara Heights Phase 2 & 3
- Sta Barbara Heights Shophouse District
- The Hamptons Caliraya
- The Fifth

As at December 31, 2025 and 2024, the Group has neither contingent liabilities with regard to these joint operations nor has assessed that the probability of loss that may arise from contingent liabilities is remote.

The amortization of unearned discount and interest amounted to P3.9 million, P3.8 million and P3.9 million in 2025, 2024 and 2023, respectively, and is presented as part of Finance income under the Finance and Other Income account under the Revenues and Income section in the consolidated statements of comprehensive income (see Note 20.1).

The real estate property owners related to the Alabang West, Pahara at Southwoods, Eastland Heights and The Hamptons Caliraya projects were charged of marketing fees in 2025, 2024 and 2023 amounting to P276.5 million, P40.9 million and P72.6 million, respectively, which are presented as Marketing fees under the Revenues and Income section in the consolidated statements of comprehensive income.

All of the Group's advances have been analyzed for ECL. Based on management's evaluation, the expected credit loss is not significant [see Note 29.2(c)].

10. INVESTMENTS IN ASSOCIATES AND NON-CONTROLLING INTERESTS

10.1 Investments in Associates

The components of the carrying values of investments in associates accounted for under the equity method at the end of the reporting periods are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Acquisition costs - NPI	<u>734,396,528</u>	<u>734,396,528</u>
Accumulated equity share in net losses –		
Balance at beginning of year	(2,988,958)	(2,314,195)
Equity share in net losses	<u>(351,904)</u>	<u>(674,763)</u>
Balance at end of year	<u>(3,340,862)</u>	<u>(2,988,958)</u>
	<u>731,055,666</u>	<u>731,407,570</u>

The Group's equity share in net losses from its investment in associates is presented as part of Miscellaneous under Finance Costs and Other Charges in the consolidated statements of comprehensive income (see Note 20).

Investments in FENI, FESI, FERSAI and FERC were written off in previous years.

Significant influence that exists in these associates is brought about by the Group's provision of essential technical information for the development of the various projects of these investee companies.

The place of incorporation, which is also the principal place of business, of the Group's associates is presented below.

- (a) NPI, FESI – Renaissance Towers, Meralco Avenue, Pasig City
- (b) FERC, FENI, FERSAI – Paragon Plaza, Reliance St., Mandaluyong City

The aggregated amounts of assets, liabilities, revenues and net loss of NPI are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current assets	2,784,202	2,823,943
Non-current assets	5,594,585,843	5,594,585,843
Current liabilities	1,250,639,730	1,248,174,811
Revenues	91	104
Net loss	2,336,824	5,194,765

NPI does not have any non-current liabilities as of December 31, 2025 and 2024.

The reconciliation of the above summarized information to the carrying amount of the interest in NPI is as follows:

<i>(Amounts in PHP)</i>	2025	2024
Net assets at end of year	4,346,730,315	4,349,243,915
Equity ownership interest	14%	14%
	608,542,244	608,894,148
Nominal goodwill	122,513,422	122,513,422
Balance at end of year	731,055,666	731,407,570

The fair values of the associates' shares of stock are not available as of the end of the reporting periods.

As of December 31, 2025 and 2024, the investment in an associate is not impaired due to the active efforts of the management to raise funds in order to push through with the associate's projects.

10.2 Subsidiaries with Material Non-controlling Interests

The Group includes subsidiaries with material NCI, with details shown below.

<i>(Amounts in PHP)</i>		Proportion of Ownership Interest and Voting Rights Held by NCI		Profit Allocated to NCI		Accumulated NCI	
Name of Subsidiary	Material NCI	2025	2024	2025	2024	2025	2024
TLC	Various shareholders	49%	49%	177,375,985	190,311,317	4,291,125,507	4,089,290,249
SMI	Megaworld	49%	49%	37,382,925	8,162,262	1,114,806,193	1,119,215,692
OPI	Various shareholders	50%	50%	40,845,530	75,998,455	444,955,314	404,109,783
SWEC	Various shareholders	40%	40%	59,850,427	84,094,193	412,859,023	405,905,903

In 2025, SMI and SWEC declared and paid cash dividends to the NCI amounting to P49.3 million and P52.2 million, respectively. In 2024, OPI and SWEC declared and paid cash dividends to the NCI amounting to P60.0 million, and P68.3 million, respectively. In 2023, SMI, OPI and SWEC declared and paid cash dividends to the NCI amounting to P157.9 million, P50.0 million, and P40.1 million, respectively, and is presented in the consolidated statements of changes in equity.

The place of incorporation of TLC, SMI, SWEC and OPI is summarized below.

- (a) TLC and SMI – Renaissance Towers, Meralco Avenue, Pasig City
- (b) SWEC – Southwoods Ecocentrum, Brgy. Soro-Soro, Biñan, Laguna
- (c) OPI – 5th Floor, F&M Lopez II Building, 109 C. Palanca St., Legaspi Village, Makati City

10.3 Interest in Unconsolidated Structured Entities

The Group has no interests in unconsolidated structured entities.

The summarized financial information of TLC, SMI, SWEC and OPI, before intragroup eliminations, are shown below.

(Amounts in PHP)

	TLC		SMI		SWEC		OPI	
	2025	2024	2025	2024	2025	2024	2025	2024
Current assets	7,138,535,356	7,098,951,929	625,519,419	509,008,792	1,177,771,287	1,133,125,437	1,600,074,591	1,088,982,315
Non-current assets	6,133,751,325	5,699,242,304	2,423,799,173	2,539,347,206	316,919,297	362,032,732	71,696,753	584,419,333
Total assets	13,272,286,681	12,798,194,233	3,049,318,592	3,048,355,998	1,494,690,584	1,495,158,169	1,671,771,344	1,673,401,648
Current liabilities	2,018,315,982	1,611,895,319	568,317,060	598,829,127	292,298,598	225,695,527	532,951,929	674,285,123
Non-current liabilities	2,496,571,705	2,840,808,609	221,106,553	165,413,213	174,127,978	254,697,885	237,951,709	190,896,957
Total liabilities	4,514,887,687	4,452,703,928	789,423,613	764,242,340	466,426,576	480,393,412	770,903,638	865,182,080
Equity attributable to shareholders of the Company	4,466,273,487	4,256,200,056	1,145,088,786	1,164,897,966	615,404,985	608,858,854	444,955,315	404,109,785
Non-controlling interests	4,291,125,507	4,089,290,249	1,114,806,193	1,119,215,692	412,859,023	405,905,903	444,955,314	404,109,783
Revenue	1,678,543,621	1,629,441,797	391,901,701	385,718,952	416,371,465	416,371,465	436,650,101	346,477,942
Profit for the year attributable to shareholders of the Company	184,615,821	198,079,126	38,398,395	8,495,416	89,212,659	126,141,290	40,845,530	75,998,455
Profit for the year attributable to NCI	177,375,985	190,311,317	37,382,925	8,162,262	59,850,427	84,094,193	40,845,530	75,998,455
Profit for the year	361,991,806	388,390,443	75,781,320	16,657,678	149,063,086	210,235,483	81,691,060	151,996,910
Net cash from operating activities	182,912,836	53,804,912	78,985,295	95,961,207	136,987,948	137,078,223	241,796,108	214,989,408
Net cash from (used in) investing activities	(44,960,586)	(54,083,598)	(9,997,417)	(5,679,618)	81,947	(108,596)	60,144	28,747
Net cash from (used in) financing activities	(145,458,055)	(179,560,695)	(100,946,330)	(70,660,893)	(130,000,000)	(170,000,000)	(225,263,347)	(205,490,474)
Effect of foreign currency exchange rates	207,488	1,680,354	-	-	-	-	-	-
Net cash inflow (outflow)	(7,298,317)	(178,159,027)	(31,958,452)	19,620,696	7,069,895	(33,030,373)	16,592,905	9,527,681

TLC, SMI, SWEC and OPI have no other comprehensive income in the years 2025, 2024 and 2023; hence, the respective total comprehensive income of these subsidiaries are the same with the profit recognized in both years.

11. INVESTMENT PROPERTIES

The Group's investment properties comprise of buildings and several parcels of land which are owned to earn rental income or for capital appreciation or for both. The gross carrying amounts and accumulated depreciation and amortization of investment properties at the beginning and end of the reporting periods are show as follows:

<i>(Amounts in PHP)</i>	Building and Improvements	Land and Land Development and Improvements	Construction in Progress	Total
December 31, 2025				
Cost	6,800,453,115	5,352,776,667	1,851,302,859	14,004,532,641
Accumulated depreciation and amortization	(1,892,794,968)	(139,705,539)	-	(2,032,500,507)
Net carrying amount	4,907,658,147	5,213,071,128	1,851,302,859	11,972,032,134
December 31, 2024				
[As Restated – see Note 2.1 (c)]				
Cost	6,767,952,860	5,501,657,801	1,361,212,738	13,630,823,399
Accumulated depreciation and amortization	(1,701,021,258)	(139,705,539)	-	(1,840,726,797)
Net carrying amount	5,066,931,602	5,361,952,262	1,361,212,738	11,790,096,602
January 1, 2024				
[As Restated – see Note 2.1 (c)]				
Cost	6,583,985,438	5,468,006,225	39,192,350	12,091,184,013
Accumulated depreciation and amortization	(1,485,756,002)	(139,705,539)	-	(1,625,461,541)
Net carrying amount	5,098,229,436	5,328,300,686	39,192,350	10,465,722,472

A reconciliation of the carrying amounts of investment properties at the beginning and end of the reporting periods is as follows:

<i>(Amounts in PHP)</i>	Building and Improvements	Land and Land Development and Improvements	Construction in Progress	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization				
As previously reported	5,066,931,602	5,448,697,316	1,361,212,738	11,876,841,656
Effect of reclassification	-	(86,745,054)	-	(86,745,054)
As restated [see Note 2.1 (c)]	5,066,931,602	5,361,952,262	1,361,212,738	11,790,096,602
Additions	32,500,255	13,879,896	490,090,121	536,470,272
Reclassifications	-	(162,761,030)	-	(162,761,030)
Depreciation and amortization charges for the year	(191,773,710)	-	-	(191,773,710)
Balance at December 31, 2025, net of accumulated depreciation and amortization	4,907,658,147	5,213,071,128	1,851,302,859	11,972,032,134
Balance at January 1, 2024, net of accumulated depreciation and amortization				
As previously reported	5,098,229,436	5,415,045,740	39,192,350	10,552,467,526
Effect of reclassification	-	(86,745,054)	-	(86,745,054)
As restated [see Note 2.1 (c)]	5,098,229,436	5,328,300,686	39,192,350	10,465,722,472
Additions	193,322,025	33,651,576	524,229,958	751,203,559
Reclassifications	(9,354,603)	-	797,790,430	788,435,827
Depreciation and amortization charges for the year	(215,265,256)	-	-	(215,265,256)
Balance at December 31, 2024, net of accumulated depreciation and amortization	5,066,931,602	5,361,952,262	1,361,212,738	11,790,096,602

<i>(Amounts in PHP)</i>	Building and Improvements	Land and Land Development and Improvements	Construction in Progress	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization				
As previously reported	5,252,001,092	5,401,792,801	51,918,605	10,705,712,498
Effect of reclassification	-	(86,745,054)	-	(86,745,054)
As restated [see Note 2.1 (c)]	5,252,001,092	5,315,047,747	51,918,605	10,618,967,444
Additions	28,099,715	13,252,939	11,841,088	53,193,742
Reclassifications	24,567,343	-	(24,567,343)	-
Depreciation and amortization charges for the year	(206,438,714)	-	-	(206,438,714)
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>5,098,229,436</u>	<u>5,328,300,686</u>	<u>39,192,350</u>	<u>10,465,722,472</u>

Rental revenues recognized in 2025, 2024 and 2023 amounted to P628.6 million, P584.2 million and P551.6 million, respectively, and are presented as Rental Income account under Revenues and Income section of the consolidated statements of comprehensive income (see Note 19.1). Depreciation and amortization charges substantially represent the direct costs in leasing these properties and is presented as part of Cost of Rentals and Other Operating Expenses in the consolidated statements of comprehensive income (see Notes 21 and 22.3). Other operating costs in leasing these properties include real property taxes amounting to P47.2 million, P43.0 million and P41.9 million in 2025, 2024 and 2023, respectively; and repairs and maintenance amounting to P1.6 million, P11.5 million and P12.4 million in 2025, 2024 and 2023, respectively. Real property taxes are included as part of Taxes and licenses in the consolidated statements of comprehensive income (see Note 21), while Repairs and maintenance is presented as part of Cost of Rentals (see Note 22.3).

The depreciation and amortization charges is allocated and presented in the consolidated statements of comprehensive income as follows:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Cost of rentals and services	22.3	188,633,031	211,017,372	201,083,625
Other operating expenses	21	3,140,679	4,247,884	5,355,089
		<u>191,773,710</u>	<u>215,265,256</u>	<u>206,438,714</u>

Except for the construction in progress and land held for undetermined future use, all of the Group's investment properties generated rental income as at December 31, 2025 and 2024. In 2025 and 2024, there are no new contractual commitments for construction in progress projects.

In 2025, the Group reclassified land development costs with total carrying amount of P144.5 million from Property and Equipment to Land and Land development and improvements under Investment Properties (see Note 12). The reclassification was made as the land development costs provide benefits to certain properties intended for lease, of which the development has commenced during the year.

Further in 2025, the Group reclassified Land and Land development and improvements under Investment Properties amounting to P307.3 million to Inventories as actual development activities commenced during the year with the intention of selling them in the ordinary course of business (see Note 7).

In 2024, the Group reclassified projects from property development costs and real estate for sale amounting to P797.8 million to Construction in progress under Investment Properties, as development activities of the lease portion of these projects commenced. Also, Building and improvements under Investment Properties with a carrying amount of P9.4 million were reclassified to Inventories (see Note 7).

There were no transfers to, or from, investment properties in 2023.

Based on management's estimate, the fair value of building and improvements amounted to P12,374.3 million and P15,476.2 million as determined by calculating the present value of the cash inflows anticipated until the end of the life of the investment properties using the same discount rate of 7.80% as at December 31, 2025 and 2024, respectively.

On the other hand, the fair value of land and land development and improvements amounted to P30,250.2 million and P31,697.9 million as determined through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property as at December 31, 2025 and 2024, respectively.

The carrying amount of construction in progress approximates its fair value as the costs capitalized reflect current market-based inputs, and no indicators of impairment were identified at the reporting date.

Other information about the fair value measurement and disclosures related to the investment properties are presented in Note 31.3.

The capitalized borrowing costs on investment properties amounted to P405.5 million and P399.9 million in 2025 and 2024 based on capitalization rates of 6.51% and 7.29%, respectively. There were no capitalized borrowing costs incurred for investment properties in 2023 (see Note 15).

None of the Group's investment properties are used as collateral for its interest-bearing loans.

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of the reporting periods are as follows:

<i>(Amounts in PHP)</i>	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Building and Office Improvements	Total
December 31, 2025						
Cost	1,600,000	1,030,532,733	527,490,183	399,602,944	214,412,320	2,173,638,180
Accumulated depreciation and amortization	-	(468,796,339)	(392,348,306)	(359,111,746)	(150,612,698)	(1,370,869,089)
Net carrying amount	1,600,000	561,736,394	135,141,877	40,491,198	63,799,622	802,769,091
December 31, 2024						
Cost	1,600,000	1,165,621,185	433,472,231	374,202,689	179,720,684	2,154,616,789
Accumulated depreciation and amortization	-	(450,237,772)	(340,274,123)	(342,632,875)	(124,130,000)	(1,257,274,770)
Net carrying amount	1,600,000	715,383,413	93,198,108	31,569,814	55,590,684	897,342,019

<i>(Amounts in PHP)</i>	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Building and Office Improvements	Total
January 1, 2024						
Cost	1,600,000	1,165,621,185	372,285,946	340,778,022	161,903,693	2,042,188,846
Accumulated depreciation and amortization	-	(436,786,983)	(299,526,256)	(322,123,817)	(103,928,600)	(1,162,365,656)
Net carrying amount	<u>1,600,000</u>	<u>728,834,202</u>	<u>72,759,690</u>	<u>18,654,205</u>	<u>57,975,093</u>	<u>879,823,190</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the reporting periods is shown below.

<i>(Amounts in PHP)</i>	Land	Building	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Building and Office Improvements	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization	1,600,000	715,383,413	93,198,108	31,569,814	55,590,684	897,342,019
Additions	-	9,447,458	94,017,952	25,400,255	34,691,636	163,557,301
Reclassifications	-	(144,535,910)	-	-	-	(144,535,910)
Depreciation and amortization charges for the year	-	(18,558,567)	(52,074,183)	(16,478,871)	(26,482,698)	(113,594,319)
Balance at December 31, 2025, net of accumulated depreciation and amortization	<u>1,600,000</u>	<u>561,736,394</u>	<u>135,141,877</u>	<u>40,491,198</u>	<u>63,799,622</u>	<u>802,769,091</u>
Balance at January 1, 2024, net of accumulated depreciation and amortization	1,600,000	728,834,202	72,759,690	18,654,205	57,975,093	879,823,190
Additions	-	-	61,186,285	33,897,451	17,816,991	112,900,727
Disposals	-	-	-	(472,783)	-	(472,783)
Depreciation and amortization charges for the year	-	(13,450,789)	(40,747,867)	(20,509,059)	(20,201,400)	(94,909,115)
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>1,600,000</u>	<u>715,383,413</u>	<u>93,198,108</u>	<u>31,569,814</u>	<u>55,590,684</u>	<u>897,342,019</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	1,600,000	742,451,421	55,194,723	17,847,170	66,676,934	883,770,248
Additions	-	-	46,831,795	12,945,238	8,928,311	68,705,344
Disposals	-	-	-	(379,464)	-	(379,464)
Depreciation and amortization charges for the year	-	(13,617,219)	(29,266,828)	(11,758,739)	(17,630,152)	(72,272,938)
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>1,600,000</u>	<u>728,834,202</u>	<u>72,759,690</u>	<u>18,654,205</u>	<u>57,975,093</u>	<u>879,823,190</u>

Depreciation and amortization of property and equipment is presented as part of Depreciation and amortization under Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

In 2025, the Group reclassified property and equipment with a total carrying amount of P144.5 million to Land and Land development and improvements under Investment Properties (see Note 11). There was no similar transaction in 2024 and 2023.

The Group disposed its property and equipment at its carrying value amounting to P0.5 million and P0.4 million, with no resulting gain or loss in 2024 and 2023, respectively. There was no similar transaction in 2025.

The Group's fully depreciated assets that are still being used in operations has a total original cost of P935.5 million and P709.6 million as at December 31, 2025 and 2024, respectively.

None of the Group's property and equipment are used as collateral for its interest-bearing loans and borrowings.

13. LEASES

The Group, as a lessee, has leases for certain offices and commercial lots. With the exception of short-term leases, each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability.

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

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated statements of financial position.

	<u>Number of right-of-use assets leased</u>	<u>Range of remaining term</u>	<u>Average remaining term</u>	<u>Number of leases with extension options</u>	<u>Number of leases with termination options</u>
December 31, 2025					
Offices	7	1 – 5 years	4 years	7	7
Commercial lot	2	12 – 13 years	13 years	2	2
December 31, 2024					
Offices	7	1 – 3 years	2 years	7	7
Commercial lot	2	13 – 14 years	14 years	2	2
December 31, 2023					
Offices	8	1 – 4 years	3 years	8	8
Commercial lot	2	14 – 15 years	15 years	2	2

13.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at December 31, 2025, 2024 and 2023, and the movements during the periods are shown below and in the succeeding page.

<i>(Amounts in PHP)</i>	<u>Offices</u>	<u>Commercial Lot</u>	<u>Total</u>
December 31, 2025			
Cost			
Balance at beginning of year	236,832,601	100,047,032	336,879,633
Additions	215,967,672	-	215,967,672
Derecognition of expired leases	(188,757,810)	-	(188,757,810)
Balance at end of year	<u>264,042,463</u>	<u>100,047,032</u>	<u>364,089,495</u>
Accumulated amortization			
Balance at beginning of year	183,063,380	32,077,045	215,140,425
Amortization for the year	46,850,696	5,087,868	51,938,564
Derecognition of expired leases	(188,757,810)	-	(188,757,810)
Balance at end of year	<u>41,156,266</u>	<u>37,164,913</u>	<u>78,321,179</u>
Carrying amount at December 31, 2025	<u>222,886,197</u>	<u>62,882,119</u>	<u>285,768,316</u>

<i>(Amounts in PHP)</i>	Offices	Commercial Lot	Total
December 31, 2024			
Cost			
Balance at beginning and end of year	236,832,601	100,047,032	336,879,633
Accumulated amortization			
Balance at beginning of year	135,149,093	26,989,176	162,138,269
Amortization for the year	47,914,287	5,087,869	53,002,156
Balance at end of year	183,063,380	32,077,045	215,140,425
Carrying amount at December 31, 2024	53,769,221	67,969,987	121,739,208
December 31, 2023			
Cost			
Balance at beginning of year	229,002,838	100,047,032	329,049,870
Additions	9,922,369	-	9,922,369
Derecognition of pre-terminated lease	(2,092,606)	-	(2,092,606)
Balance at end of year	236,832,601	100,047,032	336,879,633
Accumulated amortization			
Balance at beginning of year	92,865,561	21,901,308	114,766,869
Amortization for the year	43,886,513	5,087,868	48,974,381
Derecognition of pre-terminated lease	(1,602,981)	-	(1,602,981)
Balance at end of year	135,149,093	26,989,176	162,138,269
Carrying amount at December 31, 2023	101,683,508	73,057,856	174,741,364

The Group pre-terminated one of its lease contracts which resulted to a gain on pre-termination amounting to P0.5 million presented as part of Gain on derecognition of payables under Finance and Other Income in the 2023 consolidated statement of comprehensive income (see Note 20.1). There was no similar transaction in 2025 and 2024.

The amortization of right-of-use assets is presented as part of Depreciation and amortization under Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

13.2 Lease Liabilities

Lease liabilities are presented in the consolidated statements of financial position as at December 31 as follows:

<i>(Amounts in PHP)</i>	2025	2024
Current	48,987,432	45,922,954
Non-current	571,815,437	419,873,334
	620,802,869	465,796,288

The carrying amounts of the Group's lease liabilities as at December 31 and the movements during the periods are shown below.

<i>(Amounts in PHP)</i>	Notes	2025	2024
Balance at beginning of year		465,796,288	517,740,465
Additions		215,967,672	-
Repayment of lease liabilities		(67,894,465)	(63,751,311)
Interest amortization	20.2	34,447,428	38,654,005
Offsetting	6	(27,514,054)	(26,846,871)
Balance at end of year		620,802,869	465,796,288

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

The undiscounted maturity analysis of lease liabilities is as follows:

<i>(Amounts in PHP)</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
December 31, 2025							
Lease payment	95,674,124	86,692,462	86,920,868	87,123,975	77,802,614	683,978,303	1,118,192,346
Finance charges	(46,686,692)	(43,297,031)	(39,917,342)	(36,269,581)	(32,099,411)	(299,119,420)	(497,389,477)
Net present value	48,987,432	43,395,431	47,003,526	50,854,394	45,703,203	384,858,883	620,802,869
December 31, 2024							
Lease payment	80,617,102	46,391,037	35,210,082	35,698,966	36,983,300	722,295,135	957,195,622
Finance charges	(34,694,148)	(32,455,611)	(31,809,617)	(31,541,438)	(31,153,075)	(329,745,445)	(491,399,334)
Net present value	45,922,954	13,935,426	3,400,465	4,157,528	5,830,225	392,549,690	465,796,288

13.3 Lease Payments Not Recognized as Liabilities

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

The expenses related to short-term leases amounted to P139.4 million, P193.0 million and P66.3 million in 2025, 2024 and 2023, respectively, and are presented as Rentals in the consolidated statements of comprehensive income (see Notes 21, 22.2 and 22.3).

At December 31, 2025 and 2024, the Group is committed to short-term leases, and the total commitment at those dates are P13.1 million and P17.4 million, respectively.

13.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P67.9 million, P63.8 million and P62.5 million in 2025, 2024 and 2023, respectively. Interest expense in relation to lease liabilities amounted to P34.4 million, P38.7 million and P42.5 million in 2025, 2024 and 2023, respectively, and is presented as part of Finance Costs and Other Charges in the consolidated statements of comprehensive income (see Note 20.2).

14. OTHER NON-CURRENT ASSETS

This account consists of:

<i>(Amounts in PHP)</i>	Notes	2025	2024 [As restated – see Note 2.1(c)]
Deferred commission	19.3	587,508,517	536,313,201
Deferred tax assets – net	24	125,912,715	106,374,698
Refundable deposits	29.2	87,537,011	89,458,764
Software – net		18,967,020	3,826,230
Others		2,558,772	33,367,704
		822,484,035	769,340,597

The gross carrying amounts and accumulated amortization of software at the beginning and end of 2025, 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	2025	2024	2023
Cost	42,067,254	21,289,556	20,177,660
Accumulated amortization	(23,100,234)	(17,463,326)	(15,289,160)
Net carrying amount	18,967,020	3,826,230	4,888,500

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

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year, net of accumulated amortization	3,826,230	4,888,500	4,886,272
Additions	20,777,698	1,111,896	2,926,220
Amortization during the year	(5,636,908)	(2,174,166)	(2,923,992)
Balance at end of year, net of accumulated amortization	18,967,020	3,826,230	4,888,500

The amortization for software amounting to P5.6 million, P2.2 million and P2.9 million in 2025, 2024 and 2023 respectively, are presented as part of Depreciation and amortization under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

As of December 31, 2025 and 2024, management assessed that the Group's other non-current assets are fully recoverable. As such, no impairment losses are recognized in 2025, 2024 and 2023.

15. INTEREST-BEARING LOANS

The Group's interest-bearing loans are broken down as follows:

<i>(Amounts in PHP)</i>	2025	2024
Current	1,859,047,059	1,908,200,000
Non-current	7,729,279,492	7,603,919,109
	<u>9,588,326,551</u>	<u>9,512,119,109</u>

In 2025, the Company obtained unsecured interest-bearing loans from Banco De Oro Unibank, Inc. (BDO), Rizal Commercial Banking Corporation (RCBC) and Unionbank of the Philippines (UB) amounting to P1,000.0 million, P1,000.0 million and P2,000.0 million, respectively. The loan with BDO bears a floating interest rate and subject to quarterly repricing, payable quarterly in arrears for five years. The loan from RCBC was availed through a drawdown facility, bears a floating interest rate and subject to quarterly repricing, payable quarterly in arrears for six years. The loan from UB is composed of two loans worth P1,500.0 million and P500.0 million, the latter being an additional drawdown, which bear floating interest rates and subject to quarterly repricing, payable quarterly in arrears for seven years. As of December 31, 2025, the total outstanding balance of these loans amounted to P3,972.3 million.

In 2024, the Company obtained unsecured interest-bearing loans from BDO and RCBC amounting to P500.0 million and P1,000.0 million, respectively. The loan with BDO bears a floating interest rate and subject to quarterly repricing, payable quarterly in arrears for five years. The loan from RCBC is composed of two loans worth P500 million each, subject to floating interest rates and subject to quarterly repricing, payable quarterly in arrears for seven years. As of December 31, 2025 and 2024, the total outstanding balance of these loans amounted to P1,368.0 million and P1,489.9 million, respectively.

In 2023, TLC obtained a P1,500.0 million unsecured, interest-bearing loan with a term of five years from UB. The loan is payable in equal quarterly amortizations beginning June 2024. This loan bears a floating interest rate and subject to quarterly repricing. Interest shall be payable quarterly in arrears. The outstanding balance of the related loan amounted to P937.5 million and P1,312.5 million as at December 31, 2025 and 2024, respectively.

In 2023, the Company obtained unsecured interest-bearing loans from China Banking Corporation (Chinabank), and BDO amounting to P2,000.0 million and P1,500.0 million, respectively. The loan from Chinabank is composed of two loans worth P1,000.0 million, each, payable quarterly in arrears for five years and are subject to floating interest rates and quarterly repricing. The loan obtained from BDO is subject to floating interest rates and quarterly repricing and is payable quarterly in arrears for five years. The total outstanding balance of these loans amounted to P2,782.4 million and P3,483.1 million as at December 31, 2025, and 2024, respectively.

The Company and TLC obtained unsecured, interest-bearing loans from Megaworld in the last quarter of 2022 and 2021 amounting to P1,500.0 million and P2,000.0 million, respectively. These loans bear a fixed interest rate of 6.33% and shall be payable for a maximum term of 16 months for the loan obtained in 2022 and for a maximum period of eight years for the loan obtained in 2021. The outstanding balance of the loans amounted to P129.0 million and P2,000.0 million as of December 31, 2025 and 2024, respectively. The loan obtained in 2022 was fully paid in 2023.

In 2021, TLC also obtained another unsecured, interest-bearing loan from Megaworld amounting to P129.0 million with an interest rate of 6.00% and shall be payable for a maximum term of five years. The outstanding balance of the related loan was P129.0 million as at December 31, 2024, and was fully paid in 2025 (see Note 25.8).

The Company availed unsecured, interest-bearing loans from RCBC in 2021 and 2020. The loan obtained in 2021 amounting to P500.0 million is payable quarterly with a term of seven years and the loan obtained in 2020 amounting to P500.0 million is payable quarterly with a term of seven years. The loan bears floating interest rate subject to quarterly repricing and is payable quarterly in arrears. The outstanding balance of these loans amounted to P399.1 million and P598.2 million as at December 31, 2025 and 2024, respectively.

The Company availed unsecured, interest-bearing loans from UB in 2021 and 2020. The loan obtained in 2021 amounting P1,000.0 million, bearing a fixed interest rate of 5.37%, is payable quarterly in arrears, for a term of five years. The loan obtained in 2020 amounting to P1,000.0 million is payable for a term of five years bearing a fixed rate 5.26% and is payable quarterly in arrears. The outstanding balance pertaining to these loans amounted to P499.4 million as of December 31, 2024. Both loans were fully paid in 2025.

In 2020, TLC obtained additional unsecured, interest-bearing loan from BDO amounting to P500.0 million. The loan bears a floating interest rate ranging from 5.0% to 7.0% subject to 30 days to 180 days repricing. Quarterly instalments beginning November 2020 are due until the loan is fully settled in 2024 for this interest-bearing loan. The loan was fully paid in 2024.

In 2019, the Company and TLC obtained unsecured, long-term loans from BDO totalling to P2,500.0 million, payable quarterly for a term of five years. The loan amounting to P2,000.0 million bears a floating interest subject to quarterly repricing and is payable quarterly in arrears. The other P500.0 million is used for the funding requirements of the construction of projects in Twin Lakes Tagaytay. These loans were fully paid in 2024.

The Group has properly complied with the loan agreements' covenants as of the end of the reporting period (see Note 32).

Total interest costs incurred attributable to these loans amounted to P661.5 million, P642.3 million, and P554.0 million in 2025, 2024, and 2023, respectively. Average capitalization rate used in determining the amount of interest charges qualified for capitalization is 6.51%, 7.29% and 6.13% in 2025, 2024 and 2023, respectively.

The capitalized borrowing costs amounted to P405.5 million, P399.9 million, and P546.3 million, in 2025, 2024, and 2023, respectively. The 2025 and 2024 borrowing costs were capitalized as part of Investment Properties (see Note 11), while the 2023 borrowing costs were capitalized as part of the Inventories (see Note 7). Interest charged to expense amounted to P256.0 million, P242.4 million, and P7.7 million in 2025, 2024, and 2023, respectively, and is presented as part of Finance costs under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 20.2).

The total accrued interest payable amounted to P88.8 million and P22.4 million as of December 31, 2025 and 2024, respectively, is presented as part of Accrued expenses under the Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

16. TRADE AND OTHER PAYABLES

This account consists of:

<i>(Amounts in PHP)</i>	Note	2025	2024
Trade payables		3,872,218,735	3,847,460,940
Accrued expenses	15	401,734,635	408,067,613
Retention payable		260,523,551	292,362,430
Security deposit		130,854,392	137,621,162
Liabilities for land acquisition		114,105,640	111,525,813
Income tax payable		12,976,059	11,816,101
Others		461,169,908	314,911,796
		<u>5,253,582,920</u>	<u>5,123,765,855</u>

Trade payables mainly represent obligations to subcontractors and suppliers of construction materials for the Group's projects.

Accrued expenses represent accruals for commission, utilities, professional fees, outside services, interest and other expenses incurred in the normal operations of the Group.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted back to the contractors. Those which are due to be remitted beyond 12 months from the end of the reporting period is presented as part of Other Non-current Liabilities in the consolidated statements of financial position (see Note 18).

Liabilities for land acquisition represent the unpaid portion of raw land acquired by the Group for the development of real estate projects.

Other payables consist primarily of unearned rentals, payables to government and other regulatory agencies. In 2023, the Group derecognized certain liabilities amounting to P58.5 million, which resulted to a gain on derecognition of payables presented as part of Finance and Other Income in the 2023 consolidated statement of comprehensive income (see Note 20.1). There was no similar transaction in 2025 and 2024.

17. DUE TO JOINT VENTURE PARTNERS

This account represents the share of joint venture partners in the proceeds from the sale of certain projects in accordance with various joint venture agreements entered into by the Group.

The account pertains to payables to golf share partners and lot owners amounting to P477.0 million and P491.1 million as of December 31, 2025 and 2024, respectively. The total amounts are currently due and demandable and presented under the Current Liabilities section of the consolidated statements of financial position.

18. OTHER NON-CURRENT LIABILITIES

The details of the account are as follows:

<i>(Amounts in PHP)</i>	Note	2025	2024
Retention payable	16	583,630,415	530,235,561
Security deposits		54,561,467	30,874,963
Advance rental		8,864,376	9,420,734
Others		7,864,326	7,196,715
		<u>654,920,584</u>	<u>577,727,973</u>

19. REVENUES

19.1 Disaggregation of Revenues

The Group derives revenues mainly from sale of real properties, rentals and hotel operations. An analysis of the Group's major sources of revenues is presented below and in the succeeding page.

<i>(Amounts in PHP)</i>	Segments			
	Real Estate	Hotel Operations	Rentals	Total
2025				
Geographical areas:				
Luzon	4,660,997,630	321,340,984	589,031,958	5,571,370,572
Visayas	1,101,841,920	564,177,198	39,537,020	1,705,556,138
	<u>5,762,839,550</u>	<u>885,518,182</u>	<u>628,568,978</u>	<u>7,276,926,710</u>
Types of product or services:				
Residential lots	2,675,316,025	-	-	2,675,316,025
Residential condominium	2,187,473,842	-	-	2,187,473,842
Commercial lots and spaces	900,049,683	-	-	900,049,683
Room accommodation	-	738,187,050	-	738,187,050
Food and beverages	-	147,331,132	-	147,331,132
Rentals	-	-	628,568,978	628,568,978
	<u>5,762,839,550</u>	<u>885,518,182</u>	<u>628,568,978</u>	<u>7,276,926,710</u>
2024				
Geographical areas:				
Luzon	4,037,822,077	296,975,869	532,274,464	4,867,072,410
Visayas	1,847,574,814	659,342,448	51,904,833	2,558,822,095
	<u>5,885,396,891</u>	<u>956,318,317</u>	<u>584,179,297</u>	<u>7,425,894,505</u>
Types of product or services:				
Residential lots	2,976,603,609	-	-	2,976,603,609
Residential condominium	1,798,052,747	-	-	1,798,052,747
Commercial lots and spaces	1,110,740,535	-	-	1,110,740,535
Room accommodation	-	787,230,958	-	787,230,958
Food and beverages	-	169,087,359	-	169,087,359
Rentals	-	-	584,179,297	584,179,297
	<u>5,885,396,891</u>	<u>956,318,317</u>	<u>584,179,297</u>	<u>7,425,894,505</u>

(Amounts in PHP)	Segments			
	Real Estate	Hotel Operations	Rentals	Total
2023				
Geographical areas:				
Luzon	3,707,644,647	275,268,760	545,969,962	4,528,883,369
Visayas	2,801,184,468	291,896,446	5,589,843	3,098,670,757
	<u>6,508,829,115</u>	<u>567,165,206</u>	<u>551,559,805</u>	<u>7,627,554,126</u>
Types of product or services:				
Residential lots	3,830,916,112	-	-	3,830,916,112
Residential condominium	1,687,354,489	-	-	1,687,354,489
Commercial lots and spaces	990,558,514	-	-	990,558,514
Room accommodation	-	402,993,730	-	402,993,730
Food and beverages	-	164,171,476	-	164,171,476
Rentals	-	-	551,559,805	551,559,805
	<u>6,508,829,115</u>	<u>567,165,206</u>	<u>551,559,805</u>	<u>7,627,554,126</u>

19.2 Contract Accounts

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

(Amounts in PHP)	2025		2024	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Current	3,084,755,155	217,630,187	4,473,585,570	86,684,170
Non-current	847,953,590	152,590,801	526,379,353	262,195,658
	<u>3,932,708,745</u>	<u>370,220,988</u>	<u>4,999,964,923</u>	<u>348,879,828</u>

The changes in the contract assets and liabilities balances during the year are as follows:

(Amounts in PHP)	2025		2024	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Balance at beginning of year	4,999,964,923	348,879,828	5,807,264,015	925,812,859
Effect of adoption of PFRS 15 [see Note 2.1b(ii)]	-	-	(863,705,256)	(548,850,337)
Balance at beginning of year, as adjusted	4,999,964,923	348,879,828	4,943,558,759	376,962,522
Transfers from contract assets recognized at the beginning of year to accounts receivables	(1,611,771,231)	-	(1,205,876,404)	-
Increase as a result of changes in measurement of progress	244,214,155	-	1,077,402,711	-
Accretion of interest income from significant financing component	457,530,793	-	193,322,113	-
Revenue recognized that was included in contract liability at the beginning of year	-	(97,004,003)	-	(557,098,986)
Increase due to cash received excluding amount recognized as revenue during the year	-	105,861,829	-	512,501,945
Accretion of interest expense from significant financing component	-	20,982,231	-	20,818,029
Sales cancellation	(157,229,895)	(8,498,897)	(8,442,256)	(4,303,682)
Balance at end of year	<u>3,932,708,745</u>	<u>370,220,988</u>	<u>4,999,964,923</u>	<u>348,879,828</u>

The related interest income and expense from amortization of the significant financing component are presented as part of Finance income under Finance and Other Income and Finance cost under Finance Costs and Other Charges accounts in the 2025 and 2024 consolidated statements of comprehensive income (see Note 20.1 and 20.2).

19.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. Amounts expected to be amortized based on the percentage of completion of the projects within 12 months after the reporting date are classified as current assets, while the remaining balance is classified as non-current assets.

Incremental costs of commission incurred to obtain contracts are capitalized and presented as part of Prepayments and Other Current Assets and Other Non-current Assets accounts in the consolidated statements of financial position as shown below.

<i>(Amounts in PHP)</i>	Notes	2025	2024 [As restated – see Note 2.1(c)]
Current	8	324,361,297	178,596,497
Non-current	14	587,508,517	536,313,201
		911,869,814	714,909,698

The movements in balances of deferred commission is presented below.

<i>(Amounts in PHP)</i>	Note	2025	2024
Balance at beginning of year		714,909,698	494,720,240
Additions for the year		334,252,194	377,169,974
Amortization for the year	21	(137,292,078)	(156,980,516)
Balance at end of year		911,869,814	714,909,698

The total amount of amortization for 2025, 2024 and 2023 is presented as part of Commissions under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 21).

19.4 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2025 and 2024 is P4,027.4 million and P3,903.9 million, respectively. The Group expects to recognize revenue from unsatisfied contracts as of December 31 as summarized in the succeeding page.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Within a year	1,463,270,961	1,494,424,482
More than one year to three years	2,481,485,803	2,016,625,431
More than three to five years	82,617,798	392,846,099
	<u>4,027,374,562</u>	<u>3,903,896,012</u>

20. FINANCE INCOME AND FINANCE COSTS

20.1 Finance and Other Income

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Finance income	5, 6, 9, 19.2	760,512,450	871,826,272	256,239,353
Foreign currency gains – net		649,233	2,238,530	7,868,325
Gain on derecognition of payables	13, 16	-	-	58,504,431
Miscellaneous		<u>377,472,463</u>	<u>297,430,490</u>	<u>124,928,716</u>
		<u>1,138,634,146</u>	<u>1,171,495,292</u>	<u>447,540,825</u>

Miscellaneous income includes forfeiture of reservation fees from customers and other income of the Group.

20.2 Finance Costs and Other Charges

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Loss on refund and sales cancellations		730,508,360	486,290,819	280,950,630
Finance cost	13, 15, 19.2 23.2, 25.4, 25.8	357,323,639	345,576,030	97,488,666
Miscellaneous	10.1	<u>12,557,912</u>	<u>5,462,292</u>	<u>-</u>
		<u>1,100,389,911</u>	<u>837,329,141</u>	<u>378,439,296</u>

A loss on refund is recognized when the customer is entitled for a refund on sales cancellation.

21. OPERATING EXPENSE BY NATURE

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Cost of real estate sales	22.1	1,939,737,872	2,422,416,935	2,798,985,876
Salaries and employee benefits	23.1	1,077,570,562	916,812,731	713,866,818
Depreciation and amortization	11, 12, 13, 14	362,943,501	365,350,693	330,610,025
Utilities and supplies		193,065,998	210,176,871	127,253,848
Taxes and licenses	11	191,533,744	167,745,572	171,153,805
Commissions	19.3, 25.5	149,029,195	192,299,458	197,854,996
Repairs and maintenance	11	147,810,057	146,770,519	80,159,806
Professional fees and outside services		142,378,091	122,803,214	115,090,148
Rentals	13.3	139,409,132	193,024,810	66,307,413
Subscriptions dues		128,132,992	98,905,950	82,018,240
Transportation		64,439,318	45,961,735	49,930,739
Food and beverages	22.2	41,252,160	44,613,481	37,021,102
Advertising and promotions		39,848,016	35,693,637	30,698,004
Laundry and dry cleaning	22.2	23,088,717	10,103,935	13,013,415
Representation		21,287,766	16,358,804	11,701,050
Registration and other fees		12,704,196	4,618,437	2,967,025
Insurance expense		11,335,846	10,617,724	6,336,145
Association dues		7,401,836	2,867,779	744,876
Impairment loss	6	6,048,566	98,340,811	-
Gas and oil		5,292,064	4,596,001	6,374,986
Accommodation		3,381,068	3,739,013	292,494
Training and recruitment		1,471,761	1,746,091	2,984,365
Miscellaneous	25.6	227,297,342	227,476,810	188,126,432
		<u>4,936,459,800</u>	<u>5,343,041,011</u>	<u>5,033,491,608</u>

Miscellaneous expenses mainly include communication expense and service fees charged by a stockholder and cost of materials and overhead incurred in relation to the maintenance of the golf course.

These expenses are classified in the consolidated statements of comprehensive income as follows:

<i>(Amounts in PHP)</i>	Note	2025	2024	2023
Cost of real estate sales	22.1	1,939,737,872	2,422,416,935	2,798,985,876
Cost of hotel operations	22.2	447,718,650	528,879,515	297,442,621
Cost of rentals and services	22.3	359,245,568	371,395,395	365,948,174
Other operating expenses		<u>2,189,757,710</u>	<u>2,020,349,166</u>	<u>1,571,114,937</u>
		<u>4,936,459,800</u>	<u>5,343,041,011</u>	<u>5,033,491,608</u>

22. DIRECT COSTS

22.1 Cost of Real Estate Sales

The composition of the cost of real estate sales for the years ended December 31 are as follows:

<i>(Amounts in PHP)</i>	Note	2025	2024	2023
Construction costs		1,819,026,792	2,305,612,290	2,484,987,792
Land cost		120,711,080	116,804,645	138,181,758
Borrowing cost	7	-	-	175,816,326
		<u>1,939,737,872</u>	<u>2,422,416,935</u>	<u>2,798,985,876</u>

No borrowing costs were recognized under Cost of Real Estate Sales in 2025 and 2024 due to the adoption of IFRIC Agenda Decision on PAS 23 using modified retrospective approach in 2024 [see Note 2.1(b)(i)].

22.2 Cost of Hotel Operations

The composition of the cost of hotel operations for the years ended December 31 are as follows:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Salaries and employee benefits		166,389,257	174,491,682	97,087,280
Rentals	13.3	100,699,425	176,741,730	41,548,317
Utilities and supplies		50,737,581	40,689,210	44,710,121
Food and beverages	21	41,252,160	44,613,481	37,021,102
Laundry and dry cleaning	21	23,088,717	10,103,935	13,013,415
Transportation		13,868,329	10,669,012	22,720,596
Depreciation and amortization	12, 14	10,416,591	10,956,444	8,568,570
Commission	25.5	6,044,058	7,677,789	15,240,063
Repairs and maintenance	11	532,263	1,231,720	1,484,508
Miscellaneous	25.6	34,690,269	51,704,512	16,048,649
		<u>447,718,650</u>	<u>528,879,515</u>	<u>297,442,621</u>

Miscellaneous includes expenses for management fees, insurance, representation and entertainment, club bookings, and communication expenses.

22.3 Cost of Rentals and Services

The composition of the cost of rentals for the years ended December 31 are as follows:

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Depreciation and amortization	11, 14	188,633,031	211,017,372	201,083,625
Repairs and maintenance	11	120,424,257	115,148,292	114,595,010
Salaries and employee benefits		42,177,118	36,455,251	42,805,813
Rentals	13.3	487,817	470,300	461,412
Miscellaneous	25.6	7,523,345	8,304,180	7,002,314
		<u>359,245,568</u>	<u>371,395,395</u>	<u>365,948,174</u>

23. EMPLOYEE BENEFITS

23.1 Salaries and Employee Benefits

Salaries and employee benefits which are presented as part of Operating Expenses in the consolidated statements of comprehensive income are shown below.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Short-term benefits		1,043,263,773	893,962,378	702,537,215
Post-employment defined benefit	23.2	34,306,789	22,850,353	11,329,603
	21	<u>1,077,570,562</u>	<u>916,812,731</u>	<u>713,866,818</u>

23.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Group has an unfunded, non-contributory defined benefit plan covering all regular employees. The plan provides for lump-sum benefits equivalent to 85% to 150% of the employee's monthly salary for every year of service depending on the number of years of service. The normal retirement age is 60 years old and applicable upon completion of five years of faithful and continuous service to the Group. However, an employee who attains the age of 50 with the completion of no less than 10 years of service or has completed 15 years of service and opts for an early retirement is likewise entitled to the same benefits.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2025, 2024 and 2023.

The movements in present value of the retirement benefit obligation are as follows:

<i>(Amounts in PHP)</i>	2025	2024
Balance at beginning of year	188,592,383	142,618,469
Current service cost	34,306,789	22,850,353
Interest expense	10,916,018	9,912,175
Past service cost	(3,446,530)	-
Benefits paid	(1,528,358)	(625,973)
Other movements	(8,427)	59,753
Actuarial losses(gains)		
arising from changes in:		
Financial assumptions	(13,232,777)	468,519
Demographic assumptions	59,246	11,534,054
Experience adjustments	(29,258)	1,775,033
Balance at end of year	<u>215,629,086</u>	<u>188,592,383</u>

The amounts of post-employment benefit recognized in the consolidated statements of comprehensive income are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
<i>Reported in profit or loss:</i>			
Current service cost	34,306,789	22,850,353	11,329,603
Interest expense	10,916,018	9,912,175	8,636,453
Past service cost	(3,446,530)	-	-
Others	(8,427)	59,753	(143,430)
	<u>41,767,850</u>	<u>32,822,281</u>	<u>19,822,626</u>
<i>Reported in other comprehensive loss (income) –</i>			
Actuarial losses (gains) arising from changes in:			
Financial assumptions	(13,232,777)	468,519	12,596,615
Demographic assumptions	59,246	11,534,054	240,109
Experience adjustments	(29,258)	1,775,033	(1,053,100)
	<u>(13,202,789)</u>	<u>13,777,606</u>	<u>11,783,624</u>

The amounts of current service cost, past service cost and other cost incurred are presented as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of comprehensive income (see Notes 21 and 23.1).

The amounts of interest expense related to the retirement benefit obligation are presented as part of Finance costs under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 20.2).

The amount recognized in other comprehensive income is included as an item that will not be reclassified subsequently to profit or loss.

In determining the amount of retirement benefit obligation, the following actuarial assumptions were used for the reporting periods:

	2025	2024	2023
Discount rates	5.95% - 6.60%	5.84% - 6.10%	6.10% - 6.66%
Expected rate of salary increase	1.00% - 4.00%	1.00% - 4.00%	1.00% - 4.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average expected remaining working life of employees retiring at the age of 60 is 35 years for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon bond government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Group to actuarial risks such as interest rate risk and longevity and salary risks.

(i) *Interest Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions and the Group's timing and uncertainty of future cash flows related to the retirement plan are described in the succeeding page.

(i) *Sensitivity Analysis*

(Amounts in PHP)

	Impact on Retirement Benefit Obligation		
	Change in Assumptions	Increase in Assumptions	Decrease in Assumptions
<u>December 31, 2025</u>			
Discount rates	+/- 0.5% - 1.0%	(13,608,149)	15,499,056
Salary increase rate	+/- 1.0%	31,440,829	(25,128,920)
<u>December 31, 2024</u>			
Discount rates	+/- 0.5% - 1.0%	(8,996,474)	10,863,357
Salary increase rate	+/- 1.0%	23,349,416	(16,771,650)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded as at December 31, 2025 and 2024. While there is no minimum funding requirement in the country, the non-funding may pose a cash flow risk in about 20 years' time when a significant number of employees is expected to retire.

As at December 31, 2025 and 2024, the Group is yet to determine how much and when to fund the post-employment benefit plan.

The maturity profile for the next 20 years of undiscounted expected benefit payments from the plan follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Within one year	29,967,355	25,305,758
More than one year to five years	40,786,307	43,883,120
More than five years to 10 years	75,666,516	52,925,451
More than 10 years to 15 years	174,433,232	159,712,122
More than 15 years to 20 years	507,277,253	396,217,959
	<u>828,130,663</u>	<u>678,044,410</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 17.43 years.

24. CURRENT AND DEFERRED TAXES

The components of tax expense (income) as reported in the consolidated statements of comprehensive income are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in profit or loss</i>			
Current tax expense:			
Regular corporate income tax (RCIT) at 25% or 20%	503,719,139	232,414,677	216,257,823
Minimum corporate income tax (MCIT) at 2% in 2025 and 2024 and 1.5% in 2023	8,076,034	20,220,073	3,252,971
Application of excess MCIT over RCIT	(4,866,029)	-	-
Final taxes at 20%, 15%, and 7.5%	5,608,512	6,333,883	7,778,376
	<u>512,537,656</u>	<u>258,968,633</u>	<u>227,289,170</u>
Deferred tax expense relating to origination and reversal of temporary differences	<u>131,911,928</u>	<u>290,574,257</u>	<u>589,468,647</u>
	<u>644,449,584</u>	<u>549,542,890</u>	<u>816,757,817</u>
<i>Reported in other comprehensive income (loss) –</i>			
Deferred tax income (expense) relating to remeasurements of retirement benefit plan	<u>(3,300,697)</u>	<u>3,444,402</u>	<u>2,945,906</u>

A reconciliation of tax on pretax profit computed at the applicable statutory rates to income tax expense reported in the consolidated statements of comprehensive income is presented below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax on pretax profit at 25%	725,184,770	676,537,365	731,683,428
Adjustments for income subjected to lower income tax rates	423,405,624	241,544,329	92,780,566
Tax effects of:			
Non-taxable income	(572,672,228)	(416,810,185)	(137,506,480)
Reversal of temporary differences	15,283,979	(29,890,520)	(4,260,845)
Non-deductible expenses	46,783,064	78,898,151	126,192,867
Unrecognized deferred tax assets	3,938,263	-	-
Non-deductible interest expense	2,417,011	1,306,911	944,905
Excess MCIT over RCIT	109,101	3,657,237	8,815,168
Application of previously unrecognized deferred tax assets	-	(5,700,398)	(3,762,031)
Expiration of unrecognized deferred tax asset on net operating loss carry over (NOLCO)	-	-	1,870,239
Tax expense	<u>644,449,584</u>	<u>549,542,890</u>	<u>816,757,817</u>

The Group's net deferred tax liabilities relate to the following as at December 31:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Deferred tax liabilities:		
Unrealized profit on real estate sales	3,221,597,612	3,166,946,976
Capitalized borrowing cost	164,601,317	77,724,830
Rental income	144,509,847	149,057,850
Deferred commission	132,710,924	130,655,922
Marketing fee receivable	79,754,227	129,913,355
Finance lease	78,060,370	78,778,630
Refund liability	11,174,022	7,795,345
Unrealized foreign currency gains	-	559,636
	<u>3,832,408,319</u>	<u>3,741,432,544</u>
Deferred tax assets:		
Allowance for impairment	(99,576,306)	(124,161,509)
Leases	(84,827,059)	(103,759,451)
Retirement benefit obligation	(50,360,879)	(43,284,687)
Unrealized foreign currency losses	(6,207)	-
MCIT	(5,240)	-
Accrued expenses	-	(19,619,198)
Unearned income	-	(7,725,714)
	<u>(234,775,691)</u>	<u>(298,550,559)</u>
	<u>3,597,632,628</u>	<u>3,442,881,985</u>

The components of the net deferred tax assets as of December 31, 2025 and 2024 separately reported under the Other Non-current Assets account (see Note 14) are as follows:

<i>(Amounts in PHP)</i>	2025	2024
Deferred tax assets:		
NOLCO	101,268,397	95,054,270
Allowance for impairment	26,097,345	-
Leases	17,662,566	39,283
MCIT	10,570,429	5,648,630
Unearned income	7,591,446	-
Retirement benefit obligation	3,651,064	3,888,075
Accrued expense	-	1,785,858
	166,841,247	106,416,116
Deferred tax liabilities:		
Rental income	(40,928,532)	-
Unearned income	-	(41,418)
	(40,928,532)	(41,418)
	125,912,715	106,374,698

The components of deferred tax expense (income) are as follows:

<i>(Amounts in PHP)</i>	Consolidated Statements of Comprehensive Income					
	Profit or Loss			Other Comprehensive Loss (Income)		
	2025	2024	2023	2025	2024	2023
Capitalized borrowing cost	86,876,487	77,724,830	33,337,370	-	-	-
Unrealized profit on real estate sales	54,650,636	271,834,428	592,780,747	-	-	-
Marketing fee receivable	(50,159,128)	(5,737,874)	2,085,141	-	-	-
Rental income	36,380,529	(5,809,242)	22,121,401	-	-	-
Accrued expenses	21,405,056	(14,529,856)	-	-	-	-
Retirement benefit obligation	(10,139,879)	(7,923,531)	(7,004,496)	3,300,697	(3,444,402)	(2,945,906)
NOLCO	(6,214,127)	(15,854,840)	(22,490,078)	-	-	-
MCIT	(4,927,039)	(2,230,167)	(817,075)	-	-	-
Refund liability	3,378,677	3,004,823	1,604,205	-	-	-
Deferred commission	2,055,002	41,682,845	(2,054,497)	-	-	-
Allowance for impairment	(1,512,142)	(24,585,403)	(3,368)	-	-	-
Leases	1,309,109	(29,615,186)	(64,977,793)	-	-	-
Finance lease	(718,260)	6,460,145	(19,602,520)	-	-	-
Unrealized foreign currency gains	(565,843)	(1,536,418)	(4,924,899)	-	-	-
Unearned income	92,850	(2,310,297)	131,301	-	-	-
Share-based employee compensation	-	-	59,106,392	-	-	-
Advances from customers	-	-	176,816	-	-	-
Deferred tax expense (income) - net	131,911,928	290,574,257	589,468,647	3,300,697	(3,444,402)	(2,945,906)

The details of NOLCO during the year are shown below.

Year Incurred	Original Amount	Applied Amount	Expired During the Year	Remaining Balance	Valid Until
2025	41,142,762	-	-	41,142,762	2028
2024	22,770,688	-	-	22,770,688	2027
2023	36,681,933	-	-	36,681,933	2026
2022	141,259,515	-	(141,259,515)	-	2025
2021	85,941,943	(11,836,636)	-	74,105,307	2026
	327,796,841	(11,836,636)	(141,259,515)	174,700,690	

NOLCO incurred in 2021 can be claimed as deduction for the next five consecutive taxable years or until 2026 in accordance with Section 4 of R.A. 11494, *Bayaniban to Recover as One Act*.

Majority of the entities within the Group are subject to the RCIT, which is computed at 25% or 20% of net taxable income as defined under the tax regulations or MCIT, computed at 2% in 2025 and 2024 and 1.5% in 2023 of gross taxable income, whichever is higher. The total of the MCIT paid by certain subsidiaries, which can be applied as deduction from their respective future RCIT payable within three years from the year the MCIT was incurred, are shown below.

Year Incurred	Original Amount	Applied During the Year	Expired During the Year	Remaining Balance	Valid Until
2025	4,075,649	-	-	4,075,649	2028
2024	7,004,541	(4,886,029)	-	2,118,512	2027
2022	203,679	-	(203,679)	-	2025
	11,283,869	(4,886,029)	(203,679)	6,194,161	

Certain subsidiaries within the Group did not recognize deferred tax assets in accordance with the relevant accounting standards. The unrecognized deferred tax assets are broken down as follows:

<i>(Amounts in PHP)</i>	2025	2024
Allowance for impairment	87,864,315	86,840,845
NOLCO	4,780,337	842,074
MCIT	109,101	-
	92,753,753	87,682,919

Management has assessed that for other entities within the Group, the net losses incurred as well as the related NOLCO, can be recovered through their respective future operations.

The Group opted to continue claiming itemized deductions for the years ended December 31, 2025, 2024 and 2023 in computing for its income tax due.

25. RELATED PARTY TRANSACTIONS

The Group's related parties include its parent company, associates, related parties under common ownership, the Company's key management personnel and others as described below and in the succeeding pages.

25.1 Summary of Related Party Transactions

The summary of the Group's transactions with its related parties for the years ended December 31, 2025, 2024 and 2023, and the related outstanding balances as at December 31, 2025 and 2024 is discussed below.

<i>(Amounts in PHP)</i>		Amount of Transaction			Outstanding Balances	
Related Party Category	Notes	2025	2024	2023	2024	[As Restated – see Note 2.1(c)]
					2025	
Parent Company:						
Interest-bearing loans	25.8	2,000,000,000	-	(1,500,000,000)	(128,953,824)	(2,128,953,824)
Dividends paid	25.9	98,995,021	-	102,055,816	-	-
Interest – interest-bearing loans	25.8	(49,560,102)	(134,510,654)	(211,769,729)	(2,040,694)	(644,769)
Availment of advances – net of interest and repayments	25.4	34,097,701	54,769,701	81,923,365	(431,778,201)	(475,235,440)
Interest - advances	25.4	(34,973,525)	(33,722,425)	(9,586,218)	(89,327,725)	(79,968,187)
Lease liabilities	25.2	(148,958,395)	(44,278,557)	(59,572,860)	(196,565,711)	(47,607,316)
Right-of-use assets	25.2	(39,855,795)	(41,356,430)	(59,484,473)	208,220,301	48,280,716
Commission expense	25.5	3,724,937	6,914,179	4,057,829	-	-
Management fee	25.6	13,519,268	8,571,429	8,571,429	-	-

(Amounts in PHP)

<i>(Amounts in PHP)</i>		Amount of Transaction			Outstanding Balances	
Related Party Category	Notes	2025	2024	2023	2025	2024
						[As Restated – see Note 2.1(c)]
Related Parties under Common Ownership:						
Right-of-use assets	25.2	(1,738,620)	-	-	8,693,104	-
Lease liabilities	25.2	(8,929,440)	-	-	(8,929,440)	-
Associates:						
Granting of cash advances – net of collections	25.3	(10,658,641)	-	2,596,246	13,181,303	23,839,944
Other Investees of Shareholders:						
Granting of cash advances – net of collections	25.3	325,403,407	(12,057,082)	(107,686,787)	944,109,566	618,706,159
Availment of advances – net of repayments	25.4	11,660,650	(8,597,935)	77,371,561	(79,119,687)	(90,780,337)
Key Management Personnel – Compensation						
	25.7	38,991,169	37,040,959	35,002,598	48,591,040	89,581,990

Unless otherwise stated, the related receivables and payables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand. Based on management's assessment, certain advances to related parties were impaired as of December 31, 2025 and 2024 as discussed in Notes 25.3 and 29.2(c).

25.2 Lease of Office Spaces – Company as Lessee

In December 2020, the Group entered into a new lease agreement as lessee with Megaworld covering the Group's office space, and recognized the related right-of-use asset and lease liability in relation to this lease agreement. The lease agreement was renewed in December 2025. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2025 amounted to P114.9 million and P107.3 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P16.5 million and P15.2 million, respectively (see Note 13).

In January 2021, the Group entered into another lease agreement as lessee with Megaworld covering the Group's office space, and recognized right-of-use asset and lease liability in relation to this lease agreement. The lease agreement was renewed in December 2025. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2025 amounted to P84.9 million and P79.3 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P13.6 million and P12.7 million, respectively (see Note 13).

In February 2022, the Group became a lessee of Megaworld for an office space for five years. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2025 amounted to P7.9 million and P9.3 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P15.2 million and P16.9 million, respectively (see Note 13).

In March 2023, Megaworld leased out an office space for a lease period of three years. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2025 amounted to P0.5 million and P0.6 million, respectively, while the carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P2.9 million and P2.8 million, respectively (see Note 13).

In July 2025, the Group entered into a new lease with MREIT, Inc. covering the Group's new office space, and recognized the related right-of-use asset and lease liability in relation to this new lease agreement. The carrying amounts of the right-of-use asset and lease liability as of December 31, 2025 amounted to P8.7 million and P8.9 million, respectively (see Note 13).

25.3 Advances to Related Parties – Net

The Group grants advances to its associates and other related parties for working capital purposes. These advances to related parties are unsecured, noninterest-bearing and repayable in cash upon demand.

The balances of these advances, shown as Advances to Related Parties account in the consolidated statements of financial position as at December 31, are presented below.

<i>(Amounts in PHP)</i>	2025	2024 [As restated – see Note 2.1(c)]
Associates	13,181,303	23,839,944
Other investee companies of shareholders	1,017,525,690	692,122,283
Allowance for impairment	(73,416,124)	(73,416,124)
	944,109,566	618,706,159
	957,290,869	642,546,103

A summary of transactions with these related parties are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Associates:			
Balance at beginning of year	23,839,944	23,839,944	21,243,698
Collections	(11,949,070)	-	(21,004)
Cash advances granted	1,290,429	-	2,617,250
Balance at end of year	13,181,303	23,839,944	23,839,944
Other investee companies of shareholders:			
[As restated – see Note 2.1 (c)]			
Balance at beginning of year			
As previously reported	531,961,105	544,018,187	651,704,974
Effect of restatement	86,745,054	86,745,054	86,745,054
As restated	618,706,159	630,763,241	738,450,028
Cash advances granted	347,365,944	37,780,792	55,099,182
Collections	(21,962,537)	(49,837,874)	(162,785,969)
Balance at end of year	944,109,566	618,706,159	630,763,241

As of December 31, 2025 and 2024, management assessed that certain advances to related parties amounting to P73.4 million are not recoverable [see Note 29.2(c)]. Accordingly, this has been provided with allowance for impairment in the prior years. No impairment losses were recognized in 2025, 2024 and 2023.

25.4 Advances from Related Parties

The Group obtains advances from its parent company and other related parties for working capital purposes. These advances are unsecured and are repayable in cash upon demand. Also, except for the advances from Megaworld, these advances are non-interest-bearing.

The balances of these advances, shown as Advances from Related Parties account in the consolidated statements of financial position as at the end of the reporting periods, are presented below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Parent company	521,105,926	555,203,627
Other investee companies of shareholders	79,119,687	90,780,337
	<u>600,225,613</u>	<u>645,983,964</u>

A summary of transactions with these related parties are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Parent Company:			
Balance at beginning of year	555,203,627	609,973,328	691,896,693
Repayments	(69,071,226)	(88,492,126)	(91,509,583)
Interest expense	34,973,525	33,722,425	9,586,218
Balance at end of year	<u>521,105,926</u>	<u>555,203,627</u>	<u>609,973,328</u>
Other investee companies of shareholders			
Balance at beginning of year	90,780,337	82,182,400	159,553,961
Repayments	(17,310,059)	(16,810,279)	(94,929,726)
Cash advances obtained	5,649,409	25,408,216	17,558,165
Balance at end of year	<u>79,119,687</u>	<u>90,780,337</u>	<u>82,182,400</u>

The advances from Megaworld bear annual interest of 6.0%. The interest expense incurred in 2025, 2024 and 2023 are presented as part of Finance costs under the Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 20.2).

The related unpaid interest of the advances from Megaworld amounting to P89.3 million and P80.0 million as at December 31, 2025 and 2024, respectively is included as part of Advances from Related Parties account in the consolidated statements of financial position.

25.5 Commissions

In the normal course of business, the Group pays commissions to Megaworld for marketing services rendered by the latter with the purpose of increasing sales from on-going projects. The commissions are based on pre-agreed rates and are payable once a certain percentage of the contract price has been collected. Commissions incurred in 2025, 2024 and 2023 are presented as part of Commissions under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 21). There was no outstanding balance from this transaction as of December 31, 2025 and 2024.

25.6 Management Fee

The Group obtains services from the parent company for a fixed consideration. The amount of expenses incurred from such transaction is recorded as part of Miscellaneous under Other Operating Expenses account in the 2025, 2024 and 2023 consolidated statements of comprehensive income (see Note 21). There was no outstanding balance from this transaction as of December 31, 2025 and 2024.

25.7 Key Management Personnel Compensation

The Group's key management personnel compensation includes the following:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term benefits		32,514,697	30,660,049	28,837,531
Post-employment defined benefit	23.1	6,476,472	<u>6,380,910</u>	<u>6,165,067</u>
		<u>38,991,169</u>	<u>37,040,959</u>	<u>35,002,598</u>

The Group also has short-term, unsecured and non-interest-bearing outstanding advances to key management personnel amounting to P48.6 million and P89.6 million as of December 31, 2025 and 2024, respectively, which are presented as part of Advances to officers and employees under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6). These are settled through salary deduction or liquidation.

25.8 Interest-Bearing Loans

The Company and TLC obtained unsecured, interest-bearing loans from Megaworld for working capital requirements in 2022. These loans bear a fixed interest rate of 6.33% and shall be payable in cash for a maximum term of 16 months. The outstanding balance of the loan amounted to P129.0 million and P2,129.0 million as of December 31, 2025 and 2024, respectively, and is presented as part of Interest-bearing Loans account in the consolidated statements of financial position (see Note 15). The interest payable as of December 31, 2025 and 2024 is P2.0 million and P0.6 million, respectively, and is presented as part of Trade and Other Payable in the consolidated statements of financial position. The related interest from these loans is presented as part of Finance Costs and Other Charges in the consolidated statements of comprehensive income (see Note 20.2).

25.9 Dividends Paid to the Parent Company

The Parent Company received dividends from the Company amounting to P99.0 million and P102.1 million in 2025 and 2023, respectively. The Parent Company did not receive dividends from the Company in 2024. Consequently, there were no outstanding liabilities relating to this transaction (see Note 26.2).

25.10 Employee Stock Option Plan (ESOP)

Under the ESOP, the Company shall initially reserve for exercise of share options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant (see Note 26.3).

26. EQUITY

26.1 Capital Stock

Capital stock as of December 31, 2025 and 2024 consists of:

	<u>Shares</u>	<u>Amounts in PHP</u>
Common shares – P1.00 par value		
Authorized	<u>20,000,000,000</u>	<u>20,000,000,000</u>
Issued and outstanding		
Balance at beginning and end of year	<u>10,986,000,000</u>	<u>10,986,000,000</u>

On November 23, 1995, the SEC approved the listing of the Company's common shares totalling 150.0 million. The shares were initially issued at an offer price of P19.50 per common share. As at December 31, 2025 and 2024, there are 4,116 and 4,144 holders of the listed shares, respectively, which closed at P0.69 per share and P0.64 per share, respectively.

The Company also made additional listings of 5.0 billion and 2.5 billion shares with offer prices at P1.00 per share and P2.26 per share on January 27, 2012, and August 14, 2013, respectively.

26.2 Cash Dividends

On June 19, 2025, the BOD approved the declaration and distribution of cash dividends of the Parent Company amounting to P120.0 million to all shareholders of record as of July 18, 2025 paid on August 13, 2025.

On June 30, 2023, the BOD approved the declaration and distribution of cash dividends of the Parent Company amounting to P124.1 million to all shareholders of record as of July 28, 2023 paid on August 23, 2023.

There was no similar transaction in 2024.

26.3 ESOP

On September 23, 2011, the Company's BOD approved an ESOP for its key executive officers. This was approved on November 8, 2011 by shareholders holding at least two-thirds of the outstanding capital stock. The purpose of the ESOP is to enable the key executives and senior officers of the Company, who are largely responsible for its further growth and development, to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The ESOP is being administered by the Executive Compensation Committee of the BOD.

Under the ESOP, the Company shall initially reserve for exercise of stock options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Stock options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for twelve months immediately preceding the date of grant. The options shall vest within three years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three-year period. The Company shall receive cash for the stock options.

As of December 31, 2023, pursuant to this ESOP, GERI has granted the option to its key company executives to subscribe to 400.0 million shares of GERI. An option holder may exercise in whole or in part his vested option provided, that, an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. All 400.0 million options were fully vested as of December 31, 2019, but none of these have been exercised yet by any of the option holders as at the end of the reporting periods. As at December 31, 2025 and 2024, there are no remaining share options that can be exercised.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The principal assumptions used in the valuation are shown below.

Grant dates	:	February 16, 2012, February 18, 2013 March 7, 2014, March 9, 2015, July 14, 2016
Vesting period ends	:	February 15, 2015, February 17, 2016. March 6, 2017, February 16, 2018 July 13, 2019
Option life	:	Seven years
Share price at grant dates	:	P2.10, P2.09, P1.60, P1.63, P1.02
Exercise price at grant dates	:	P1.93, P1.69, P1.50, P1.65, P1.00
Average fair value at grant dates	:	P2.27, P0.74, P0.42, P0.34, P0.24
Average standard deviation of share price returns	:	57.10%, 20.85%, 16.16%, 12.16%, 15.29%
Average risk-free investment rates	:	2.46%, 2.14%, 2.46%, 2.51%, 2.59%

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time consistent with the option life.

27. EARNINGS PER SHARE

Earnings per share amounts were computed as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Basic:			
Net profit attributable to Company's shareholders	1,924,530,701	1,780,517,595	1,840,185,198
Divided by weighted number of outstanding common shares	<u>10,986,000,000</u>	<u>10,986,000,000</u>	<u>10,986,000,000</u>
	<u>0.175</u>	<u>0.162</u>	<u>0.168</u>
Diluted:			
Net profit attributable to Company's shareholders	1,924,530,701	1,780,517,595	1,840,185,198
Divided by weighted number of outstanding common shares	<u>10,986,000,000</u>	<u>10,986,000,000</u>	<u>11,008,602,740</u>
	<u>0.175</u>	<u>0.162</u>	<u>0.167</u>

In relation to the approved ESOP for key executive officers, the remaining vested options exercisable by any of the option holders were considered as potentially dilutive shares in 2023. However, these are not exercisable any longer as at the end of the reporting periods 2024 and 2025.

28. COMMITMENTS AND CONTINGENCIES

28.1 Lease Commitments – Group as Lessor

The Group is a lessor under several operating leases covering real estate properties for commercial use (see Note 11). The leases have terms ranging from 1 to 25 years, with renewal options, and include annual escalation rates of 5.00% to 10.00%. The average annual rental covering these agreements amounts to P341.5 million.

Future minimum lease payments receivable under these operating lease agreements are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Within one year	597,534,116	522,686,505	462,604,668
After one year but not more than two years	446,425,207	392,408,845	392,376,722
After two years but not more than three years	356,048,590	256,436,440	309,716,349
After three years but not more than four years	310,400,273	206,914,087	220,796,848
After four years but not more than five years	286,672,211	238,040,701	215,947,562
More than five years	1,521,942,825	1,721,953,026	1,753,519,332
	3,519,023,222	3,338,439,604	3,354,961,481

The undiscounted maturity analysis of finance lease receivable is as follows:

<i>(Amounts in PHP)</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
December 31, 2025							
Lease collection	26,281,500	24,301,659	25,030,708	25,781,630	26,555,079	577,481,072	705,431,648
Interest income	(24,407,402)	(24,373,209)	(24,352,433)	(24,269,834)	(24,118,575)	(271,668,712)	(393,190,165)
Net present value	1,874,098	(71,550)	678,275	1,511,796	2,436,504	305,812,360	312,241,483
December 31, 2024							
Lease collection	27,514,054	26,281,499	24,301,659	25,030,708	25,781,630	604,036,152	732,945,702
Interest income	(24,641,019)	(24,407,402)	(24,373,209)	(24,352,433)	(24,269,834)	(295,787,287)	(417,831,184)
Net present value	2,873,035	1,874,097	(71,550)	678,275	1,511,796	308,248,865	315,114,518

28.2 Others

The Company has unused long-term credit facilities amounting to P1,000.0 million, as of 2024 (nil in 2025). There are other commitments and contingent liabilities that may arise in the normal course of the Group's operations that are not reflected in the consolidated financial statements. As of the end of the reporting period, management is of the opinion that losses, if any, from these items will not have a material effect on the Group's consolidated financial statements.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group's financial assets and financial liabilities by category are summarized in Note 30.1. The main types of risks are market risk, credit risk and liquidity risk.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed to are below and described below and in the succeeding pages.

29.1 *Market Risk*

(a) *Foreign Currency Risk*

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise mainly from the Group's United States (U.S.) dollar-denominated cash and cash equivalents.

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

U.S. dollar denominated financial assets, translated into Philippine pesos at the closing rates at end of 2025 and 2024, pertain to cash and cash equivalents amounting to P90.7 million and P130.8 million, respectively. The Group has no U.S. dollar denominated financial liabilities in 2025 and 2024.

If the Philippine peso had strengthened against the U.S. dollar, profit before tax would have decreased by P5.4 million and P6.8 million in 2025 and 2024, respectively. If the Philippine peso had weakened against the U.S. dollar, then this would have increased profit before tax in 2025 and 2024 by the same amount. This sensitivity of the net result for the year assumes a +/-5.97% and +/-5.22% change of the Philippine peso/U.S. dollar exchange rate for the years ended December 31, 2025 and 2024, respectively. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months for 2025 and 2024 estimated at 68% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of the reporting period.

Exposures to foreign exchange rates vary during the year depending on the volume of transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

(b) *Interest Rate Risk*

At December 31, 2025 and 2024, the Group is exposed to changes in market interest rates through its cash and cash equivalents and long-term interest-bearing loans, which are subject to variable interest rates (see Notes 5 and 15). All other financial assets and liabilities have fixed rates.

The sensitivity of the Group's profit before tax is analyzed based on reasonably possible change for the year to a reasonably possible change in interest rate of +/-2.85% in 2025 and +/-2.30% in 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The percentage changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months at a 99% confidence level. The sensitivity analysis is based on the Group's financial instruments held at the end of each reporting period, with effect estimated from the beginning of the year. All other variables held constant, if the interest rate increased by 2.85% in 2025 and 2.30% in 2024, profit before tax would have increased by P323.6 million and P216.3 million in 2025 and 2024, respectively. Conversely, if the interest rate decreased by the same percentages, profit before tax in 2025 and 2024 would have been higher by the same amount.

29.2 Credit Risk

Credit risk is the risk when a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, arising from granting loans and receivables to customers and related parties and by placing deposits.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

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

(Amounts in PHP)	Notes	2024	
		2025	[As restated – see Note 2.1(c)]
Cash and cash equivalents	5	2,268,417,517	2,294,241,764
Trade receivables	6	14,050,915,739	13,186,010,505
Finance lease receivable	6	312,241,483	315,114,518
Rent receivables	6	581,729,251	449,212,826
Other receivables	6	394,919,628	377,173,916
Contract assets	19.2	3,932,708,745	4,999,964,923
Advances to real estate property owners	9	1,135,472,450	1,369,425,104
Advances to related parties	25.3	1,030,706,993	715,962,227
Refundable deposits	14	87,537,011	89,458,764
		<u>23,794,648,817</u>	<u>23,796,564,547</u>

(a) Cash and Cash Equivalents

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

As part of Group policy, bank deposits are only maintained with reputable financial institutions. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million for every depositor per banking institution.

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 for impairment will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

As of December 31, 2025 and 2024, impairment allowance is not material.

(b) *Trade and Other Receivables and Contract Assets*

Credit risk of receivables and contract assets from sale of real estate properties is managed primarily through credit reviews and analyses of receivables on a regular basis. The Group undertakes credit review procedures for all installment payment terms. Customer payments are facilitated through the use of post-dated checks. Exposure to doubtful accounts is not substantial as title to real estate properties are not transferred to the buyers until full payment of the amortization has been made and the requirement for remedial procedures is negligible considering the Group's buyers' profile.

The Group has used the simplified approach in measuring ECL and has calculated ECL based on lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking information specific to the buyers and the economic environment.

The Group considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature and may extend the definition of default to beyond 90 days. Furthermore, 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.

The provision rate is based on days past due of all customers as they have similar loss patterns. The credit enhancements such as advance payment and value of the real estate for sale are considered in the calculation of impairment as recoveries.

The management determined that there is no required ECL to be recognized since the real estate sold is collateralized to the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient.

Other components of receivables such as rental receivables are also evaluated by the Group for impairment and assessed that certain rental receivables were no longer collectible as of December 31, 2025 and 2024. Accordingly, the related impairment loss amounting to P6.0 million and P98.3 million in 2025 and 2024, respectively, was recognized (see Notes 6 and 21). There was no similar assessment for 2023. Rental receivables are secured to the extent of advance rental and rental deposit received from the lessees, which are in average equivalent to six months.

The estimated fair value of collateral and other security enhancements held against instalment contract receivables, contract assets and rent receivables are presented below:

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
December 31, 2025			
Instalment contract receivables - net	14,050,915,739	21,482,275,184	-
Contract assets	3,932,708,745	7,903,910,393	-
Rent receivables	581,729,251	213,857,787	367,871,464
	<u>18,565,353,735</u>	<u>29,600,043,364</u>	<u>367,871,464</u>
December 31, 2024			
Instalment contract receivables - net	13,186,010,505	22,753,428,635	-
Contract assets	4,999,964,923	8,691,212,671	-
Rent receivables	449,212,826	317,835,793	131,377,033
	<u>18,635,188,254</u>	<u>31,762,477,099</u>	<u>131,377,033</u>

Some of the unimpaired trade and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period and are presented below.

<i>(Amounts in PHP)</i>	2025	2024
Current (not past due)	12,116,253,516	11,543,112,713
Past due but not impaired:		
More than one month but not more than three months	311,956,227	331,278,641
More than three months but not more than six months	194,128,199	232,295,172
More than six months but not more than one year	853,439,088	401,477,326
More than one year	<u>707,850,320</u>	<u>530,231,173</u>
	<u>14,183,627,350</u>	<u>13,038,395,025</u>

(c) *Advances to Related Parties, Advances to Real Estate Property Owners and Refundable Deposits*

ECL for advances to related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the counterparties. Management assessed that the outstanding receivables from certain related parties as of December 31, 2025 and 2024 are not recoverable since these related parties have no capacity to pay the advances upon demand; hence, fully provided with allowance. No additional impairment loss was recognized in 2025, 2024 and 2023 (see Note 25.3).

The Group does not consider any significant risks in the remaining advances to related parties since Megaworld and other related parties, whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of AGP's long-term corporate strategy.

In addition, there is also no significant risks in the advances to real estate property owners as these are advances to joint venturers in the Group's certain real estate projects which are set-off against the joint venturers' share in the collections of receivables pertaining to such projects. As of December 31, 2025 and 2024, impairment allowance is not material.

With respect to refundable deposits, management assessed that these financial assets have low probability of default since these relate to reputable companies (i.e., with high quality external credit ratings).

29.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection. Long-term needs for a six-month and one-year period are identified monthly.

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

As of end of the reporting periods, the Group's financial liabilities have contractual maturities which are presented below.

(Amounts in PHP)

(Amounts in PHP)

		Current		Non-current	
	Notes	Within 6 months	6 to 12 Months	1 to 5 Years	Later than 5 years
December 31, 2025					
Interest-bearing loans	15	1,169,843,697	1,440,720,747	6,389,052,611	1,591,431,726
Trade and other payables	16	862,904,543	3,986,324,375	-	-
Advances from related parties	25.4	600,225,613	-	-	-
Due to joint venture partners	17	-	476,974,248	-	-
Lease liabilities	13	47,837,062	47,837,062	338,539,919	683,978,303
Security deposits	16, 18	130,854,392	-	-	54,561,467
Retention payable	16, 18	-	260,523,551	-	583,630,415
		2,811,665,307	6,212,379,983	6,727,592,530	2,913,601,911
December 31, 2024					
Interest-bearing loans	15	948,606,497	1,108,008,215	7,890,001,611	-
Trade and other payables	16	722,979,410	3,958,986,753	-	-
Advances from related parties	25.4	645,983,964	-	-	-
Due to joint venture partners	17	-	491,051,555	-	-
Lease liabilities	13	40,308,551	40,308,551	154,283,385	722,295,135
Security deposits	16, 18	137,621,162	-	-	30,874,963
Retention payable	16, 18	-	292,362,430	-	530,235,561
		2,495,499,584	5,890,717,504	8,044,284,996	1,283,405,659

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

30. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

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

(Amounts in PHP)	Notes	2025		2024 [As restated – see Note 2.1(c)]	
		Carrying Values	Fair Values	Carrying Values	Fair Values
Financial assets					
At amortized cost:					
Cash and cash equivalents	5	2,268,417,517	2,268,417,517	2,294,241,764	2,294,241,764
Trade and other receivables – net	6	14,695,074,424	19,918,723,471	13,688,828,654	18,088,986,708
Advances to real estate property owners	9	1,135,472,450	1,135,472,450	1,369,425,104	1,369,425,104
Advances to related parties – net	25.3	957,290,869	957,290,869	642,546,103	642,546,103
Refundable deposits	14	87,537,011	87,537,011	89,458,764	89,458,764
		19,143,792,271	24,367,441,318	18,084,500,389	22,484,658,443
Financial liabilities					
At amortized cost:					
Interest-bearing loans	15	9,588,326,551	10,591,048,781	9,512,119,109	10,679,126,693
Trade and other payables	16	4,849,228,918	4,849,228,918	4,681,966,163	4,681,966,163
Advances from related parties	25.4	600,225,613	600,225,613	645,983,964	645,983,964
Due to joint venture partners	17	476,974,248	476,974,248	491,051,555	491,051,555
Retention payable	16, 18	844,153,966	844,153,966	822,597,991	822,597,991
Security deposits	16, 18	185,415,859	185,415,859	168,496,125	168,496,125
Lease liabilities	13	620,802,869	620,802,869	465,796,288	465,796,288
		17,165,128,024	18,167,850,254	16,788,011,195	17,955,018,779

See Note 2.4 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Offsetting of Financial Assets and Financial Liabilities

Except as disclosed in Note 6, the Group has not set off any other financial instruments in 2025 and 2024 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders or upon instruction by the Group. As such, the Group's outstanding advances to related parties amounting to P957.3 million and P642.5 million can be offset by the amount of outstanding advances from related parties amounting to P600.2 million and P646.0 million as at December 31, 2025 and 2024, respectively (see Note 25).

The Group has cash in certain local banks to which it has outstanding loans (see Note 15). In case of the Group's default on loan amortization, cash in banks amounting to P2,001.1 million and P2,187.7 million can be applied against its outstanding loans from banks amounting to P9,459.4 million and P7,383.2 million as of December 31, 2025 and 2024, respectively (see Notes 5 and 15).

In addition, the Company's finance lease receivable amounting to P312.2 million and P315.1 million as at December 31, 2025 and 2024, respectively, can also be offset by the same outstanding amount of the related lease liability (see Note 6).

31. FAIR VALUE MEASUREMENT AND DISCLOSURES

31.1 Fair Value Hierarchy

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

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

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

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

31.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below and in the succeeding page summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the 2025 and 2024 consolidated statements of financial position but for which fair value is disclosed.

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
2025				
Financial Assets:				
Cash and cash equivalents	2,268,417,517	-	-	2,268,417,517
Trade and other receivables - net	-	-	19,918,723,471	19,918,723,471
Advances to real estate property owners	-	-	1,135,472,450	1,135,472,450
Advances to related parties - net	-	-	957,290,869	957,290,869
Refundable deposits	-	-	87,537,011	87,537,011
	2,268,417,517	-	22,099,023,801	24,367,441,318
Financial Liabilities:				
Interest-bearing loans	-	-	10,591,048,781	10,591,048,781
Trade and other payables	-	-	4,849,228,918	4,849,228,918
Advances from related parties	-	-	600,225,613	600,225,613
Due to joint venture partners	-	-	476,974,248	476,974,248
Lease liabilities	-	-	620,802,869	620,802,869
Security deposits	-	-	185,415,859	185,415,859
Retention payable	-	-	844,153,966	844,153,966
	-	-	18,167,850,254	18,167,850,254

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
<u>2024 [As restated – see Note 2.1(c)]</u>				
<i>Financial Assets:</i>				
Cash and cash equivalents	2,294,241,764	-	-	2,294,241,764
Trade and other receivables - net	-	-	18,088,986,708	18,088,986,708
Advances to real estate property owners	-	-	1,369,425,104	1,369,425,104
Advances to related parties - net	-	-	642,546,103	642,546,103
Refundable deposits	-	-	89,458,764	89,458,764
	<u>2,294,241,764</u>	<u>-</u>	<u>20,190,416,679</u>	<u>22,484,658,443</u>
<i>Financial Liabilities:</i>				
Interest-bearing loans	-	-	10,679,126,693	10,679,126,693
Trade and other payables	-	-	4,681,966,163	4,681,966,163
Advances from related parties	-	-	645,983,964	645,983,964
Due to joint venture partners	-	-	491,051,555	491,051,555
Lease liabilities	-	-	465,796,288	465,796,288
Security deposits	-	-	168,496,125	168,496,125
Retention payable	-	-	822,597,991	822,597,991
	<u>-</u>	<u>-</u>	<u>17,955,018,779</u>	<u>17,955,018,779</u>

For financial assets with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values due to their short-term duration.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market is determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. For those with short term duration, the carrying amount approximates the fair value.

31.3 Investment Properties Measured at Cost for Which Fair Value is Disclosed

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's investment properties is its current use.

The fair value of the investment properties was determined based on the following approaches (see Note 11):

(i) Fair Value Measurement for Land and Land Development and Improvements

The Level 3 fair value of land and land developments and improvements amounted to P30,250.2 million and P31,697.9 million as at December 31, 2025 and 2024, and was derived through appraisals by SEC-accredited independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

(ii) *Fair Value Measurement for Building and Improvements*

The fair value of the Group's building and improvements, which are classified under Level 3 of the fair value hierarchy, amounted to P12,374.3 million and P15,476.2 million, as at December 31, 2025 and 2024, respectively, and is determined by calculating the present value of the cash inflows anticipated until the end of the life of the investment properties using a discount rate of 7.80% in 2025 and 2024. The expected cash flows are based on the best use of the property, which is to earn rentals over its estimated useful life.

(iii) *Fair Value Measurement of Construction in Progress*

The Level 3 fair value of the construction in progress was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated cost used in the valuation will result in higher fair value of the properties. Management assessed that the fair value of the construction in progress approximates its carrying values.

Also, there were no transfers into or out of Level 3 fair value hierarchy in 2025 and 2024.

32. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group also monitors its debt coverage ratio (DCR) and current ratio as required by its loan obligations (see Note 15). The Group has complied with its covenant obligations, including maintaining the required DSCR and current ratio.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Total liabilities	21,915,924,548	22,144,409,853
Total equity	42,750,360,867	40,705,695,669
Debt-to-equity ratio	<u>0.51 : 1.00</u>	<u>0.54 : 1.00</u>

33. SUPPLEMENTAL INFORMATION ON CONSOLIDATED STATEMENTS OF CASH FLOWS

33.1 Reconciliation of Liabilities Arising from Financing Activities

The reconciliation of liabilities arising from financing activities in 2025, 2024 and 2023 is presented below. The details of net cash flows are presented in the consolidated statements of cash flows.

(Amounts in PHP)

	Interest-bearing Loans (see Note 15)	Advances from Related Parties (see Note 25.4)	Lease Liabilities (see Note 13.2)	Total
Balance as of January 1, 2025	9,512,119,109	645,983,964	465,796,288	10,623,899,361
Cash flows from financing activities:				
Additional borrowings	4,000,000,000	5,649,409	-	4,005,649,409
Repayments of borrowings	(3,923,792,558)	(86,381,285)	(67,894,465)	(4,078,068,308)
Non-cash financing activities:				
Additional lease liabilities	-	-	215,967,672	215,967,672
Interest amortization on lease liabilities	-	-	34,447,428	34,447,428
Interest expense from advances from related parties	-	34,973,525	-	34,973,525
Offsetting	-	-	(27,514,054)	(27,514,054)
Balance as of December 31, 2025	9,588,326,551	600,225,613	620,802,869	10,809,355,033
Balance as of January 1, 2024	9,494,069,589	692,155,728	517,740,465	10,703,965,782
Cash flows from financing activities:				
Additional borrowings	1,500,000,000	25,408,216	-	1,525,408,216
Repayments of borrowings	(1,481,950,480)	(105,302,405)	(63,751,311)	(1,651,004,196)
Non-cash financing activities:				
Interest amortization on lease liabilities	-	-	38,654,005	38,654,005
Offsetting	-	-	(26,846,871)	(26,846,871)
Interest expense from advances from related parties	-	33,722,425	-	33,722,425
Balance as of December 31, 2024	9,512,119,109	645,983,964	465,796,288	10,623,899,361
Balance as of January 1, 2023	7,605,669,500	851,450,654	554,996,657	9,012,116,811
Cash flows from financing activities:				
Additional borrowings	5,000,000,000	17,558,165	-	5,017,558,165
Repayments of borrowings	(3,111,599,911)	(186,439,309)	(62,506,760)	(3,360,545,980)
Non-cash financing activities:				
Interest amortization on lease liabilities	-	-	42,506,555	42,506,555
Offsetting	-	-	(26,199,118)	(26,199,118)
Interest expense from advances from related parties	-	9,586,218	-	9,586,218
Additional lease liabilities	-	-	9,922,379	9,922,379
Derecognition	-	-	(979,248)	(979,248)
Balance as of December 31, 2023	9,494,069,589	692,155,728	517,740,465	10,703,965,782

33.2 Non-cash Investing and Financing Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023:

- In the normal course of business, the Group enters into non-cash transactions such as exchanges or purchases on account of real estate and other assets, and reclassifications of inventories, property and equipment, and investment properties. These non-cash activities are not reflected in the consolidated statements of cash flows (see Notes 7, 11 and 12).
- The Group has effected the offsetting of payments made directly by the sublessee of the Group to the head lessor in relation to its finance lease transaction (see Notes 6 and 13).
- In 2023, the Company pre-terminated one of its lease contracts which resulted to the derecognition of the right-of-use asset and lease liability and a gain on pre-termination amounting to P0.5 million presented as part of Gain on derecognition of payables under Finance and Other Income in the 2023 consolidated statement of comprehensive income (see Notes 13 and 20.1). There were no similar transactions in 2025 and 2024.
- In 2025, the Group recognized right-of-use assets and lease liabilities amounting to P216.0 million. In 2023, the Group recognized right-of-use assets and lease liabilities amounting to P9.9 million (see Notes 13). There was no similar transaction in 2024.

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

Punongbayan & Araullo
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The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

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The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Global-Estate Resorts, Inc. and Subsidiaries (the Group) for the year ended December 31, 2025, on which we have rendered our report dated March 16, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: Edcel U. Costales
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10770757, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 134633-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-045-2025 (until November 11, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-017 (until August 12, 2027)

March 16, 2026

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

Report of Independent Auditors on Supplementary Schedules Filed Separately
from the Basic Financial Statements

- (1) Supplementary Schedules to Financial Statements
(Annex 68-J, SRC Rule 68)

Schedule

A	Financial Assets	na
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	Long-Term Debt	3
E	Indebtedness to Related Parties	4
F	Guarantees of Securities of Other Issuers	na
G	Capital Stock	5

- (2) Reconciliation of Retained Earnings Available for Dividend Declaration

- (3) Map Showing the Relationship Between and Among Related Parties

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
SCHEDULE B. - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025
(Amounts in Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of Year		Additions		Deductions		Ending Balance		Balance at End of Year	
					Amounts Collected	Amounts Written-off	Current	Not Current		
<i>Amounts Due from Related Parties</i>										
FERSAI	P	7,790,937	P	-	P	-	P	7,790,937	P	7,790,937
FESI		2,068,038		1,290,429		-		3,358,467		3,358,467
BNHGI		3,141,747		-		-		3,141,747		3,141,747
FERC		1,259,699		-		-		1,259,699		1,259,699
NPI		12,721,270		-		11,949,070		772,200		772,200
Other related parties		615,564,412		347,365,944		21,962,537		940,967,819		940,967,819
TOTAL	P	642,546,103	P	348,656,373	P	33,911,607	P	957,290,869	P	957,290,869
<i>Advances to Officers and Employees</i>										
Quintana, Allan	P	2,461,885	P	-	P	1,074,024	P	1,387,861	P	1,387,861
Haguisan, Hennie		10,387		618,702		-		629,089		629,089
Binag Macaraig, Melody		506,112		54,702		-		560,814		560,814
Bravo, Melissa Anne		231,197		30,191		-		261,388		261,388
Herrera, Christopher		482,405		-		277,793		204,612		204,612
Lim, Meliza Anne		152,202		-		91,885		60,317		60,317
Carbon, Thomas George M.		106,026		-		73,772		32,254		32,254
Luzung, Fred		20,000		-		-		20,000		20,000
David, Chatt S.		998,136		-		998,136		-		-
Others		220,669,589		-		62,173,002		158,496,587		158,496,587
TOTAL	P	225,637,939	P	703,595	P	64,688,612	P	161,652,922	P	161,652,922

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
SCHEDULE C. - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025
(Amounts in Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Ending Balance		Balance at End of Year
			Amounts Collected	Amounts Written-off	Current	Not Current	
<i>Amounts Receivable from Related Parties Eliminated During Consolidation</i>							
Global-Estate Properties, Inc.	P 7,914,324,721	P -	P 1,306,397,249	P -	P 6,607,927,472	P -	P 6,607,927,472
Fil-Estate Urban Development Corporation	148,156,876	1,517,466	-	-	149,674,342	-	149,674,342
Global Homes and Communities, Inc.	121,315,750	3,014,031	-	-	124,329,781	-	124,329,781
Megaworld Global-Estate, Inc.	93,120,710	14,153,037	-	-	107,273,747	-	107,273,747
Novo Sierra Holding Corp.	356,487	500	-	-	356,987	-	356,987
Oceanfront Properties	38,871,399	-	38,871,399	-	-	-	-
TOTAL	P 8,316,145,943	P 18,685,034	P 1,345,268,648	P -	P 6,989,562,329	P -	P 6,989,562,329

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES

(A Subsidiary of Megaworld Corporation)

Schedule D - Long Term Debt

December 31, 2025

(Amounts in Philippine Pesos)

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Bank loan	P 11,500,000,000	P 1,859,047,059	P 7,600,325,668
Megaworld Corporation	129,000,000	-	128,953,824
	P 11,629,000,000	P 1,859,047,059	P 7,729,279,492

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2025
(Amounts in Philippine Pesos)

Name of related party	Balance at beginning of period	Balance at end of period
Megaworld Corporation	P <u>2,128,953,824</u>	P <u>128,953,824</u>
TOTAL	P <u>2,128,953,824</u>	P <u>128,953,824</u>

GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding under Related Balance Sheet Caption	Number or Shares Held By		
			Related Parties (Parent, Affiliates)	Directors, Officers and Employees	Others
Common Shares	<u>20,000,000,000</u>	<u>10,986,000,000</u>	<u>9,064,112,659</u>	<u>2,723,653</u>	<u>1,919,163,688</u>

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2025

Unappropriated Retained Earnings at Beginning of Year		P	10,145,672,844
Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings			
Reversal of Retained Earning Appropriation/s	-		
Effect of restatements or prior-period adjustments	-		
Others	-		-
Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings			
Dividend declaration during the reporting period	(120,000,000)		
Retained Earnings appropriated during the reporting period	-		
Effect of restatements or prior-period adjustments	-		
Others	-	(	120,000,000)
Unappropriated Retained Earnings at Beginning of Year, as adjusted			10,025,672,844
Add/Less: Net Income (Loss) for the Current Year			2,207,055,505
Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the reporting period (net of tax)			
Equity in net income of associate/joint venture, net of dividends declared	(1,483,644,824)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-		
Unrealized fair value gain of investment property	-		
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	(186,006,670)		
Sub-total		(	1,669,651,494)
Add: <u>Category C.2:</u> Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)			
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-		
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-		
Realized fair value gain of investment property	-		
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	42,600,300		
Sub-total			42,600,300
Add: <u>Category C.3:</u> Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)			
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-		
Reversal of previously recorded fair value gain of investment property	-		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-		
Sub-total			-
<i>Balance carried forward</i>			
Adjusted Net Income/Loss			580,004,311

Balance brought forward

Adjusted Net Income/Loss

580,004,311

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)

-

Sub-total

-

Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief

-

Total amount of reporting relief granted during the year

-

Others

-

Sub-total

-

Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)

-

Net movement of deferred tax asset not considered in the reconciling items under the previous categories

-

Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable

(8,228,885)

Adjustment due to deviation from PFRS/GAAP - gain (loss)

-

Others

-

Sub-total

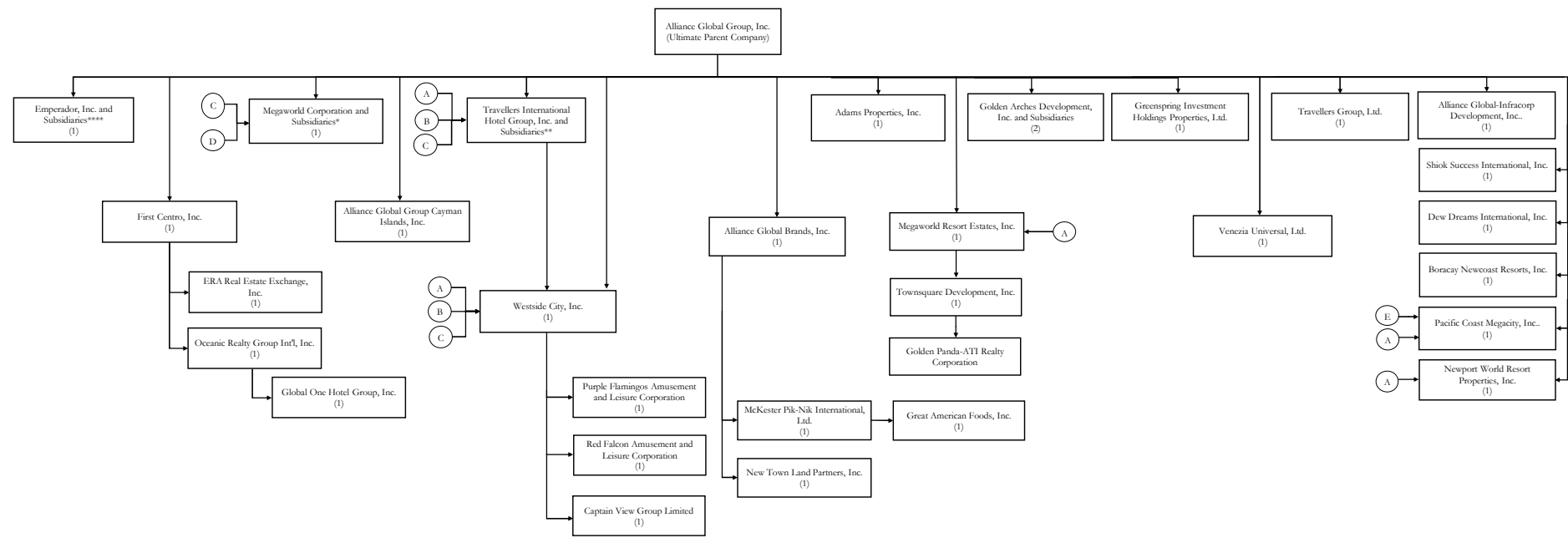
(8,228,885)

Unappropriated Retained Earnings Available for Dividend Distribution at End of Year

P 10,597,448,270

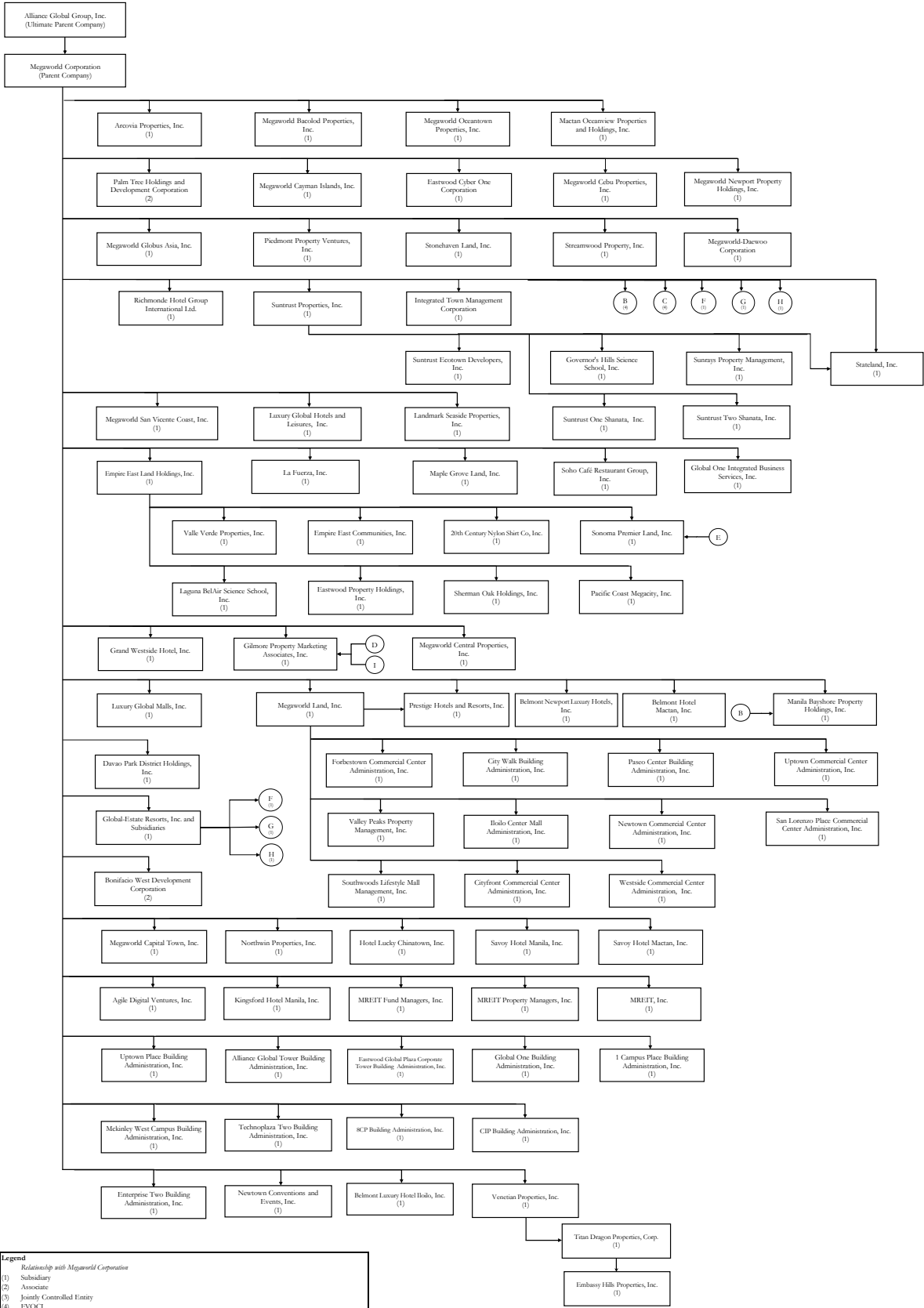
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES

Map Showing the Relationship Between Alliance Global Group, Inc.
and its Related Parties
December 31, 2025

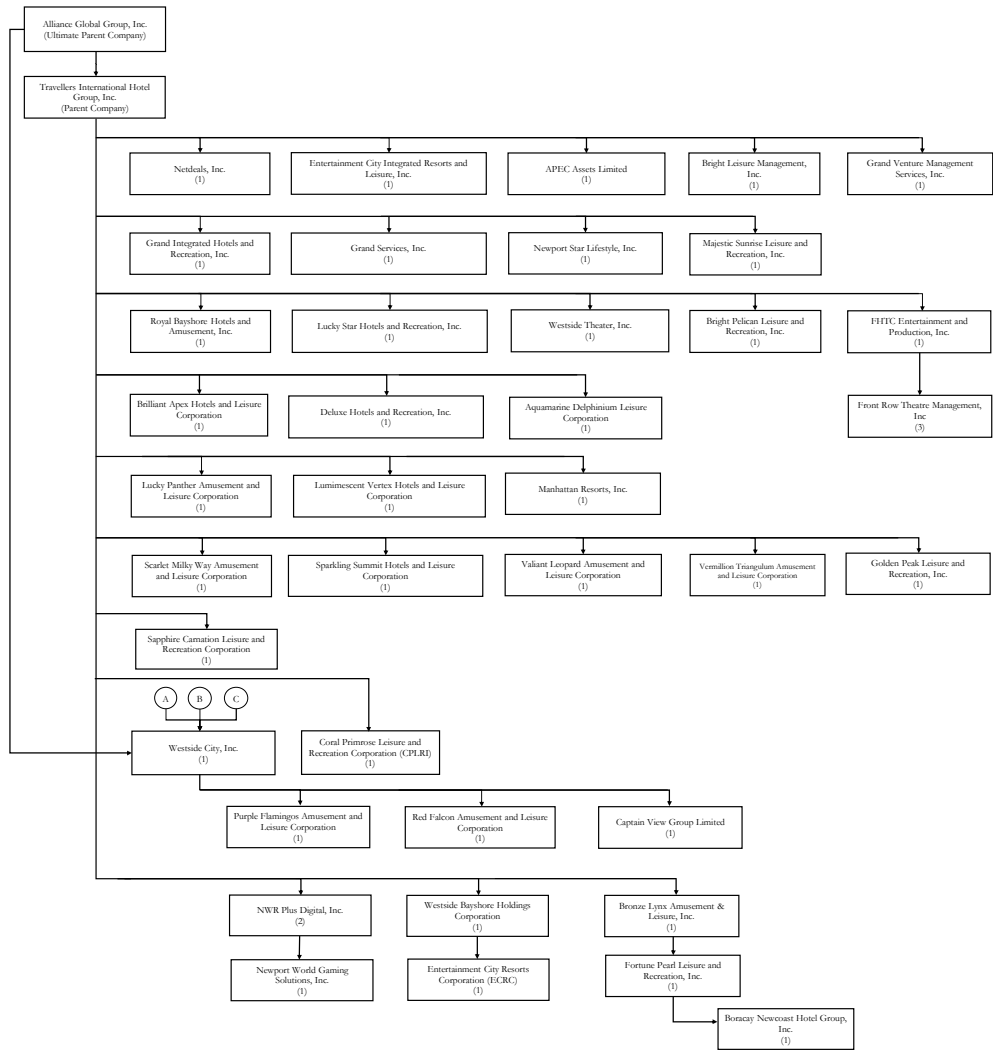


Legend		
(1)	Subsidiary	A Megaworld Corporation
(2)	Associate	B Adams Properties, Inc.
(3)	Jointly Controlled Entity	C First Centro, Inc.
		D Newtown Land Partners, Inc.
		E Empire East Land Holdings, Inc.

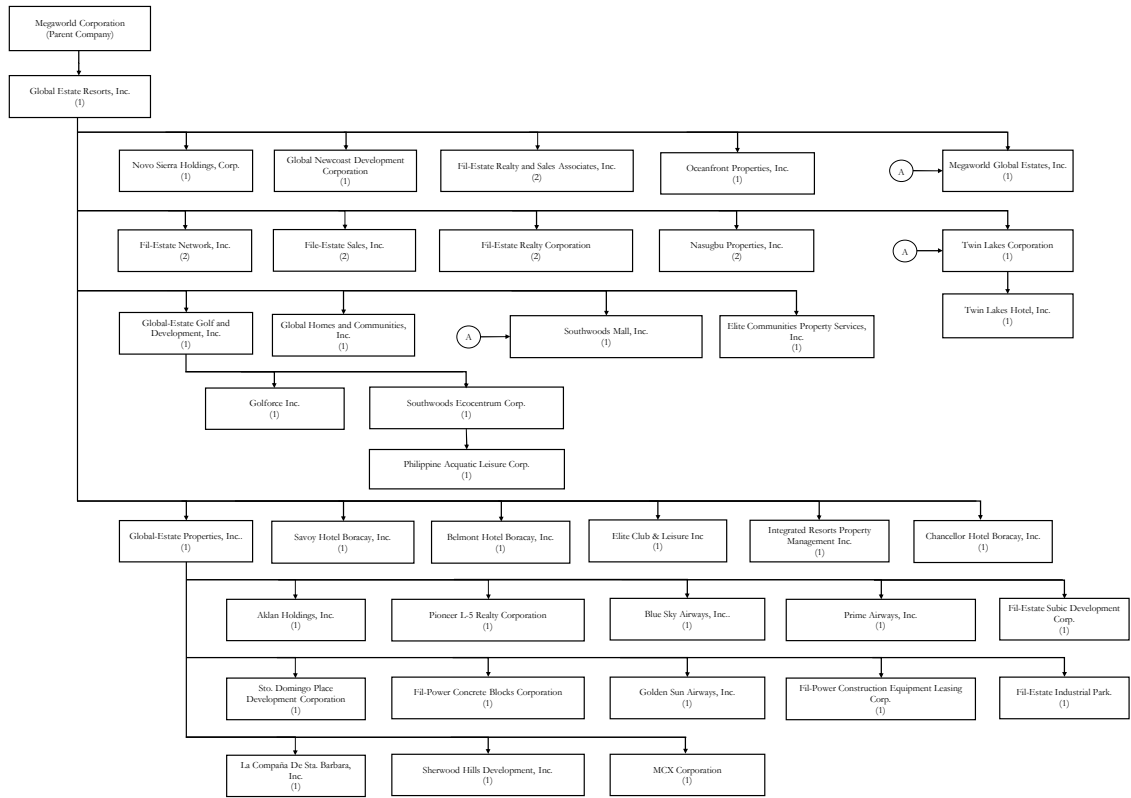
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Megaworld Corporation Group
December 31, 2025



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Travellers Group
December 31, 2025

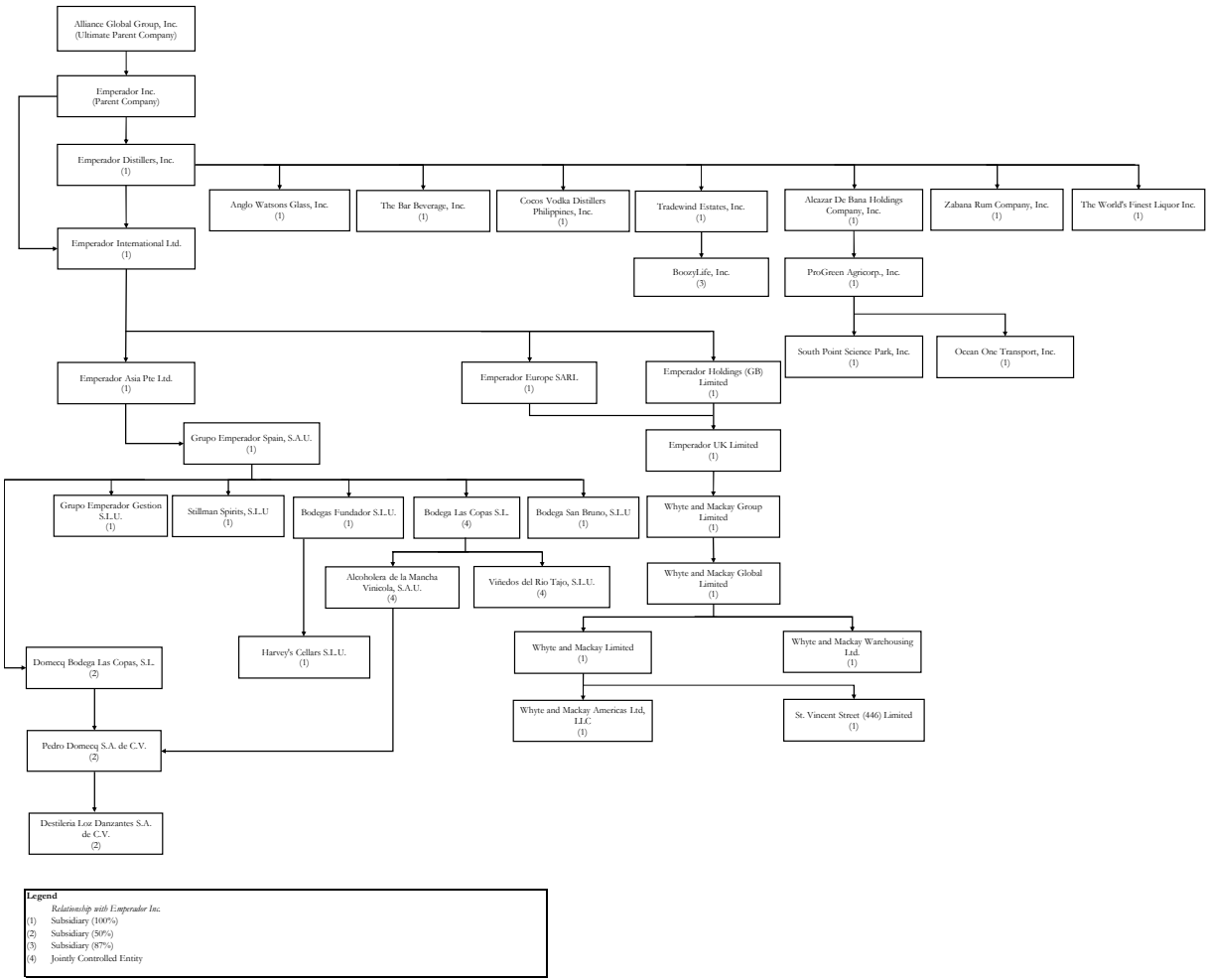


ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between and
Among Megaworld and Global Estate Resorts Inc. Group
December 31, 2025



Legend	
(1)	Subsidiary
(2)	Associate
(3)	Jointly Controlled Entity
(4)	FOUCL
A	Megaworld Corporation
B	Adams Properties, Inc.
C	Frost Centre, Inc.
D	Newtown Land Partners, Inc.
E	Travellers International Hotel Group, Inc.
F	Manila Bayshore Property Holdings, Inc.
G	Westside City, Inc.
H	Townsquare Development, Inc.
I	Megaworld Resort Estates, Inc.
S	Empire East Land Holdings, Inc.
J	Twin Lakes Corporation
K	Megaworld Global Estates, Inc.
L	Megaworld Central Properties, Inc.
M	Shirk Success International, Ltd.
N	Dew Dreams International, Ltd.
O	Southwoods Mall, Inc.
P	Sonoma Premier Land, Inc.
Q	Gilmore Property Marketing Associates, Inc.
R	Emperador Inc.
T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Emperor Group
December 31, 2025



GLOBAL-ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2025 and 2024
(Amounts in Philippine Pesos)

	<u>2025</u>	<u>2024</u>
Total Audit Fees	P 9,194,300	P 7,497,321
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit fees	-	-
Total Audit and Non-audit fees	P 9,194,300	P 7,497,321

Report of Independent Auditors on Components of Financial Soundness Indicators

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20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

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The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Global-Estate Resorts, Inc. and Subsidiaries (the Group) for the years ended December 31, 2025 and 2024, on which we have rendered our report dated March 16, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS Accounting Standards) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Philippine Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for the years then ended and no material exceptions were noted.

PUNONGBAYAN & ARAULLO



By: Edcel U. Costales
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10770757, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 134633-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-045-2025 (until November 11, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-017 (until August 12, 2027)

March 16, 2026

GLOBAL - ESTATE RESORTS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
Supplemental Schedule of Financial Soundness Indicators
December 31, 2025 and 2024

Ratio	Formula	2025	Formula	2024
Current ratio	Total Current Assets divided by Total Current Liabilities	4.99	Total Current Assets divided by Total Current Liabilities	4.47
	Total Current Assets 44,071,965,478		Total Current Assets 42,932,780,824	
	Divide by: Total Current Liabilities 8,837,997,235		Divide by: Total Current Liabilities 9,595,390,150	
	Current ratio 4.99		Current ratio 4.47	
Quick assets ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	2.09	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	1.98
	Total Current Assets 44,071,965,478		Total Current Assets 42,932,780,824	
	Less: Inventories (21,277,246,943)		Less: Inventories (19,811,862,169)	
	Other Current Assets (4,301,540,398)		Other Current Assets (4,097,979,626)	
	Quick Assets 18,493,178,137		Quick Assets 19,022,939,029	
	Divide by: Total Current Liabilities 8,837,997,235		Divide by: Total Current Liabilities 9,595,390,150	
	Quick Assets ratio 2.09		Quick Assets ratio 1.98	
Solvency ratio	Total Assets divided by Total Liabilities	2.95	Total Assets divided by Total Liabilities	2.84
	Total Assets 64,666,285,415		Total Assets 62,850,105,522	
	Divide by: Total Liabilities 21,915,924,548		Divide by: Total Liabilities 22,144,409,853	
	Solvency ratio 2.95		Solvency ratio 2.84	
Debt-to-equity ratio	Total Liabilities divided by Total Equity	0.51	Total Liabilities divided by Total Equity	0.54
	Total Liabilities 21,915,924,548		Total Liabilities 22,144,409,853	
	Divide by: Total Equity 42,750,360,867		Divide by: Total Equity 40,705,695,669	
	Debt-to-equity ratio 0.51		Debt-to-equity ratio 0.54	
Assets-to-equity ratio	Total Assets divided by Total Equity	1.51	Total Assets divided by Total Equity	1.54
	Total Assets 64,666,285,415		Total Assets 62,850,105,522	
	Divide by: Total Equity 42,750,360,867		Divide by: Total Equity 40,705,695,669	
	Assets-to-equity ratio 1.51		Assets-to-equity ratio 1.54	
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense	9.12	Earnings before interest and taxes (EBIT) divided by Interest expense	8.83
	EBIT 3,258,062,720		EBIT 3,051,725,491	
	Divide by: Interest expense 357,323,639		Divide by: Interest expense 345,576,030	
	Interest rate coverage ratio 9.12		Interest rate coverage ratio 8.83	
Return on equity (attributable to Parent Company's shareholders)	Net Profit divided by Average Total Equity	0.05	Net Profit divided by Average Total Equity	0.05
	Net Profit 1,924,530,701		Net Profit 1,780,517,595	
	Divide by: Average Total Equity 35,104,281,422		Divide by: Average Total Equity 33,861,295,524	
	Return on equity 0.05		Return on equity 0.05	
Return on assets (attributable to Parent Company's shareholders)	Net Profit divided by Average Total Assets	0.03	Net Profit divided by Average Total Assets	0.03
	Net Profit 1,924,530,701		Net Profit 1,780,517,595	
	Divide by: Average Total Assets 63,758,195,469		Divide by: Average Total Assets 62,318,698,061	
	Return on assets 0.03		Return on assets 0.03	
Net profit margin (attributable to Parent Company's shareholders)	Net Profit divided by Total Revenue	0.22	Net Profit divided by Total Revenue	0.20
	Net Profit 1,924,530,701		Net Profit 1,780,517,595	
	Divide by: Total Revenue 8,937,588,792		Divide by: Total Revenue 8,886,519,613	
	Net profit margin 0.22		Net profit margin 0.20	

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

Sec Registration Number

A	S	O	9	4	0	0	4	4	6	2

COMPANY NAME

G	L	O	B	A	L		E	S	T	A	T	E		R	E	S	O	R	T	S	,		I	N	C	.				

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

9	T	H		F	L	O	O	R		E	A	S	T	W	O	O	D		G	L	O	B	A	L		P	L	A	Z	A
P	A	L	M		T	R	E	E		A	V	E	N	U	E		B	A	G	U	M	B	A	Y	A	N				
1	1	1	0		Q	U	E	Z	O	N		C	I	T	Y															

Form Type

A	A	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address

lvillanueva@global-estate.ph

Company's Telephone Number/s

5-328-4374

Mobile Number

N/A

No. of Stockholders

4,116

Annual Meeting (Month / Day)

Last Thursday of June

Fiscal Year (Month / Day)

December-31

CONTACT PERSON INFORMATION

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

Name of Contact Person

LAILANI V. VILLANUEVA

Email Address

lvillanueva@global-estate.ph

Telephone Number/s

5-328-4374

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

9/F Eastwood Global Plaza, Palm Tree Ave., Eastwood City, Bagumbayan, Quezon City

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

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



GLOBAL-ESTATE RESORTS, INC.

9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Global-Estate Resorts, Inc** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Andrew L. Tan
Chairman of the Board

Monica T. Salomon
President

Lailani V. Villanueva
Chief Finance Officer

Signed this 16th day of March, 2026



GLOBAL-ESTATE RESORTS, INC.

9th Floor Eastwood Global Plaza Palm Tree Avenue, Bagumbayan 1110 Quezon City NCR, 2nd District Philippines
Telephone No. 328-4374

SUBSCRIBED AND SWORN to before me this 25 MAR 2026 day of QUEZON CITY, Philippines, affiant(s) exhibited to me their respective Identification Cards, as follows:

NAMES

Identification Number

Andrew L. Tan
Monica T. Salomon
Lailani V. Villanueva

TIN 125-960-003-000
TIN 182-240-560-000
Unified Multi-Purpose ID CRN -0002-1985165-5

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal on the date and place above written.

Doc No. 301
Page No. 62
Book No. 14
Series of none


Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
3/F RV Mitra Bldg., House of Representatives,
Batasan Hills, Quezon City
(NP-080 / 2026-2027)
Until December 31, 2027
Roll No. 53953
PTR No. 5052411 / 02-03-2026 / Plaridel Bulacan
MCLE Compliance No. VIII - 26723/04-10-2025
IBPL Lifetime No. 7203 (01-17-08)

Financial Statements and
Independent Auditors' Report

Global-Estate Resorts, Inc.

December 31, 2025, 2024 and 2023
(With Corresponding Figures as of January 1, 2024)

Report of Independent Auditors

The Board of Directors and Stockholders
Global-Estate Resorts, Inc.
(A Subsidiary of Megaworld Corporation)

9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Global-Estate Resorts, Inc. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). The financial performance and cash flows for the year ended December 31, 2023 are presented in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Philippine Securities and Exchange Commission (SEC), as described in Note 2 to the financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry, using modified retrospective approach. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the relevant accounting frameworks as discussed in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 30 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditor's report is Edcel U. Costales.

PUNONGBAYAN & ARAULLO



By: **Edcel U. Costales**
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10770757, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 134633-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-045-2025 (until November 11, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-017 (until August 12, 2027)

March 16, 2026

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(With Corresponding Figures as of January 1, 2024)
(Amounts in Philippine Pesos)

			December 31, 2024 (As Restated – see Note 2)	January 1, 2024 (As Restated – see Note 2)
	Notes	December 31, 2025		
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	4	P 1,412,450,945	P 1,470,493,602	P 1,270,724,276
Trade and other receivables - net	5	7,314,019,823	7,803,824,070	5,834,091,170
Contract assets	16	2,075,656,045	2,498,944,784	2,726,170,570
Advances to related parties - net	21	8,937,371,959	9,902,847,061	10,140,647,746
Inventories	6	7,318,336,472	5,435,764,520	6,458,716,156
Prepayments and other current assets	7	<u>1,742,172,361</u>	<u>1,486,955,291</u>	<u>1,379,626,005</u>
Total Current Assets		<u>28,800,007,605</u>	<u>28,598,829,328</u>	<u>27,809,975,923</u>
NON-CURRENT ASSETS				
Trade and other receivables - net	5	4,184,862,198	3,059,154,799	3,718,056,322
Contract assets	16	181,029,269	49,259,930	676,371,699
Deferred commission	7	553,453,685	496,661,236	312,315,339
Advances to joint ventures	8	247,320,063	205,127,522	206,376,558
Investments in subsidiaries and associates	9	14,617,240,187	13,185,003,452	12,649,850,357
Property and equipment - net	10	166,990,162	126,282,348	109,965,625
Right-of-use assets - net	11	283,992,408	136,592,108	196,840,187
Investment properties - net	12	<u>3,263,039,504</u>	<u>2,873,311,879</u>	<u>1,683,108,456</u>
Total Non-current Assets		<u>23,497,927,476</u>	<u>20,131,393,274</u>	<u>19,552,884,543</u>
TOTAL ASSETS		<u>P 52,297,935,081</u>	<u>P 48,730,222,602</u>	<u>P 47,362,860,466</u>

	Notes	December 31, 2025	December 31, 2024	January 1, 2024
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Interest-bearing loans	13	P 1,484,047,059	P 1,533,200,000	P 1,133,790,603
Trade and other payables	14	2,547,674,345	2,195,960,876	1,881,169,948
Contract liabilities	16	69,797,357	5,668,067	17,161,181
Customers' deposits	2	264,283,127	656,404,935	159,440,587
Advances from related parties	21	486,839,350	424,276,506	428,163,769
Lease liabilities	11	53,541,420	54,554,785	59,993,919
Total Current Liabilities		4,906,182,658	4,870,065,169	3,679,720,007
NON-CURRENT LIABILITIES				
Interest-bearing loans	13	7,037,825,668	5,537,465,285	5,543,825,162
Contract liabilities	16	39,349,232	234,767,665	221,001,249
Customers' deposits	2	-	16,908,341	527,445,862
Retirement benefit obligation	19	148,925,226	123,576,343	86,516,665
Deferred tax liabilities - net	20	2,035,339,284	2,089,851,667	2,153,034,195
Lease liabilities	11	566,143,244	427,254,086	481,808,871
Other non-current liabilities	15	418,934,819	381,773,827	336,912,560
Total Non-current Liabilities		10,246,517,473	8,811,597,214	9,350,544,564
Total Liabilities		15,152,700,131	13,681,662,383	13,030,264,571
EQUITY				
Capital stock	22	10,986,000,000	10,986,000,000	10,986,000,000
Additional paid-in capital		4,747,739,274	4,747,739,274	4,747,739,274
Revaluation reserves		38,755,516	29,136,290	38,919,260
Retained earnings		21,372,740,160	19,285,684,655	18,559,937,361
Total Equity		37,145,234,950	35,048,560,219	34,332,595,895
TOTAL LIABILITIES AND EQUITY		P 52,297,935,081	P 48,730,222,602	P 47,362,860,466

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
REVENUES				
Real estate sales	16	P 2,411,745,655	P 2,981,180,606	P 4,311,572,229
Equity share in net income of subsidiaries	9	1,483,644,824	781,945,070	303,306,258
Finance income	18	517,680,892	554,921,182	176,829,211
Management and marketing income	8, 21	442,821,130	172,762,846	167,845,818
Rental income	12	242,328,382	239,116,689	169,367,149
Commission income	21	93,835,246	8,977,990	90,863,807
Others	2	185,865,777	238,711,237	112,744,953
		<u>5,377,921,906</u>	<u>4,977,615,620</u>	<u>5,332,529,425</u>
COSTS AND EXPENSES				
Cost of real estate sales	17	927,993,458	1,292,373,277	1,819,711,621
Cost of rentals	17	27,656,229	42,826,332	44,011,075
Other operating expenses	17	1,351,186,078	1,114,840,132	912,729,533
Finance costs and other charges	18	741,230,943	490,535,421	181,195,793
		<u>3,048,066,708</u>	<u>2,940,575,162</u>	<u>2,957,648,022</u>
PROFIT BEFORE TAX		2,329,855,198	2,037,040,458	2,374,881,403
TAX EXPENSE	20	<u>122,799,693</u>	<u>212,636,070</u>	<u>588,668,748</u>
NET PROFIT		<u>2,207,055,505</u>	<u>1,824,404,388</u>	<u>1,786,212,655</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefit plan	19	7,566,657	(12,747,800)	(8,743,142)
Equity share in other comprehensive income (loss) of subsidiaries	9	3,944,233	(222,120)	(1,939,343)
Tax income (expense)	20	(1,891,664)	3,186,950	2,185,786
		<u>9,619,226</u>	<u>(9,782,970)</u>	<u>(8,496,699)</u>
TOTAL COMPREHENSIVE INCOME		<u><u>P 2,216,674,731</u></u>	<u><u>P 1,814,621,418</u></u>	<u><u>P 1,777,715,956</u></u>
EARNINGS PER SHARE				
Basic	23	<u><u>P 0.201</u></u>	<u><u>P 0.166</u></u>	<u><u>P 0.163</u></u>
Diluted	23	<u><u>P 0.201</u></u>	<u><u>P 0.166</u></u>	<u><u>P 0.162</u></u>

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Capital Stock <i>(see Note 22)</i>	Additional Paid-in Capital <i>(see Note 2)</i>	Revaluation Reserves <i>(see Notes 19 and 20)</i>	Retained Earnings <i>(see Note 22)</i>	Total
Balance at January 1, 2025	P 10,986,000,000	P 4,747,739,274	P 29,136,290	P 19,285,684,655	P 35,048,560,219
Cash dividends	-	-	-	(120,000,000)	(120,000,000)
Total comprehensive income for the year	-	-	9,619,226	2,207,055,505	2,216,674,731
Balance at December 31, 2025	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 38,755,516</u>	<u>P 21,372,740,160</u>	<u>P 37,145,234,950</u>
Balance at January 1, 2024	P 10,986,000,000	P 4,747,739,274	P 38,919,260	P 18,559,937,361	P 34,332,595,895
Effect of adoption of PFRS 15 and other related interpretations (see Note 2)	-	-	-	(1,098,657,094)	(1,098,657,094)
Balance at January 1, 2024, as adjusted	10,986,000,000	4,747,739,274	38,919,260	17,461,280,267	33,233,938,801
Total comprehensive income for the year	-	-	(9,782,970)	1,824,404,388	1,814,621,418
Balance at December 31, 2024	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 29,136,290</u>	<u>P 19,285,684,655</u>	<u>P 35,048,560,219</u>
Balance at January 1, 2023	P 10,986,000,000	P 4,747,739,274	P 47,415,959	P 16,897,809,492	P 32,678,964,725
Cash dividends	-	-	-	(124,084,786)	(124,084,786)
Total comprehensive income for the year	-	-	(8,496,699)	1,786,212,655	1,777,715,956
Balance at December 31, 2023	<u>P 10,986,000,000</u>	<u>P 4,747,739,274</u>	<u>P 38,919,260</u>	<u>P 18,559,937,361</u>	<u>P 34,332,595,895</u>

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024 (As Restated – see Note 2)	2023 (As Restated – see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 2,329,855,198	P 2,037,040,458	P 2,374,881,403
Adjustments for:				
Equity share in net income of subsidiaries	9	(1,483,644,824)	(781,945,070)	(303,306,258)
Interest income	18	(517,680,892)	(554,363,006)	(166,669,547)
Loss on refund and sales cancellation	18	454,693,830	273,990,567	121,267,688
Interest expense	18	286,304,801	216,544,854	59,928,105
Depreciation and amortization	17	162,333,822	159,159,388	139,786,786
Unrealized foreign currency exchange losses (gains) - net	18	232,311	(558,176)	(10,159,664)
Gain on derecognition of payables		-	-	(36,517,259)
Gain on pretermination of lease	11	-	-	(489,624)
Operating profit before working capital changes		1,232,094,246	1,349,869,015	2,178,721,630
Increase in trade and other receivables		(199,690,859)	(826,838,522)	(1,686,434,992)
Decrease (increase) in contract assets		291,519,400	476,826,949	(699,849,506)
Increase in inventories		(1,882,571,951)	(478,453,583)	(587,004,872)
Increase in prepayments and other current assets		(429,144,782)	(205,961,650)	(150,614,869)
Increase in deferred commission		(56,792,449)	(184,345,897)	(69,141,557)
Decrease (increase) in advances to joint ventures		(42,192,541)	1,249,035	13,760,998
Increase (decrease) in trade and other payables		(123,312,706)	2,130,006	148,868,591
Increase (decrease) in contract liabilities		(131,289,143)	(1,359,097)	83,902,102
Decrease in customers' deposits		(409,030,149)	(13,573,173)	(286,974,075)
Increase in other non-current liabilities		37,160,992	44,861,267	25,900,666
Increase in retirement benefit obligation		25,776,979	18,549,868	7,794,790
Cash from (used in) operations		(1,687,472,963)	182,954,218	(1,021,071,094)
Cash paid for income taxes		(5,276,028)	(5,226,687)	(3,776,740)
Net Cash From (Used in) Operating Activities		(1,692,748,991)	177,727,531	(1,024,847,834)
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections of advances to related parties	21	1,349,641,076	318,303,210	96,155,436
Acquisitions of investment properties	12	(386,432,282)	(437,179,412)	(1,642,096)
Advances granted to related parties	21	(384,165,974)	(80,502,525)	(231,294,569)
Acquisitions of property and equipment	10	(117,249,760)	(72,401,700)	(43,274,458)
Dividends received	9	55,352,322	66,463,043	217,001,790
Interest received	18	53,954,545	43,523,279	42,149,252
Additional investments in subsidiaries	9	(624,995)	-	(375,000)
Proceeds from disposal of property and equipment		-	-	63,244
Net Cash From (Used in) Investing Activities		570,474,932	(161,794,105)	78,783,599
Balance brought forward		(P 1,122,274,059)	P 15,933,426	(P 946,064,235)

	Notes	2025	2024	2023
<i>Balance carried forward</i>		(P 1,122,274,059)	P 15,933,426	(P 946,064,235)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing loans	13, 29	4,000,000,000	1,500,000,000	3,500,000,000
Repayments of interest-bearing loans	29	(2,548,792,558)	(1,106,950,480)	(2,361,599,911)
Advances obtained from related parties	21, 29	236,304,558	1,767,987	158,685,641
Repayments of advances from related parties	21, 29	(208,715,242)	(39,377,675)	(57,946,718)
Interest paid	29	(218,608,806)	(98,914,832)	(32,868,758)
Dividends paid	22	(120,000,000)	-	(124,084,786)
Repayments of lease liabilities	11, 29	(75,724,239)	(73,247,276)	(63,298,379)
Net Cash From Financing Activities		1,064,463,713	183,277,724	1,018,887,089
Effects of Exchange Rates Changes on Cash and Cash Equivalents		(232,311)	558,176	10,159,664
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(58,042,657)	199,769,326	82,982,518
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,470,493,602	1,270,724,276	1,187,741,758
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 1,412,450,945	P 1,470,493,602	P 1,270,724,276

Supplemental information on statements of cash flows is fully disclosed in Note 29 to the financial statements.

See Notes to Financial Statements.

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Global-Estate Resorts, Inc. (the Company or GERI) was incorporated in the Philippines on May 18, 1994. It is primarily engaged in the development of integrated tourism and leisure estates, and integrated lifestyle communities with residential, retail, hotel and/or leisure components. The Company also engages in land acquisitions and maintains an inventory of raw land for future development.

The registered office address of the Company, which is also its principal place of business, is located at 9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City.

Megaworld Corporation (Megaworld or the parent company) is the parent company of Global-Estate Resorts, Inc. Megaworld is owned by Alliance Global Group, Inc. (AGI), the Company's ultimate parent company.

Megaworld was incorporated in the Philippines primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. Megaworld is presently engaged in property-related activities such as product design, construction, and property management. Megaworld's real estate portfolio includes residential condominium units, subdivision lots and townhouses, as well as office projects and retail spaces. The registered office address of Megaworld, which is also its principal place of business, is located at the 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

AGI is a holding company with diversified investments in real estate, food and beverage, manufacturing, quick service restaurants, and tourism-entertainment and gaming businesses. AGI's registered office address, which is also its principal place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City.

The shares of stock of the Company, Megaworld and AGI are listed at the Philippine Stock Exchange.

The Company holds interests in the following subsidiaries and associates as of December 31, 2025 and 2024 unless otherwise indicated:

Subsidiaries / Associates	Explanatory Notes	Percentage of Ownership
Subsidiaries:		
Global-Estate Properties, Inc. (GEPI)		100%
Aklan Holdings Inc. (AHI)	(a)	100%
Blue Sky Airways, Inc. (BSAI)	(a)	100%
Fil-Estate Subic Development Corp. (FESDC)	(a)	100%
Fil-Power Construction Equipment Leasing Corp. (FPCELC)	(a)	100%
Golden Sun Airways, Inc. (GSAI)	(a)	100%
La Compañia De Sta. Barbara, Inc. (LCSBI)	(a)	100%
MCX Corporation (MCX)	(a)	100%
Pioneer L-5 Realty Corp. (PLRC)	(a)	100%
Prime Airways, Inc. (PAI)	(a)	100%
Sto. Domingo Place Development Corp. (SDPDC)	(a)	100%
Fil-Power Concrete Blocks Corp. (FPCBC)	(a)	100%
Fil-Estate Industrial Park, Inc. (FEIPI)	(a)	79%
Sherwood Hills Development Inc. (SHDI)	(a)	55%
Global-Estate Golf and Development, Inc. (GEGDI)		100%
Golforce, Inc. (Golforce)	(b)	100%
Southwoods Ecocentrum Corp. (SWEC)	(b)	60%
Philippine Aquatic Leisure Corp. (PALC)	(c)	60%
Global Newcoast Development Corporation (GNDC) [Formerly Fil-Estate Urban Development Corp.]		100%
Novo Sierra Holdings Corp. (NSHC)		100%
Elite Communities Property Services, Inc. (ECPSI)	(d)	100%
Savoy Hotel Boracay, Inc. (SHBI)	(e)	100%
Belmont Hotel Boracay, Inc. (BHBI)	(e)	100%
Chancellor Hotel Boracay, Inc. (CHBI)	(e)	100%
Megaworld Global-Estate, Inc. (MGEI)	(f)	60%
Twin Lakes Corp. (TLC)		51%
Twin Lakes Hotel, Inc. (TLHI)	(g)	51%
Oceanfront Properties, Inc. (OPI)	(h)	50%
Global Homes and Communities, Inc. (GHCI)		100%
Southwoods Mall, Inc. (SMI)		51%
Elite Club & Leisure Inc. (ECLI)	(i)	100%
Integrated Resorts Property Management Inc. (IRPMI)	(i)	100%
Associates:		
Fil-Estate Network, Inc. (FENI)		20%
Fil-Estate Sales, Inc. (FESI)		20%
Fil-Estate Realty and Sales Associates Inc. (FERSAI)		20%
Fil-Estate Realty Corp. (FERC)		20%
Nasugbu Properties, Inc. (NPI)	(j)	14%

All subsidiaries and associates were incorporated in the Philippines, operate within the country and are engaged in businesses related to the main business of the Company.

Explanatory notes:

- (a) Subsidiaries of GEPI; percentage ownership represents effective ownership of GERI.
- (b) Subsidiaries of GEGDI; percentage ownership represents effective ownership of GERI.
- (c) Subsidiary of SWEC.
- (d) Subsidiary acquired in prior years primarily to manage and administer real estate properties.
- (e) Subsidiaries engaged primarily to operate and manage resort hotels. CHBI is newly incorporated in 2024.
- (f) Subsidiary acquired in prior years primarily to market the Company's projects.
- (g) A subsidiary of TLC. TLHI was incorporated in 2018 to operate Twin Lakes Hotel, one of the real estate projects of TLC.
- (h) Subsidiary through de facto control [see Note 3.1(k)].
- (i) Newly incorporated subsidiaries in 2023, ECLI maintains and manages on the business and operations of clubs, resorts and leisure facilities. IRPMI manages and administers real estate properties.
- (j) Associate through Board of Directors (BOD) representation [see Note 3.1(j)].

1.2 Approval of the Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2025 (including the comparative financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023, and the corresponding figures as of January 1, 2024) were authorized for issue by the Company's BOD on March 16, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company as of and for the years ended December 31, 2025 and 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Prior to January 1, 2024, the Company's financial statements were prepared in accordance with PFRS Accounting Standards as modified by the application of the financial reporting reliefs issued and approved by the Philippine Securities and Exchange Commission (SEC) in response to the COVID-19 Pandemic [see Note 2.1(b)]. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed and Adopted by the Company

Prior to January 1, 2024, the Company has availed of several financial reporting reliefs granted by the SEC relating to the number of implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Company adopted the previously deferred provisions of PFRS 15, and the related issuances of the Philippine Interpretations Committee (PIC), and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) using modified retrospective approaches allowed by SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 to clarify transitory provision*.

The adoption of these standards and interpretations has resulted to adjustments to the amounts recognized in the financial statements as at January 1, 2024, with the cumulative effect recognized in equity as an adjustment to the opening balance of Retained Earnings for the current period.

Discussed in the succeeding page are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant financial statements accounts as at January 1, 2024.

- (i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P705.6 million and Deferred Tax Liabilities – net decreased by P168.8 million.

- (ii) PIC Q&A No. 2018-12-D, *Concept of the significant financing component in the contract to sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments*

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component (SFC).

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Company does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

As a result of the adoption of this interpretation, Contract Assets as at January 1, 2024 decreased by P377.5 million and Contract Liabilities increased by P3.6 million.

In 2024, the Company's subsidiaries have also adopted the foregoing standards and interpretations. Since GERI measures its investment in subsidiaries using the equity method, the restatement resulted in the decrease of current year beginning balances of the Investment in Subsidiaries and Associates account by P180.7 million.

The cumulative impact of the foregoing standards and interpretations resulted in P1,098.7 million debit adjustment to the Retained Earnings as at January 1, 2024.

(c) *Presentation of Financial Statements*

The financial statements are presented in accordance with PAS 1, *Presentation of Financial Statements*. The Company presents all items of income, expenses and other comprehensive income or loss, if any, in a single statement of comprehensive income.

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

In 2025, the Company reclassified deferred commissions amounting to P496.7 million and P312.3 million from Prepayments and Other Current Assets to the non-current portion of Deferred Commission in the 2024 and 2023 statements of financial position, respectively, to properly reflect the expected reversal of deferred commissions based on the percentage of completion of related projects (see Note 16.3).

Accordingly, the Company presented a third statement of financial position as of January 1, 2024, in accordance with the requirement under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

The effect of reclassification in the statements of financial position as of December 31, 2024 and January 1, 2024 is summarized below.

<i>(Amounts in PHP)</i>	As previously reported	Effect of Reclassifications	As restated
<u>December 31, 2024:</u>			
<i>Changes in assets:</i>			
Current –			
Prepayments and other current assets - net	1,983,616,527	(496,661,236)	1,486,955,291
Non-current –			
Deferred commission	-	<u>496,661,236</u>	496,661,236
Net impact on net assets		<u><u>-</u></u>	
<u>January 1, 2024:</u>			
<i>Changes in assets:</i>			
Current –			
Prepayments and other current assets - net	1,691,941,344	(312,315,339)	1,379,626,005
Non-current –			
Deferred commission	-	<u>312,315,339</u>	312,315,339
Net impact on net assets		<u><u>-</u></u>	

The effect of reclassification in the statements of cash flows for the years ended December 31, 2024 and 2023 is summarized as follows:

<i>(Amounts in PHP)</i>	As previously reported	Effect of Reclassification	As restated
December 31, 2024:			
<i>Changes in operating activities:</i>			
Increase in prepayments and other current assets - net	(390,307,547)	184,345,897	(205,961,650)
Increase in deferred commission	-	<u>(184,345,897)</u>	<u>(184,345,897)</u>
Net impact on cash flows		<u>-</u>	
December 31, 2023:			
<i>Changes in operating activities:</i>			
Decrease (increase) in prepayments and other current assets - net	(219,756,426)	69,141,557	(150,614,869)
Increase in deferred commission	-	<u>(69,141,557)</u>	<u>(69,141,557)</u>
Net impact on cash flows		<u>-</u>	

The reclassifications did not result in any adjustments to the Company's statements of comprehensive income and statements of changes in equity for the years ended December 31, 2024 and 2023.

(d) *Functional and Presentation Currency*

The financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

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

2.2 *Adoption of Amended PFRS Accounting Standards*

(a) *Effective in 2025 that are Relevant to the Company*

The Company adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the financial statements of the Company.

(b) *Effective Subsequent to 2025 but not Adopted Early*

There are new standards and amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the relevant pronouncements enumerated in the succeeding page in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have a significant impact on the Company's financial statements.

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- (iii) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Separate Financial Statements, Investments in Subsidiaries and Associates and Interests in Joint Operations

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements, being a publicly listed entity.

The Company accounts for its investments in subsidiaries and associates using the equity method. Under the equity method, investments are initially recognized at cost.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

The Company's financial assets include financial assets at amortized cost which are presented in the statements of financial position as Cash and Cash Equivalents, Trade and Other Receivables [except for Value-added tax (VAT) on contracts with customers, Advances to landowners and Advances to officers and employees], Advances to Joint Ventures, Advances to Related Parties, and Refundable deposits (as part of Prepayments and Other Current Assets).

Impairment of Financial Assets

The Company applies the simplified approach in measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all trade and other receivables, contract assets with significant financing component, and other financial assets carried at amortized cost. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. The Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due [see Note 25.2(b)].

In the case of advances to related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Company's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Company cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of advances to related parties can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

(b) Financial Liabilities

Financial liabilities, which include Interest-bearing Loans, Trade and Other Payables (except tax-related liabilities), Advances from Related Parties, Lease Liabilities and Retention payable (presented under Other Non-current Liabilities account).

2.5 Inventories

Costs of real estate inventories are assigned using specific identification of their individual costs.

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

Reposessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the corresponding contract balances to be derecognized and the cost of the reposessed property is recognized in the statement of comprehensive income.

2.6 Property and Equipment

Property and equipment are carried at acquisition or construction cost less subsequent depreciation, amortization for property and equipment and any impairment losses.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Office improvements	10 years
Transportation equipment	5 years
Office furniture and equipment	3-5 years

The measurement for right-of-use assets is disclosed in Note 2.9(a).

2.7 Investment Properties

Properties held for lease under operating lease agreements, which comprise mainly of land, buildings and condominium units, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets ranging from 7 to 50 years.

2.8 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties, leasing activities, management and marketing income, interest income and dividends. The Company's leasing activities are accounted for under PFRS 16, *Leases* (see Note 2.9).

The Company develops real properties such as developed land, house and lot, and condominium units. The Company often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Company's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for as contract modification on the year of forfeiture. Cumulative revenue and costs recognized on cancelled contracts are reversed in the year of cancellation, and any gain or loss is charged to profit or loss.

- (a) *Real Estate Sales on Pre-Completed Real Estate Properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Company measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales is presented as part of Real Estate Sales in the statement of comprehensive income.
- (b) *Real Estate Sales on Completed Real Estate Properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Real Estate Sales in the statement of comprehensive income.
- (c) *Rendering of Services* – Revenues are recognized over time (i.e., time-and-materials basis as the services are provided or based on the actual work done) until the performance of contractually agreed tasks has been substantially rendered. Any amounts remaining unbilled at the end of the reporting period are presented in the statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due. Revenue from rendering of services include property management, commission and marketing income.
- (d) *Other Income* – Other income includes revenues from penalties collected from late payments and forfeited collections and deposits. There are recognized at a point in time in the year the receivables become due and/or contract was cancelled.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Company.

Incremental costs of obtaining a contract to sell real property to customers are recognized as Deferred commission and is subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

Costs and expenses (other than the costs of real estate sold) are recognized in profit or loss upon utilization of the services or goods or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset.

Cost of real estate sales include the acquisition of cost of the land, development costs incurred to date and estimated costs to complete the project, determined based on estimates made by the project engineers.

In determining the transaction price of real estate sales, the Company adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Company recognizes interest expense which is presented as part of Finance Costs and Other Charges in the statement of comprehensive income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Finance Income in the statement of comprehensive income.

The Company applies the practical expedient under PFRS 15 where the promised amount of consideration is no longer adjusted for the effects of significant financing component when the Company expects, at contract inception, that the period between when the Company transfers the promised good or service to a customer and when the customer pays for such good or service will be on year or less. The significant judgement used in determining the existence of significant financing component in the contract is disclosed in Note 3.1(d).

Under its contracts with customers, the Company will receive an unconditional rights to the payment for total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Company as it develops the property are presented as Contract Assets in the statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Company assesses impairment of its financial assets [see Note 2.4(a)].

Any consideration received by the Company in excess of the amount for which the Company is entitled is presented as Contract Liabilities in the statement of financial position. A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Customers' Deposits account in the liabilities section of the statement of financial position.

2.9 Leases

The Company accounts for its leases as follows:

(a) Company as a Lessee

The Company amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The average lease term of the Company's contracts is eight years.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) *Company as a Lessor*

The Company applies judgment in determining whether a lease contract is a finance or operating lease.

2.10 *Impairment of Non-financial Assets*

The Company's investments in subsidiaries and associates, property and equipment, investment property, right-of-use assets and other non-financial assets are subject to impairment testing. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.11 *Employee Benefits*

The Company provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits. The Company's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified and non-contributory. The defined benefit obligation (DBO) is calculated annually by an independent actuary using the projected unit credit method.

2.12 *Share-based Employee Remuneration*

The Company grants share options to key executive officers eligible under a stock option plan. The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date. This fair value excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions), if any. The share-based remuneration is recognized as an expense in profit or loss with a corresponding credit to retained earnings.

The expense is recognized during the vesting period based on the best available estimate of the number of share options expected to vest. The estimate is subsequently revised, if necessary, such that it equals the number that ultimately vests on vesting date. No subsequent adjustment is made to expense after vesting date, even if share options are ultimately not exercised.

Upon exercise of share option, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to capital stock with any excess being recorded as additional paid-in capital.

2.13 *Basic and Diluted Earnings per Share*

Basic earnings per share (EPS) is computed by dividing net profit by the weighted average number of common shares issued and outstanding during the period, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the period.

Diluted EPS is computed by adjusting the weighted average number of common shares outstanding to assume conversion of potentially dilutive shares.

2.14 Borrowing Costs

Borrowing costs, which consist of interest and other costs that the Company incurs in connection with borrowing of funds, are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Prior to January 1, 2024, borrowing costs are capitalized as part of inventories that are actively being prepared for their intended use or sale. However, starting January 1, 2024, these inventories are no longer considered as qualifying assets, and any related borrowing costs will be expensed as incurred [see Notes 2.1(b)(i) and 6].

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the judgments discussed below and in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease term is reassessed if an option is actually exercised or not exercised, or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

The Company determines whether any non-cancellable period or notice period in a lease would meet the definition of a contract and thus would be included as part of the lease term. A contract would be considered to exist only when it creates rights and obligations that are enforceable.

In assessing the enforceability of a contract, the Company considers whether the lessor can refuse to agree to a request from the Company to extend the lease. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

(b) *Evaluation of the Timing of Satisfaction of Performance Obligations*

(i) *Real Estate Sales*

The Company exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time.

In making this judgment, the Company considers the following:

- any asset created or enhanced as the Company performs,
- the ability of the customer to control such asset as it is being created or enhanced,
- the timing of receipt and consumption of benefits by the customer; and,
- the Company's enforceable right for payment for performance completed to date.

The Company determines that its performance obligation is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Company has rights over payment for development completed to date as the Company can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments. Performance obligation for sale of completed real estate properties is satisfied at a point in time.

(ii) *Management and Marketing Income*

The Company determined that revenues from marketing and management services shall be recognized over time as the customers simultaneously receive and consume the benefits of the Company's rendering of services as it performs. The Company provides the services without the need of reperformance of other companies and it has an enforceable right to payment for performance completed to date.

(c) *Determining Existence of a Contract with Customer*

The Company uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition.

In a sale of real estate properties, the Company's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is either at the pre-selling stage or completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms).

Moreover, as part of the evaluation, the Company assesses the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the Company considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(e)].

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(d) Determination of the Existence of the Significant Financing Component in the Contract

The Company enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Company's fulfilment of its performance obligations. The Company exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Company or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) Estimation of Collection Threshold for Revenue Recognition

The Company uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition. The Company uses historical payment pattern of customers in establishing a percentage of collection threshold over which the Company determines that collection of total contract price is reasonably assured.

(f) Determination of ECL on Trade and Other Receivables, Advances to Related Parties and Contract Assets

The Company uses a provision matrix to calculate ECL for trade and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables are disclosed in Note 25.2(b).

With respect to Advances to Related Parties and other related party receivables, the Company uses the liquidity approach as the receivables are collectible on demand.

Based on the relevant facts and circumstances existing at the reporting date, management has assessed that all strategies indicate that the Company can fully recover the outstanding balance of its receivables.

(g) *Distinction Between Investment Property and Owner-managed Properties*

The Company determines whether a property qualifies as investment property. In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the operations of the Company or for administrative purposes.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Company accounts for the portions separately.

If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

(h) *Distinction Between Inventories and Investment Properties*

Residential and condominium units comprise properties that are held for sale in the ordinary course of business. Meanwhile, investment properties comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Company considers management's intention over these assets in making its judgment.

(i) *Evaluation of Change in Use for Transfers to, or from, Investment Properties*

The transfers to, or from, investment properties are made when and only when there is a change in use for such property. A mere change in management's intention does not provide sufficient evidence of such a change. Therefore, management exercises judgment in assessing whether the definition of investment property is met by evaluating all relevant facts and circumstances to determine if there is substantive evidence supporting a change in use.

(j) *Determination of Significant Influence over Entities in which the Company Holds Less than 20% Ownership*

The Company determines whether significant influence exists over an investee company over which the Company holds less than 20% of the investee's capital stock. The Company considers the ability to influence the operating and financial policies of the investee, representation on the board of directors of the investee and routine participation in management decisions in making its judgment.

Based on management's judgment, the Company considers that it has significant influence over NPI since it has BOD representation which allows them to participate in the financial and operating policy decisions but has no control or joint control of those policies (see Note 1.1).

(k) *Investment in Subsidiaries in which the Company Holds 50% or Less*

Management considers that the Company has de facto control over OPI even though it does not hold more than 50% of the ordinary shares and voting rights of the said subsidiaries, due to the factors discussed below.

The Company holds 50% equity interest over OPI and has: (1) the ability to direct the relevant activities of the subsidiaries; (2) the rights to variable returns from its involvement with subsidiaries; and (3) the ability to use its power to affect its returns from its involvement with subsidiaries. Based on management's judgment, the Company has control over OPI.

(l) *Cash and Cash Equivalents Managed by Another Party*

Portion of the Company's cash and cash equivalents is being managed by a related party [see Note 21.7(d)]. The funds may only be disbursed pursuant to the Company's instructions and the related party is not entitled to the fund's interest or other income. As the Company has control over the funds and is directly entitled to the fund's benefits, management determined that the said funds appropriately form part of the Company's cash and cash equivalents.

(m) *Distinction Between Operating and Finance Leases*

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management, assessment, the Company's lease agreements are classified as operating lease.

(n) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures on provisions and contingencies are presented in Note 24.

3.2 Key Sources of Estimation Uncertainty

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

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using the effective interest rate on the most recent loan. Since the date of the availment is near the initial date of application, management is satisfied that the selected rate reflects the risks specific to the Company.

(b) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Company measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Company estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(c) Determination of Appropriate Discount Rate in Measuring Significant Financing Component

In the sale of real estate properties, the transaction price is recognized at the present value of the instalment payments discounted to the date the entity expects to satisfy its performance obligation.

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity.

Specifically, for contracts classified as ‘seller financing,’ the Company bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction. For contracts classified as ‘buyer financing,’ the Company estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Company is considered the borrower.

(d) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 25.2.

(e) *Determination of the Amount of Costs Incurred to Obtain or Fulfil a Contract with a Customer*

In determining the amount of costs to obtain a contract that should be capitalized, the Company identifies those costs which would not have been incurred if the contract had not been obtained.

For the costs incurred in fulfilling a contract, the Company recognizes an asset only if those costs related directly to a contract or to an anticipated contract can be specifically identified; those costs generate or enhance the Company's resources that will be used in satisfying performance obligation in the future; and the Company expects those costs to be recovered.

(f) *Determination of Net Realizable Value of Inventories*

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the times the estimates are made. The future realization of the carrying amounts of these assets is affected by price changes in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation and uncertainty and may cause significant adjustments to the Company's inventories within the next reporting period.

Considering the Company's pricing policy, the net realizable values inventories are higher than their related carrying values as of the end of the reporting periods.

(g) *Fair Value of Stock Options*

The Company estimates the fair value of the executive stock option by applying an option valuation model, taking into account the terms and conditions on which the executive stock options were granted.

The estimates and assumptions used are presented in Note 22.3, which include, among other factors, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company's share price and fair value of the Company's common shares. Changes in these factors can affect the fair value of stock options at grant date.

(h) *Estimation of Useful Lives of Property and Equipment, Right-of-use Assets and Investment Property*

The Company estimates the useful lives of property and equipment, right-of-use assets and investment property based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, right-of-use assets, investment property and right-of-use-assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment, right-of-use assets and investment property are analyzed in Notes 10, 11 and 12, respectively. Based on management's assessment as of December 31, 2025 and 2024, there are no changes in the estimated useful lives of those assets as of the end of the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(i) *Fair Value Measurement of Investment Property*

Investment property is measured using the cost model. The Company determines the fair values of building and building improvements using the discounted cash flows valuation technique since the information on current or recent prices of assumptions underlying the discounted cash flow approach of investment property is not available. The Company uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates.

These valuations are regularly compared to actual market yield data and actual transactions by the Company and those reported by the market. The expected future market rentals are determined based on current market rentals for similar properties in the same location and condition.

For land and land development and improvements, the Company determines fair value through appraisals by SEC-accredited independent valuation specialists using a market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Notes 12 and 27.3.

(j) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2025 and 2024 will be fully utilized within the prescribed period of availment. The carrying value of deferred tax assets as of those dates is disclosed in Note 20.

(k) *Impairment of Non-financial Assets*

Impairment review is required to be performed when certain impairment indicators are present. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses required to be recognized on property and equipment, right-of-use assets, investment property and other non-financial assets for the years ended December 31, 2025, 2024 and 2023 (see Notes 10, 11 and 12).

(l) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the retirement benefit obligation in the next reporting period.

The amounts of retirement benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 19.2.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of December 31:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Cash on hand and in banks	21.7(d)	1,150,950,945	1,369,804,713
Short-term placements		<u>261,500,000</u>	<u>100,688,889</u>
		<u>1,412,450,945</u>	<u>1,470,493,602</u>

Cash in banks generally earns interest at rates based on daily bank deposit rates. Short-term placements are made between 14 to 60 days at prevailing market interest rates and earn effective interest ranging from 4.10% to 5.00% in 2025, 5.00% to 5.85% in 2024, and 5.35% to 5.85% in 2023.

Interest income earned from cash in banks and short-term placements amounting to P26.4 million, P26.1 million, and P18.9 million in 2025, 2024, and 2023, respectively, is included as part of Finance Income account in the statements of comprehensive income (see Note 18.1).

5. TRADE AND OTHER RECEIVABLES

This account is composed of the following as of December 31:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Current:			
Installment contracts receivables		4,869,617,447	5,655,955,115
Unearned interest		(42,267,001)	(61,643,124)
VAT on contracts with customers		845,481,269	946,279,179
Marketing and management fee receivable	21.3	649,419,901	497,705,288
Rental receivables	21.2(a)	485,681,943	380,511,495
Advances to officers and employees	21.4	100,533,607	156,840,456
Interest receivable	21.4,		
	21.1	87,386,849	59,516,770
Loan receivables	21.7(c)	44,739,082	-
Advances to landowners		33,540,295	19,663,724
Finance lease receivables	24.1	1,874,098	2,873,035
Others	21.7(b)	<u>238,012,333</u>	<u>146,122,132</u>
		<u>7,314,019,823</u>	<u>7,803,824,070</u>

<i>(Amounts in PHP)</i>	Notes	2025	2024
Non-current:			
Installment contracts receivables		2,426,013,368	2,412,906,156
Unearned interest		(45,730,973)	(204,944,340)
Loan receivables	21.7(c)	1,089,478,163	134,217,245
VAT on contracts with customers		404,734,255	404,734,255
Finance lease receivables	24.1	310,367,385	312,241,483
		<u>4,184,862,198</u>	<u>3,059,154,799</u>

Installment contracts receivables represent receivables from sale of real estate and resort shares for sale and normally collectible monthly within one to five years. The titles to the assets sold remain with the Company until such receivables are fully collected.

Installment contracts receivables are noninterest-bearing and are measured at amortized cost using the effective interest method based on the interest rate of comparable financial instruments in the market. Interest income from amortization amounted to P142.8 million, P267.0 million, and P100.6 million for the years ended December 31, 2025, 2024, and 2023, respectively, and is presented as part of Finance Income in the statements of comprehensive income (see Note 18.1).

Meanwhile, the related day-one loss on the discounting of the non-current portion of installment contracts receivables amounting to P400.4 million for the year ended December 31, 2023, is presented as a deduction against the Real Estate Sales account in the 2023 statement of comprehensive income. There was no similar transaction in 2025 and 2024.

VAT on contracts with customers represents the VAT component of the contract price of real estate sales to the extent recognized either as installment contract receivables or contract assets.

Advances to officers and employees are noninterest-bearing, unsecured and collectible through salary deduction or liquidation.

Advances to landowners represent advances to several real estate property owners and charges in connection with various project agreements entered by the Company.

Finance lease receivables pertain to the sublease of development rights to a third party. Interest income on the finance lease amounted to P24.6 million, P24.8 million, and P34.4 million in 2025, 2024, and 2023, respectively, and is presented as part of Finance Income in the statements of comprehensive income (see Note 18.1). The Company has effected the offsetting of payments made directly by the Company's sublessee to the head lessor in relation to its finance lease transaction (see Notes 11.2 and 26.2).

Others include receivable from buyers for the advanced payments made by the Company on behalf of the buyers in relation to the processing of transfer documents and real property taxes.

All of the Company's trade and other receivables (except for VAT on contracts with customers, Advances to officers and employees, and Advances to landowners) have been reviewed for impairment. Management considers that all of its trade and other receivables are fully recoverable; hence, no impairment losses were recognized in 2025, 2024, and 2023. This assessment is undertaken each financial year using simplified approach in measuring ECL as fully disclosed in Note 25.2(b).

6. INVENTORIES

Inventories at the end of 2025 and 2024 were stated at cost. The composition of this account as of December 31 is shown below.

<i>(Amounts in PHP)</i>	2025	2024
Real estate for sale	3,845,627,554	3,055,900,184
Property development costs	2,048,400,749	955,556,166
Raw land inventory	1,382,681,425	1,382,681,425
Resort shares for sale	41,626,744	41,626,745
	<u>7,318,336,472</u>	<u>5,435,764,520</u>

Real estate for sale pertains to accumulated costs incurred in developing the Company's horizontal and condominium projects and certain integrated-tourism projects in Boracay, and residential subdivision lots in Iloilo, Philippines.

Property development costs include on-going costs incurred by the Company for its own projects. In addition, this account also includes the costs incurred by the Company for the joint development of various projects that are treated as joint operations; there were no separate entities created by these joint venture agreements. The joint operations are undertaken under project agreements with different partner operators. The costs relating to these joint projects represent the number of investments placed by the Company as original investor/developer or the amount assigned/transferred to the Company by associates or by related parties who were the original investors/ developers in the project agreement.

Raw land inventory pertains to acquisition costs of raw land intended for future development of real estate for sales, including other costs and expenses incurred to affect the transfer of title of the property to the Company.

Resort shares for sale comprise of proprietary or membership shares (landowner shares and founders shares) in Fairways & Bluewater in Boracay, Philippines that are of various types and costs. The cost of the landowner shares is based on the acquisition and development costs of the land and the project. The cost of the founder's shares is based on the par value of the resort shares, which is P100.

In 2024, the Company reclassified projects from property development costs and real estate for sale amounting to P795.8 million to Investment Properties (see Note 12). There was no similar transaction in 2025.

Prior to January 1, 2024, borrowing costs capitalized in 2023 as part of the inventories amounted to P705.6 million, which represent the costs incurred on the general and specific borrowing costs obtained by the Company to fund its construction projects. No borrowing costs were capitalized in 2025 and 2024 [see Notes 2.1(b)(i) and 13].

As at December 31, 2025 and 2024, the Company has neither contingent liabilities with regard to the joint operations nor the remote probability of loss that may arise from contingent liabilities.

No impairment losses related to inventories were recognized in 2025, 2024, and 2023. None of the Company's inventories are used as collateral for its interest-bearing loans and borrowings.

7. PREPAYMENTS AND OTHER ASSETS

The composition of this account is shown below.

<i>(Amounts in PHP)</i>	Notes	2025	2024 [As restated – see Note 2.1(c)]
Current:			
Advances to contractors and suppliers		926,523,508	902,609,084
Creditable withholding tax (CWT) receivable		325,873,271	189,823,878
Deferred commission	16.3	305,559,748	165,392,082
Refundable deposits	11	77,452,032	72,913,412
Prepayments		64,830,889	65,369,466
CWT		31,949,340	65,128,928
Deferred input VAT		9,983,573	25,718,441
		<u>1,742,172,361</u>	<u>1,486,955,291</u>
Non-current asset – Deferred commission	16.3	<u>553,453,685</u>	<u>496,661,236</u>
		<u>2,295,626,046</u>	<u>1,983,616,527</u>

Advances to contractors and suppliers pertain to amounts advanced to the Company's contractors and suppliers as down payments for services to be rendered and goods to be delivered to the Company. These advances are classified as current assets as they relate to the development of real estate projects for sale, consistent with the nature and intended use of the underlying projects to which they pertain.

8. ADVANCES TO JOINT VENTURES

This account pertains to payments made by the Company for different costs and expenses related to its certain projects which should have been shouldered by its joint venturers. The terms of the agreement provide that the Company shall undertake the development and subdivision of the properties. The agreements further stipulate that the Company and the joint venturers shall share in the project's income and expenses using certain pre-agreed sharing ratios. Collections of the receivable from the joint venturers are generally received upon sale of their share in the projects.

The carrying amount of these advances are P247.3 million and P205.1 million as of December 31, 2025 and 2024, respectively.

The joint venturers related to the certain projects were charged marketing fees in 2025, 2024 and 2023 amounting to P317.6 million, P98.9 million, and P99.1 million, respectively, which is included as part of the Management and Marketing Income account in the statements of comprehensive income.

The net commitment for construction expenditures of the Company amounted to:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Total commitment for construction expenditures	3,603,890,060	3,603,890,061
Total expenditures incurred	<u>(2,805,495,210)</u>	<u>(2,578,437,681)</u>
Net commitment	<u>798,394,850</u>	<u>1,025,452,380</u>

The Company's interests on these jointly controlled projects range from 28.75% to 85.00% in 2025 and 2024.

As at December 31, 2025 and 2024, the Company has no other contingent liabilities with regard to these joint ventures and has assessed that the probability of loss that may arise from contingent liabilities is remote.

The advances have been analyzed for ECL. Based on management's evaluation, no impairment loss needs to be recognized in 2025, 2024 and 2023.

9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The components of the investments in subsidiaries and associates accounted for under the equity method as of December 31 is as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
GEPI	5,044,194,457	4,150,241,832	4,052,534,887
TLC	4,526,554,000	4,293,547,570	4,262,916,548
GEGDI	2,498,507,755	2,400,537,834	2,141,897,411
SMI	1,152,689,329	1,164,897,966	1,156,244,126
SWEC	693,418,159	608,858,855	428,699,739
OPI	452,406,126	404,086,591	406,434,020
MGEI	151,864,555	82,911,462	57,703,100
GNDC	87,414,929	63,864,078	111,652,951
ECPSI	6,308,920	4,986,274	20,311,346
GHCI	3,881,957	7,351,820	11,081,229
IRPMI	-	3,094,175	187,500
CHBI	-	624,995	-
ECLI	-	-	187,500
	<u>14,617,240,187</u>	<u>13,185,003,452</u>	<u>12,649,850,357</u>

The Company recognized its share in net income of subsidiaries amounting to P1,483.6 million, P781.9 million, P303.3 million in 2025, 2024 and 2023, respectively, which are presented as Equity Share in Net Income of Subsidiaries under the Revenues section of the statements of comprehensive income. The Company also recognized its share in other comprehensive income amounting to P3.9 million in 2025, and its share in other comprehensive losses amounting to P0.2 million and P1.9 million in 2024 and 2023, respectively.

A reconciliation of the carrying amounts of investments in subsidiaries and associates at the beginning and end of 2025, 2024 and 2023 is presented below.

<i>(Amounts in PHP)</i>	2025	2024	2023
Balance at beginning of year	13,185,003,452	12,649,850,357	12,565,110,232
Effect of restatement due to adoption of PFRS 15 and other related interpretations [see Note 2.1(b)]	-	(180,731,807)	-
Equity share in net income	1,483,644,824	781,945,070	303,306,258
Dividends received	(55,352,322)	(66,463,043)	(217,001,790)
Equity in other comprehensive income (losses) – net	3,944,233	(222,120)	(1,939,343)
Additions	-	624,995	375,000
Balance at end of year	14,617,240,187	13,185,003,452	12,649,850,357

A reconciliation of the costs of investments and cumulative share in net income (losses) of the subsidiaries and associates as of December 31, 2025, 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	2025	2024	2023
Cost			
Balance at beginning of year	4,142,107,924	4,207,945,972	4,424,572,762
Additions	-	624,995	375,000
Dividends received	(55,352,322)	(66,463,043)	(217,001,790)
Balance at end of year	4,086,755,602	4,142,107,924	4,207,945,972
Cumulative share in net income (losses)			
Balance at beginning of year	9,042,895,528	8,441,904,385	8,140,537,470
Effect of restatement - see Note 2.1(b)	-	(180,731,807)	-
Equity share in net income for the year	1,483,644,824	781,945,070	303,306,258
Equity share in other comprehensive income (losses) for the year – net	3,944,233	(222,120)	(1,939,343)
Balance at end of year	10,530,484,585	9,042,895,528	8,441,904,385
Carrying amount at end of year	14,617,240,187	13,185,003,452	12,649,850,357

The total amounts of the assets, liabilities, expenses, and net loss (income) of these subsidiaries are reported as follows:

<i>(Amounts in PHP)</i>	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Income (Loss)
2025						
GEPI	11,789,096,213.00	3,820,405,856	9,709,287,872	766,837,086	1,848,835,334	942,881,033
PAI	1,125,159,707	-	1,130,716,036	-	-	213,153
SHDI	412,242,851	55,588,766	386,378,855	-	-	(963,709)
SDPDC	378,242,748	-	463,218,934	473,827,087	-	-
FESDC	274,594,028	359,370,714	577,522,636	8,972,054	59,526,332	(16,143,154)
MCX	200,008,999	4,400,000	335,156	-	-	335,256
AHC	183,682,102	-	1,764,466	-	-	106,400
LCSBI	153,658,140	964,473	61,326,542	36,178	215,088	(331,992)
FEIP	4,877,663	-	21,920,918	-	-	-
PL5	425,100	-	8,768,569	-	-	1,155,336
BSAI	-	-	18,323,834	-	-	130,650
FPCELC	-	-	22,925,865	-	-	153,020
GSAI	-	-	12,379,578	-	-	131,050
FPCBC	-	-	22,789,515	-	-	(153,020)
GEGDI	2,573,034,182	410,833,147	541,225,237	5,506,176	91,325,546	77,395,171
SWEC	631,567,985	2,422,287,031	568,317,060	221,106,553	391,901,701	80,317,744
GFI	325,160,693	50,995,218	170,028,333	7,688,680	336,559,143	19,977,283
PALC	-	-	5,441,949	-	-	106,300
TLC	6,848,957,805	6,101,208,495	1,882,085,874	2,491,966,796	1,450,202,082	448,814,199
TLH	152,657,168	11,876,376	134,830,481	2,987,118	327,229,867	16,170,252
OPI	1,599,499,629	72,328,246	488,181,823	294,111,037	436,149,282	111,211,466
SMI	631,567,985	2,422,287,031	568,317,060	221,106,553	391,901,701	80,317,744
BHBI	561,883,701	19,339,368	659,487,870	1,358,511	232,351,170	2,882,200
MGEI	333,702,496	10,349,285	159,406,101	7,208,491	138,019,156	39,251,418
SHBI	313,443,664	37,583,430	458,223,815	1,853,233	273,136,464	882,022
GNDC	274,594,028	359,370,714	577,522,636	8,972,054	59,526,332	(16,143,154)
ECPSI	96,799,586	1,429,922	24,162,153	67,235,817	29,146,859	1,322,646
IRPMI	46,592,852	4,849,120	27,688,701	23,929,571	74,084,224	(3,270,474)
CHBI	25,554,572	-	43,688,184	-	2,594,010	(14,867,519)
ECLI	9,821,777	1,586,089	38,980,661	-	10,241,724	(4,743,555)
NSHC	5,367,600	-	33,320,825	-	-	(213,020)
GHCI	1,405,293	128,892,912	126,416,248	-	45,276	(3,469,863)
2024						
GEPI	11,986,504,627	4,026,828,836	11,025,468,932	802,294,818	1,000,201,043	386,304,878
PAI	1,137,109,707	-	1,142,452,883	-	-	(185,106)
SHDI	408,337,925	55,538,727	380,899,670	-	-	(1,813,817)
SDPDC	376,411,336	-	461,269,456	10,443,419	388	(2,900,673)
MCX	200,069,819	4,400,000	60,720	-	-	(332,872)
AHC	183,682,102	-	1,658,066	-	-	101,200
LCSBI	154,309,201	1,370,701	62,088,017	-	48,077	(401,167)
FESDC	14,016,648	-	24,196,474	-	-	-
FPCELC	7,972,906	2,094,000	114,458,481	-	-	(500)
FEIP	4,771,248	-	21,920,919	-	-	(1,585)
PL5	425,100	-	7,613,233	-	-	(1,732,589)
GSAI	-	-	12,248,528	-	-	(101,560)
BSAI	-	-	18,193,184	-	-	-
FPCBC	-	-	22,671,645	-	-	(101,200)
GEGDI	2,495,063,976	435,090,370	560,352,526	570,413,599	109,067,244	89,684,950
SWEC	1,133,125,437	362,032,732	225,695,527	254,697,884	416,371,465	210,235,483
GFI	293,294,590	48,671,691	148,367,097	6,436,225	329,149,547	25,882,702
PALC	-	-	5,335,649	-	-	(101,700)
TLC	7,089,951,929	5,699,242,304	1,611,895,319	2,840,808,609	1,629,441,797	370,950,171
TLH	141,511,037	14,860,231	80,711,667	2,429,181	302,743,018	57,468,006
OPI	1,088,982,315	584,419,333	674,285,123	190,896,957	346,477,942	151,996,909
SMI	509,008,792	2,539,347,206	598,829,127	165,413,213	385,718,952	16,657,679
BHBI	483,923,897	3,548,008	570,856,068	571,571,645	290,737,972	(334,396)
GNDC	295,736,592	353,708,813	575,626,360	9,954,967	49,450,525	(45,750,912)
SHBI	268,882,419	18,979,988	396,300,726	1,493,656	345,161,506	(3,297,386)
MGEI	263,954,568	2,887,362	125,990,395	2,665,764	137,571,844	41,095,262
ECPSI	81,617,324	454,617	13,122,121	63,963,546	21,483,590	993,220
IRPMI	36,727,269	2,464,418	19,592,807	16,504,705	56,875,645	5,680,191
ECLI	7,349,780	2,865,219	33,063,041	-	9,927,503	(7,949,463)
NSHC	5,367,600	-	33,107,805	-	-	(67,378)
GHCI	1,426,326	128,892,912	122,967,418	-	180	(3,303,027)
CHBI	625,000	-	3,891,093	-	-	(3,891,093)

<i>(Amounts in PHP)</i>	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Income (Loss)
2023						
GEPI	11,932,779,840	4,286,179,115	11,550,940,455	12,186,069,847	616,543,786	127,317,179
PAI	1,137,109,707	-	1,142,267,777	-	-	(176,314)
SHDI	381,113,778	55,349,495	351,048,669	-	-	(1,307,468)
SDPDC	376,489,501	-	458,446,948	10,443,419	-	(2,557,022)
MCX	200,434,471	4,400,000	92,500	-	-	(94,155)
AHC	183,682,102	-	1,556,866	-	-	(94,768)
LCSBI	154,825,523	1,327,241	62,159,712	-	169	(1,490,462)
FESDC	14,016,648	-	24,095,274	-	-	(98,250)
FPCELC	7,972,906	2,094,000	114,458,481	-	-	(343,394)
FEIP	4,771,248	-	21,920,919	-	-	-
PL5	425,100	-	5,880,644	-	-	(93,802)
BSAI	-	-	18,090,474	-	-	(276,270)
FPCBC	-	-	22,671,645	-	-	(109,153)
GSAI	-	-	12,146,968	-	-	(274,875)
GEGDI	2,402,389,280	455,065,793	617,628,668	130,401,352	135,682,327	89,544,588
SWEC	972,742,441	414,235,866	186,117,317	218,584,477	137,269,827	39,365,322
GFI	257,844,961	39,166,128	137,257,692	-	267,534,088	10,483,253
TLC	6,389,344,755	6,233,014,505	1,301,624,545	3,062,873,933	1,176,718,608	245,310,648
TLH	166,260,911	11,991,877	120,860,682	1,754,962	280,788,078	51,714,375
GNDC	461,811,918	191,056,403	533,777,363	8,518,561	17,851,268	(65,646,855)
OPI	878,065,727	723,786,379	638,525,061	187,150,773	490,278,493	129,812,650
SMI	514,631,990	2,667,913,782	673,359,322	241,730,470	370,649,864	89,840,129
ECPSI	76,821,965	1,247,847	8,356,154	64,145,361	27,424,118	7,528,578
SHBI	218,760,333	12,871,038	337,762,378	1,316,517	156,239,846	(7,042,501)
BHBI	303,929,823	2,593,503	396,654,712	1,214,349	132,271,365	(5,293,796)
MGEI	203,553,809	3,640,194	106,981,558	1,145,575	124,554,757	9,060,463
IRPMI	13,252,495	4,537,558	2,650,570	17,476,658	20,462,641	(2,524,675)
ECLI	7,488,978	2,372,953	24,759,634	-	5,406,375	(10,907,654)
NSHC	5,382,761	-	33,055,588	-	-	(125,956)
GHCI	1,193,628	128,892,914	119,431,695	-	-	(3,839,045)

A reconciliation of the summarized financial information to the carrying amount of the investments in subsidiaries as of December 31, 2025 and 2024 is shown below and in the succeeding page.

<i>(Amounts in PHP)</i>	Explanatory Notes	Net Asset Value	Ownership in Net Asset	Carrying Value
2025				
TLC		8,795,257,170	4,526,554,000	4,526,554,000
GEPI		5,087,485,571	5,044,194,456	5,044,194,456
GEGDI		2,498,507,755	2,498,507,755	2,498,507,755
SMI		2,259,894,979	1,152,689,329	1,152,689,329
SWEC		1,033,705,957	693,418,159	693,418,159
OPI		889,910,629	452,406,126	452,406,126
MGEI		177,437,189	151,864,556	151,864,556
SHBI	(a)	(109,346,077)	(109,346,077)	-
GNDC		87,414,929	87,414,929	87,414,929
BHBI	(a)	(79,976,906)	(79,976,906)	-
NSHC	(a)	(27,953,225)	(27,953,225)	-
ECLI	(a)	(27,572,795)	(27,572,795)	-
CHBI	(e)	(18,133,612)	(18,133,612)	-
ECPSI		6,831,538	6,308,920	6,308,920
GHCI		3,881,957	3,881,957	3,881,957
IRPMI	(b)	(176,300)	(176,300)	-
		20,577,168,759	14,354,081,272	14,617,240,187

<i>(Amounts in PHP)</i>	Explanatory Notes	Net Asset Value	Ownership in Net Asset	Carrying Value
<u>2024</u>				
TLC		8,418,720,725	4,293,547,570	4,293,547,570
GEPI		4,455,909,653	4,422,166,138	4,150,241,832
SMI		2,284,113,658	1,164,897,966	1,164,897,966
GEGDI		3,556,332,815	2,543,702,317	2,400,537,834
SWEC		1,014,764,758	608,858,855	608,858,855
OPI		808,219,568	404,109,784	404,086,591
MGEI		138,185,771	82,911,463	82,911,462
SHBI	(a)	(109,931,975)	(109,931,975)	-
BHBI	(a)	(84,099,740)	(84,099,740)	-
GNDC		63,864,078	63,864,078	63,864,078
NSHC	(a)	(27,740,205)	(27,740,205)	-
ECLI	(a)	(22,848,042)	(22,848,042)	-
GHCI		7,351,820	7,351,820	7,351,820
ECPSI		4,986,274	4,986,274	4,986,274
IRPMI	(b)	3,094,175	3,094,175	3,094,175
CHBI	(e)	624,995	624,995	624,995
		<u>20,511,548,328</u>	<u>13,355,495,473</u>	<u>13,185,003,452</u>

- (a) Cumulative share in net losses in these subsidiaries exceeded the investments in the said entities as of December 31, 2025 and 2024. As such, recognition of losses is only up to the extent of the investment.
- (b) As of December 31, 2024, IRPMI was able to recover from the losses recognized in prior years. As such, the amount of share in net income in 2024 is only the excess of the accumulated share of losses that has previously not been recognized. As of December 31, 2025, IRPMI was in a net loss position; hence, the Company recognized its share of losses only up to the amount of its investment. As the carrying amount was fully reduced, no further losses were recognized.

The place of incorporation of the Company's subsidiaries and associates is summarized below.

- (a) TLC, SMI, GEGDI, SWEC, GNDC, GHCI, GEPI, MGEI, NSHC, FESI – Renaissance Towers, Meralco Avenue, Pasig City;
- (b) OPI – F&M Lopez II Building, 109 C. Palanca St., Legaspi Village, Makati City;
- (c) FERC, FENI, FERSAI – Paragon Plaza, Reliance St., Mandaluyong City;
- (d) ECPSI – 7th Floor, Paseo Center Building, 8757 Paseo de Roxas St., Makati City;
- (e) SHBI, BHBI, CHBI – Brgy. Yapak, Boracay Island, Malay, Aklan 5608;
- (f) IRPMI- Southwoods Mall and Office Towers Southwoods Avenue Southwoods City San Francisco (Halang) City of Biñan, Laguna; and,
- (g) ECLI – 16th Floor, Alliance Global Tower, 36th St. corner 11th Ave., Uptown Bonifacio, Taguig City

Management considers that the Company has de facto control over OPI even though its direct ownership interest is not more than 50% of the ordinary shares and voting rights of the said subsidiary due to the factors mentioned in Note 3.1(j).

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of the reporting periods are shown in the succeeding page.

<i>(Amounts in PHP)</i>	Transportation Equipment	Office Furniture and Equipment	Office Improvements	Total
<u>December 31, 2025</u>				
Cost	111,796,962	318,570,977	194,412,824	624,780,763
Accumulated depreciation and amortization	<u>(95,330,647)</u>	<u>(227,541,350)</u>	<u>(134,918,604)</u>	<u>(457,790,601)</u>
Net carrying amount	<u>16,466,315</u>	<u>91,029,627</u>	<u>59,494,220</u>	<u>166,990,162</u>
<u>December 31, 2024</u>				
Cost	95,245,285	252,564,530	159,721,188	507,531,003
Accumulated depreciation and amortization	<u>(83,256,056)</u>	<u>(188,617,487)</u>	<u>(109,375,112)</u>	<u>(381,248,655)</u>
Net carrying amount	<u>11,989,229</u>	<u>63,947,043</u>	<u>50,346,076</u>	<u>126,282,348</u>
<u>January 1, 2024</u>				
Cost	82,065,416	206,878,037	146,185,850	435,129,303
Accumulated depreciation and amortization	<u>(75,317,724)</u>	<u>(159,624,802)</u>	<u>(90,221,152)</u>	<u>(325,163,678)</u>
Net carrying amount	<u>6,747,692</u>	<u>47,253,235</u>	<u>55,964,698</u>	<u>109,965,625</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of the reporting periods is shown below.

<i>(Amounts in PHP)</i>	Transportation Equipment	Office Furniture and Equipment	Office Improvements	Total
Balance at January 1, 2025 net of accumulated depreciation and amortization	11,989,229	63,947,043	50,346,076	126,282,348
Additions	16,551,677	66,006,447	34,691,636	117,249,760
Depreciation and amortization charges for the year	<u>(12,074,591)</u>	<u>(38,923,863)</u>	<u>(25,543,492)</u>	<u>(76,541,946)</u>
Balance at December 31, 2025 net of accumulated depreciation and amortization	<u>16,466,315</u>	<u>91,029,627</u>	<u>59,494,220</u>	<u>166,990,162</u>
Balance at January 1, 2024 net of accumulated depreciation and amortization	6,747,692	47,253,235	55,964,698	109,965,625
Additions	13,179,869	45,686,493	13,535,338	72,401,700
Depreciation and amortization charges for the year	<u>(7,938,332)</u>	<u>(28,992,685)</u>	<u>(19,153,960)</u>	<u>(56,084,977)</u>
Balance at December 31, 2024 net of accumulated depreciation and amortization	<u>11,989,229</u>	<u>63,947,043</u>	<u>50,346,076</u>	<u>126,282,348</u>
Balance at January 1, 2023 net of accumulated depreciation and amortization	9,076,404	35,290,188	66,199,515	110,566,107
Additions	2,626,018	33,605,663	7,042,777	43,274,458
Disposals	(63,244)	-	-	(63,244)
Depreciation and amortization charges for the year	<u>(4,891,486)</u>	<u>(21,642,616)</u>	<u>(17,277,594)</u>	<u>(43,811,696)</u>
Balance at December 31, 2023 net of accumulated depreciation and amortization	<u>6,747,692</u>	<u>47,253,235</u>	<u>55,964,698</u>	<u>109,965,625</u>

Depreciation and amortization of property and equipment is presented as part of Depreciation and amortization under Other Operating Expenses account in the statements of comprehensive income (see Note 17).

None of the Company's property and equipment are used as collateral for its interest-bearing loans and borrowings.

As of December 31, 2025 and 2024, the cost of the Company's fully depreciated property and equipment that are still used in operations amounted to P390.4 million and P226.1 million, respectively.

11. LEASES

The Company has leases for certain offices and commercial lot. Except for short-term leases, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over offices, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company incurred maintenance fees and paid refundable deposits, presented as part of Prepayments and Other Current Assets in the statements of financial position (see Note 7), on such items in accordance with the lease contracts.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized in the statements of financial position.

	<u>Number of right-of-use assets leased</u>	<u>Range of remaining term</u>	<u>Average remaining lease term</u>	<u>Number of leases with extension options</u>	<u>Number of leases with termination options</u>
<u>December 31, 2025</u>					
Offices	6	1–5 years	3 years	6	6
Commercial lot	2	12–13 years	13 years	2	2
<u>December 31, 2024</u>					
Offices	7	1–3 years	2 years	7	7
Commercial lot	2	13–14 years	14 years	2	2
<u>December 31, 2023</u>					
Offices	7	2–4 years	3 years	7	7
Commercial lot	2	14–15 years	15 years	2	2

11.1 *Right-of-use Assets*

The carrying amounts of the Company's right-of-use assets as at December 31, 2025 and 2024 and the movements during the period are shown in the succeeding page.

<i>(Amounts in PHP)</i>	Offices	Commercial Lot	Total
<u>December 31, 2025</u>			
Cost			
Balance at beginning of year	243,860,832	100,047,032	343,907,864
Additions	205,535,947	-	205,535,947
Derecognition	-	(6,661,835)	(6,661,835)
Balance at end of year	<u>449,396,779</u>	<u>93,385,197</u>	<u>542,781,976</u>
Accumulated amortization			
Balance at beginning of year	175,238,712	32,077,044	207,315,756
Derecognition	-	(6,661,835)	(6,661,835)
Amortization for the year	53,047,779	5,087,868	58,135,647
Balance at end of year	<u>228,286,491</u>	<u>30,503,077</u>	<u>258,789,568</u>
Carrying amount at December 31, 2025	<u>221,110,288</u>	<u>62,882,120</u>	<u>283,992,408</u>
<u>December 31, 2024</u>			
Cost			
Balance at beginning and end of year	<u>243,860,832</u>	<u>100,047,032</u>	<u>343,907,864</u>
Accumulated amortization			
Balance at beginning of year	120,078,501	26,989,176	147,067,677
Amortization for the year	<u>55,160,211</u>	<u>5,087,868</u>	<u>60,248,079</u>
Balance at end of year	<u>175,238,712</u>	<u>32,077,044</u>	<u>207,315,756</u>
Carrying amount at December 31, 2024	<u>68,622,120</u>	<u>67,969,988</u>	<u>136,592,108</u>
<u>December 31, 2023</u>			
Cost			
Balance at beginning of year	213,962,698	100,047,032	314,009,730
Additions	36,663,600	-	36,663,600
Derecognition	<u>(6,765,466)</u>	<u>-</u>	<u>(6,765,466)</u>
Balance at end of year	<u>243,860,832</u>	<u>100,047,032</u>	<u>343,907,864</u>
Accumulated amortization			
Balance at beginning of year	77,825,422	21,901,308	99,726,730
Derecognition	<u>(4,623,067)</u>	<u>-</u>	<u>(4,623,067)</u>
Amortization for the year	<u>46,876,146</u>	<u>5,087,868</u>	<u>51,964,014</u>
Balance at end of year	<u>120,078,501</u>	<u>26,989,176</u>	<u>147,067,677</u>
Carrying amount at December 31, 2023	<u>123,782,331</u>	<u>73,057,856</u>	<u>196,840,187</u>

In 2023, a lease contract with third party was pre-terminated which resulted to a gain amounting to P0.5 million and is presented as part of Others under Revenues in the 2023 statement of comprehensive income. Consequently, the corresponding carrying amount of the lease liability and right-of-use-asset were derecognized. There was no similar transaction in 2025 and 2024.

The Company also entered into several lease agreements with Megaworld and SMI for office spaces. Further details regarding these leases are disclosed in Note 21.2(b).

11.2 Lease Liabilities

Lease liabilities presented in the statements of financial position are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	53,541,420	54,554,785
Non-current	<u>566,143,244</u>	<u>427,254,086</u>
	<u>619,684,664</u>	<u>481,808,871</u>

The carrying amounts of the Company's lease liabilities as at December 31 and the movements during the periods are shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of year		481,808,871	541,802,790
Additions		205,535,947	-
Repayment of lease liabilities		(75,724,239)	(73,247,276)
Interest amortization	18.2	35,578,139	40,100,228
Offsetting	5	<u>(27,514,054)</u>	<u>(26,846,871)</u>
Balance at end of year		<u>619,684,664</u>	<u>481,808,871</u>

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

The undiscounted maturity analysis of lease liabilities at December 31, 2025 and 2024 is as follows:

<i>(Amounts in PHP)</i>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>4 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
December 31, 2025							
Lease payment	99,958,361	82,731,380	84,892,021	87,123,975	77,802,614	683,978,303	1,116,486,654
Finance charges	<u>(46,416,941)</u>	<u>(43,019,448)</u>	<u>(39,877,188)</u>	<u>(36,269,581)</u>	<u>(32,099,411)</u>	<u>(299,119,421)</u>	<u>(496,801,990)</u>
Net present value	<u>53,541,420</u>	<u>39,711,932</u>	<u>45,014,833</u>	<u>50,854,394</u>	<u>45,703,203</u>	<u>384,858,882</u>	<u>619,684,664</u>
December 31, 2024							
Lease payment	90,085,145	53,991,759	35,210,082	35,698,966	36,983,300	722,295,136	974,264,388
Finance charges	<u>(35,530,360)</u>	<u>(32,675,582)</u>	<u>(31,809,617)</u>	<u>(31,541,438)</u>	<u>(31,153,075)</u>	<u>(329,745,445)</u>	<u>(492,455,517)</u>
Net present value	<u>54,554,785</u>	<u>21,316,177</u>	<u>3,400,465</u>	<u>4,157,528</u>	<u>5,830,225</u>	<u>392,549,691</u>	<u>481,808,871</u>

11.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis.

The expenses related to short-term leases amounted to P41.9 million, P5.5 million, and P9.1 million in 2025, 2024 and 2023, respectively, and are presented as Rentals under Other Operating Expenses account in the statements of comprehensive income (see Note 17).

At December 31, 2025 and 2024, the Company is committed to short-term leases, and the total commitment at that date is P44.4 million and P47.0 million, respectively.

11.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P75.7 million, P73.2 million, and P63.3 million in 2025, 2024 and 2023, respectively (see Note 29). Interest expense in relation to lease liabilities amounted to P35.6 million, P40.1 million, and P42.3 million in 2025, 2024 and 2023, respectively, and are presented as part of Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2).

12. INVESTMENT PROPERTIES

The Company's investment properties include various buildings held for lease and several parcels of land which are owned to earn rental income or for capital appreciation or both. The gross carrying amounts and accumulated depreciation and amortization of investment properties at the beginning and end of the reporting periods are shown as follows:

<i>(Amounts in PHP)</i>	Land	Building and Improvements	Construction in Progress	Total
<u>December 31, 2025</u>				
Cost	983,740,735	1,060,812,691	1,636,864,631	3,681,418,057
Accumulated depreciation and amortization	-	(418,378,553)	-	(418,378,553)
Net carrying amount	<u>983,740,735</u>	<u>642,434,138</u>	<u>1,636,864,631</u>	<u>3,263,039,504</u>
<u>December 31, 2024</u>				
Cost	970,251,670	1,060,812,691	1,232,969,842	3,264,034,203
Accumulated depreciation and amortization	-	(390,722,324)	-	(390,722,324)
Net carrying amount	<u>970,251,670</u>	<u>670,090,367</u>	<u>1,232,969,842</u>	<u>2,873,311,879</u>
<u>January 1, 2024</u>				
Cost	970,191,757	1,060,812,691	-	2,031,004,448
Accumulated depreciation and amortization	-	(347,895,992)	-	(347,895,992)
Net carrying amount	<u>970,191,757</u>	<u>712,916,699</u>	<u>-</u>	<u>1,683,108,456</u>

A reconciliation of the carrying amounts of investment property at the beginning and end of the reporting period is shown below.

<i>(Amounts in PHP)</i>	Land	Building and Improvements	Construction in Progress	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization	970,251,670	670,090,367	1,232,969,842	2,873,311,879
Additions	13,489,065	-	403,894,789	417,383,854
Depreciation and amortization charges for the year	-	(27,656,229)	-	(27,656,229)
Balance at December 31, 2025, net of accumulated depreciation and amortization	983,740,735	642,434,138	1,636,864,631	3,263,039,504
Balance at January 1, 2024, net of accumulated depreciation and amortization	970,191,757	712,916,699	-	1,683,108,456
Additions	59,913	-	437,179,412	437,239,325
Reclassifications	-	-	795,790,430	795,790,430
Depreciation and amortization charges for the year	-	(42,826,332)	-	(42,826,332)
Balance at December 31, 2024, net of accumulated depreciation and amortization	970,251,670	670,090,367	1,232,969,842	2,873,311,879
Balance at January 1, 2023, net of accumulated depreciation and amortization	968,549,661	756,927,774	-	1,725,477,435
Additions	1,642,096	-	-	1,642,096
Depreciation and amortization charges for the year	-	(44,011,075)	-	(44,011,075)
Balance at December 31, 2023, net of accumulated depreciation and amortization	970,191,757	712,916,699	-	1,683,108,456

Rental income recognized in 2025, 2024 and 2023 amounted to P242.3 million, P239.1 million, and P169.4 million, respectively, and is presented as Rental Income account in the statements of comprehensive income. Depreciation charges represent the major direct costs in leasing these properties and are presented as part of Cost of rentals in the statements of comprehensive income (see Note 17). Other operating costs in leasing these properties include real property taxes amounting to P5.9 million, P4.3 million, and P3.2 million, respectively. Repairs and maintenance amounted to P11.4 million, P11.5 million, and P7.0 million in 2025, 2024 and 2023, respectively. Real property taxes are included as part of Taxes and licenses while Repairs and maintenance is under the Other Operating Expenses account in the statements of comprehensive income (see Note 17).

Except for the construction in progress and land held for undetermined future use, all of the Company's investment properties generated rental income for the years ended December 31, 2025, 2024 and 2023. As of December 31, 2025 and 2024, there are no new contractual commitments for construction in progress.

In 2024, the Company reclassified projects from property development costs and real estate for sale amounting to P795.8 million to Investment Properties, as development activities of the lease portion of these projects commenced (see Note 6). These reclassifications were made as a result of the change in use of the properties from being held for sale to being held for lease. There was no similar transactions in 2025 and 2023.

The breakdown of Investment Properties at its fair market value are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Building and improvements	2,492,882,662	2,201,309,895
Land and land improvement	8,691,930,343	8,691,930,343
Construction in progress	1,636,864,631	1,232,969,842
	<u>12,821,677,636</u>	<u>12,126,210,080</u>

The fair value of land amounted to P8,691.9 million as at both December 31, 2025 and 2024, as determined through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

Other information about the fair value measurement and disclosures related to the investment property are presented in Note 27.3. None of the Company's investment properties are used as collateral for its interest-bearing loans and borrowings.

13. INTEREST-BEARING LOANS

The Company's interest-bearing loans are broken down as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	1,484,047,059	1,533,200,000
Non-current	7,037,825,668	5,537,465,285
	<u>8,521,872,727</u>	<u>7,070,665,285</u>

In 2025, the Company obtained unsecured interest-bearing loans from UnionBank of the Philippines (UBP) to partially finance capital expenditures related to various ongoing projects. The UBP loans consist of two facilities amounting to P1,500.0 million and P500.0 million, the latter being an additional drawdown, each with a tenor of seven years, bearing floating interest rates subject to quarterly repricing, and payable quarterly in arrears. As of December 31, 2025, the total outstanding balance of these loans amounted to P1,985.9 million.

In the same year, the Company obtained unsecured interest-bearing loans from Rizal Commercial Banking Corporation (RCBC) and Banco De Oro Unibank, Inc. (BDO) amounting to P1,000.0 million each, with tenors of approximately six years and five years, respectively. These loans bear floating interest rates, are subject to quarterly repricing, and are payable quarterly in arrears. As of December 31, 2025, the total outstanding balance of these loans amounted to P1,986.5 million.

In 2024, the Company obtained unsecured interest-bearing loans from BDO and RCBC amounting to P500.0 million and P1,000.0 million, respectively. The loan with BDO bears a floating interest rate and subject to quarterly repricing, payable quarterly in arrears for five years. The loan from RCBC is composed of two loans worth P500.0 million each, subject to floating interest rates and quarterly repricing, payable quarterly in arrears for seven years. As of December 31, 2025, and 2024, the total outstanding balances of these loans amounted to P1,368.0 million and P1,489.9 million, respectively.

In 2023, the Company obtained unsecured interest-bearing loans from China Banking Corporation (Chinabank), and BDO amounting to P2,000.0 million and P1,500.0 million, respectively. The loan from Chinabank is composed of two loans worth P1,000.0 million each, payable quarterly in arrears for five years, and is subject to floating interest rates and quarterly repricing. The loan from BDO is subject to floating interest rates and quarterly repricing and is payable quarterly in arrears for five years. As of December 31, 2025, and 2024, the total outstanding balances of these loans are P2,782.4 million and P3,483.1 million, respectively.

The Company obtained an unsecured interest-bearing loan from Megaworld during the last quarter of 2022. The loan obtained in 2022 amounting to P1,000.0 million, with an interest rate of 6.33%, is payable for a maximum term of 60 months, while the loan obtained in 2021 for the same amount and interest rate is payable over a maximum period of eight years. The Company shall repay the loan in 15 equal quarterly amortizations. The outstanding balance of the loan amounted to P1,000.0 million as of December 31, 2024. The loans were fully paid in 2025 [See Note 21.7(c)].

In 2021 and 2020, the Company obtained an unsecured interest-bearing-loans from UBP. The loan obtained in 2020 amounting to P1,000.0 million is payable quarterly for a term of five years, bearing a fixed interest rate of 5.26% and payable quarterly in arrears. The loan obtained in 2021 amounting to P1,000.0 million is payable quarterly for a term of five years, bearing a fixed interest rate of 5.37% and payable quarterly in arrears. As of December 31, 2024, the outstanding balance pertaining to these loans amounted to P499.4 million. The loans were fully paid in 2025.

The Company availed unsecured, interest-bearing loans from RCBC in 2021 and 2020. The loan obtained in 2020 amounting to P500.0 million is payable quarterly with a term of seven years, with a floating interest rate, subject to quarterly repricing, and is payable quarterly in arrears. The outstanding balance from this loan amounted to P199.6 million and P299.1 million as of December 31, 2025 and 2024, respectively. The loan obtained in 2021 from RCBC amounting to P500.0 million has the same terms with the 2020 loan from the same bank, payable quarterly with a term of seven years. The related outstanding balance from this loan amounted to is P199.5 million and P299.1 million as of December 31, 2025 and 2024, respectively.

In 2019, the Company obtained an unsecured long-term loan from BDO amounting to P2,000.0 million, payable quarterly for a term of five years. The loan bears a floating interest rate subject to quarterly repricing and is payable quarterly in arrears. The outstanding balance pertaining to this loan amounted P235.3 million as of December 31, 2023. The loan was fully paid in 2024.

The Company is required to maintain certain financial ratios to comply with its debt covenants with local banks. These covenants include maintaining a minimum current ratio, debt to equity ratio, and debt service coverage ratio (see Note 28). The Company is compliant with its debt covenants.

The accrued interest payable amounting to P86.6 million and P77.5 million as of December 31, 2025 and 2024, respectively, is presented as part of Others under the Trade and Other Payables account in the statements of financial position (see Notes 14 and 29.1).

Total capitalized borrowing costs from the interest expense on loans are P339.2 million, P310.9 million, and P382.9 million, in 2025, 2024, and 2023, respectively. The 2025 and 2024 capitalized borrowing cost forms part of Investment properties (see Note 12), while the 2023 capitalized costs are part of the Inventories account (see Note 6). Interest charged to expenses amounted to P227.7 million and P165.4 million in 2025 and 2024, respectively (nil in 2023), and is presented as Interest expense on loans and advances from related parties under Finance Costs and Other Charges account in the statements of comprehensive income (see Note 18.2). In 2023, capitalized borrowing costs amounting to P37.2 million was charged as part of Cost of Real Estate Sales (see Note 17).

Total interest costs incurred attributable to these loans amounted to P566.9 million, P476.3 million, and P382.9 million in 2024, 2023 and 2022, respectively. Average capitalization rate used in determining the amount of interest charges qualified for capitalization is 6.24%, 7.29%, and 5.05% in 2025, 2024 and 2023, respectively.

14. TRADE AND OTHER PAYABLES

This account consists of:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Trade payables		779,492,557	498,138,501
Deferred output VAT		1,031,684,673	1,085,840,312
Commissions payable	21.7(a)	319,900,222	263,099,822
Due to joint venture partners		74,689,753	72,109,926
Withholding tax and other government contributions payable		60,873,330	51,060,507
Retention payable		58,031,755	81,138,116
Subscriptions payable	9	-	624,995
Others	13	223,002,055	143,948,697
		<u>2,547,674,345</u>	<u>2,195,960,876</u>

Trade payables include the unpaid portion of land for future development acquired by the Company and other payables in the normal course of business.

Commissions payable represent amounts due to the Company's various sales agents for units sold in the ordinary course of business.

Due to joint venture partners represents the share of partners in the proceeds from the sale of certain projects in accordance with various joint agreements entered into by the Company.

In 2024, the Company subscribed to shares of a newly incorporated subsidiary for P0.6 million. The resulting subscription payable was fully paid in 2025.

Other payables consist primarily of refund liability, output VAT payable, security deposits and accrued interest payable.

15. OTHER NON-CURRENT LIABILITIES

This account consists of:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Retention payable	413,725,047	375,422,853
Advance rental	5,209,772	6,350,974
	<u>418,934,819</u>	<u>381,773,827</u>

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted back to the contractors.

Advance rental refers to the rental payments advanced by the lessee during the year which will be applied to the subsequent payments.

16. REVENUES

16.1 Disaggregation of Revenues

The Company derives revenues from sale of real estate. An analysis of the Company's major source of revenues is presented below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Geographical areas:			
Luzon	1,722,783,049	1,469,212,333	1,954,736,080
Visayas	688,962,606	1,511,968,273	2,356,836,149
	<u>2,411,745,655</u>	<u>2,981,180,606</u>	<u>4,311,572,229</u>
Types of products:			
Residential lots	1,300,159,400	1,609,684,879	832,019,179
Residential condominium	747,713,950	584,061,525	2,494,168,411
Commercial lots	363,872,305	787,434,202	985,384,639
	<u>2,411,745,655</u>	<u>2,981,180,606</u>	<u>4,311,572,229</u>

16.2 Contract Accounts

a. Contract Assets

The Company's contract assets are classified as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	2,075,656,045	2,498,944,784
Non-current	181,029,269	49,259,930
	<u>2,256,685,314</u>	<u>2,548,204,714</u>

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of year		2,548,204,714	3,402,542,269
Effect of adoption of PFRS 15 [see Note 2.1(b)(ii)]		-	(377,510,605)
		<u>2,548,204,714</u>	<u>3,025,031,664</u>
Transfers from contract assets recognized at the beginning of the year to accounts receivables		(603,100,500)	(612,912,616)
Increase as a result of changes in measurement of progress, net of collections		185,965,727	40,511,471
Accretion of interest income from significant financing component	18.1	282,845,268	104,016,451
Sales cancellation		<u>(157,229,895)</u>	<u>(8,442,256)</u>
Balance at end of year		<u>2,256,685,314</u>	<u>2,548,204,714</u>

b. Contract Liabilities

The Company's contract liabilities are classified as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current	69,797,357	5,668,067
Non-current	<u>39,349,232</u>	<u>234,767,665</u>
	<u>109,146,589</u>	<u>240,435,732</u>

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

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
Balance at beginning of year		240,435,732	238,162,430
Effect of adoption of PFRS 15 [see Note 2.1(b)(ii)]		-	3,632,399
		<u>240,435,732</u>	<u>241,794,829</u>
Revenue recognized previously included in contract liability at the beginning of the year		(64,573,371)	(62,848,562)
Increase (decrease) due to, cash received net of revenue recognized for the year		(68,314,690)	61,284,913
Accretion of interest expense from significant financing component	18.2	10,097,815	4,508,234
Sales cancellation		<u>(8,498,897)</u>	<u>(4,303,682)</u>
Balance at end of year		<u>109,146,589</u>	<u>240,435,732</u>

16.3 Direct Contract Costs

The Company incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized as deferred commission and amortized over the expected construction period on the same basis as how the Company measures progress towards complete satisfaction of its performance obligation in its contracts. Amounts expected to be amortized based on the percentage of completion of the projects within 12 months after the reporting date are classified as current assets under Prepayments and Other Current Assets in the statements of financial position, while the remaining balance is classified as non-current asset and is presented as Deferred Commission under Non-current Assets section in the statements of financial position (see Note 7).

The breakdown of deferred commission by classification is shown below.

<i>(Amounts in PHP)</i>	Note	2025	2024 [As restated – see Note 2.1(c)]
Current	7	305,559,748	165,392,082
Non-current		553,453,685	496,661,236
		859,013,433	662,053,318

The movement in balances of deferred commission in 2025 and 2024 is presented below:

<i>(Amounts in PHP)</i>	Notes	2025	2024
Balance at beginning of year		662,053,318	441,863,860
Additions for the year		275,853,636	299,032,433
Amortization for the year	17	(78,893,521)	(78,842,975)
Balance at end of year	7	859,013,433	662,053,318

The total amount of amortization for 2025, 2024 and 2023 is presented as part of Commissions under Other Operating Expenses account in the statements of comprehensive income (see Note 17).

16.4 Transaction Price Allocated to Unsatisfied Performance Obligation

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2025 and 2024 is P2,630.1 million and P2,654.7 million, respectively. As of December 31, 2025 and 2024, the Company expects to recognize revenue from unsatisfied contracts as follows:

<i>(Amounts in PHP)</i>	2025	2024
Within a year	935,912,444	706,593,662
More than one year to three years	1,611,618,402	1,555,227,001
More than three years to five years	82,617,798	392,846,099
	2,630,148,644	2,654,666,762

17. OPERATING EXPENSES BY NATURE

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Cost of real estate sales		927,993,458	1,292,373,277	1,819,711,621
Salaries and employee benefits	19.1	659,783,479	565,714,874	425,939,550
Depreciation and amortization	10, 11, 12, 21.2	162,333,822	159,159,388	139,786,786
Commissions	16.3, 21.7(a)	158,317,953	143,295,348	194,520,667
Professional fees and outside services		69,304,285	50,770,112	48,312,903
Taxes and licenses	12	32,783,719	41,806,314	19,310,391
Subscriptions and membership dues		54,948,711	36,823,373	25,624,033
Rentals	11.3	41,906,093	5,469,934	9,114,963
Transportation and travel		39,863,792	26,103,393	23,016,372
Utilities		25,545,732	23,468,984	20,180,118
Management fees	21.6	11,871,429	22,614,180	8,571,429
Repairs and maintenance	12	11,408,174	11,515,568	6,991,646
Representation and entertainment		11,348,198	9,223,921	6,295,062
Advertising and promotions		9,292,206	8,635,241	4,583,375
Agency fees		4,004,124	4,129,011	2,778,190
Insurance		2,582,836	2,296,193	1,093,905
Registration and other fees		2,249,252	1,908,763	2,904,896
Directors' fees	21	605,000	450,000	450,000
Miscellaneous		80,693,502	44,281,867	17,266,322
		<u>2,306,835,765</u>	<u>2,450,039,741</u>	<u>2,776,452,229</u>

These expenses are classified in the statements of comprehensive income as follows:

<i>(Amounts in PHP)</i>	Note	2025	2024	2023
Cost of real estate sales		927,993,458	1,292,373,277	1,819,711,621
Cost of rentals	12	27,656,229	42,826,332	44,011,075
Other operating expenses		<u>1,351,186,078</u>	<u>1,114,840,132</u>	<u>912,729,533</u>
		<u>2,306,835,765</u>	<u>2,450,039,741</u>	<u>2,776,452,229</u>

The cost of real estate sales is further broken down as follows:

<i>(Amounts in PHP)</i>	Note	2025	2024	2023
Contracted services		926,764,446	1,279,272,660	1,629,160,239
Land cost		1,229,012	13,100,617	153,361,089
Borrowing cost	13	-	-	37,190,293
		<u>927,993,458</u>	<u>1,292,373,277</u>	<u>1,819,711,621</u>

18. FINANCE INCOME AND FINANCE COSTS AND OTHER CHARGES

18.1 Finance Income

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Interest income from:				
Real estate sales	5, 16.2(a)	425,683,713	490,512,811	100,568,704
Advances to related parties	21.4, 21.7(c)	40,972,229	12,882,427	12,847,230
Cash in banks and short-term placements	4	26,383,931	26,138,224	18,898,106
Finance lease	5	24,641,019	24,829,544	34,355,507
		517,680,892	554,363,006	166,669,547
Foreign currency exchange gains - net		-	558,176	10,159,664
		517,680,892	554,921,182	176,829,211

18.2 Finance Costs and Other Charges

Presented below are the details of this account.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Interest expense on:				
Loans	13, 21.7(c)	223,705,993	131,705,008	-
Lease liabilities	11.2, 11.4, 21.2(b)	35,578,139	40,100,228	42,272,050
Advances from related parties	13, 21.5	4,021,956	33,722,425	9,586,218
Retirement benefit obligation (RBO)	19.2	7,138,561	5,762,010	5,093,491
Others	16.2(b)	15,860,152	5,255,183	2,976,346
		286,304,801	216,544,854	59,928,105
Loss on cancellation		414,980,350	259,247,980	119,315,337
Loss on refund		39,713,481	14,742,587	1,952,351
Foreign currency exchange losses - net		232,311	-	-
		741,230,943	490,535,421	181,195,793

19. EMPLOYEE BENEFITS

19.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below.

<i>(Amounts in PHP)</i>	Notes	2025	2024	2023
Short-term benefits		634,006,500	547,165,006	418,144,760
Post-employment benefits	19.2	25,776,979	18,549,868	7,794,790
	17	659,783,479	565,714,874	425,939,550

19.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, non-contributory post-employment defined benefit plan covering all regular employees. The plan provides for lump-sum benefits equivalent to 85% to 150% of the employee's monthly salary for every year of service depending on the number of years of service. The normal retirement age is 60 years and applicable upon completion of five years of faithful and continuous service to the Company. However, an employee who attains the age of 50 with the completion of no less than 10 years of service or upon completion of 15 years of service and opts for an early retirement is likewise entitled to the same benefits. Actuarial valuations are made annually to update the retirement benefit costs.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are to be made annually to update the retirement benefit costs and the amount of contributions. All the amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2025 and 2024.

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

<i>(Amounts in PHP)</i>	2025	2024
Balance at beginning of year	123,576,343	86,516,665
Current service cost	28,565,490	18,549,868
Interest expense	7,138,561	5,762,010
Past service cost	(2,788,511)	-
Actuarial losses (gains) arising from:		
Changes in financial assumptions	(12,134,194)	11,128,430
Experience adjustments	4,567,537	1,619,370
Balance at end of year	148,925,226	123,576,343

The components of amounts recognized in profit or loss and in other comprehensive income (loss) in respect of the post-employment defined benefit plan are shown below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in profit or loss:</i>			
Current service cost	28,565,490	18,549,868	7,794,790
Interest cost	7,138,561	5,762,010	5,093,491
Past service cost	(2,788,511)	-	-
	<u>32,915,540</u>	<u>24,311,878</u>	<u>12,888,281</u>
<i>Reported in other comprehensive loss (income) –</i>			
Actuarial losses (gains) arising from:			
Changes in financial assumptions	(12,134,194)	11,128,430	10,478,709
Experience adjustments	4,567,537	1,619,370	(1,735,567)
	<u>(7,566,657)</u>	<u>12,747,800</u>	<u>8,743,142</u>

The amounts of current service cost incurred are presented as part of Salaries and employee benefits under Other Operating Expenses account in the statements of comprehensive income (see Note 17). The amounts of interest expense related to the retirement benefit obligation are presented as Interest Expense on RBO under Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2).

The amount recognized in other comprehensive income (loss) is included as an item that will not be reclassified subsequently to profit or loss.

In determining the amounts of the post-employment defined benefit obligation, the following significant actuarial assumptions were used:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Discount rates	6.38%	5.91%	6.66%
Expected rate of salary increase	4.00%	4.00%	4.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average expected remaining working life of employees retiring at the age of 60 is 32 years for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as interest rate risk and longevity and salary risks.

(i) *Interest Risk*

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) *Longevity and Salary Risks*

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding page.

(i) *Sensitivity Analysis*

	Impact on Retirement Benefit Obligation		
	Change in Assumptions	Increase in Assumptions	Decrease in Assumptions
<i>(Amounts in PHP)</i>			
<u>December 31, 2025</u>			
Discount rate	+/- 0.5%	(11,413,869)	12,955,078
Salary increase rate	+/- 1.0%	27,261,890	(21,611,461)
<u>December 31, 2024</u>			
Discount rate	+/- 0.5%	(7,724,037)	9,264,109
Salary increase rate	+/- 1.0%	19,980,736	(14,400,048)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the DBO has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the DBO recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded as of December 31, 2025 and 2024. While there is no minimum funding requirement in the country, the non-funding may pose a cash flow risk in about 20 years' time when a significant number of employees are expected to retire.

The maturity profile for the next 20 years of undiscounted expected benefit payments from the plan as of December 31, 2025 and 2024 are as follows.

<i>(Amounts in PHP)</i>	2025	2024
Within one year	16,589,625	11,989,850
More than one year to five years	13,190,823	12,784,683
More than five years to 10 years	52,618,175	26,485,832
More than 10 years to 15 years	140,631,207	141,579,623
More than 15 years to 20 years	287,588,679	230,501,458
	<u>510,618,509</u>	<u>423,341,446</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 23 years.

20. CURRENT AND DEFERRED TAXES

The components of tax expense as reported in the statements of comprehensive income are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
<i>Reported in profit or loss:</i>			
Current tax expense:			
Regular corporate income tax (RCIT) at 25%	173,927,712	98,632,365	109,332,043
Final tax at 20% and 15%	5,276,028	5,226,687	3,776,740
	<u>179,203,740</u>	<u>103,859,052</u>	<u>113,108,783</u>
Deferred tax expense (income) relating to origination and reversal of temporary differences	<u>(56,404,047)</u>	<u>108,777,018</u>	<u>475,559,965</u>
	<u>122,799,693</u>	<u>212,636,070</u>	<u>588,668,748</u>
<i>Reported in other comprehensive income (loss) –</i>			
Deferred tax expense (income) relating to remeasurements of retirement benefit plan	<u>1,891,664</u>	<u>(3,186,950)</u>	<u>(2,185,786)</u>

A reconciliation of tax on pre-tax profit computed at the applicable statutory rates to income tax expense reported in the statements of comprehensive income is presented in the succeeding page.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax on pre-tax profit at 25%	582,463,800	509,260,114	594,789,710
Adjustment for income subjected to lower income tax rates	(1,319,954)	(1,307,868)	(944,906)
Tax effects of:			
Non-taxable income	(477,332,134)	(318,114,471)	(106,762,627)
Non-deductible expenses	8,841,945	1,995,469	104,403,697
Reversal of previously recognized deferred taxes	6,771,492	(28,450,485)	(3,762,031)
Non-deductible interest expenses	3,374,544	49,253,311	944,905
Tax expense	<u>122,799,693</u>	<u>212,636,070</u>	<u>588,668,748</u>

The Company's net deferred tax liabilities as at December 31 relate to the following:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Unrealized profit on real estate sale	(1,550,991,226)	(1,702,361,680)
Deferred commission	(179,043,668)	(143,870,018)
Capitalized borrowing cost	(164,601,317)	(77,724,830)
Rental income	(92,759,151)	(66,466,539)
Leases	83,755,312	86,304,191
Marketing fee receivable	(79,754,227)	(129,913,355)
Finance lease	(78,060,370)	(78,778,629)
RBO	37,231,307	30,894,086
Refund liability	(11,174,022)	(7,795,345)
Unrealized foreign exchange gain – net	58,078	(139,548)
	<u>(2,035,339,284)</u>	<u>(2,089,851,667)</u>

The components of deferred tax expense (income) are as follows:

<i>(Amounts in PHP)</i>	<u>Profit or Loss</u>			<u>Other Comprehensive Income (Loss)</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Unrealized profit on real estate sales	(151,370,454)	5,829,846	428,424,850	-	-	-
Capitalized borrowing cost	86,876,487	77,724,830	36,786,253	-	-	-
Marketing fee receivable	(50,159,128)	(5,737,874)	2,085,141	-	-	-
Deferred commission	35,173,650	41,682,845	21,417,382	-	-	-
Rental income	26,292,612	26,628,760	12,100,709	-	-	-
RBO	(8,228,885)	(6,077,969)	(3,001,378)	1,891,664	(3,186,950)	(2,185,786)
Refund liability	3,378,677	3,004,823	1,604,205	-	-	-
Leases	2,548,879	(63,540)	(62,610,587)	-	-	-
Finance lease	(718,259)	(31,754,332)	(19,602,520)	-	-	-
Unrealized foreign exchange gains (losses) – net	(197,626)	(2,460,371)	(750,482)	-	-	-
Share-based employee compensation	-	-	59,106,392	-	-	-
Deferred tax expense (income)	<u>(56,404,047)</u>	<u>108,777,018</u>	<u>475,559,965</u>	<u>1,891,664</u>	<u>(3,186,950)</u>	<u>(2,185,786)</u>

The Company is subject to the minimum corporate income tax (MCIT) which is computed at 2% in 2025 and 2024, and 1.5% in 2023, of gross income net of allowable deductions, as defined under the tax regulations, or to RCIT, whichever is higher.

No MCIT was reported in 2025, 2024 and 2023 since the RCIT was higher than MCIT in those years.

The Company opted to continue claiming itemized deductions for the years ended December 31, 2025, 2024, and 2023 in computing for its income tax due.

21. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company, subsidiaries, associates, a stockholder, the Company's key management personnel and others as described below and in the succeeding pages.

21.1 Summary of Related Party Transactions

The summary of the Company's transactions with its related parties for the years ended December 31, 2025, 2024 and 2023, and the related outstanding balances as of December 31, 2025 and 2024 is as follows:

<i>(Amounts in PHP)</i>		Amount of Transactions			Outstanding Balances	
Related Party Category	Notes	2025	2024	2023	2025	2024
Parent company:						
Lease liabilities	21.2(b)	(148,958,394)	(44,278,557)	(38,513,422)	(196,565,711)	(47,607,317)
Right-of-use assets	21.2(b)	159,939,586	(41,356,331)	(40,859,626)	208,220,301	48,280,815
Repayments (availments) of advances	21.5	36,870,369	(10,111,989)	37,747,297	(143,097,818)	(179,968,187)
Interest – advances	21.5	-	(33,722,425)	(9,586,218)	(89,327,735)	(80,025,874)
Services	21.6	11,871,429	22,614,180	8,571,429	-	-
Commission expense	21.7(a)	3,649,113	6,914,179	4,057,829	-	-
Interest-bearings loans	21.7(c)	-	-	1,000,000,000	-	(1,000,000,000)
Interest – loans	21.7(c)	(34,973,528)	(72,061,474)	(78,387,945)	-	(180,437,951)
Dividends paid	21.9	99,000,000	-	102,369,948	-	-
Subsidiaries:						
Grants (collections) of advances	21.4	(1,326,583,614)	(205,568,899)	148,020,575	6,935,155,388	8,261,739,002
Cash held in trust	21.7(d)	418,288,172	3,306,663	(5,378,989)	433,233,829	14,945,657
Commission income	21.7(b)	93,835,246	8,977,990	90,863,807	63,701,269	-
Lease liabilities	21.2(b)	26,825,596	(8,841,771)	26,830,715	(8,836,652)	(17,988,944)
Right-of-use assets	21.2(b)	(9,426,684)	(9,836,540)	27,050,485	7,787,261	17,213,945
Commission expense	21.7(a)	138,012,057	137,378,375	124,546,618	(234,935,861)	(183,482,388)
Management and marketing income	21.3	126,847,836	135,039,770	95,278,350	174,611,131	189,513,050
Repayments (availments) of advances	21.5	(110,160,493)	13,971,361	(158,662,623)	(270,427,364)	(160,266,871)
Rental income	21.2(a)	13,485,647	104,154,649	48,660,383	104,196,644	203,950,152
Loans receivable	21.7(c)	1,000,000,000	-	-	1,134,217,245	134,217,245
Interest income	21.7(c)	36,178,035	8,075,098	8,053,035	28,742,767	-
Other investees of shareholders:						
Grants (collections) of advances	21.4	359,566,211	(32,231,786)	(12,881,422)	2,098,464,960	1,737,356,448
Interest income	21.4	4,794,195	4,807,329	4,794,195	58,576,964	54,492,261
Repayments (availments) of advances	21.5	10,727,281	27,891	10,590,185	(73,314,167)	(84,041,448)
Key Management Personnel –						
Compensation	21.8	33,466,553	31,604,409	29,487,469	48,591,040	89,581,990
Stockholders –						
Director's fees	17	605,000	450,000	450,000	-	-

Unless otherwise stated, the related receivables and payables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand.

Based on management's assessment, certain advances to related parties were impaired as of December 31, 2025 and 2024. As such, adequate amount of allowance of ECL is recognized (see Note 25.2).

21.2 Rental Income and Rental Expense

(a) Company as a Lessor

The Company leases its investment property to certain related parties with rental payments mutually agreed on a yearly basis. The rental earned from these related parties, which are based either on fixed monthly payments or with annual escalation rate of 5% per agreement, are included as part of Rental Income account in the statements of comprehensive income (see Note 12).

The outstanding receivables from these transactions are presented as part of Rental receivables under the Trade and Other Receivables account in the statements of financial position (see Note 5).

The outstanding receivables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand.

(b) *Company as a Lessee*

In December 2020, the Company entered into a new lease agreement as lessee with Megaworld covering the Company's new office space and recognized related right-of-use asset and lease liability. The lease was renewed in December 2025. The related carrying amounts of the right-of-use asset and lease liability as of December 31, 2025 amounted to P114.9 million and P107.3 million, respectively, while the related carrying amounts of the right-of-use asset and lease liability as of December 31, 2024 amounted to P16.5 million and P15.2 million, respectively (see Note 11).

In January 2021, the Company entered into another lease agreement with Megaworld as lessee for a new office space. The lease agreement was renewed in December 2025. The carrying amounts of right-of-use asset and lease liability as of December 31, 2025 amounted to P84.9 million and P79.3 million, respectively, while the carrying amounts of right-of-use asset and lease liability as of December 31, 2024 amounted to P13.6 million and P12.7 million, respectively (see Note 11).

In February 2022, the Company became a lessee of Megaworld for an office space for five years. The carrying amounts of right-of-use asset and lease liability as of December 31, 2025 amounted to P7.9 million and P9.3 million, respectively, while the carrying amounts of right-of-use asset and lease liability as of December 31, 2024 amounted to P15.2 million and P16.9 million, respectively (see Note 11).

In March 2023, Megaworld leased out an office space for a lease period of three years. The carrying amounts of right-of-use asset and lease liability as of December 31, 2025 amounted to P0.5 million and P0.6 million, respectively, while the carrying amounts of right-of-use asset and lease liability as of December 31, 2024 amounted to P2.9 million and P2.8 million, respectively (see Note 11).

In October 2023, SMI leased out an office space to the Company for a lease period of three years. The carrying amounts of right-of-use asset and lease liability as of December 31, 2025 amounted to P7.8 million and P8.8 million, respectively, while the carrying amounts of right-of-use asset and lease liability as of December 31, 2024 amounted to P17.2 million and P18.0 million, respectively (see Note 11).

21.3 Management and Marketing Income

In 2017, the Company and GNDC entered into an agreement wherein the Company shall provide technical guidance in terms of management and supervision of the latter's operations and in return, the Company shall receive management fees.

In 2012, the Company and OPI entered into an exclusive marketing agreement wherein the Company is appointed as the exclusive marketing agent of certain projects of OPI. The Company shall be responsible for all expenses incurred for advertising, promotion, printing of brochures, marketing research, sales management, and documentation of sales. In consideration for the services rendered to OPI, the Company will receive a management fee equivalent to 5% and marketing fee equivalent to 12% of the cash collections from sale of lots.

Management and marketing fee earned in relation to the above agreements is presented as part of Management and Marketing Income account in the statements of comprehensive income. The related outstanding receivable from this transaction amounted to P174.6 million and P189.5 million as at December 31, 2025 and 2024, respectively, is presented as part of Marketing and management fee receivable under Trade and Other Receivables account in the statements of financial position (see Note 5). The outstanding receivables from these transactions are short-term, unsecured, noninterest-bearing and are generally settled in cash upon demand.

21.4 Advances to Related Parties

The Company grants advances to its subsidiaries, associates, and other related parties for working capital purposes. These advances to related parties are unsecured, noninterest-bearing and repayable in cash upon demand. The balances of these advances, shown as Advances to Related Parties account in the statements of financial position as at December 31, are presented below.

<i>(Amounts in PHP)</i>	2025	2024
Subsidiaries	6,935,155,388	8,261,739,002
Other investees of shareholders	2,098,464,960	1,737,356,448
Allowance for impairment	<u>(96,248,389)</u>	<u>(96,248,389)</u>
	<u>8,937,371,959</u>	<u>9,902,847,061</u>

A summary of transactions with these related parties is presented below.

<i>(Amounts in PHP)</i>	2025	2024	2023
Subsidiaries:			
Balance at beginning of year	8,261,739,002	8,467,307,901	8,319,287,326
Collections	(1,345,268,648)	(224,888,965)	(4,966,563)
Cash advance granted	<u>18,685,034</u>	<u>19,320,066</u>	<u>152,987,138</u>
Balance at end of year	<u>6,935,155,388</u>	<u>8,261,739,002</u>	<u>8,467,307,901</u>
Other investees of shareholders:			
Balance at beginning of year	1,641,108,059	1,673,339,845	1,686,221,287
Cash advances granted	365,480,940	61,182,459	78,307,431
Collections	<u>(4,372,428)</u>	<u>(93,414,245)</u>	<u>(91,188,873)</u>
Balance at end of year	<u>2,002,216,571</u>	<u>1,641,108,059</u>	<u>1,673,339,845</u>

As of December 31, 2025 and 2024, management assessed that certain advances to related parties amounting to P96.2 million were not recoverable [see Note 25.2(c)]. Accordingly, this has been provided with allowance for impairment in the prior years. No impairment losses were required to be recognized in 2025, 2024 and 2023.

The advances to related parties are unsecured, due and demandable any time, and are generally payable in cash. Except for the advances to Camp John Hay Development Corporation (CJDEVCO) and Golforce, these advances are noninterest-bearing. The advances to CJDEVCO and Golforce totalling P32.8 million and P39.0 million as at December 31, 2025 and 2024, respectively, bear annual interest of 16% in both years. Interest earned from these advances amounted to P4.8 million in 2025, 2024 and 2023, and is shown as part of Finance Income account in the statements of comprehensive income (see Note 18.1). The interest receivable from these advances amounting to P58.6 million, and P54.5 million as at December 31, 2025, and 2024, respectively, is shown as part of Interest receivable under the Trade and Other Receivables account in the statements of financial position (see Note 5).

21.5 Advances from Related Parties

The Company obtains advances from a subsidiary and other related parties for working capital purposes. These advances are unsecured and are repayable in cash upon demand. Also, except for the advances from Megaworld, these advances are noninterest-bearing.

The outstanding advances from these related parties shown as Advances from Related Parties account in the statements of financial position are presented below:

<i>(Amounts in PHP)</i>	2025	2024
Parent company	143,097,818	179,968,187
Subsidiary	270,427,365	160,266,871
Other investees of shareholders	73,314,167	84,041,448
	<u>486,839,350</u>	<u>424,276,506</u>

A summary of transactions with these related parties are as follows:

<i>(Amounts in PHP)</i>	2025	2024	2023
Parent company:			
Balance at beginning of year	179,968,187	169,856,198	207,603,495
Repayments	(71,843,897)	(23,610,436)	(47,333,515)
Interest expense	34,973,528	33,722,425	9,586,218
Balance at end of year	<u>143,097,818</u>	<u>179,968,187</u>	<u>169,856,198</u>
Subsidiary:			
Balance at beginning of year	160,266,871	174,238,232	15,575,609
Cash advances obtained	236,282,971	1,645,485	158,662,623
Repayments	(126,122,477)	(15,616,846)	-
Balance at end of year	<u>270,427,365</u>	<u>160,266,871</u>	<u>174,238,232</u>
Other investees of shareholders:			
Balance at beginning of year	84,041,448	84,069,339	94,659,524
Repayments	(10,748,868)	(150,393)	(10,613,203)
Cash advances obtained	21,587	122,502	23,018
Balance at end of year	<u>73,314,167</u>	<u>84,041,448</u>	<u>84,069,339</u>

The advances from Megaworld bear annual interest of 6.0%. The interest expense incurred in 2025, 2024 and 2023 are presented as part of Finance Costs and Other Charges in the statements of comprehensive income (see Note 18.2).

The related unpaid interest amounting to P89.3 million and P80.0 million as at December 31, 2025 and 2024, respectively, is included as part of the Advances from Related Parties account in the statements of financial position.

21.6 Services

The Company obtains services from a related party for a fixed consideration. The amount of expenses incurred from such transaction is recorded as part of Management fees under the Other Operating Expenses account in the statements of comprehensive income (see Note 17). There were no outstanding payable related to this transaction.

21.7 Others

(a) Commission Expense

In the normal course of business, the Company pays commissions to Megaworld and MGEI for marketing services rendered with the purpose of increasing sales from the Company's projects.

The commissions are based on pre-agreed rates and are payable once a certain percentage of the contract price has been collected. Commissions incurred are presented as part of Commissions under Other Operating Expenses account in the statements of comprehensive income (see Note 17).

The related outstanding payable is presented as part of Commission payable under Trade and Other Payables account in the statements of financial position (see Note 14). The outstanding payables from these transactions are short-term, unsecured, noninterest-bearing and generally settled in cash upon demand.

(b) Commission Income

The Company provides marketing services to TLC to increase the latter's real estate sales. The total amount of commission income earned is included as part of Commission Income under Revenues account in the statements of comprehensive income. The outstanding receivables related to this transaction with TLC amounting to P63.7 million is presented as part of Others under Trade and Other Receivables of the statements of financial position (see Note 5). There was no similar transaction in 2024.

(c) *Loans Obtained and Granted*

In 2021, the Company granted an unsecured, interest-bearing loan to TLC amounting to P134.2 million, payable quarterly for five years starting in 2026, inclusive of two years grace period on principal repayment, with an interest rate of 6%. In 2025, the Company granted additional unsecured, interest-bearing loan to TLC amounting to P1,000.0 million, payable quarterly for five years until 2030, inclusive of two years grace period on principal repayment, with an interest rate of 6.75%. The outstanding loan receivables as of December 31, 2025, and 2024 amounted to P1,134.2 million and P134.2 million, respectively, and is presented as part of Trade and Other Receivables account in the statements of financial position (see Note 5). The related interest from these loans amounting to P36.2 million in 2025 and P8.1 million in both 2024, and 2023, is presented as part of Interest Income under Finance Income account in the statements of comprehensive income (see Note 18.1).

The Company obtained unsecured, interest-bearing loans from Megaworld for its construction projects and working capital requirements in 2022 and 2021 amounting to a total of P2,000.0 million. The outstanding balance of the loans, inclusive of accrued interest payable, amounted to P1,180.4 million as of December 31, 2024, and is presented as part of Interest-bearing Loans account in the 2024 statement of financial position (see Note 13). Total interest incurred on these loans amounted to P35.0 million, P72.1 million and P78.4 million in 2025, 2024 and 2023, respectively, which were either charged to expense or capitalized as borrowing costs (see Note 13). The loans were fully paid in 2025.

(d) *Others*

The Company has control of funds amounting to P433.2 million and P14.9 million as at December 31, 2025 and 2024, respectively, that are held in trust by MGEI. These are included as part of the Cash and Cash Equivalents account in the statements of financial position (see Note 4).

21.8 Key Management Personnel Compensation

The Company's key management personnel compensation, which is presented as part of Salaries and employee benefits (see Note 19.1), includes the following:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Short-term benefits	27,954,697	26,100,049	24,277,531
Post-employment defined benefit	5,511,856	5,504,360	5,209,938
	<u>33,466,553</u>	<u>31,604,409</u>	<u>29,487,469</u>

The Company also has short-term, unsecured and noninterest-bearing outstanding advances to key management personnel amounting to P48.6 million and P89.6 million as of December 31, 2025 and 2024, respectively, which are presented as part of Advances to officers and employees under the Trade and Other Receivables account in the statements of financial position (see Note 5). These are settled through salary deduction or liquidation.

21.9 Dividends Paid to the Parent Company

The parent company received dividends from the Company amounting to P99.0 million and P102.1 million in 2025 and 2023, respectively and nil for 2024. Consequently, there were no outstanding liabilities relating to this transaction (see Note 22.2).

21.10 Employee Stock Option Plan (ESOP)

Under the ESOP, the Company shall initially reserve for exercise of share options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant (see Note 22.3).

22. EQUITY

22.1 Capital Stock

Capital stock as of December 31, 2025 and 2024 consists of:

	<u>Shares</u>	<u>Amounts in PHP</u>
Common shares – P1 par value	<u>20,000,000,000</u>	<u>20,000,000,000</u>
Authorized		
Issued and outstanding		
Balance at beginning and end of year	<u>10,986,000,000</u>	<u>10,986,000,000</u>

On November 23, 1995, the SEC approved the listing of the Company's common shares totaling 150.0 million. The shares were initially issued at an offer price of P19.50 per common share. As at December 31, 2025 and 2024, there are 4,116 and 4,128 holders of the listed shares, which closed at P0.69 per share and P0.64 per share, respectively.

The Company also made additional listings of 5.0 billion and 2.5 billion shares with offer prices at P1.00 per share and P2.26 per share January 27, 2012, and August 14, 2013, respectively.

22.2 Cash Dividends

On June 19, 2025, the BOD approved the declaration and distribution of cash dividends amounting to P120.0 million to all shareholders of record as of July 18, 2025, which were paid on August 13, 2025.

On June 30, 2023, the BOD approved the declaration and distribution of cash dividends amounting to P124.1 million to all shareholders of record as of July 28, 2023, which were paid on August 23, 2023.

There was no similar transaction in 2024.

22.3 ESOP

On September 23, 2011, the BOD of the Company approved an Executive Stock Option Plan (the ESOP) for its key executive officers. This was approved on November 8, 2011 by stockholders holding at least 2/3 of the outstanding capital stock.

The purpose of the ESOP is to enable the key executives and senior officers of the Company, who are largely responsible for its further growth and development, to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The ESOP is being administered by the Executive Compensation Committee of the BOD.

Under the ESOP, the Company shall initially reserve for exercise of stock options up to 500.0 million common shares of the Company's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Stock options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for twelve months immediately preceding the date of grant. The options shall vest within three years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three-year period. The Company shall receive cash for the stock options.

As of December 31, 2023, pursuant to this ESOP, the Company has granted the option to its key company executives to subscribe to 400.0 million shares of the Company. An option holder may exercise in whole or in part his vested option provided, that, an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. All 400.0 million options were fully vested as at December 31, 2019, but none of these have been exercised yet by any of the option holders as at the end of the reporting periods. As at December 31, 2025 and 2024, there are no remaining share options that can be exercised.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The principal assumptions used in the valuation were shown below.

Grant dates	:	February 16, 2012, February 18, 2013, March 7, 2014, March 9, 2015, July 14, 2016
Vesting period ends	:	February 15, 2015, February 17, 2016, March 6, 2017, March 8, 2018, July 13, 2019
Option life	:	Seven years
Share price at grant dates	:	P2.10, P2.09, P1.60, P1.63, P1.02
Exercise price at grant dates	:	P1.93, P1.69, P1.50, P1.65, P1.00
Average fair value at grant dates	:	P2.27, P0.74, P0.42, P0.34, P0.24
Average standard deviation of share price returns	:	57.10%, 20.85%, 16.16%, 12.16%, 15.29%
Average risk-free investment rates	:	2.46%, 2.14%, 2.46%, 2.51%, 2.59%

The underlying expected volatility was determined by reference to historical date of the Company's shares over a period of time consistent with the option life.

23. EARNINGS PER SHARE

Earnings per share amounts were computed as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Basic:			
Net profit for the year	2,207,055,505	1,824,404,387	1,786,212,655
Divided by weighted number of outstanding common shares	<u>10,986,000,000</u>	<u>10,986,000,000</u>	<u>10,986,000,000</u>
	<u>0.201</u>	<u>0.166</u>	<u>0.163</u>
Diluted:			
Net profit for the year	2,207,055,505	1,824,404,387	1,786,212,655
Divided by weighted number of outstanding common shares	<u>10,986,000,000</u>	<u>10,986,000,000</u>	<u>11,012,712,329</u>
	<u>0.201</u>	<u>0.166</u>	<u>0.162</u>

In relation to the approved ESOP for key executive officers, the remaining vested options exercisable by any of the option holders are considered as potentially dilutive shares in 2023. However, these are not exercisable any longer as at the end of the reporting periods 2024 and 2025.

24. COMMITMENTS AND CONTINGENCIES

24.1 Lease Commitments – Company as Lessor

The Company is a lessor under several operating leases covering real estate properties for commercial use and development rights (see Notes 11 and 12). The leases have lease terms ranging from one to five years, with renewal options, and include annual escalation rate of 5.0%. The average annual rental covering these agreements amounted to P191.2 million. Future minimum lease receivables under these agreements are presented below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Within one year	158,709,285	164,755,985
After one year but not more than two years	141,368,184	147,528,756
After two years but not more than three years	139,992,801	132,487,037
After three years but not more than four years	137,765,731	134,926,413
After four years but not more than five years	142,179,266	137,736,432
More than five years	<u>1,013,022,965</u>	<u>1,155,202,231</u>
	<u>1,733,038,232</u>	<u>1,872,636,854</u>

The undiscounted maturity analysis of finance lease receivables at December 31, 2025 and 2024 is as follows:

<i>(Amounts in PHP)</i>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>4 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
December 31, 2025							
Lease collection	26,281,499	24,301,659	25,030,708	25,781,630	26,555,079	577,481,073	705,431,648
Interest income	<u>(24,407,401)</u>	<u>(24,373,209)</u>	<u>(24,352,433)</u>	<u>(24,269,834)</u>	<u>(24,118,575)</u>	<u>(271,668,713)</u>	<u>(393,190,165)</u>
Net present value	<u>1,874,098</u>	<u>(71,550)</u>	<u>678,275</u>	<u>1,511,796</u>	<u>2,436,504</u>	<u>305,812,360</u>	<u>312,241,483</u>
December 31, 2024							
Lease collection	27,514,054	26,281,499	24,301,659	25,030,708	25,781,630	604,036,152	732,945,702
Interest income	<u>(24,641,019)</u>	<u>(24,407,401)</u>	<u>(24,373,209)</u>	<u>(24,352,433)</u>	<u>(24,269,834)</u>	<u>(295,787,289)</u>	<u>(417,831,185)</u>
Net present value	<u>2,873,035</u>	<u>1,874,098</u>	<u>(71,550)</u>	<u>678,275</u>	<u>1,511,796</u>	<u>308,248,863</u>	<u>315,114,517</u>

24.2 Legal Claims

As at December 31, 2025 and 2024, the Company is a party to certain litigations arising from the normal course of business. No provision was recognized in the Company's financial statements because the ultimate outcome of these litigations cannot be presently determined. In addition, the Company's management believes that its impact in the financial statements, taken as a whole, is not material.

24.3 Others

There are other commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Company which are not reflected in the financial statements. The management of the Company is of the opinion that losses, if any, from these items will not have any material effect on their financial statements.

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to financial instruments. The Company's financial assets and financial liabilities by category are summarized in Note 26. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the BOD and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not engage in the trading of financial assets for speculative purposes. The relevant financial risks to which the Company is exposed to are described in the succeeding pages.

25.1 Market Risk

(a) Foreign Currency Risk

Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates, however, arise from the Company's cash and cash equivalents which are denominated in United States (U.S.) dollars.

To mitigate the Company's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

U.S. dollar denominated financial assets, translated into Philippine pesos at the closing rates at end of 2025, 2024 and 2023, pertain to cash and cash equivalents amounting to P43.1 million, P61.9 million and P19.5 million, respectively. The Company has no U.S. dollar denominated financial liabilities in 2025, 2024 and 2023.

If the Philippine peso had strengthened against the U.S. dollar, profit before tax would have decreased by P7.7 million and P9.7 million in 2025 and 2024 respectively. If the Philippine peso had weakened against the U.S. dollar, then this would have increased profit before tax in 2025 and 2024 by the same amount. This sensitivity of the net result for the year assumes a +/- 17.92%, +/- 15.65% and +/- 17.82% change of the Philippine peso/U.S. dollar exchange rate for the years ended December 31, 2025, 2024 and 2023, respectively. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months for 2025 and 2024 estimated at 99.0% level of confidence. The sensitivity analysis is based on the Company's foreign currency financial instruments held at the end of the reporting periods.

Exposures to foreign exchange rates vary during the year depending on the volume of transactions. Nonetheless, the analysis above is considered to be representative of the Company's foreign currency risk.

(b) Interest Rate Risk

As at December 31, 2025 and 2024, the Company is exposed to changes in market interest rates through its cash and cash equivalents and interest-bearing loans, which are subject to variable interest rates (see Notes 4 and 13). All other financial assets and liabilities have fixed rates.

The sensitivity of the Company's profit before tax is analyzed based on reasonably possible change for the year to a reasonably possible change in interest rates of +/- 2.85%, +/- 2.30% and +/- 3.59% in 2025, 2024 and 2023, respectively. These changes are considered to be reasonably possible based on observation of current market conditions. The percentage changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months at a 99% confidence level. The sensitivity analysis is based on the Company's financial instruments held at the end of each reporting period, with effect estimated from beginning of the year. All other variables held constant, if the interest rate increased, profit before tax would have decreased by P299.0 million, P133.3 million, and P153.8 million in 2025, 2024 and 2023, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax would have been higher in 2025, 2024 and 2023 by the same amount.

25.2 Credit Risk

Credit risk is the risk when a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers and related parties and by placing deposits.

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

Generally, the maximum credit risk exposure of financial assets and contract assets are the carrying amounts of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

<i>(Amounts in PHP)</i>	Notes	2025	2024
Cash and cash equivalents	4	1,412,450,945	1,470,493,602
Installment contracts			
receivables – net	5	7,207,632,841	7,802,273,807
Finance lease receivables	5	312,241,483	315,114,518
Rental receivables	5	485,681,943	380,511,495
	5,		
Loans receivables	21.7(c)	1,134,217,345	134,217,345
Other receivables	5	974,818,983	708,599,273
Contract assets	16.2	2,256,685,314	2,548,204,714
Advances to related parties	21.4	8,937,371,959	9,902,847,061
Advances to joint ventures	8	247,320,063	205,127,522
Refundable deposits	7	77,452,032	72,913,412
		<u>23,045,872,908</u>	<u>23,540,302,749</u>

(a) Cash and Cash Equivalents

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

As part of Company policy, bank deposits are only maintained with reputable financial institutions. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million for every depositor per banking institution.

With respect to cash equivalents, the Company 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 Company'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 for impairment will be based on the lifetime ECL. The Company uses the ratings from Standard and Poor's to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

As of December 31, 2025, and 2024, there were no impairment losses recognized on the Company's cash and cash equivalents.

(b) *Trade and Other Receivables and Contract Assets*

Credit risk of receivables from sale of real estate properties is managed primarily through credit reviews and analyses of receivables on a regular basis. The Company undertakes credit review procedures for all installment payment terms. Customer payments are facilitated through the use of post-dated checks. Exposure to doubtful accounts is not substantial as title to real estate properties are not transferred to the buyers until full payment of the amortization has been made and the requirement for remedial procedures is negligible considering the Company's buyers' profile.

The Company has used the simplified approach in measuring ECL and has calculated ECL based on lifetime ECL. Therefore, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking information specific to the buyers and the economic environment.

The Company considers trade receivables in default when contractual payment is 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. Furthermore, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

The provision rate is based on days past due of all customers as they have similar loss patterns. The credit enhancements such as advance payment and value of the real estate for sale are considered in the calculation of impairment as recoveries.

The management determined that there is no required ECL to be recognized since the real estate sold is collateralized to the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient.

Other components of receivables such as rental receivables are also evaluated by the Company for impairment. Rental receivables are secured to the extent of advance rental and security deposit received from the lessees, which are in average equivalent to six months.

The estimated fair value of collateral and other security enhancements held against installment contract receivables, contract assets and rent receivables are presented below and in the succeeding page.

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
<u>December 31, 2025</u>			
Installment contracts			
receivable – net	7,207,632,841	12,525,739,476	-
Contract assets	2,256,685,314	6,154,605,778	-
Rental receivables	485,681,943	77,556,877	408,125,066
	<u>9,950,000,098</u>	<u>18,757,902,131</u>	<u>408,125,066</u>

<i>(Amounts in PHP)</i>	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
<u>December 31, 2024</u>			
Installment contracts receivable – net	7,802,273,807	16,424,780,723	-
Contract assets	2,548,204,714	5,106,990,764	-
Rental receivables	380,511,495	86,934,905	293,576,590
	<u>10,730,990,016</u>	<u>21,618,706,392</u>	<u>293,576,590</u>

Some of the unimpaired trade and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period and are presented below.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current (not past due)	9,348,474,535	8,850,441,244
Past due but not impaired:		
More than one month but not more than three months	77,280,182	64,313,577
More than three months but not more than six months	65,468,888	136,776,539
More than six months but not more than one year	616,909,378	283,929,894
	<u>10,108,132,983</u>	<u>9,335,461,254</u>

(c) *Loans Receivables, Advances to Related Parties and Advances to Joint Ventures*

ECL for loans receivables and advances to related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. For the year ended December 31, 2025, 2024 and 2023, no additional impairment loss was recognized. The allowance for impairment as of December 31, 2025 and 2024 amounted to P96.2 million.

The Company does not consider any significant risks in the remaining advances to related parties since Megaworld and other related parties, whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of AGI's long-term corporate strategy.

In addition, there is also no significant risks in the advances to joint ventures as these are advances to joint venturers in the Company's certain real estate projects which are set-off against the joint venturer's share in the collections of receivables pertaining to such projects. As of December 31, 2025 and 2024, impairment allowance is not material.

With respect to refundable deposits, management assessed that these financial assets have low probability of default since these relate to reputable companies (i.e., with high quality external credit ratings).

25.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

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

The Company's financial liabilities have contractual maturities which are presented below.

(Amounts in PHP)	Notes	Current		Non-current	
		Within 6 Months	6 to 12 Months	1 to 5 Years	Beyond 5 Years
December 31, 2025					
Interest-bearing loans	13	893,069,541	1,010,716,600	7,813,684,928	61,155,768
Trade and other payables	14, 15	1,397,084,587	58,031,755	-	413,725,047
Advances from related parties	21	-	486,839,350	-	-
		2,290,154,128	1,555,587,705	7,813,684,928	474,880,815
December 31, 2024					
Interest-bearing loans	13	861,634,833	1,074,543,927	5,205,001,315	1,174,118,356
Trade and other payables	14, 15	977,921,941	81,138,116	-	375,422,853
Advances from related parties	21	-	424,276,506	-	-
		1,839,556,774	1,579,958,549	5,205,001,315	1,549,541,209

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

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

(Amounts in PHP)	2025		2024	
	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents	1,412,450,945	1,412,450,945	1,470,493,602	1,470,493,602
Trade and other receivables – net	10,114,592,595	10,114,592,595	9,335,461,255	9,335,461,255
Advances to related parties	8,937,371,959	8,937,371,959	9,902,847,061	9,902,847,061
Advances to joint ventures	247,320,063	247,320,063	205,127,522	205,127,522
Refundable deposits	77,452,032	77,452,032	72,913,412	72,913,412
	20,789,187,594	20,789,187,594	20,986,842,852	20,986,842,852
Financial Liabilities				
Financial liabilities at amortized cost:				
Trade and other payables	1,868,841,389	1,868,841,389	1,434,482,910	1,434,482,910
Interest-bearing loans	8,521,872,727	8,521,872,727	8,315,298,431	8,254,177,574
Advances from related parties	486,839,350	486,839,350	424,276,506	424,276,506
Lease liabilities	619,684,664	619,684,664	481,808,871	481,808,871
	11,497,238,130	11,497,238,130	10,655,866,718	10,594,745,861

See Note 2.4 for a description of the accounting policies for each category of financial instruments. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 25.

26.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set off financial instruments in 2025 and 2024 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders or upon instruction by the parent company. As such, the Company's outstanding advances to related parties amounting to P8,937.4 million and P9,902.8 million can be offset by the number of outstanding advances from related parties amounting to P486.8 million and P424.3 million as at December 31, 2025 and 2024, respectively (see Note 21).

The Company has cash in a certain local bank to which it has an outstanding loan (see Note 13). In case of the Company's default on loan amortization, cash in bank amounting to P 1,151.0 million and P1,369.8 million as of December 31, 2025 and 2024, respectively, can be applied against its outstanding loan amounting to P8,521.9 million and P7,070.7 million as of December 31, 2025 and 2024 respectively.

In addition, the Company's finance lease receivables amounting to P312.2 million and P315.1 million as at December 31, 2025 and 2024, respectively, can be offset by the same outstanding amount of the related lease liability (see Note 5). In 2025 and 2024, the Company has set-off certain finance lease receivables from a third party against the outstanding lease liability to the same related party amounting to P27.5 million and P26.8 million, respectively (see Notes 5 and 11.2).

27. FAIR VALUE MEASUREMENT AND DISCLOSURES

27.1 Fair Value Hierarchy

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

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

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

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

27.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the 2025 and 2024 statements of financial position but for which fair value is disclosed.

<i>(Amounts in PHP)</i>	Level 1	Level 2	Level 3	Total
2025				
Financial Assets:				
Cash and cash equivalents	1,412,450,945	-	-	1,412,450,945
Trade and other receivables - net	-	-	10,114,592,595	10,114,592,595
Advances to related parties	-	-	8,937,371,959	8,937,371,959
Advances to joint ventures	-	-	247,320,063	247,320,063
Refundable deposits	-	-	77,452,032	77,452,032
	<u>1,412,450,945</u>	<u>-</u>	<u>19,376,736,649</u>	<u>20,789,187,594</u>
Financial Liabilities:				
Trade and other payables	-	-	1,868,841,389	1,868,841,389
Interest-bearing loans	-	-	8,521,872,727	8,521,872,727
Advances from related parties	-	-	486,839,350	486,839,350
Lease liabilities	-	-	619,684,664	619,684,664
	<u>-</u>	<u>-</u>	<u>11,497,238,130</u>	<u>11,497,238,130</u>
2024				
Financial Assets:				
Cash and cash equivalents	1,470,493,602	-	-	1,470,493,602
Trade and other receivables - net	-	-	9,335,461,254	9,335,461,254
Advances to related parties	-	-	9,902,847,061	9,902,847,061
Advances to joint ventures	-	-	205,127,522	205,127,522
Refundable deposits	-	-	72,913,413	72,913,413
	<u>1,470,493,602</u>	<u>-</u>	<u>19,516,349,250</u>	<u>20,986,842,852</u>
Financial Liabilities:				
Trade and other payables	-	-	1,434,482,910	1,434,482,910
Interest-bearing loans	-	-	8,254,177,574	8,254,177,574
Advances from related parties	-	-	424,276,506	424,276,506
Lease liabilities	-	-	481,808,871	481,808,871
	<u>-</u>	<u>-</u>	<u>10,594,120,866</u>	<u>10,594,120,866</u>

The fair values of the financial assets and liabilities included in Level 3, which are not traded in an active market are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

27.3 Investment Property Measured at Cost for which Fair Value is Disclosed

In estimating the fair value of the Company's investment property, management takes into account the market participant's ability to generate economic benefits by using the asset in its highest and best use. Based on management assessment, the best use of the Company's investment property is its current use. The fair value of the investment property was determined based on the following approaches:

(i) *Fair Value Measurement for Land*

The Level 3 fair value of land was derived through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

(ii) *Fair Value Measurement for Building and Improvements*

The fair value of the Company's building and improvements, which are classified under Level 3 of the fair value hierarchy, is determined by calculating the present value of the cash inflows anticipated until the end of the life of the investment property using a discount rate applicable to these assets.

The breakdown of Investment Properties at its fair market value are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Building and improvements	2,492,882,662	2,201,309,895
Land and land improvement	8,691,930,343	8,691,930,343
Construction in progress	<u>1,636,864,631</u>	<u>1,232,969,842</u>
	<u>12,821,677,636</u>	<u>12,126,210,080</u>

28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Company also monitors its debt coverage ratio (DCR) and current ratio as required by its loan obligations (see Note 13). The Company has complied with its covenant obligations, including maintaining the required DCR and current ratio.

The Company also monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting periods under review is summarized below.

<i>(Amounts in PHP)</i>	2025	2024
Total Liabilities	15,152,700,131	13,681,662,383
Total Equity	37,145,234,950	35,048,560,219
Debt-to-equity	0.41 : 1.00	0.39 : 1.00

The corresponding requirement of the debt-to-equity ratio on December 31 of each year shall not be more than 2:1.

29. SUPPLEMENTAL INFORMATION ON STATEMENTS OF CASH FLOWS

29.1 Reconciliation of Liabilities Arising from Financing Activities

Presented below is the reconciliation of the Company's liabilities arising from financing activities.

<i>(Amounts in PHP)</i>	Interest-bearing Loans (see Note 13)	Advances from Related Parties (see Note 21.5)	Lease Liabilities (see Note 11)	Total
Balance as of January 1, 2025	7,070,665,285	424,276,506	481,808,871	7,976,750,662
Cash flows from financing activities:				
Additions	4,000,000,000	236,304,558	-	4,236,304,558
Repayments	(2,548,792,558)	(208,715,242)	(75,724,239)	(2,833,232,039)
Non-cash financing activities:				
Additional lease liabilities	-	-	205,535,947	205,535,947
Offsetting	-	-	(27,514,054)	(27,514,054)
Interest expense	-	34,973,528	-	34,973,528
Interest amortization on lease liabilities	-	-	35,578,139	35,578,139
Balance as of December 31, 2025	8,521,872,727	486,839,350	619,684,664	9,628,396,741
Balance as of January 1, 2024	6,677,615,765	428,163,769	541,802,790	7,647,582,324
Cash flows from financing activities:				
Additions	1,500,000,000	1,767,987	-	1,501,767,987
Repayments	(1,106,950,480)	(39,377,675)	(73,247,276)	(1,219,575,431)
Non-cash financing activities:				
Offsetting	-	-	(26,846,871)	(26,846,871)
Interest expense	-	33,722,425	-	33,722,425
Interest amortization on lease liabilities	-	-	40,100,228	40,100,228
Balance as of December 31, 2024	7,070,665,285	424,276,506	481,808,871	7,976,750,662
Balance as of January 1, 2023	5,539,215,676	317,838,628	586,396,211	6,443,450,515
Cash flows from financing activities:				
Additions	3,500,000,000	158,685,641	-	3,658,685,641
Repayments	(2,361,599,911)	(57,946,718)	(63,298,379)	(2,482,845,008)
Non-cash financing activities:				
Offsetting	-	-	(26,199,114)	(26,199,114)
Interest expense	-	9,586,218	-	9,586,218
Interest amortization on lease liabilities	-	-	42,272,050	42,272,050
Pre-termination of lease	-	-	2,632,022	2,632,022
Balance as of December 31, 2023	6,677,615,765	428,163,769	541,802,790	7,647,582,324

The Company also recognized finance costs arising from its borrowings with Megaworld and various banks (see Notes 13 and 18). Presented below is the reconciliation of interest payable (see Note 13), showing the interest expense recognized and corresponding payments made during the year.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	77,497,852	10,985,251	34,267,791
Interest expense	227,727,949	165,427,433	9,586,218
Interest paid	<u>(218,608,806)</u>	<u>(98,914,832)</u>	<u>(32,868,758)</u>
Balance at end of year	<u>86,616,995</u>	<u>77,497,852</u>	<u>10,985,251</u>

29.2 Non-cash Investing and Financing Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the statements of cash flows for the years ended December 31, 2025, 2024 and 2023:

- In the normal course of business, the Company enters into non-cash transactions such as exchanges or purchases on account of real estate and other assets, and reclassifications of inventories, property and equipment, and investment properties. These non-cash activities are not reflected in the statements of cash flows (see Notes 6, 10 and 12).
- The Company has effected the offsetting of payments amounting to P27.5 million and P26.8 million in 2025 and 2024, respectively, made directly by the sublessee of the Company to the head lessor in relation to its lease transaction (see Notes 5, 11 and 29.1).
- In 2025, the Company recognized right-of-use assets and lease liabilities amounting to P205.5 million. In 2023, the Company recognized right-of-use assets and lease liabilities amounting to P36.7 million and P38.5 million, respectively (see Notes 11 and 29.1). There was no similar transaction in 2024.
- In 2023, one of the lease contracts of the Company was pre-terminated which resulted to a gain amounting to P0.5 million and is presented as part of Others under Revenues in the 2023 statement of comprehensive income (see Notes 11 and 29.1). There were no similar transactions in 2025 and 2024.
- In 2024, the Company subscribed to shares of a newly incorporated subsidiary for P0.6 million (see Note 14). The related subscription payable is presented as part of Trade and Other Payables in the 2024 statement of financial position. The full amount was fully paid in 2025.

30. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented in the succeeding pages is the supplementary information which is required by the BIR under its existing Revenue Regulations (RR) to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

The information on taxes, duties and license fees paid or accrued during the taxable year 2025 required under RR No. 15-2010 is presented below and in the succeeding page.

(a) *Output VAT*

In 2025, the Company declared output VAT as follows:

<i>(Amounts in PHP)</i>	<u>Tax Base</u>	<u>Output VAT</u>
Real estate sales:		
Taxable sales	2,381,304,161	285,756,499
Exempt sales	7,534,411	-
Rental income and management and marketing income	<u>526,353,386</u>	<u>63,162,406</u>
	<u>2,915,191,958</u>	<u>348,918,905</u>

The Company's exempt sales/receipts were determined pursuant to Section 109, *VAT Exempt Transactions*, of the 1997 National Internal Revenue Code, as amended.

The tax base is included as part of Real Estate Sales, Rental Income, Management and Marketing Income and Others in the statement of comprehensive income for the year ended December 31, 2025 and are based on the Company's gross receipts until the effectivity of RR No. 03-2024 on April 27, 2024. Subsequently, the accrual method was used; hence, the tax base may not be same with the amount presented in the 2025 statement of comprehensive income.

The outstanding output VAT payable amounting to P8,365,308 as of December 31, 2025 is presented as part of Others under Trade and Other Payables account in the 2025 statement of financial position.

(b) *Input VAT*

The movements in input VAT in 2025 are summarized below *(Amounts in PHP)*.

Balance at beginning of year	-
Services lodged under other accounts	166,741,462
Goods other than for resale or manufacture	40,707,156
Capital goods subject to amortization	1,829,105
Capital goods not subject to amortization	572,253
Applied against exempt sales	(573,325)
Applied against output VAT	<u>(209,276,651)</u>
Balance at end of year	<u>-</u>

Deferred input VAT amounting to P10.0 million as of December 31, 2025 is presented under Prepayments and Other Current Assets account in the 2025 statement of financial position.

(c) *Taxes on Importation*

The Company did not have any transactions which are subject to custom duties and tariff fees as there were no importations in 2025.

(d) *Excise Tax*

The Company did not have any transactions in 2025 which are subject to excise tax.

(e) *Documentary Stamp Tax (DST)*

DST paid and accrued in 2025 is presented below (*Amounts in PHP*).

Loan instruments	9,542,465
Others	840,247
	10,382,712

(f) *Taxes and Licenses*

The details of taxes and licenses in 2025 are as follows (*Amounts in PHP*):

Business and local taxes	16,202,583
DST	10,382,712
Real property taxes	5,857,457
Capital gains tax	108,000
Community tax certificate	25,537
Others	207,430
	32,783,719

(g) *Withholding Taxes*

The details of total withholding taxes for the year ended December 31, 2025 are shown below (*Amounts in PHP*).

Expanded	83,776,812
Compensation and employee benefits	44,447,828
Final	881,322
	129,105,962

(h) *Deficiency Tax Assessments and Tax Cases*

In 2025, the Company has paid deficiency taxes on all internal revenue taxes amounting to P39,513,793, inclusive of P5,760,727 interest and P991,213 in penalties and surcharges relating to taxable years 2024, 2023 and 2022. These amounts are presented as part of Miscellaneous under Other Operating Expenses account in the 2025 statement of comprehensive income.

As of December 31, 2025, the Company does not have any other final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

**The Board of Directors and Stockholders
Global-Estate Resorts, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)**

9/F Eastwood Global Plaza
Palm Tree Avenue, Eastwood City
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Global-Estate Resorts, Inc. (the Company) for the year ended December 31, 2025, on which we have rendered our report dated March 16, 2026. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Reconciliation of Retained Earnings Available for Dividend Declaration for the year ended December 31, 2025 is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: Edcel U. Costales
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10770757, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 134633-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-045-2025 (until November 11, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-017 (until August 12, 2027)

March 16, 2026

GLOBAL-ESTATE RESORTS, INC.
(A Subsidiary of Megaworld Corporation)
9/F Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2025

Unappropriated Retained Earnings at Beginning of Year		P	10,145,672,844
Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings			
Reversal of Retained Earning Appropriation/s	P	-	
Effect of restatements or prior-period adjustments		-	
Others		-	-
Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings			
Dividend declaration during the reporting period	(	120,000,000)	
Retained Earnings appropriated during the reporting period		-	
Effect of restatements or prior-period adjustments		-	
Others		-	(120,000,000)
Unappropriated Retained Earnings at Beginning of Year, as adjusted			10,025,672,844
Add/Less: Net Income (Loss) for the Current Year			2,207,055,505
Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the reporting period (net of tax)			
Equity in net income of associate/joint venture, net of dividends declared		(1,483,644,824)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents		-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		-	
Unrealized fair value gain of investment property		-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS		(186,006,670)	
Sub-total			(1,669,651,494)
Add: <u>Category C.2:</u> Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)			
Realized foreign exchange gain, except those attributable to cash and cash equivalents		-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL		-	
Realized fair value gain of investment property		-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		42,600,300	
Sub-total			42,600,300
Add: <u>Category C.3:</u> Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)			
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents		-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL		-	
Reversal of previously recorded fair value gain of investment property		-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded		-	
Sub-total			-
<i>Balance carried forward</i>			
Adjusted Net Income/Loss			10,605,677,155

Balance brought forward

Adjusted Net Income/Loss

10,605,677,155

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)

-

Sub-total

-

Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief

-

Total amount of reporting relief granted during the year

-

Others

-

Sub-total

-

Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)

-

Net movement of deferred tax asset not considered in the reconciling items under the previous categories

-

Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable

(8,228,885)

Adjustment due to deviation from PFRS/GAAP - gain (loss)

-

Others

-

Sub-total

(8,228,885)

Unappropriated Retained Earnings Available for Dividend Distribution at End of Year

P 10,597,448,270



Myrbien Flores <mcflores@global-estate.ph>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>

Fri, Mar 27, 2026 at 7:13 AM

To: GENERAL.ACCOUNTING@global-estate.ph

Cc: CRSTARITA@global-estate.ph

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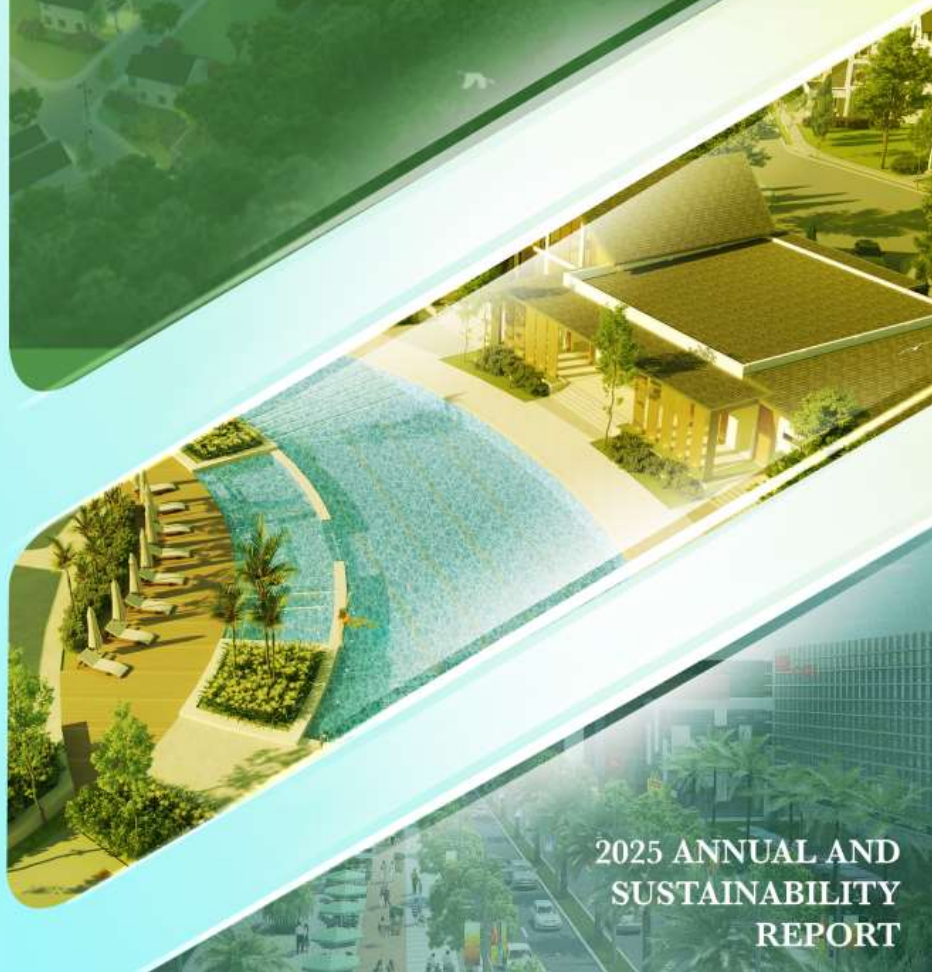
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GLOBAL-ESTATE RESORTS, INC.

Redefining Destination Excellence

BOLDER TOGETHER



2025 ANNUAL AND
SUSTAINABILITY
REPORT

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About the Cover

“Redefining Destination Excellence” captures the commitment of Global-Estate Resorts, Inc. (GERI or the Company) to raise the standard of how destinations are imagined, developed, and cared for. The theme points to a clear move away from conventional real estate practices and toward a more deliberate, forward-looking approach, one that weaves environmental responsibility, regulatory rigor, and risk awareness into every stage of estate and resort development. It conveys to investors, partners, and host communities that GERI’s growth is anchored in lasting value: protecting land resources, building infrastructure that can endure change, and upholding strong governance. At its core, the theme affirms GERI’s mission to create destinations that continue to be attractive, livable, and meaningful well into the future.

The cover brings this idea to life through an organic, branching pattern drawn from natural forms, evoking steady growth, equilibrium, and connection. Images of Sta. Barbara Heights, Twin Lakes, Arden Botanical Village, Boracay Newcoast, Eastland Heights, and The Hamptons Caliraya are arranged to show both the range of GERI’s portfolio and a shared direction toward sustainability. Earth-inspired colors reinforce the Company’s development mindset—careful master planning, respect for natural settings, and communities designed to function as cohesive, enduring environments rather than isolated projects.

About the Report

[2-1](#), [2-2](#), [2-3](#)

This Annual and Sustainability Report (ASR) presents GERI’s financial, operational, and sustainability performance for the year 2025. It communicates how the Company creates long-term value through balanced growth, responsible development, and the delivery of integrated tourism estates that harmonize business success with environmental stewardship and social progress.

The report is designed primarily for investors, shareholders, and government stakeholders, and secondarily for customers, employees, and the general public. It supports informed decision-making by providing a clear view of GERI’s business strategy, development performance, and sustainability outcomes, including how the Company manages material environmental, social, and governance (ESG) risks and opportunities.

The scope of this report covers GERI and its subsidiaries, namely Global-Estates Properties, Inc., Southwoods Mall, Inc., Savoy Hotel Boracay, Inc., Belmont Hotel Boracay, Inc., Twin Lakes Corporation, Oceanfront Properties, Inc., and Global Newcoast Development Corporation (formerly, Fil-Estate Urban Development Corporation). Unless otherwise stated, disclosures reflect the consolidated operations of the Company and its subsidiaries.

The Group presents its information on a consolidated basis, combining the financial and operational results of the Company and its subsidiaries while eliminating transactions between Group entities. Ownership interests held by other shareholders are recognized as non-controlling interests (NCI) and measured at fair value or in proportion to their share of the net assets. Entities acquired or disposed of during the reporting period are included only

for the duration in which the Group exercises control, in accordance with the acquisition method. This consolidation approach is applied consistently across this standard and all material topics, with financial and sustainability disclosures generally covering the same Group entities unless otherwise specified.

This report covers the period from January 1, 2025, to December 31, 2025. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Philippine Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies (PLCs). Selected disclosures are aligned with the United Nations Sustainable Development Goals (UN SDGs), reinforcing GERI's contribution to national development priorities and global sustainability objectives. GERI follows an annual reporting cycle for its ASR, highlighting its commitment to transparency, good governance, and continuous improvement in sustainability performance.

GERI encourages stakeholders' insights to continuously enhance the quality and relevance of its sustainability reporting. For feedback or queries regarding the content of this 2025 Annual and Sustainability Report, please contact:

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About GERI

[2-1](#), [2-2](#), [2-6](#), [2-24](#)

Global-Estate Resorts, Inc. (GERI or the Company) is a leading developer of integrated tourism estates and lifestyle communities in the Philippines. It is a subsidiary of Megaworld Corporation (MEG), which serves as its Parent Company. Megaworld Corporation is, in turn, part of Alliance Global Inc. (AGI) Group, a larger conglomerate. GERI develops integrated tourism estates and large-scale townships that combine residential, retail, hotel, and leisure components with nature and open spaces as key features.

GERI's developments are located in major growth areas, including Boracay, Iloilo, Laguna, Cavite, Rizal, and Batangas. These projects serve both domestic and international markets and are designed to function as complete destinations that support tourism, commerce, and community life.

The Group's downstream operations are conducted through its subsidiaries, associates, and joint operations, which are engaged in real estate development, estate management, hospitality, and related services. The operations of hotels, malls, offices, and certain estates are outsourced to Megaworld. These entities are included in the Group's reporting based on the degree of control or influence exercised: subsidiaries are fully consolidated, associates are accounted for using the equity method, and joint operations are recognized in proportion to the Group's share of assets, liabilities, revenues, and expenses.

GERI's value chain spans the full lifecycle of tourism estate development, from land acquisition, planning, and design through construction, estate operations, and long-term use. Upstream activities involve engagement with contractors, construction firms, material suppliers, utility providers, and professional service partners that support project execution and regulatory compliance. Core operations focus on township development, environmental and safety management, property turnover, and estate administration. Downstream entities include residential buyers, commercial tenants, hotel guests, locators, and visitors who use and operate within GERI's estates, supported by property management and estate operations teams that provide maintenance, security, utilities coordination, and community services. Other relevant business relationships include partnerships with local government units, national government agencies such as the Department of Environment and Natural Resources (DENR), financial institutions, renewable energy providers, and community organizations that support environmental programs and social initiatives.

Compared with the previous reporting period, GERI's value chain in 2025 reflects stronger integration of digital systems for customer transactions and estate monitoring, expanded collaboration with renewable energy and utility partners, and closer coordination with local communities and government agencies, contributing to improved service delivery, regulatory compliance, and sustainability performance across its estates.

Vision

GERI uplifts lives, impacts society, and helps shape the nation through integrated tourism estates.

Mission

- Pioneer concepts that promote integrated tourism estates in the projects they build
- Advocate responsible stewardship of the environment
- Deliver long-term value for their employees and shareholders
- Spur economic growth all over the country

Values

GERI upholds Integrity, Creativity and Innovation, Excellence, and Love for the Company across the planning and execution of its projects. These values guide the planning, development, and operation of every project, ensuring consistent delivery of high-quality outcomes. GERI promotes and reinforces these values at all levels of the organization, from senior management to frontline employees.

History

From its early developments, GERI positioned itself as a builder of destinations — places where residential, commercial, and recreational uses coexist within carefully designed landscapes. In over 14 years, this approach has shaped estates such as Boracay Newcoast, Twin Lakes, Southwoods City, Sta. Barbara Heights, Arden Botanical Estate, and other emerging developments across Luzon and the Visayas.

Year	Significant Milestones
1994	Incorporation of Fil-Estate Land, Inc.(FELI)
1995	FELI is listed in the Philippine Stock Exchange (PSE)
2011	Alliance Global Group Inc. (AGI) acquires a majority stake in FELI, rebranding it as Global-Estate Resorts, Inc. (GERI) and integrating it into AGI
2013	Megaworld Corporation, a subsidiary of AGI, acquires an ownership interest in GERI
2014	Megaworld fully acquires AGI's stakes in GERI

Legacy and Milestones

GERI's modern legacy is anchored on its integration into the Alliance Global Group in 2011, which marked the Company's strategic shift from conventional real estate development toward large-scale, master-planned tourism estates. The milestones below trace how GERI's growth has been guided not only by physical expansion, but by its increasing role as a steward of integrated destinations.

Foundation and Early Growth

2014–2017

- GERI became a Megaworld subsidiary after AGI's full stake acquisition.
- Delivered initial projects like Boracay Town Center North and Oceanway Residences.

- Moved to Alliance Global Tower and completed major developments like the Savoy Hotel Boracay and the Southwoods Mall.

Expansion and Consolidation

2018–2021:

- Completed key projects including Alabang West Village, Holland Park, and Twin Lakes Vineyard Residences.
- Marked the 25th anniversary (*GERInation 25*) with milestones like Belmont Hotel Boracay and Alabang West Parade.
- Undertook the “GERI Power Move” with multiple office relocations
- Focused on infrastructure development, delivering The Vineyard Residences and Alabang West estate.

Innovation and Sustainability

2022–2025:

- Formed Integrated Resorts Property Management Inc. (IRPMI) and completed Boracay Newcoast Convention Center (BNCC), Ocean Garden Villas A, and The Springs at Eastland Heights.
- Introduced MEGreen and LeaderShift LeadCon, completing Tulip Park and Tulip Gardens Apricot Tower at Southwoods City.
- Implemented renewable energy adoption across key estates, including Twin Lakes, Southwoods Mall and Office Tower, and Boracay Newcoast.
- Achieved record turnover and completion of residential and commercial developments across Boracay Newcoast, Twin Lakes and The Hamptons Caliraya, Sta. Barbara and Arden Botanical Estates.
- Expanded the Halina Corporate Social Responsibility (CSR) program, spanning from tree growing, water conservation, to community livelihood initiatives.
- Rolled out estate-wide sustainability measures, including solar streetlights, LED conversions, and promoting the use of e-vehicles as green transportation.

Board Composition and Sustainability Leadership

2-9, 2-10, 2-12, 2-13, 2-14

GERI's highest governance body is the Board of Directors (Board), which oversees the Company's strategy and approves policies and corporate objectives, risk management, internal controls, compliance, and processes for identifying and managing impacts on the economy, environment, and people. It reviews management performance and ensures the establishment of risk management and internal control systems. The Board of Directors exercises oversight over Management directly and through committees.

These committees include the Board Executive Committee, Audit Committee, Board Risk Oversight Committee, Corporate Governance Committee, and Related Party Transactions Committee. These committees, save for the Board Executive Committee, are composed primarily of non-executive and independent directors, and receive regular reports from management on risk, compliance, operational performance, and sustainability matters.

The Board comprises executive and non-executive directors, including independent directors, in accordance with regulatory governance standards, with the majority of its members being non-executive directors. Independence is embedded in the Board's composition and committee structure, including the appointment of independent directors, with the Audit Committee chaired by an independent director. Diversity is reflected in the Board's membership, which includes both male and female directors with varied professional backgrounds and competencies relevant to GERI's business and governance responsibilities.

The Company supports the continuous development of the members of the Board and key officers to strengthen their collective knowledge, skills, and experience in corporate governance and sustainability. Directors and executive officers regularly attend corporate governance training programs conducted by accredited institutions, covering topics such as governance practices, risk management, accountability, and emerging business risks. These programs are completed on an annual basis, in line with regulatory requirements and the Company's commitment to maintaining a competent and well-informed leadership team. Through these initiatives, the Board enhances its ability to provide effective oversight and make informed decisions on matters related to sustainable development.

The nomination and selection of directors are in accordance with the Company's Manual on Corporate Governance (CG Manual) and related policies. This process is overseen by the Corporate Governance Committee, which is responsible for reviewing and recommending candidates for election to the Board. Candidates are evaluated based on qualifications, experience, and competencies, with independence and diversity considered.

The Board operates under a formal Board Charter, as required by the CG Manual which defines its roles, responsibilities, and accountabilities. The Board is guided by both the Manual on Corporate Governance and its Charter in the performance of its duties. Directors are required to act in the best interest of the Company and to disclose any actual or potential conflicts of interest. Transactions involving potential conflicts are subject to review and

approval by the appropriate Board committee. The Company maintains policies applicable to directors, senior management, and employees, which require the disclosure of any relationships or interests that may give rise to conflicts, prohibit participation in decision-making where conflicts exist, and provide for disciplinary actions in case of non-compliance.

The determination of remuneration for directors and senior management is overseen by the Board. Compensation is reviewed and recommended based on the roles and responsibilities of the position and the performance of the individual. The Company adopts a performance-based compensation scheme for its President and key executive officers. Total annual compensation consists of basic salary and other annual compensation and is paid in cash, including the 13th month pay. Directors receive reasonable per diem for attendance in Board and committee meetings. The Company has no other arrangements with respect to the remuneration of its officers aside from the compensation disclosed.

The CG Manual provides for the conduct of annual self-assessment covering the performance of the Board, its committees, and individual directors, including determining and measuring compliance with the CG Manual.

Operational responsibility for managing identified impacts is delegated to Board Executive Committee and senior leadership, composed of the President and senior executives responsible for finance, operations, and risk management. These leaders are accountable for implementing Board-approved strategies and reporting progress, risks, and opportunities. Critical concerns, whenever they arise, are brought to the attention of the relevant Board Committee for resolution and reported to the Board. The Board reviews these reports at least annually, with more frequent updates as needed, and oversees the integrity of sustainability reporting, including the identification and approval of material topics.

Board of Directors

Board Members	Position	Gender	Committee Membership
Andrew L. Tan	Chairman and CEO	M	Executive (Chairman)
Monica T. Salomon	President	F	Executive (Member)
Lourdes T. Gutierrez-Alfonso	Managing Director	F	Executive (Member)
Kevin Andrew L. Tan	Director	M	Audit (Member) Board Risk Oversight (Member)
Wilbur L. Chan	Director for Clubs and Hotels	M	-
Giancarlo C. Ng	Director	M	Corporate Governance (Member) Related Party Transactions (Member)
Ferdinand T. Santos	Director	M	-

Cresencio P. Aquino	Lead Independent Director	M	Audit (Chairman) Related Party Transactions (Chairman) Board Risk Oversight (Chairman) Corporate Governance (Member)
Ma. Milagros Yuhico	Independent Director	F	Corporate Governance (Chairman) Audit (Member) Related Party Transactions (Member) Board Risk Oversight (Member)

Key Officers

Officer Members	Position	Gender
Maria Carla T. Uykim	Corporate Secretary and Assistant Corporate Information Officer	F
Nelileen S. Baxa	Assistant Corporate Secretary	F
Lailani V. Villanueva	CFO/Treasurer, CIO, and Compliance Officer	F
Marie Emelyn Gertrudes C. Martinez	Head of Legal	F
Felipe L. Mangubat, Jr.	Head of Operations Management	M
Karen B. Maderazo	Head of Real Estate Management and Human Resources	F
Kirk P. Abot	Head of Planning and Design	M
Allan D. Espiritu	Chief Risk Officer and Chief Audit Executive	M

Certifications, Awards, and Recognitions

These distinctions serve as external markers of GERI's commitment to responsible destination development. More than symbolic achievements, these distinctions reflect measurable performance in safety, environmental protection, financial integrity, and estate-level sustainability execution. Some of the key 2025 noteworthy certifications, recognitions, and awards include:

1. **2025 Safety Organization of the Philippines, Inc. (SOPI) Awards**

Recognized in November 2025 for achieving 15 million cumulative safe man-hours across projects and estates without a Lost Time Injury, reflecting effective implementation of EHS systems, inspections, and emergency preparedness programs.

Development Portfolio

GERI's development portfolio is built around large-scale, master-planned destinations that integrate tourism, residential, and commercial uses within carefully managed environments. Each estate is envisioned not only as a real estate development but as a long-term community. Designed as master-planned, contiguous areas with unified management, these destinations host a comprehensive mix of tourism facilities, services, and infrastructure. Together, they reflect GERI's strategy of creating lifestyle hubs that balance commercial performance with environmental stewardship and community well-being.

Integrated Tourism Estates

Boracay Newcoast in Boracay Island

Boracay Newcoast is a 155-hectare mixed-use leisure and resort estate comprising commercial and retail areas, leisure hotels, and a golf course. It is the country's first Muslim-friendly tourism destination, featuring the Marhaba Boracay private cove. The estate is planned to deliver premium tourism experiences while advancing environmental protection and social inclusion through managed coastal zones, waste and water systems, and community-based conservation initiatives.

Twin Lakes in Laurel, Batangas

Twin Lakes is a 97-hectare tourism estate anchored by a 126-room hotel and a vineyard-inspired residential development. A 3-hectare working vineyard forms the centerpiece of the development, integrating hospitality, lifestyle, and nature-based recreation. The estate demonstrates GERI's approach to destination development, leveraging natural landscapes while managing land use through structured planning and environmental controls.

Integrated Lifestyle Communities

The Hamptons in Cavinti, Laguna

This 28-hectare estate combines water adventures and nature, with facilities for residents and tourists alike. With its Marina and Lakefront Esplanade, guests can enjoy strolls and scenic views of Caliraya Lake.

Eastland Heights in Antipolo

This 683-hectare community estate offers panoramic views of the Sierra Madre mountain range, with unparalleled natural beauty. The Springs, with a sunken deck and a planting area, integrates recreation and nature living, bringing together modern convenience and an immersive connection to the environment.

Arden Botanical Estate in Cavite

Arden Botanical Estate is a 269-hectare botanical township in Trece Martires, Cavite, distinguished by Scandinavian-inspired architecture and garden-integrated masterplanning. The community features Bloom Park, themed gardens, Breathing Chapel, and tree-lined avenues that promote wellness and nature-centered living. Sustainability is embedded across the estate through solar streetlights, electric shuttles, storm water recycling, permeable pavements, and the use of organic fertilizers, reinforcing its vision of environmentally responsible and thoughtfully designed residential development.

Southwoods City in Laguna

Southwoods City is a 456-hectare integrated township comprising commercial, retail, and business districts, as well as established residential communities. These include the 1.5-hectare land area of Holland Park Residential Village and the Tulip Gardens. The township supports economic activity, employment, and residential living within a planned environment that incorporates green spaces and shared infrastructure.

Sta. Barbara Heights in Iloilo

Sta. Barbara Heights is a 157-hectare township inspired by Boca Raton-style planning and anchored by a natural lake. The development is complemented by Mercato Sta. Barbara, a market destination open to residents and visitors, supporting local entrepreneurship and fostering community interaction. The township is positioned as a regional lifestyle hub that integrates housing, commerce, and public spaces.

Alabang West in Las Piñas City

Spanning 61 hectares, the estate is designed as an integrated community that combines residential, commercial, and lifestyle components. It includes Alabang West Village, a residential enclave with 785 lots supported by a clubhouse and a range of recreational amenities, promoting a well-rounded and livable environment. Complementing this is a 1.3-kilometer commercial and retail row inspired by Rodeo Drive, which enhances access to retail and dining options and supports the development of a vibrant, self-sustaining community.

Project Turnover

The successful completion of projects in 2025 marked a significant milestone for GERI, underscoring its commitment to delivering high-quality, fully realized residential communities. Each development reflected disciplined planning, strong environmental stewardship, and thoughtfully curated, lifestyle-oriented design. More than standalone residential offerings, these projects were positioned as integral components of a broader estate experience—enhancing resident quality of life while strengthening long-term community and investment value.

The Hamptons Caliraya – Lakefront Esplanade

Lakefront Esplanade comprises a collection of premium lakeside residential lots that front directly onto Lake Caliraya, offering sweeping views of the lake and Mt. Banahaw. Situated

within The Hamptons Caliraya tourism estate, a 28-hectare integrated lakeside community inspired by the famed coastal retreat in New York, this enclave enhances the estate's luxury lifestyle proposition. Its low-density design, strategic shoreline setbacks, and controlled access are tailored to preserve both waterfront aesthetics and ecological integrity, promoting a refined lakeside living experience while reinforcing its position as a high-end leisure and residential destination.

Alabang West – Phase 1A

Phase 1A represents a carefully planned extension of Alabang West, a well-established suburban residential estate in Las Piñas. This expansion preserves the estate's character of high-quality suburban living, offering a limited selection of lots designed to integrate seamlessly with existing neighborhoods through cohesive planning standards, secure, regulated entry, and thoughtfully connected road networks. The project enhances the estate's long-term desirability by balancing gradual growth with the preservation of community livability, privacy, and property value.

Twin Lakes – The Belvedere

Belvedere Cluster 2 enhances Twin Lakes, a master-planned, resort-inspired mountain community, by delivering a curated mix of residential units that maximize scenic views and pedestrian-oriented layouts. Emphasizing a unified architectural identity, walkability, and a welcoming neighborhood atmosphere, this cluster reinforces the estate's distinctive lifestyle proposition, blending hillside living with resort-like environments that appeal to both year-round residents and leisure-oriented buyers.

Twin Lakes Vineyard Manor

Manor Cluster 2 expands on Twin Lakes' signature mountain-living concept with a thoughtfully arranged enclave of homes that promote architectural harmony, efficient site layout, and controlled access. By maintaining suitable residential density for its hillside context, this cluster strengthens the estate's reputation as a lifestyle-centric community that supports long-term occupancy and enhances the area's allure as a year-round destination.

Boracay Newcoast – The Village

The Village at Boracay Newcoast adds 40 residential units to this integrated coastal estate, renowned for its blend of island living and resort lifestyle. Anchored on sustainability and responsible tourism planning, Boracay Newcoast emphasizes architectural consistency, landscaped settings, and restricted access that enhance privacy and exclusivity. This expansion reinforces the estate's position as a premier leisure-oriented residential destination, enriching its peaceful and high-quality living environment while supporting long-term resort and residential growth.

Upcoming Projects

The 2025 upcoming projects reflected GERI's strategy of expanding its destination portfolio while maintaining disciplined planning, environmental safeguards, and community-oriented design. Each new launch was positioned not merely as a real estate product, but as part of a broader lifestyle and tourism ecosystem.

The Hamptons Caliraya – Grand Marina Esplanade

The Grand Marina Esplanade is a water-facing mixed-use enclave that extends The Hamptons' lakeside lifestyle by integrating boutique hotel components, marina access, and villa residences. It is designed to activate the lakefront with managed boating and waterfront

leisure while protecting the Caliraya shoreline through planned setbacks and controlled access. The project reinforces The Hamptons' positioning as a premium lakeside destination and supports estate-level visitor services and community amenities that help drive year-round demand.

Nascala Coast

Nascala Coast is a developing beachside township in Nasugbu, Batangas, envisioned as a self-sustaining coastal community that blends residential enclaves, town centers, and tourism nodes within a 116-hectare masterplan.

Sherwood Hills – Prana Garden Villas

Prana Garden Villas is a Zen- and Balinese-inspired residential village within Sherwood Hills that emphasizes low-density, garden-integrated living. The product mix is lot-based, with a high allocation for landscaped and open spaces, supporting the estate's nature-forward brand positioning. Prana's architecture and amenity program are designed to appeal to buyers seeking wellness-oriented, low-impact residential living close to Metro Manila.

Eastland Heights – The Daintree Residences

The Daintree residential cluster in Eastland Heights, Antipolo, is designed as a premium community that leverages the estate's elevated terrain and proximity to the Sierra Madre. The project focuses on wellness and "ecotherapy" living, integrating landscaped buffers, view corridors, and outdoor amenity nodes to strengthen resident connection with nature. The Daintree launch supports Eastland Heights' strategy of high-quality, nature-integrated housing and contributes to the estate's broader customer experience offering.

Boracay Newcoast – Resort Village

The Resort Village is a resort-themed residential enclave introduced within the Boracay Newcoast tourism estate. The project expands the estate's residential portfolio by offering lot-based products that complement existing hotels, commercial areas, and leisure amenities. Positioned within a master-planned environment, the Resort Village supports Boracay Newcoast's long-term tourism development strategy by integrating residential use into a managed resort setting, thereby enhancing destination vibrancy while maintaining regulatory compliance and environmental controls appropriate to Boracay Island.

Boracay Newcoast – Newcoast Suites

Newcoast Suites, Tower B, represents an extension of Boracay Newcoast's vertical residential development, designed to meet demand for condominium-style resort living within a master-planned tourism estate. The project provides compact residential units supported by shared amenities and proximity to leisure and commercial facilities. As part of the estate's diversified accommodation mix, Newcoast Suites contributes to the optimization of land use and supports centralized management of utilities and services, enabling more efficient resource use and consistent environmental oversight within the island destination.

Sustainability Strategy

2-22

GERI integrates sustainability into its business strategy to ensure long-term value creation. The Company recognizes that environmental protection, social responsibility, and good governance are essential to business resilience and investor confidence.

The sustainability strategy is anchored on the People, Planet, and Prosperity pillars. These guide how the Company manages its workforce and communities, protects natural resources, and sustains financial and governance performance.

Sustainability Framework

2-9, 2-10, 2-12, 2-13

GERI's sustainability strategy is guided by a clear and purposeful vision: to uplift lives, strengthen communities, and contribute to national development through integrated tourism estates, while exercising responsible stewardship of natural resources. This strategy reflects the Company's core values of integrity, creativity, and excellence, and its long-standing commitment to people and the environment.

Sustainability is embedded across GERI's business operations from estate planning and project development to construction, operations, and community engagement, ensuring that environmental protection, occupational health and safety, and social responsibility progress alongside business growth. By integrating sustainability into decision-making and daily operations, GERI not only addresses current risks and stakeholder expectations but also builds long-term resilience and competitiveness.

Aligned with MEG's SustainAGility Framework which is adopted from its holding company, AGI, GERI's sustainability strategy is organized around three interdependent pillars - People, Planet, and Prosperity - which group material topics into a coherent structure that supports long-term value creation for stakeholders.



Pillar 1: People

GERI recognizes that a healthy workforce and empowered communities are fundamental to sustainable success. Through programs focused on employee well-being, professional development, and inclusive community engagement, the Company cultivates an organizational culture where people are valued as both contributors and beneficiaries of growth. Its guiding principle is that when employees and communities thrive, the business becomes stronger and more resilient. This pillar is structured around three core focus areas:

- Employee Wellness & Empowerment
- Community Transformation
- Customer Care

Pillar 2: Planet

GERI's Planet pillar reflects its commitment to protecting the natural systems that sustain its tourism estates and townships. Environmental stewardship is integrated into master planning, engineering design, construction practices, and estate operations to ensure that development enhances, rather than depletes, the ecological value of its locations. The Company's approach recognizes that long-term business viability depends on the health of coastal zones, watersheds, and upland landscapes where its communities are built. This pillar is organized into three strategic sub-pillars:

- Carbon Neutrality
- Resource Efficiency
- Sustainable Design

Pillar 3: Prosperity

The Company's Prosperity pillar reflects the Company's commitment to building economic value that is resilient, inclusive, and aligned with long-term destination development. Financial performance, innovation, and governance are pursued not as isolated objectives, but as mutually reinforcing drivers of sustainable growth. By strengthening operational systems,

expanding market reach, and embedding integrity into business practices, GERI ensures that value creation benefits investors, employees, customers, and host communities.

- Impact Growth
- Good Governance

Stakeholder Engagement

2-29

By considering diverse perspectives in its development and project operations, GERI aligns business strategy and sustainability objectives with stakeholder expectations. These insights inform both operational execution and long-term planning, strengthening the Company's commitment to inclusive and sustainable growth.

Stakeholder Group	Concerns	Channels of Communication	Actions Taken
Customers <i>(Condo Unit Owners, Lot Owners, Office Tenants, Mall Retail Partners, Hotel Guests)</i>	• Pricing and fees • Location and amenities • Quality of customer service • Regular updates on property developments • Transfer of titles • Legal and contractual disclosures • Avenues for feedback	• Emails • Phone calls • Third-party messaging apps • Online meetings • Face-to-face meetings • Public disclosures (one-way communication) filed with the SEC and PSE	• Holding alignment meetings with departments involved in customer concerns • Providing updates to customers • Having a dedicated group for handling escalated concerns • Streamlining the transfer process for titles • Offering promo terms to ease clients' financing options • Providing detailed information about the project location, amenities, and potential future developments • Providing clear explanation of contracts, disclosures, and legal protection and property rights
Employees	• Competitive salaries and benefits • Training and development • Healthy work-life balance • Manpower	• Emails • Phone calls • Text messages • Third-party messaging apps • Face-to-face meetings • Virtual meetings • Public disclosures (one-way communication) filed with the SEC and PSE	• Improving work environments • Establishing effective communication channels • Assigning multiple point persons to handle manpower concerns • Identifying areas that needed manpower and sourcing of new employees • Organizing refresher courses on scopes of work and company processes



			• Improving measurement of training • program successes • Holding coordination meetings
Suppliers and Contractors	• Timely payments • Feedback on their services • Maintenance of relationships based on mutual respect and trust	• Emails • Phone calls • Third-party messaging apps • Face-to-face meetings • Virtual meetings • Standard request e-forms • Public disclosures (one-way communication) filed with the SEC and PSE	• Coordinating closely with the concerned utility providers for the approval of the masterplan and design prior to the awarding of the project • Conducting kick-off meeting before implementation to ensure better compliance to standards • Polishing of billing process, including evaluation and release
Investors	• Regular communication through reports and meetings • Commitment to sustainable development	• Emails • Phone calls • Third-party messaging apps • Face-to-face meetings • Online meetings for investors • Regular filings and disclosures with the SEC and the PSE (one-way communication)	• Holding of corporate meetings
Community and Society	• Environmentally friendly practices • Job creation and CSR projects for local communities • Dialogue with community leaders to address concerns and ensure that projects add value to local areas	• Emails • Phone calls • Text messages • Third-party messaging apps • Meetings • Visits • Joint inspections • Public consultations • Public hearings • Community engagement sessions • Public disclosures (one-way communication) filed with the SEC and PSE	• Coordinating with and assisting barangays that can be provided with help or employment opportunities • Providing CSR or immediate response with needed

Materiality

3-1, 3-2

Understanding what matters most is fundamental to GERI's sustainability journey. The Materiality Process goes beyond compliance and reporting; it functions as a strategic framework that enables the Company to identify, evaluate, and manage its most significant economic, environmental, and social impacts. Anchored in recognized best practices and aligned with internationally accepted frameworks such as the GRI Standards, GERI's approach supports transparency, accountability, and continuous operational improvement.

In the prior reporting years, GERI conducted a comprehensive assessment of its material topics. The process began with the identification and evaluation of a broad set of issues, capturing both realized positive outcomes and potential adverse risks. Internal stakeholders, including management from across key business functions, were engaged to ensure that the resulting priorities reflected material concerns and meaningful opportunities for long-term value creation.

Key steps in the process include:

Identification and Impact Assessment

A systematic review of issues that affect the economy, the environment, and society. Positive impacts are recognized as existing achievements, while potential risks are identified to enable proactive management and mitigation.

Stakeholder Engagement

Multiple consultation channels are used to gather input and integrate stakeholder perspectives into decision-making, reinforcing GERI's commitment to inclusiveness and responsive governance.

Benchmarking, Validation, and Prioritization

The identified topics are benchmarked against industry standards and GERI's historical performance trends. Oversight by the Green Council and senior management ensures that priorities are refined into a materiality matrix based on their relative impact and relevance to stakeholders.

This process is guided by GERI's view that sustainability reporting extends beyond disclosure requirements. It is intended to deepen understanding of the rationale behind business decisions and to ensure that corporate actions contribute positively to economic development, environmental protection, and social well-being.

Unified Impact: An ESG Blueprint

Following the materiality re-evaluation and restructuring undertaken in the prior year which aligned GERI's material topics under the SustainAGility Pillars of People, Planet, and Prosperity, the Company focused on further refining and strengthening its material topic set to reflect emerging priorities and evolving business conditions.

In 2025, existing material topics were re-evaluated through benchmarking against industry norms, with reference to SASB Standards and peer comparisons. The SASB Materiality Finder tool was utilized to identify recommended material topics for the industry categories in which GERI operates: Real Estate and Real Estate Services under the Infrastructure category.

As a result, Accessibility and Affordability was identified as a distinct material topic, recognizing the Company's role in enabling access to safe, well-planned, and attainable living environments. This addition underscores GERI's commitment to inclusive development through diversified residential offerings, master-planned communities, and responsible project delivery that benefits both end-users and host communities.

Below is the updated and expanded mapping of GERI's material topics organized under the SustainAGility Pillars:

PEOPLE	PLANET	PROSPERITY
Employee Wellness & Empowerment • Employees • Training and Education • Workforce Health and Safety Community Transformation • Local Communities Customer Care • Customer Health and Safety • Accessibility and Affordability	Carbon Neutrality • Emissions Resource Efficiency • Energy • Materials • Water • Waste • Biodiversity Sustainable Design • Land Use and Green Infrastructure • Climate Adaptation and Resilience	Impact Growth • Economic Performance • Market Presence • Digitalization Good Governance • Enterprise Risk Management • Business Ethics and Integrity • Vendor Accreditation
		

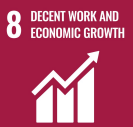
Through these refinements, GERI enhances the clarity of its reporting and the effectiveness of its sustainability initiatives, ensuring that ESG management remains responsive to stakeholder priorities while contributing to durable long-term value.

UN SDG Contributions

3-3

GERI's 10 Sustainability Goals, also known as the 10G's of GERI, serve as the foundation of the Company's sustainability strategy and accountability framework. These goals guide the integration of environmental, social, and governance (ESG) considerations across business operations and project development. Building on the alignment established in previous years, GERI continues to map its sustainability priorities against the 17 United Nations Sustainable Development Goals (SDGs) to ensure that its initiatives contribute to broader global and national development objectives. Through this alignment, the Company focuses on addressing climate-related risks, promoting inclusive growth, and supporting responsible resource use across its developments. Sustainability initiatives span a wide range of areas, including renewable energy adoption, environmental management, workforce development, and community investment. This approach allows GERI to embed sustainability into its core business strategy while supporting long-term value creation for stakeholders.

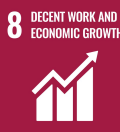
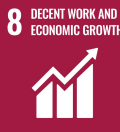
GERI delivers its sustainability commitments through two primary business platforms: Integrated Tourism Estates and Lifestyle Communities, and Hotel and Commercial Services. Its integrated estates and lifestyle communities are designed as master-planned developments that promote environmental stewardship, efficient land use, and active community engagement. Meanwhile, its hotel and commercial operations provide hospitality and retail services that incorporate energy-efficient systems and environmentally responsible operating practices. Together, these business segments provide the structure through which GERI advances its sustainability objectives and contributes to the achievement of the UN SDGs.

Material Topic	Relevant GRI Topic Standards	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Employees <i>GERI upholds equality and non-discrimination in the recruitment of its workforce, recognizing that a diverse team provides broader perspectives for its business growth.</i>	GRI 401: Employment GRI 402: Labor-Management Relations GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 410: Security Practices	- Equitable hiring and diversity programs - Employee engagement and well-being initiatives - Service excellence	- Unconscious biases in hiring - Workplace culture changes - Customer service pressures	- Unbias hiring - Employee wellness programs - Change management strategies	   
Training and Education <i>Investing in employee development fosters a highly skilled workforce that forwards GERI's position as a leader in sustainable and innovative real estate solutions.</i>	GRI 404: Training and Education	- Learning and development programs - Skills and training sessions - Leadership summit	- Disparities in training access - Rapid skill shifts - Exclusion of non-participants	- Equal training access - Continuous learning frameworks - Inclusive leadership	  
Workforce Health and Safety <i>Maintaining a safe and healthy work environment reduces business disruptions and protects GERI's workforce from hazards and accidents.</i>	GRI 403: Occupational Health and Safety	- Quarterly emergency drills - Fire protection & fire safety awareness - First aid training	- Non-compliance with safety protocols - Training costs	- Frequent audits - Mandatory safety training	 

Material Topic	Relevant GRI Topic Standards	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
		and basic life support • Mandatory 8-Hour Safety and Health Seminar for workers			
Local Communities <i>Strong community engagement enhances GERI's promotion of strong connections with the Company's surrounding communities and creates a positive social impact.</i>	GRI 203: Indirect economic impacts GRI 413: Local Communities	• Community partnerships • CSR programs (blood drives and other community programs) • Project Halina - Experience Nature Project	• Risk of community dependency on corporate support	• Long-term community development strategies	
Customer Health and Safety <i>Strict standards in product and service safety protect customers, minimize liability risks, and strengthen brand trust, which are crucial for sustaining customer loyalty and business success.</i>	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling GRI 418: Customer Privacy	• Product and service quality checks	• High compliance costs • Certification barriers	• Cost-benefit analysis • Regulatory alignment	
Accessibility and Affordability <i>Developing well-planned, accessible, and affordable communities enables broader participation in township living while supporting inclusive development, mobility, and access to essential services for</i>	GRI 203: Indirect Economic Impacts GRI 413: Local Communities	• Development of accessible, integrated townships with housing, transport, and services • Support for	• Rising property values affecting affordability • Increased pressure on local infrastructure	• Diverse residential offerings across locations and segments • Integrated estate planning and responsible marketing	

Material Topic	Relevant GRI Topic Standards	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
<i>residents, workers, and surrounding communities.</i>		mobility, local economic activity, and inclusive community growth			
Emissions <i>GERI actively monitors and tracks its emissions sources and aggressively utilized renewable energy as part of its commitment to Net Zero operations.</i>	GRI 305: Emissions	- Utilization of e-vehicles - Tree planting activities - Utilization of renewable energy	- Limited charging infrastructure - Tree survival rates	- Investment in EV infrastructure - Sustainable forestry partnerships	 
Energy <i>Efficient energy management reduces operational costs and drives operational excellence.</i>	GRI 302: Energy	- Earth Hour Celebration - Solar-powered lights - Power Hour sustainability initiative	- Limited long-term impact of single-day events - Maintenance challenges	- Year-round energy conservation initiatives - Robust maintenance tracking	 
Water <i>GERI monitors water usage and continuously maintains and upgrades its water facilities to promote responsible resource management.</i>	GRI 303: Water and Effluents	- Water Distribution Facility - On-site Pre-Treatment Systems (septic tanks and oil and grease traps) - Wastewater Treatment Facility (WWTF) - Sewerage Treatment Plant	- High initial investment costs - Water and Land Contamination	- Cost-sharing models for water infrastructure - Regular wastewater laboratory testing	 

Material Topic	Relevant GRI Topic Standards	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
		(STP)			
Waste <i>Effective waste management reduces environmental impact and ensures compliance to waste disposal practices.</i>	GRI 306: Waste	- Waste reduction and recycling programs - Coastal cleanup drives - Vermicomposting	- Challenges in changing consumer waste habits - Operational difficulties	- Educational waste programs - Cleanup incentives - Scalable composting models	   
Biodiversity <i>GERI upholds the Philippine NIPAS Act to safeguard ecosystems, minimize environmental risks, and promote responsible land development.</i>	GRI 304: Biodiversity	- Turtle Hatching - Artificial Coral Reef Domes	- Disruptions due to habitat interventions - Marine biodiversity loss	Biodiversity impact assessments and monitoring	 
Materials <i>Sustainable sourcing and efficient material use lower costs, minimize resource consumption, and promote circular economy principles of</i>	GRI 301: Materials	Sustainable sourcing	Supply chain complexities	- Supplier training - Sustainability incentives	

Material Topic	Relevant GRI Topic Standards	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
everyday materials.					
Land Use and Green Infrastructure <i>The Company puts a priority in integrating green infrastructure and sustainable land-use planning into its developments to enhance climate resilience and improve community livability.</i>	GRI 304: Biodiversity and Land Use	Green spaces and sustainable design	High costs and space requirements	- Urban planning integration - Climate resilience planning	  
Climate Adaptation and Resilience <i>A proactive approach to climate resilience ensures the long-term stability of GERI's assets and operations, mitigating risks from extreme weather events amid the changing climate.</i>	GRI 305: Emissions	- Disaster risk mitigation - Climate awareness campaigns	Difficulties in fully predicting climate risks	- Advanced modeling - Targeted education strategies	 
Economic Performance <i>Financial stability and strategic growth planning enable GERI to attract investors, fund sustainable developments, and maintain market leadership amid economic fluctuations.</i>	GRI 201: Economic Performance GRI 207: Tax	Strategic business planning	Economic downturns affecting planning effectiveness	Scenario-based strategic planning	  
Market Presence <i>GERI prioritizes local recruitment to strengthen its market positioning and improve business-community</i>	GRI 202: Market Presence	- Local hiring and recruitment - Brand presence	- Limited job market diversity - Market saturation	Diversity recruitment programs	 

Material Topic	Relevant GRI Topic Standards	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
<i>relationships with the community.</i>				Brand differentiation strategies	
Digitalization <i>The adoption of digital solutions enhances efficiency, improves customer experience, and positions GERI as a forward-thinking real estate developer in an increasingly tech-driven market.</i>	GRI 418: Customer Privacy	- Paperless operations - Automated workflows	- Resistance to adopting digital workflows - Cybersecurity risks	- Training and gradual transition - Cybersecurity investments	 
Enterprise Risk Management <i>GERI utilizes a structured risk management framework in order to identify and mitigate risks.</i>	GRI 2: General Disclosures	Business continuity	Difficulty in ensuring full compliance	Compliance audits and corrective actions	    
Business Ethics and Integrity <i>Ethical business practices promote trust among investors, customers, and regulators, reducing legal and reputational risks while strengthening corporate governance.</i>	GRI 205: Anti-Corruption GRI 206: Anti-Competitive Behavior	- Anti-corruption training - Compliance to corporate governance policies	- Challenges in measuring anti-corruption effectiveness - Compliance costs	- Independent anti-corruption assessments - Policy updates	



Material Topic	Relevant GRI Topic Standards	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Vendor Accreditation <i>A rigorous supplier assessment process ensures responsible sourcing, supply chain resilience, and alignment with GERI's sustainability and quality standards.</i>	GRI 204: Procurement Practices GRI 414: Supplier Social Assessment	- Supply chain resilience and sustainability - Supplier assessments	- Supplier resistance to sustainability criteria - Lack of standardized assessments	- Collaborative supplier programs - Industry-wide benchmarking	 

PEOPLE: Empowering Stakeholders & Society

GERI is dedicated to creating a positive, diverse, and enabling work environment in the spirit of fair labor practices, equity, and continuous learning. The Company recognizes the importance of collaboration among its employees to ensure the success of its diverse initiatives.

Building on this insight, GERI focuses on addressing employee wellness, customer satisfaction, and engagement. This is achieved through diligently pursued initiatives in workforce health and safety, employee development initiatives, engagement with the communities in which it operates, customer health and safety, and accessibility and affordability.

Employee Wellness & Empowerment

- **Employees**
- **Training and Education**
- **Workforce Health and Safety**

Community Transformation

- **Local Communities**

Customer Care

- **Customer Health and Safety**
- **Accessibility and Affordability**

Employee Wellness & Empowerment

Employees

3-3, 406-1

Employees are central to GERI's ability to plan, develop, and operate integrated tourism estates and lifestyle communities. Workforce availability, diversity, and fair employment practices directly affect operational continuity, project execution, and long-term organizational resilience. As GERI expands its development portfolio, workforce growth and composition remain material to both business performance and social impact.

GERI's workforce impacts occur primarily at its project sites and corporate offices. Positive impacts include employment generation, inclusive participation across gender groups, and opportunities for early-career workers. Potential negative impacts—such as discrimination or unequal access to advancement—are mitigated through the Company's merit-based employment systems and equal opportunity policies.

Gender and age diversity across organizational levels indicate that inclusion at GERI extends beyond entry-level roles into management and leadership positions, while age distribution reflects a balance between experienced leadership and generational renewal.

GERI's workforce increased steadily from 845 employees in 2022 to 1,188 employees in 2025, reflecting business expansion across its developments. Female employees consistently accounted for the majority of the workforce, reaching 62.12% in 2025. Growth was balanced across genders, indicating workforce expansion rather than concentration within a single demographic group.

Employee Breakdown [\[2-7\]](#)

Disclosure	2022	2023	2024	2025
By Number				
Male Employees	344	407	421	450
Female Employees	501	600	663	738
By Percentage (%)				
Male Employees	40.71	40.42	38.84	37.88
Female Employees	59.29	59.58	61.16	62.12
Total	845	1,007	1,084	1,188

Female representation is evident across all organizational levels, including senior and middle management. Board-level female representation increased to 33% in 2025. This distribution demonstrates that gender diversity at GERI is embedded across leadership and operational roles rather than confined to entry-level positions.

Senior leadership and Board positions are predominantly held by employees over 50, reflecting the importance of experience in governance and strategic oversight. Middle management is largely composed of employees aged 30 to 50, indicating a stable pipeline of mid-career professionals. Rank-and-file roles are primarily filled by employees under 30, highlighting GERI's contribution to early-career employment and workforce renewal.

Diversity Across Organizational Levels by Gender* (in %) [\[405-1\]](#)

Disclosure	2023	2024	2025
Board of Directors			
Male	78	78	67
Female	22	22	33
Senior Management			
Male	47	50	54
Female	53	50	46
Middle Management			
Male	43	44	53
Female	57	56	47
Rank and File			
Male	39	38	36
Female	61	62	64

*Data not reported in FY 2022

Diversity across Organizational Levels by Age* (in %) [\[405-1\]](#)

Disclosure	2023	2024	2025
Board of Directors			
< 30 years old	0	0	0
30-50 years old	22	22	22
> 50 years old	78	78	78
Senior Management			
< 30 years old	0	0	0
30-50 years old	66	43	23
> 50 years old	34	57	76
Middle Management			
< 30 years old	26	4	4
30-50 years old	66	83	83

> 50 years old	9	13	13
Rank and File			
< 30 years old	84	70	67
30-50 years old	15	27	30
> 50 years old	2	3	3

*FY 2023 and FY 2024 data has been restated to reflect correct percentage of employees by age

*Data not reported in FY 2022; May not total 100% due to rounding.

GERI engages workers who are not employees through third-party contractors and service providers to support estate operations, and specialized services, including security, staff, admin, and housekeeping. Data on these types of workers are compiled from contractor reports and service agreements and are reported as headcount at the end of the reporting period; full-time equivalent figures are not computed. Changes in non-employee worker numbers reflect project timelines, construction activity levels, and estate operational requirements.

Workers Who are Not Employees* [\[2-8\]](#)

Disclosure*	2023	2024	2025
By Number			
Male Workers	428	335	341
Female Workers	57	33	48
By Percentage (%)			
Male Workers	88.25	91.03	87.66
Female Workers	11.75	8.97	12.34
Total	485	368	389

*FY 2023 and FY 2024 data have been restated to include additional security personnel who were not previously accounted for

Across both employees and non-employee workers, GERI applies non-discriminatory practices guided by merit and job-related qualifications. No confirmed incidents of discrimination were recorded during the reporting period, reflecting the continued application of equal opportunity and fair employment practices.

To support collaboration and employee well-being, the Company conducts employee engagement and team-building activities that incorporate sustainability practices where feasible. As development activities progress, workforce planning involving both employees and workers who are not employees will remain integral to operational stability and long-term sustainable growth.

Recruitment

GERI's recruitment approach supports equitable access to employment and advancement opportunities while ensuring that staffing decisions remain grounded in merit, qualifications,

and operational requirements. Hiring practices are designed to balance workforce renewal with organizational stability as development activities progress across different project phases.

New Employee Hires* [401-1]

Disclosure	2023		2024		2025	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
By Gender						
Male	181	17.97	82	7.56	98	8.25
Female	265	26.32	142	13.10	168	14.14
By Age Group						
< 30 years old	367	36.44	170	15.68	221	18.60
30-50 years old	77	7.65	52	4.80	45	3.79
> 50 years old	2	0.20	2	0.18	0	0.00
Total	446	44.29	224	20.66	266	22.39

*Data not reported in FY 2022

Hiring activity declined from 2023 to 2024, followed by a moderate increase in 2025. Total new hires decreased from 446 in 2023 to 224 in 2024, before rising to 266 in 2025, reflecting adjustments in workforce requirements aligned with development activity levels.

Across the reporting period, female hires consistently exceeded male hires in both number and hiring rate. In 2025, female employees accounted for 168 new hires compared with 98 male hires, reflecting sustained gender diversity in recruitment outcomes.

By age group, recruitment remained concentrated among employees under 30 years old, who accounted for the majority of new hires each year. In 2025, employees under 30 represented 221 new hires, compared with 45 hires aged 30–50 and no hires above 50. This pattern supports workforce renewal and long-term succession planning.

GERI recognizes that diversity and equitable hiring initiatives may present risks of unintended bias if not properly managed. To promote fairness and objectivity, recruitment practices adhere to the 1987 Philippine Constitution's Bill of Rights, which guarantees equal protection and prohibits discrimination based on ethnicity, race, and religion. These principles are embedded in recruitment procedures and employment-related policies.

Employee Turnover* [401-1]

Disclosure	2023		2024		2025	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
By Gender						
Male	88	9.44	76	7.28	83	7.00
Female	117	12.55	100	9.58	119	10.04
By Age Group						
< 30 years old	146	15.66	127	12.17	145	12.24
30-50 years old	57	6.11	46	4.41	53	4.47
> 50 years old	2	0.21	3	0.29	4	0.34
Total	205	21.98	176	16.87	202	17.05

*Data not reported in FY 2022

Total employee turnover declined from 205 employees in 2023 to 176 in 2024, before a slight increase to 202 in 2025. Corresponding turnover rates decreased from 21.98% in 2023 to 16.87% in 2024 and remained relatively stable at 17.05% in 2025.

Across genders, turnover rates declined in 2024 compared with 2023, with a modest increase observed in 2025. Female employees consistently accounted for a higher share of total turnover, reflecting their larger proportion within the overall workforce.

By age group, turnover remained highest among employees below 30 years old across all reporting periods. In 2025, employees under 30 accounted for 145 separations, compared with 53 among those aged 30–50 and 4 among those over 50. This trend is consistent with early-career mobility patterns.

GERI recognizes the importance of maintaining workforce stability to ensure operational continuity and preserve institutional knowledge. Recent turnover trends indicate improved retention compared with earlier periods, enabling the Company to sustain workforce levels while managing recruitment activity.

Benefits

To promote workforce well-being, financial security, and job satisfaction, GERI provides both mandatory and supplementary employee benefits. Aside from eligibility, benefit utilization is also monitored to better understand employee needs and the effectiveness of welfare programs.

Statutory Benefits

To comply with the requirements of applicable labor laws and regulations on mandatory employee benefits, GERI provides all legally mandated benefits to its employees. The table below presents, for each statutory benefit, the number of employees who were eligible during the reporting year and the number who actually availed of the benefit, reflecting the level of utilization.

Employees Who Are Eligible and Have Availed of Benefits (in %) [\[401-2\]](#)

Disclosure	2023			2024			2025		
	Eligibility	Availment		Eligibility	Availment		Eligibility	Availment	
		Male	Female		Male	Female		Male	Female
SSS	100	20.45	23.63	100	25.18	29.78	100	20.89	24.53
Pag-IBIG	100	13.13	15.57	100	25.65	27.58	100	21.78	28.32
PhilHealth	100	-	-	100	-	-	100	-	-
Parental Leaves	3.48	100	100	2.21	100	100	1.01	100	100
Vacation Leaves	63.75	91.34	89.18	80.54	97.92	97.58	77.53	98.30	99.47
Sick Leaves	63.75	61.42	71.13	80.54	71.13	74.86	57.83	100	100

*FY 2023 and FY 2024 data have been restated to reflect the correct computation of availment based on eligible employees

Legend: "-" indicates data not available

To improve the accuracy of impact reporting, GERI reports benefit utilization based on benefits actually availed during the reporting period, rather than on eligibility alone. This approach provides a clearer picture of how employees access and use the benefits available to them.

GERI's employee benefits framework remained unchanged from 2023 to 2025, maintaining full eligibility for statutory benefits such as SSS, Pag-IBIG, and PhilHealth. Utilization data shows that health and leave-related benefits, especially vacation and sick leave, are the most frequently accessed. This continued use supports employee well-being and work-life balance.

Eligibility rates for vacation and sick leave are below 100% due to specific requirements. Only employees with regular status qualify, which lowers overall eligibility. Parental leave is also limited to certain groups, primarily female employees and married male employees, resulting in lower eligibility compared to the total workforce.

Vacation leave was widely used by both male and female employees, reaching near full utilization in 2024 and 2025. Sick leave usage also increased in 2025. Statutory benefits such as SSS and Pag-IBIG maintained steady utilization. Parental leave remained fully utilized among eligible employees, demonstrating the Company's ongoing support for those managing family responsibilities.

Non-Statutory Benefits

Beyond compliance with mandatory statutory benefits, the Company also provides a range of non-statutory benefits to further support the well-being, development, and engagement of its employees. The table below outlines these additional benefits, including the number of employees eligible and the percentage who availed of each benefit during the reporting year, demonstrating the Company's commitment to going above and beyond legal requirements.

Employees Who Are Eligible and Have Availed of Benefits (in %) [401-2]

Disclosure	2023			2024			2025		
	Eligibility	Availment		Eligibility	Availment		Eligibility	Availment	
		Male	Female		Male	Female		Male	Female
Medical Benefits (Aside from PhilHealth)	63.75	100	86.86	88.47	100	100	84.60	100	100
Housing assistance (aside from Pag-IBIG)	0.10	0	100	0.09	100	0	0	0	0
Retirement Fund (Aside from SSS)	0.10	0	100	0.09	100	100	0.17	0	100
Life Insurance	81.73	0.31	0	93.08	0.00	0.00	94.36	0	0

*FY 2023 and FY 2024 data have been restated to reflect the correct computation of availment based on eligible employees

Medical benefits, excluding PhilHealth, are widely used by eligible employees, demonstrating the Company's ongoing commitment to employee health. In contrast, housing assistance and retirement fund coverage apply to a limited segment of the workforce due to specific eligibility requirements, resulting in lower eligibility rates. Life insurance coverage expanded from 2023 to 2025, offering broader employee protection. While some benefits are widely accessed, others are tailored for specific employee groups, ensuring targeted support where needed.

In addition to providing these benefits, GERI complies with the Department of Labor and Employment's (DOLE) mandated labor and employment laws and submits required regulatory reports.



Parental Leave* [401-3]

Reporting Period & By Gender	Entitled to Parental Leave	Took Parental Leave	Returned to Work after Parental Leave Ended	Returned to work after parental leave ended who were still employed 12 months after their return to work	Returning from parental leave in the prior reporting period	% Return to Work Rate	% Retention Rate
FY 2025							
Male	3	2	2	2	2	100	100
Female	9	4	4	7	7	100	100
FY 2024							
Male	2	2	2	3	3	100	100
Female	7	7	7	18	18	100	100
FY 2023							
Male	3	3	3	-	-	100	-
Female	18	18	18	-	-	100	-

*FY 2024 data have been restated to reflect the accurate number of employees who took parental leave

GERI provides parental leave benefits in accordance with labor regulations to support employees during key life events and to promote work-life balance. The Company monitors parental leave utilization, return-to-work rates, and retention following leave to assess the effectiveness of its policies in supporting both employee welfare and workforce continuity.

Throughout the reporting period, all employees who took parental leave returned to work, resulting in a 100% return-to-work rate for both male and female employees. The Company also achieved a 100% retention rate among these employees 12 months after their return. These results highlight GERI's supportive workplace, enabling employees to balance family responsibilities and sustain their careers.

Overall, apart from mandated benefits, GERI promotes employee well-being through engagement and wellness programs, including a Health and Wellness Month and activities organized by the HR Department. The Company's Sales and Marketing teams also implement initiatives focused on mental health, sales immersion, and skills development. These programs complement GERI's goal of supporting employees' physical, mental, and professional well-being.

Human Rights and Labor Laws

2-26, 3-3, 402-1

GERI recognizes that the success of its business is closely linked to the well-being and development of its employees. The Company is committed to maintaining a workplace that is safe, ethical, and free from abusive or unlawful practices. Across its operations and contractor network, GERI continues to uphold a zero-tolerance policy against child labor, forced labor, and all forms of human rights violations.

Collective Bargaining and Human Rights/Labor Law Incidents [2-30, 408-1, 409-1]

Disclosure	2022	2023	2024	2025
No. of legal actions or employee grievances involving forced or child labor	0	0	0	0

Disclosure	2022	2023	2024	2025
Security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security (%)	100	100	100	100
Are third-party security personnel also required to undergo security and human rights training?	Yes	Yes	Yes	Yes

Security personnel trained in human rights policies or procedures [410-1]

To strengthen this commitment, GERI has improved its recruitment screening procedures and expanded employee training programs. These measures help prevent labor exploitation and ensure that human rights standards are consistently applied throughout the organization.

The Company complies with applicable local and international labor and human rights laws through its existing policies and regulations such as the Code of Business Conduct and Ethics and Employee Handbook. Employees are encouraged to raise concerns or grievances through the HR Division, with consultations conducted on a case-by-case basis. Where operational changes affect employment, GERI provides affected employees and their representatives with at least one month's notice.

Security operations across GERI estates comply with the Republic Act No. 5487 (Private Security Agency Law), under which security personnel undergo training that emphasizes proper conduct, appropriate use of authority, and respect for the rights and dignity of all individuals. This requirement also applies to third-party security providers, reinforcing GERI's commitment to respectful, lawful, and responsible conduct across its operations.

GERI ensures lawful, ethical, and responsible conduct across its operations, including estate and facilities management activities. IRPMI serves as GERI's property management arm, overseeing estate operations and administrative functions in developments where a Homeowners Association (HOA) or Condominium Corporation (Condo Corp) is already in place. Through its management of common areas, facilities, and estate-level services, IRPMI

supports the orderly, safe, and efficient operation of GERI's estates. This operational role contributes to service continuity, regulatory compliance, and stable day-to-day estate management, supporting the overall quality and sustainability of GERI's destination developments.

Training and Education

3-3, 404-2, 404-3

Training and education support service excellence, regulatory compliance, and long-term workforce capability. GERI continues to use average training hours as a key metric in reviewing the effectiveness of its training framework and in identifying areas for improvement in workforce capability development.

Employee Training Hours [\[404-1\]](#)

Disclosure	2023	2024	2025
By Gender			
Male	1,740	1,874	3,081
Female	1,708	2,465	4,777
By Employee Category			
Senior management	544	62.5	186
Middle management	3,448	718	3,923
Rank and File	664	3,558.5	3,749
Total	3,448	4,339	7,858

Legend: "-" indicates data not available

Average Training Hours [\[404-1\]](#)

Disclosure	2023	2024	2025
By Gender			
Male	11.68	4.45	7.96
Female	9.38	3.72	6.32
By Category			
Senior Management	10.67	4.46	6.89
Middle Management	14.25	3.99	7.80
Rank and File	17.47	4.00	6.12
Average	10.42	4.00	6.87

Legend: "-" indicates data not available

For the 2025 reporting period, average training hours by gender and employee category increased significantly as Global Citizenship Education (GCE) became operational and started scheduling training services. These results reflect the Company's continued emphasis on structured learning and skills development aligned with operational requirements.

Differences in average training hours across employee categories are influenced by role-specific training needs and regulatory or technical requirements. Management and supervisory roles are supported through leadership and compliance-related programs, while rank-and-file employees receive training focused on operational skills, workplace safety, and service standards.

Coaching the Next GERInation

People development is central to the long-term success of GERI as it continues to grow its integrated tourism estates. Recognizing that strong systems must be matched by capable leadership, the Company has placed renewed focus on how leaders guide, support, and develop their teams.

This direction took shape in October 2025 with the launch of the Leadershift Conference, "Coaching the Next GERInation," led by the HR Division in partnership with a prominent external training consultancy firm. This was followed by another conference intended for the next-in-line key departmental leadership movers in the company called the Lead Next Conference done last November 2025. The said conferences introduced coaching and mentoring as core leadership practices, shifting leadership development toward approaches grounded in dialogue, trust, and continuous learning. Participants were equipped with practical methods to help teams strengthen skills, reinforce accountability, and uphold service standards across GERI's operations.

The initiative followed the transition of Human Resources into a dedicated division for People Management, Development, and Experience, alongside the inspiration and leadership of Top Management, providing stronger organizational support for structured learning and leadership growth. Together, these changes emphasized that long-term performance depends not only on operational discipline but also on how leaders cultivate people and workplace culture.

By embedding coaching and mentoring into leadership practice, GERI is preparing a new generation of managers who can balance performance with care for people. This people-centered approach strengthens workforce capability while supporting the Company's broader goal of sustaining safe, resilient, and thriving destinations built on empowered teams and shared responsibility.



Programs	Description
LEAD NEXT	Leadership development was reinforced as part of GERI's effort to build capable supervisors and managers who can guide teams and uphold organizational values. Leadership-oriented learning activities focused on communication, people management, teamwork, and reflective practice. Around 40% of supervisors underwent leadership training, enhancing managerial capability and succession readiness. These programs are aligned with international recommendations on continuous workplace learning and resilience, supporting both individual career growth and organizational performance. Leadership training initiatives also supported operational alignment by integrating discussions on service quality, safety, and sustainability into management-level engagements.
Values+ Training Sessions	This training program emphasizes adherence to the Company's core values. It focuses on instilling and reinforcing principles that guide employees in decision-making. It ensures that everyone understands the organization's fundamental values and promotes ethical behavior. This program hopes to build future leaders with integrity and respect.
Mandatory 8-Hour Safety and Health Training	In compliance with Republic Act 11058 (An Act Strengthening Compliance with Occupational Safety and Health Standards), all workers must undergo this training program on safety precautions, health and sanitation, and emergency response procedures. Labor laws related to Occupational Safety and Health are also discussed in this seminar, which aims to protect the well-being of workers.
Leadership Development and Structured Learning Programs	Leadership development programs were rolled out in 2025, anchored on key initiatives designed to strengthen employee capabilities. The Company launched SPACE (Strategizing and Prioritizing Actions Consistently and Efficiently), focused on self and time management, alongside SCRIBE (Skilled Communication and Reporting in Business Environments) to enhance business communication. Additional programs include GERIfied Branding (GERI Professional Image, Thinking, and Action Personal Branding) and High Impact Presentation, which develops assertive and professional communication skills. The Company also conducts Structured Learning Experiences across various activities, promoting continuous learning through structured experiences, collaborative activities, and values-based development, and equipping employees with essential competencies for future leadership roles.

The Human Resources Division—composed of the People Management, People Experience, and People Development Departments—is driving a strategic transformation to fortify the company's most vital resource: its people. By executing rigorous Training and Organizational Needs Analysis (TONA), the People Development team directly bridges priority skill gaps, pivoting our learning programs to meet evolving operational and strategic demands. This effort is amplified through a partnership with the People Experience Department, where Organizational Development is being actively reshaped to guarantee a vibrant, high-performance employee journey. Simultaneously, the People Management Department serves as a stabilizing force, modernizing employment standards to ensure a harmonious and equitable work environment. By integrating cross-departmental performance reviews that prioritize growth and recognition, the HRD is not merely supporting the status quo but is actively building a resilient, sustainable workforce designed to propel the company's future direction.

Workforce Health and Safety

3-3, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

GERI recognizes that workforce health and safety are fundamental to sustaining reliable operations across its business. Given the Company's activities in estate development, property management, and hospitality services, employees are exposed to varied operational environments that require structured safety systems, continuous awareness, and shared responsibility.

General Policies and Procedures

In 2025, GERI continued to implement occupational safety measures under its Environmental, Health, and Safety (EHS) Policy, which covers all employees across all its offices and project sites. This is done in accordance with RA 11058 and incorporates best practices outlined in ISO 45001 (Occupational Health and Safety) and ISO 14001 (Environmental Management).

Workforce health and safety programs are implemented through GERI's EHS Group in coordination with estate management and functional departments. These programs are designed to prevent work-related injuries and illnesses, promote safe behavior, and support employee well-being in compliance with national occupational safety and health regulations. The Company implements its EHS Policy and Procedures through regular annual EHS inspections and audits, supported by the EHS Flash Reports awareness campaign, ensuring that monthly reports on safety, environmental performance, and sustainability were actively communicated to employees across offices and project sites. The Company places strong emphasis on preventive safety practices, including the conduct of quarterly evacuation drills, to minimize the risk of accidents and workplace injuries.

Hazard Identification and Risk Assessment

GERI's system for identifying and managing workplace hazards is guided by relevant national regulations, including Republic Act No. 11058, the Occupational Health and Safety Standards (1989 Yellow Book), and DOLE Department Order No. 198, Series of 2018. These regulatory frameworks provide the basis for a structured assessment of both routine and non-routine risks, applying the hierarchy of controls to eliminate or reduce potential hazards.

To strengthen awareness of occupational health and safety (OHS) practices, the Company issues internal advisories, technical EHS guidance, and safety-related training materials. GERI applies a Hazard Identification, Risk Assessment and Control (HIRAC) process to both routine and non-routine activities. Identified risks are reviewed by the EHS Group, which is composed of certified safety professionals, and are classified as critical, major, or minor based on severity and likelihood.

Work-related hazards and hazardous situations are reported through established internal channels, including immediate supervisors, the Company Nurse, the HR Department, and the EHS Group. These reporting mechanisms allow workers to raise concerns promptly and ensure that potential risks are addressed at the earliest stage. Investigations aim to determine root causes and contributing factors, and the results are documented in incident and audit reports. Corrective and preventive actions are defined, implemented, and monitored to prevent recurrence, with findings integrated into safety procedures and training programs.

Occupational Health Services

GERI ensures access to occupational health services to support the health and safety needs of its employees. On-site clinics, staffed by in-house physicians and nurses, provide free medical consultations, medicines, and first aid treatment. These facilities are subject to regular inspection and sanitation, and medical supplies are routinely replenished. In compliance with Republic Act No. 10173, also known as the Data Privacy Act of 2012, employee health records are securely maintained and treated with strict confidentiality.

Workers' Training and Consultation

DOLE-accredited safety practitioners assist management in strengthening and sustaining a culture of workplace safety. The Company conducts regular training programs to equip employees with essential knowledge on occupational safety and emergency preparedness, promoting awareness and readiness across all levels of the organization.

2025 OHS Training and Programs

- Mandatory 8-hour Occupational Safety and Health Training
- Basic Occupational Safety and Health Awareness
- Environmental Monitoring Work/Activity Permit
- Fire Protection & Fire Safety Awareness
- First Aid Training and Basic Life Support

Safety awareness and operational discipline were further reinforced through structured learning activities conducted during the EHS Story Conference. This platform enabled employees and estate representatives to share experiences, lessons learned, and best practices in workplace safety. Sessions focused on hazard identification, proper work practices, and shared accountability for safety performance.

The Company encourages active participation of departmental representatives in discussions on safety and operational concerns. Forums, toolbox meetings, and workers' consultations are conducted to support the development and implementation of the safety management system, ensuring that diverse perspectives are considered. GERI also

maintains a structured OSH Committee with a defined hierarchy to address workforce health and safety concerns in a systematic and effective manner.

Coordination among estate management, engineering teams, and service personnel ensured consistent application of safety procedures across operational settings. This helped ensure that safety standards were applied not only to construction activities but also to routine office operations and guest-facing services.

OHS Performance [\[403-9, 403-10\]](#)

Disclosure	2022	2023	2024	2025
Safe Man-Hours	1,623,798	1,955,052	340,542	2,568,654
Work-related injuries	0	0	1	0
Work-related fatalities	0	0	0	0
Work-related ill-health	0	0	0	0
Safety drills	1	8	8	14

**FY 2024 data have been restated to reflect the correct OHS figures*

During the reporting period, GERI attained a record of zero fatalities and zero cases of recordable work-related ill-health among both employees and non-employee workers whose work is controlled by the Company. Work-related hazards that may pose risks of ill health are identified through hazard identification and risk assessment processes conducted by the EHS Group, including regular site inspections and internal audits. These hazards include physical, ergonomic, and environmental risks associated with estate operations and construction-related activities.

In 2025, GERI saw a significant increase in safe man-hours, indicating stronger safety and health management. This upward trajectory reflects the consistent application of occupational safety standards and employee vigilance, even as operations expanded. Emergency preparedness also advanced significantly, with the number of safety drills increasing from 1 in 2022 to 8 in both 2023 and 2024, and 14 in 2025, achieving 100% compliance with regulatory requirements.

This strong performance builds on a decade-long track record of vigilance. From August 2015 to November 2025, GERI accumulated a total of 15,891,264 safe man-hours without a single lost-time injury, earning recognition from the SOPI. This award validates the Company's ability to sustain excellence in occupational safety across multiple project cycles, reinforcing that its preventive systems and employee awareness programs are effective in protecting workforce health while supporting reliable operations.

In addition to strengthening OHS practices across all departments, GERI advances employee well-being through its GERI Fit (GFit) Program. This year-round initiative promotes health and wellness in the workplace through a range of organized activities. The program supports

holistic employee development and encourages personnel to take an active role in maintaining their physical, mental, and overall well-being.

2025 GFit Health and Wellbeing Programs

- Health & Wellness Talks Orientation
- Zumba Session
- Passport To Wellness Program
- Blood Donation Program
- Annual Physical Examination
- Anti Flu Vaccination
- Eat Well, Be Well Program

These initiatives reflect the Company's understanding that workforce health extends beyond accident prevention and includes the creation of environments where employees feel supported, respected, and motivated to perform their roles effectively.

Security Sustainability Scorecard

A thriving community depends not only on open spaces and vibrant townships, but also on the confidence that comes with preparedness and protection. In 2025, GERI strengthened its approach to safety and resilience through the implementation of the Security Sustainability Scorecard, a comprehensive framework that guides coordinated security and emergency readiness across its estates.

Led by the Corporate Security Department, the scorecard brings together a range of activities that enhance safety outcomes for employees, residents, and visitors. This also includes disaster preparedness activities, and environmental campaigns that promote awareness of hazards and community safety practices. By applying one structured tool across townships, estate teams can monitor progress, close gaps, and ensure consistent readiness. This aligns closely with the Company's health, safety, and welfare policies, which are periodically updated to maintain workplace safety and security standards.

Regular drills and simulations help estate personnel and partner groups build confidence in their ability to respond effectively to emergencies, while environmental campaigns link safety to care for shared spaces and surrounding communities. These efforts also support broader enterprise risk management practices that help ensure estate operations remain resilient amid evolving risks, including climate-driven hazards that the Philippines has faced in 2025.

In addition to emergency readiness, estates continue to prioritize wellness and preventative care, supported by corporate safety policies that ensure periodic review of procedures, training, and employee welfare programs. By uniting these activities under the Security Sustainability Scorecard, GERI reinforces its commitment to protecting people and property while sustaining environments that are safe, resilient, and built for the sound communities.

Community Transformation

Local Communities

3-3, 203-1, 203-2, 413-1, 413-2

Development at GERI extends beyond physical infrastructure and is pursued as a long-term partnership with host communities. The Company integrates local community engagement, impact considerations, and development programs across its estate developments and operating sites to support shared economic and social progress.

GERI's operations generate indirect economic benefits through employment generation, demand for local goods and services, and increased commercial activity in surrounding areas. These impacts are particularly significant in tourism-oriented locations, where estate developments stimulate related sectors such as hospitality, transport, retail, and small enterprises.

Environmental and social impacts of developments are assessed through regulatory Environmental Impact Assessments (EIAs) and internal monitoring processes prior to and during project implementation. Based on these assessments, community programs are designed to respond to identified needs and priorities. As of the reporting period, 100% of major estate operations implemented local community engagement activities and/or development programs, reflecting GERI's approach to embedding community considerations into planning, construction, and operations.

In 2025, Megaworld Global Estate Inc. (MGEI), through its South group, strengthened its role as a people-centered township developer by deepening community partnerships and fostering meaningful engagement across its estates. In Southwoods City, collaboration with local running communities—particularly Southwoods City Run Club (SWRC) and Run With Pat (RWP)—positioned the township as a safe and welcoming haven for runners. These partnerships not only encouraged active lifestyles but also amplified township visibility through authentic word-of-mouth and organic community engagement. By creating spaces where individuals feel secure, supported, and inspired to pursue wellness, Southwoods City reinforced its commitment to social sustainability—building a connected and health-oriented community grounded in trust and shared experience.

Similarly, Sta. Barbara Heights introduced exciting first-time initiatives that energized both the local community and prospective clients. The inaugural Iloilo Wellness Festival exemplified how strategic collaborations can bring a vision to life. Through curated activities, immersive site tours, and wellness-focused experiences, the event strengthened brand visibility while fostering deeper connections with stakeholders. It demonstrated how thoughtfully designed engagements can transform developments into vibrant destinations that reflect the aspirations of the communities they serve.

Equally significant was the cultural momentum within Arden Botanical Estate, where collaboration and internal engagement took center stage. In 2025, the estate's teams were empowered through initiatives that nurtured authenticity, pride, and camaraderie. A notable example was "Tagalog Over Lunch," which began as a simple gathering and evolved into a meaningful platform for genuine connection. The initiative fostered open dialogue,

strengthened relationships, and infused fresh energy into the workplace. It underscored an important realization: culture is not solely the responsibility of human resources—it is the heartbeat of organizational strength. When individuals feel connected, valued, and energized, performance naturally rises. At Arden Botanical Estate, the year served as a powerful reminder that when culture grows, people grow—and when people grow, results follow.

Community-based initiatives such as Brigada Eskwela at Biñan Elementary School, tree planting and mangrove restoration in Cavinti and Batangas, and Boracay Newcoast's quarterly coastal clean-up drives provided platforms for collaboration with residents, local organizations, and government units. These activities were not only environmental in nature but also strengthened social ties, mobilizing hundreds of volunteers and reinforcing shared responsibility for public spaces.

One Mega for Brigada: Nurturing Learning Spaces in Thriving Destinations

GERI advances its community engagement through One Mega for Brigada, an education-focused initiative that nurtures safe and supportive learning spaces in public schools near its townships. Anchored in the belief that thriving destinations are built in harmony with the communities around them, the program strikes a balance between development and social care by addressing the everyday needs of students and teachers.

A total of 8 public schools in Southwoods City, Boracay Newcoast, and Twin Lakes were supported through the expanded One Mega for Brigada program in preparation for the opening of classes. Aligned with the national Brigada Eskwela program, estate teams, together with partners and volunteers, repainted classrooms and provided cleaning materials. These collective efforts helped create cleaner, more welcoming environments for study and benefited an estimated 3,500 students across host communities.

Beyond physical improvements, One Mega for Brigada fostered closer ties between GERI and its host communities, turning school readiness into a shared undertaking rather than a one-time activity. Through this program, GERI continues to shape destinations that grow alongside their communities.

In 2025, estate-level events and engagement activities also strengthened social cohesion and local participation. Sales and marketing initiatives, including open houses, business forums, cultural festivals, and lifestyle events, brought together residents, visitors, and stakeholders, encouraging interaction while supporting local commerce.

Community-centered events such as the Grape Harvest Festival at Twin Lakes and other estate-led initiatives advanced GERI's commitment to social sustainability by fostering meaningful connections and deepening local engagement. Bloom & Barter, a community-driven initiative, encourages the exchange of plants and sustainable goods, fostering both environmental awareness and resident engagement. The program not only promotes greenery within estates but also strengthens the culture of shared responsibility among stakeholders. Held in May 2025, the Grape Harvest Festival at Twin Lakes welcomed approximately 300 participants and resulted in the harvest of nearly 100 kilograms of grapes. Complementing this, the Ride and Vibe gathering invited biking groups and various car clubs from different areas to meet at the Twin Lakes showroom, creating new connections across

communities while increasing foot traffic and stimulating local economic activity. Together, these festivals and themed events demonstrate how GERI cultivates vibrant, inclusive estates—where shared experiences strengthen cultural identity, encourage responsible use of common spaces, and contribute to sustained social and economic value.

Boracay Newcoast: Transforming Communities Through Shared Journeys

In 2025, Boracay Newcoast became a vivid example of how GERI's destinations can transform communities by weaving together culture, wellness, and sustainability. The YAPAK: Sunrise Walk for a Cause was more than a fundraising activity — it was a collective journey that united residents, employees, and guests in support of the Ati community. By spotlighting indigenous heritage and channeling resources toward local needs, the initiative underscored GERI's belief that township development must uplift the communities it touches.

The estate also advanced transformation through engagement programs that strengthened bonds among employees and stakeholders. The GERI Sportfest in Boracay Newcoast brought together the Sales and Back Office teams, promoting wellness and camaraderie across functions while strengthening collaboration beyond day-to-day roles.

GERI's annual celebration brought together the entire Platinum group under the unified banner of Megaworld Global Estate Leisure, strengthening a shared identity across its leisure estates. The creation of this group clarified GERI's positioning within the broader Megaworld portfolio, particularly for clients seeking a clearer understanding of its projects. By presenting the estates collectively, the Company reinforced brand recognition while fostering unity and pride across teams.

Boracay Newcoast continues to create unforgettable memories for its guests by offering experiences that highlight both the beauty and sustainability of the estate. Visitors are invited to discover the destination through curated activities that showcase its natural landscapes and vibrant coastal setting—from Pedal Through Paradise biking trails and "Paddle Your Way to Peace" water activities, to off-road island adventures and beachfront dining where guests can dine with their toes in the sand. Through these diverse and immersive experiences, Boracay Newcoast not only delivers leisure and adventure but also promotes responsible enjoyment of its surroundings, reinforcing its vision of a beautiful, sustainable island destination.

Together, these highlights show that Boracay Newcoast is more than a resort township. It is a destination where local communities are empowered, employees are engaged, and visitors are inspired, proving that transformation is most meaningful when it is shared.

In partnership with the Philippine Red Cross, the Company conducted its annual blood donation drive, themed *"I Choose to Be a Life Saver."* The program is open to all employees who meet the eligibility criteria, encouraging participation in a meaningful act of service while promoting health and well-being.

Through this initiative, the Company supports voluntary blood donation efforts, helping ensure the availability of this critical resource for hospitals and patients during emergencies.

**Project Halina: Empowering Communities Through Education, Engagement, and Environmental Action**

GERI is strengthening its ties with the community through Project Halina, rolling out programs that spark learning, prepare families for brighter livelihoods, and foster genuine connections. Through Sipag at Unlad and the Halina Campaign, the Company uplifts Halina beneficiaries not just with material support but by unlocking opportunities for growth, creativity, and lasting empowerment.

Sipag at Unlad empowers Halina families to shape brighter futures through education and hands-on skills training. In collaboration with the Megaworld Foundation, the program offered educational support to deserving beneficiaries, highlighting its commitment to nurturing academic achievement and opening doors to lasting careers.

Sipag at Unlad goes beyond the classroom, equipping Halina mothers with practical skills through creative workshops that spark early income opportunities. Between September and October 2025, mothers and children teamed up to craft over 100 unique name badges from upcycled denim using heat-press design techniques. These handmade badges found purpose at tree planting and Mabuhay Balls events. The sessions also featured a lively “Kamustahan/Kapihan” dialogue and a trip to the Eastland Heights planting site, both of which strengthened community ties and planted seeds for sustainable livelihoods.

Building on these initiatives, the Halina Campaign celebrates connection, compassion, and shared moments that unite employees and beneficiaries. The year began with “My Halina Story” in January, inviting employees to share heartfelt stories of giving back through video. The campaign gathered 11 creative entries, both solo and group, each offering a unique glimpse into volunteerism and the true spirit of Christmas.

Education and compassion took center stage in “Book from the Heart,” a three-week drive in February 2025 that rallied employees to donate books and school supplies. Together, they gathered 176 well-loved books and magazines from GERI offices, sharing the magic of reading and discovery with Halina families. The spirit of giving blossomed further on February 14 with “A Valentine Surprise for Halina Mothers,” as mothers received roses and chocolates from GERI employees—a simple yet touching gesture of gratitude and care.

The campaign reached its peak during Women’s Month, with a special book and school supply turnover in March. Halina families received not only these resources but also handmade bookmarks, a Lenten Laudato Si’ reflection, pocket prayer cards, and a healthy habits checklist. Children enjoyed nature-themed videos, nurturing mindfulness, curiosity, and a love for the environment.

Together, Sipag at Unlad and the Halina Campaign embody Project Halina’s vision: nurturing growth that goes beyond buildings, and creating communities where learning, opportunity, and genuine connection flourish every day.

On 24 October 2025, the People Experience Team and People Development Team, in partnership with the Corporate Social Responsibility (CSR) Team, launched the CSR Halina Project themed “Berde at Asul: Halina Mabuhay Balls Initiative.” Anchored on

environmental stewardship, Berde represents Earth Hour participation and broader eco-conservation efforts, while Asul focuses on water sustainability through the creation of Mabuhay Balls, also known as Bokashi Balls—natural clay-based solutions designed to help restore and clean water bodies.

In collaboration with the Asian Social Institute, which pioneered the Mabuhay Balls initiative in the Philippines, the project brought together various groups across GERI. Through this collective effort, more than 1,500 Mabuhay Balls were produced as the first phase of the initiative. The balls have since undergone successful fermentation and are ready for deployment in a nearby water body in 2026, beginning with areas near Eastland Heights.

By combining employee engagement, cross-functional collaboration, and practical environmental action, the **Berde at Asul** initiative demonstrates GERI's commitment to providing natural, community-driven solutions for cleaner and more sustainable water systems.

In 2025, GERI advanced its commitment to environmental stewardship and community engagement through **Binhi at Sibol**, an initiative that combines ecological restoration with the creation of shared green spaces. *Binhi*, which means “seed,” centers on tree planting efforts, while *Sibol*, meaning “growth,” focuses on developing collaborative and nature-based spaces where Halina activities and community programs can thrive. The first Binhi at Sibol activity was held in Eastland Heights, where beneficiaries and first-time participants joined in planting 20 native trees, including banaba, katmon, and narra. Beyond reforestation, the activity aimed to instill a deeper appreciation for environmental care and responsibility among community members.

The initiative was later expanded to Arden Botanical Estate as part of a reimagined approach to on-ground engagement. In partnership with the CSR team, Binhi at Sibol transformed Arden's open spaces into vibrant, interactive environments that brought together clients, partners, and communities. These activations strengthened local ties, provided immersive estate experiences, and elevated engagement in a purposeful and distinctly human way. Guided by the belief that every corner can be a stage for impact, Arden continues to bring its story to life—not only by showcasing the estate's features, but by highlighting the vision, values, and shared commitment to sustainability at its core.

Customer Care

Customer Health and Safety

3-3, 416-2, 417-2

Customer health and safety is a core priority for GERI in managing its integrated tourism estate business. The Company systematically assesses the health and safety impacts of all significant product and service categories to ensure continuous improvement. This indicator provides insight into how GERI embeds safety considerations into estate operations, property management, and customer service systems, reinforcing its commitment to responsible business practices and stakeholder trust.

Clients and customers can send their feedback and questions on any tourism estate or residential project anytime through GERI's website at <https://geri.com.ph/contact-us/>, or by using the contact number and email address provided on the same page.

Assessment of health and safety impacts of products and services (in %) [416-1]

Disclosure	2022	2023	2024	2025
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	100	100	100	100

GERI integrates customer health and safety considerations into estate operations and service delivery. Property management teams implement maintenance, safety, and security measures to ensure that residential, commercial, and recreational facilities remain safe for occupants and visitors.

In 2025, customer service systems were strengthened through digital tools that improved accessibility and responsiveness. Paperless customer surveys, electronic unit acceptance forms, and online turnover processes enabled customers to transact more efficiently while reducing reliance on physical documentation. These systems also provided structured channels for customers to submit feedback and service requests.

Customer feedback continued to guide service improvements. Internal surveys from January to October 2025 showed high customer satisfaction, highlighting effective service delivery and responsiveness to client concerns. There were no reported incidents of non-compliance with the health and safety impacts of products and services, or with product and service information and labeling.

GERI's customer management approach focuses on providing safe, accessible, high-quality environments in its tourism estates, lifestyle communities, and commercial and hospitality operations. Customer health and safety are addressed throughout project planning, design, construction, and estate management by complying with building standards, fire and life-safety systems, and security and emergency response protocols.

In 2025, GERI strengthened its focus on safety, security, and health under the theme "Safeguarding Trust Through Proactive Security and Compliance." The year was anchored on delivering consistent security excellence through proactive prevention, responsive action, and reliable protection. Effectiveness was measured not only by response capability but by maintaining a low incidence of security- and safety-related cases across estates—an outcome driven by preventive strategies, regular audits, and close collaboration with law enforcement agencies and local government units. Routine physical security inspections and risk assessments further reinforced preparedness amid increasing natural calamities and emergency situations.

Security personnel also undergo first aid training, firearms safety sessions, tools and troop inspections, and physical fitness programs to ensure operational readiness. Participation in Earth Hour and Earth Day campaigns, zero plastic and zero waste initiatives, and weekend clean-up drives reflects the integration of environmental responsibility into daily security operations—recognizing that site safety also depends on clean, well-maintained surroundings.

From Monitoring to Mitigation: How RVOC Safeguards Communities

In a world that moves faster every day, safety and security call for more than the usual solutions. They need innovation, sharp foresight, and unwavering vigilance. The Real Estate Management Virtual Operations Center (RVOC) serves as a centralized virtual hub for 24/7 real-time incident management and emergency response of Integrated Resorts Property Management, Inc. (IRPMI).

Developed by its Resident Services and Corporate Security Department, no incident goes unnoticed or unaddressed, regardless of the hour. By maintaining continuous visibility across all properties, RVOC provides proactive safety oversight by linking property-level incident response with centralized crisis management. This enables faster coordination, clearer communication, and immediate deployment of response teams during emergencies.

Designed as a cost-effective and scalable solution, the platform operates through structured communication channels, primarily leveraging Viber, a real-time messaging and call platform, supported by streamlined communication methodologies and a defined command and control structure. This allows leaders and property management teams to collaborate efficiently, ensuring that decisions are aligned and actions are executed with clarity and speed.

Since its initial deployment in 2024, RVOC has demonstrated its effectiveness by successfully coordinating critical responses, including incidents that resulted in saving three lives. It has also served as a practical platform for testing and strengthening emergency protocols across properties, receiving and managing almost 5,000 reports to date.

As a result of its proven value, RVOC serves as a foundational step toward a more advanced Command, Control, Collaboration, and Coordination (C4) framework.

Ultimately, the platform's commitment to real-time transparency and constant connectivity fosters a safer, more secure environment for all residents and stakeholders, ensuring that today's operations are aligned with the future of integrated, responsive property management.

Product and service information and labeling requirements [\[417-1\]](#)

Disclosure	2022	2023	2024	2025
Sourcing of components of the product or service	Y	Y	Y	Y
Content, particularly with regard to substances that might produce an environmental or social impact	Y	Y	Y	Y
Safe use of the product or service	Y	Y	Y	Y
Disposal of the product and environmental or social impacts	Y	Y	Y	Y
Significant product or service categories covered by and assessed for compliance with such procedures	100%	100%	100%	100%

GERI recognizes that transparent and accurate marketing and labeling practices are essential to building customer trust and ensuring compliance with consumer protection regulations. The Company systematically assesses product and service information to confirm that sourcing, content, safe use, and disposal requirements are clearly communicated.

For the 2025 reporting period, GERI maintained 100% coverage of significant product and service categories assessed for compliance with marketing and labeling requirements. GERI ensures that information provided to customers regarding its properties, services, and estate developments is accurate, clear, and consistent with regulatory requirements. Marketing and sales materials are prepared in coordination with the technical and legal teams to ensure that representations of products and services accurately reflect their actual features, amenities, and terms of ownership or use.

Sales and customer-facing personnel are guided by internal policies and procedures that promote responsible marketing practices and transparent communication. These measures help prevent misleading claims and ensure customers have sufficient information to make informed decisions.

This consistent performance across four years demonstrates the Company's strong governance framework and commitment to responsible communication.

Complaints concerning breaches of customer privacy and losses of customer data [\[418-1\]](#)

Disclosure	2022	2023	2024	2025
Complaints received from outside parties and substantiated by the organization	0	0	0	0
Complaints from regulatory bodies	0	0	0	0
Total number of substantiated complaints of customer privacy	0	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0	0

Customer privacy is a critical responsibility for GERI in managing integrated estates and lifestyle communities. The Company systematically monitors complaints and incidents related to privacy breaches and data loss to ensure compliance with the Data Privacy Act and safeguard stakeholder trust. Personal information collected through sales transactions, customer surveys, and digital platforms is processed lawfully and stored using secure systems accessible only to authorized personnel.

With this, GERI recorded no complaints or incidents of customer privacy breaches or data loss, maintaining its strong compliance record. This consistent outcome demonstrates the effectiveness of the Company's data protection policies, secure digital platforms, and employee training programs. The absence of complaints from external parties and regulatory bodies underscores GERI's proactive governance and compliance with the Data Privacy Act.

Employees handling customer data receive guidance on proper data management practices, and internal controls are in place to ensure compliance with privacy policies and regulatory requirements.

Through its integrated estates and lifestyle communities, GERI seeks to foster environments that promote livability, accessibility, and community interaction. By embedding employee well-being and customer care into its management practices, the Company strengthens stakeholder trust and supports the long-term sustainability of its developments.

Customer Trust in Action: Strengthening Service Experience

Customer experience is shaped most strongly at key moments—during unit handovers, after-sales support, and everyday service interactions. In 2025, GERI strengthened its customer satisfaction initiatives by refining its systems to be more transparent, efficient, and responsive to client needs.

The Accounts Management Department expanded paperless processes, introducing electronic customer surveys and digital unit acceptance forms. These systems are supported by data protection protocols that safeguard confidentiality and prevent unauthorized access, misuse, or disclosure of personal information. Online turnover options were also made available, allowing clients who could not be physically present to complete transactions remotely. These changes simplified compliance, reduced documentation barriers, and improved overall service accessibility.

Based on internal survey results, GERI recorded a 92% satisfaction rate from 196 respondents, reflecting strong customer confidence in the service and professionalism of assisting staff. The remaining 8% of feedback provided valuable insights, highlighting areas such as unmet expectations, readiness of amenities upon turnover, feedback response, and turnaround time.

GERI views this feedback as an opportunity for continuous improvement. The Company actively works to address these types of concerns through closer coordination with concerned teams, enhanced monitoring, and more responsive service delivery. Insights gathered from clients are used to refine processes, strengthen service standards, and improve overall customer experience, reinforcing GERI's commitment to delivering consistent and reliable service across its developments.

These efforts demonstrate that customer care extends beyond service delivery alone. By combining responsive systems with responsible data protection, GERI continues to strengthen trust and reliability across its destinations—ensuring that customers feel both supported and safeguarded at every stage of their journey.

Accessibility & Affordability

3-3, 413-1, 203-1, 203-2

GERI recognizes that access to safe, well-planned, and affordable living environments is a key element of inclusive development. As a developer of integrated tourism estates, the Company seeks to ensure that its projects are accessible to a broad range of buyers while contributing positively to host communities.

Accessibility is advanced through estate planning that integrates transport, essential services, and open spaces within master-planned developments. Across its integrated tourism estates, developments combine business districts and leisure-oriented townships with walkable environments, green and open spaces, and proximity to public transport options.

Live-Work-Play-Learn: Living Where Life Connects

GERI's township planning approach is shaped by the idea that daily life should unfold within environments where homes, workplaces, services, and shared spaces are closely linked. By organizing development around this principle, the Company supports easier access to jobs, education, and essential services while encouraging more efficient movement within its estates.

At Southwoods City, this approach is seen in the transport hub that serves an estimated 3,200 passengers each day. Covering an area of approximately 6,287 square meters, the facility brings together public transport routes in a single, orderly setting, enabling residents, workers, and visitors to move between residential areas, offices, and commercial zones with greater ease. The hub operates on a daily schedule from Monday to Sunday, ensuring consistent and reliable access to transport services throughout the week. It supports multiple transport modes and helps improve daily mobility while reducing reliance on private vehicles. Walkable routes and nearby open spaces complement the hub, encouraging short trips on foot and helping reduce reliance on private vehicles.

This integrated layout also guides development in destinations such as Boracay Newcoast and Twin Lakes. In these estates, residential districts are located alongside business centers, leisure areas, and community facilities, allowing work, errands, and recreation to occur in the same setting. Green corridors and shared open spaces provide transition zones that support a balance between activity and rest.

By bringing living, working, learning, and leisure closer together, GERI advances access to infrastructure and services while shaping communities that are connected, walkable, and designed for long-term livability.

Affordability is supported by a diversified portfolio of residential typologies and development scales across multiple locations. By offering projects in varied geographic areas and market segments, the Company enables broader participation in township living while maintaining quality and environmental standards. GERI also promotes responsible marketing and transparent customer communications to support informed decision-making. Through these measures, the Company helps make well-planned communities more accessible and attainable while supporting local economic activity and inclusive township development.

PLANET: Protecting the Environment & Resources

Committed to minimizing its ecological footprint, GERI implements environmental stewardship practices across its integrated tourism estates and lifestyle communities. The Company advances its sustainability agenda through emissions reduction, adoption of renewable energy, resource efficiency, and sustainable design. These efforts support the responsible management of natural resources and the protection of surrounding ecosystems.

This commitment is reinforced by continued expansion of renewable energy use, strengthened environmental compliance, and site-level initiatives that link operational performance to national environmental priorities.

Carbon Neutrality

- **Emissions**

Resource Efficiency

- **Energy**
- **Water**
- **Waste**
- **Materials**

Sustainable Design

- **Biodiversity**
- **Land Use and Green Infrastructure**
- **Climate Adaptation and Resilience**

Carbon Neutrality

Emissions

3-3

GERI prioritizes carbon neutrality in its sustainability agenda to address climate change and support sustainable communities. This focus is embedded in the Company's Environmental, Health, and Safety (EHS) Policy, which guides sustainability efforts across all subsidiaries, including greenhouse gas emissions management. The EHS Group implements this policy, monitors emissions, and assists departments with related initiatives.

GERI monitors and reports greenhouse gas (GHG) emissions across Scope 1 and Scope 2 to assess its environmental footprint. In 2025, the Company achieved carbon neutrality for Scope 1 and Scope 2 emissions, marking a significant milestone in its sustainability journey and reinforcing its commitment to low-carbon operations.

Meanwhile, emissions intensity indicators are tracked against revenue and employee headcount to provide insight into operational efficiency and the effectiveness of emissions reduction strategies. Together, these indicators provide a comprehensive view of GERI's climate performance and its alignment with sustainability goals.

Emissions by Scope* (in tCO₂e) [\[305-1, 305-2, 305-3\]](#)

Disclosure	2022	2023	2024	2025
Scope 1	1,448.00	1,383.14	4,039.88	1,571.09
Scope 2	10,759.73	20,620.62	15,267.25	523.81
Scope 3	12,556.40	18,995.39	17,949.99	4,328.58
Total	24,764.13	40,999.15	37,257.12	6,423.48

*FY 2024 Scope 1 data have been restated to reflect the correct emissions.

Carbon Neutrality Performance (Scopes 1 & 2 in tCO₂e) [\[305-5\]](#)

GHG Emissions	2025
A. Gross Emissions	15,936.12
Scope 1	1,571.09
Scope 2	14,365.03
B. Emissions Avoided / Neutralized	15,936.12
Renewable Energy Use	13,841.22
Carbon Forests Removals / Offsets	2,094.9
C. Net Emissions	0
% Scope 2 Avoided through Renewable Energy	96.35%

Carbon Neutrality Performance (Scopes 3 in tCO₂e) [305-5]

GHG Emissions	2025
A. Gross Emissions	14,473.98
Scope 3	
B. Emissions Avoided / Neutralized	10,145.39
Renewable Energy Use	
C. Net Emissions	4,328.59
% Scope 3 Avoided through Renewable Energy	70.09%

GHG Emissions Intensity* [305-4]

Disclosure	2022	2023	2024	2025
Scope 1 + Scope 2				
tCO ₂ e per size (tCO ₂ e/sqm)	-	-	-	0.17
tCO ₂ e per revenue (tCO ₂ e/revenue)	1.67×10^{-6}	2.64×10^{-6}	3.16×10^{-6}	1.78×10^{-6}
tCO ₂ e per employee (tCO ₂ e/employee)	14.45	21.85	25.90	13.41
Scope 3				
tCO ₂ e per size (tCO ₂ e/sqm)	-	-	-	0.13
tCO ₂ e per revenue (tCO ₂ e/revenue)	1.7×10^{-6}	2.3×10^{-6}	2.0×10^{-6}	1.6×10^{-6}
tCO ₂ e per employee (tCO ₂ e/employee)	14.86	18.86	16.56	12.18

Legend: "-" indicates data is unavailable

GERI achieved a significant 82.8% reduction in total greenhouse gas (GHG) emissions from 2024 to 2025, driven by lower fuel consumption in Scope 1 and substantial declines in Scope 2 and Scope 3 emissions through the increased adoption of renewable energy.

Scope 1 emissions declined by 61.1%, reflecting lower direct fuel consumption and improved operational efficiency. Scope 2 emissions dropped sharply from 15,267.25 tCO₂e to 523.81 tCO₂e, largely due to the increased use of renewable energy, which avoided 96.35% of electricity-related emissions. Scope 3 emissions also declined, supported by emissions reduction initiatives and partial avoidance equivalent to 70.09%.

As a result of these efforts, the Company achieved net zero emissions for Scope 1 and Scope 2 in 2025, with all remaining emissions neutralized through renewable energy procurement and carbon forest offsets.

For Scope 1 and Scope 2, emissions intensity declined significantly across both revenue and employee metrics. Emissions per revenue decreased by 43.7%, while emissions per employee declined by 48.2%, indicating more efficient operations and lower emissions relative to both economic output and workforce size. The Company also reported emissions intensity per floor area at 0.17 tCO₂e/sqm, providing a baseline for future performance tracking.

Similarly, Scope 3 emissions intensity improved across all available indicators. Emissions per revenue decreased by 20.0%, while emissions per employee declined by 26.4%, reflecting better management of value chain emissions. Emissions intensity per floor area was recorded at 0.13 tCO₂e/sqm in 2025.

Overall, the reduction in employee-based intensity metrics in 2025 reflects enhanced emissions efficiency across both operational and value chain activities.

Emission of ODS and Air Pollutants [\[305-6\]](#)

GERI has started monitoring ozone-depleting substances (ODS) from the point of purchase and installation of its air conditioning units, as part of its commitment to environmental stewardship and regulatory compliance. In 2025, the Company identified and labelled a total of 11 air conditioning units across selected sales offices and facilities that utilize non-ODS refrigerants.

GERI will continue to strengthen its monitoring practices and expand the adoption of non-ODS refrigerants, supporting its goal of minimizing environmental impact and promoting responsible asset management.

In line with its commitment to environmental stewardship and regulatory compliance, GERI monitored air emissions from its standby power systems across key properties during the 2025 reporting period. In accordance with the Philippine Clean Air Act (CAA), the Company conducted stack emission testing on four generator sets (gensets) across three properties.

Genset Air Emission Testing Result for 2025 [\[305-7\]](#)

Projects	Genset	NOx	CAA NOx Limit	CO	CAA CO Limit
The Vineyard at Twin Lakes Shopping Village (1,000 KVA Set 1A)	1	183.3	2,000	138	500
The Vineyard at Twin Lakes Shopping Village (1,000 KVA Set 2A)	1	148.8		124.1	
Twin Lakes Vineyard Residences (250 KVA Cummins Diesel Genset)	1	99.67		<1	
The Vineyard Twin Lakes Estate (800 KW MTU Genset)	1	29.96		107.82	

Air Pollutants (in milligrams per normal cubic meter, mg/Nm³) [\[305-7\]](#)

Disclosure	2022	2023	2024	2025
NOx	235.00	126.00	0.86	461.73
SOx	-	-	3.00	-
Carbon Monoxide	0.30	103.00	649.00	369.73



Particulate Matter	-	-	230.00	-

Legend: “-” indicates data is unavailable

Air pollutant disclosures complement GHG reporting by highlighting localized impacts on air quality and compliance with national environmental standards. All tested units by GERI achieved a 100% compliance rate, operating well within the limits prescribed by the Philippine Clean Air Act for nitrogen oxides (NO_x) and carbon monoxide (CO). These demonstrate the Company’s effective maintenance and operational controls for its gensets, ensuring minimal air pollutant emissions. The Company continues to prioritize efficient equipment management and adherence to environmental standards to support air quality protection across its developments.

To limit harmful pollutant releases, GERI also implements proactive emission-control and environmental-protection measures across its operations. Operational teams regularly conduct emissions testing, preventive maintenance, and routine servicing, including oil and filter changes, for generator sets, vehicles, and other fuel-powered equipment.

Compliance with environmental regulations remains a priority. GERI strictly adheres to the Philippine Clean Air Act of 1999 (RA 8749), which governs Air Pollution Source Installations (APSI), including boilers. The EHS Group conducts biannual site visits to monitor and verify compliance across all estates, ensuring continued alignment with regulatory standards.

By expanding and refining its emissions inventory, GERI gains a clearer understanding of its carbon footprint. This allows the Company to plan and implement targeted emission reduction initiatives. For the current and preceding years, several programs have been launched and continued to reduce daily carbon emissions across operations.

Emissions Reduction Initiatives [\[305-5\]](#)

Program	Description
Earth Hour	GERI’s estates joined the nationwide Earth Hour movement, turning off non-essential lighting to champion responsible energy use. The initiative saved 15 kWh of electricity and avoided approximately 8.4 kilograms of carbon dioxide emissions—proving that even small actions can create meaningful environmental impact.
Power Hour	GERI’s estates embraced the “Power Hour” initiative, reclaiming the 12:00 PM to 1:00 PM slot as a dedicated time to switch off non-essential lighting. By pausing energy use during this hour, the program not only reduced electricity consumption but also reinforced a culture of mindful resource management.
Eco-Active Hours	GERI laid the groundwork for this estate-wide initiative where it temporarily closes select estate roads to motorized vehicles during designated hours to encourage walking, jogging, and biking. By promoting low-carbon mobility and healthier lifestyles, the program is projected to reduce carbon dioxide

	emissions across all estates by an estimated 262.14 metric tons annually, reinforcing the Company's commitment to climate action and sustainable community living.
City Optimized Managed Electric Transport (COMET) Vehicles	Boracay Newcoast has integrated electric vehicles into its daily passenger and tourist transport operations, resulting in an estimated annual reduction of 40,000 kilograms of carbon emissions. This reduction is equivalent to the carbon absorption capacity of approximately 700 trees each year.
Installation of Solar Lighting	The Company has installed solar-powered lamps, floodlights, bollards, and road studs throughout Twin Lakes and Boracay Newcoast. These upgrades enhance safety and visual appeal while reducing emissions by decreasing reliance on grid electricity.
Environmental Inspections across Project Sites	In 2025, the Environmental, Health and Safety (EHS) Group completed 100% of scheduled environmental inspections and internal audits across project sites, ensuring that emissions-related controls and energy systems were properly implemented in accordance with regulatory requirements.

Resource Efficiency

Energy 3-3

As part of its environmental protection efforts, GERI prioritizes adopting energy-efficient practices across its operations. These initiatives help manage operating costs while reducing waste and greenhouse gas emissions. Through consistent application of resource-efficiency measures, the Company maximizes resource use and delivers positive environmental outcomes.

Energy Consumption within the Organization* (in gigajoules, GJ) [\[302-1, 302-4\]](#)

Disclosure	2022	2023	2024	2025
Renewable Energy	-	-	-	64,578.02
Non-Renewable Energy	74,767.71	88,396.82	113,796.87	27,684.69
Gasoline	2,692.15	1,314.67	1,491.56	1,734.73
LPG	-	-	6,577.09	1,760.28
Diesel	17,688.39	17,725.74	28,380.18	21,752.13
Grid Electricity	54,387.17	69,356.41	77,348.04	2,437.55
Total energy consumption	74,767.71	88,396.82	113,796.87	92,262.72

Legend: "-" indicates data is unavailable

Energy Consumption outside the Organization* (in GJ) [302-2, 302-4]

Disclosure	2022	2023	2024	2025
Renewable Energy	-	-	-	37,659.35
Non-Renewable Energy	65,290.29	75,702.87	63,279.71	22,167.58
Gasoline	-	123.47	96.97	141.72
Diesel	-	2,191.50	618.90	3,388.55
LPG	16,942.08	16,981.60	11,132.91	11,841.61
Grid Electricity	48,348.21	56,406.30	51,430.93	6,795.70
Total energy consumption	65,290.29	75,702.87	63,279.71	59,826.93

*FY 2022 and FY 2023 data has been included to reflect correct energy consumption

Energy intensity [302-3]

Disclosure	2022	2023	2024	2025
Gigajoules per size (GJ/sqm)	-	-	-	0.96
Gigajoules per revenue (GJ/revenue)	1.0×10^{-5}	1.1×10^{-5}	1.3×10^{-5}	1.0×10^{-5}
Gigajoules per employee (GJ/employee)	88.48	87.78	104.98	77.66

Legend: "-" indicates data is unavailable

Total energy consumption within the organization decreased by 18.9% in 2025. This decline was driven by a significant reduction in non-renewable energy use, particularly from grid electricity, alongside the Company's transition to renewable energy.

In 2025, the Company recorded 64,578.02 GJ of renewable energy consumption, marking a substantial shift in its energy mix. This transition resulted in a sharp decline in grid electricity consumption, reflecting the increased reliance on renewable energy sources. Fuel consumption showed mixed trends, with diesel use decreasing while gasoline and LPG usage varied.

Energy consumption outside the organization decreased by 5.5%, indicating modest reductions in indirect energy use across value chain activities.

These changes are consistent with the Company's emissions performance, particularly the 96.6% reduction in Scope 2 emissions and the achievement of net zero emissions for Scope 1 and Scope 2 in 2025. The increased adoption of renewable energy significantly contributed to both lower energy-related emissions and improved overall environmental performance.

The reported energy intensity ratio is calculated using energy consumption within the organization only and excludes energy use outside the Company's operational boundary. In 2025, GERI demonstrated improved energy efficiency across key metrics. Energy intensity per revenue decreased by 23.1%, while energy intensity per employee declined by 26.0%, indicating more efficient energy use relative to both economic output and workforce size. The Company also recorded an energy intensity of 0.96 GJ/sqm, establishing a baseline for floor area-based performance. These improvements reflect the impact of ongoing energy management initiatives and increased operational efficiency.

The Green Leap Initiative: Advancing Renewable Energy Across GERI Operations

Aligned with MEG's MEGreen 2026 roadmap – the broader blueprint guiding all Megaworld subsidiaries toward carbon neutrality – GERI advanced its own estate-level execution through the Green Leap Initiative, bringing renewable energy to the forefront of its key developments.

In 2025, GERI took a bold step toward a cleaner future by launching its ambitious “Green Leap” initiative, bringing renewable energy to the forefront of its key estates. Starting in March, vibrant destinations such as Boracay Newcoast, Twin Lakes, and major Southwoods City sites, including the Office Tower and Mall, began powering their operations with renewable energy. This operational milestone is projected to avoid more than 11,000 tons of CO₂ emissions annually – translating MEGreen's carbon-neutral vision into tangible action across GERI estates.

This shift underscores GERI's dedication to reducing reliance on conventional grid power and shrinking its carbon footprint. Meanwhile, several properties have advanced plans to install rooftop solar panels, including innovative systems for hotels, weaving renewable energy more deeply into the fabric of each estate. Complementary initiatives such as solar lighting installations and electric transport integration further reinforce resource efficiency and circularity across developments.

With estate operations and environmental teams working hand in hand, the project aims to achieve long-term carbon reduction while ensuring that homes, businesses, and tourist destinations continue to thrive without interruption. At the same time, sustainability extends beyond infrastructure. Tree-planting, mangrove restoration, and coastal cleanup drives continue to mobilize employees, residents, and local partners – embedding environmental stewardship into everyday estate life.

The Green Leap matters because energy choices shape the environmental impact of large, multi-use estates. By embracing more renewable energy, GERI has achieved carbon neutrality in its operations while enhancing reliability, stabilizing costs, and strengthening environmental stewardship across its portfolio—demonstrating that future-ready communities are built on responsible energy decisions today.

Beyond monitoring and managing energy use across its subsidiaries, GERI also implements initiatives to reduce overall energy consumption. Solar-powered streetlights and LED systems were installed in residential and mixed-use areas to reduce dependence on the power grid while maintaining safe, well-lit public spaces. The Company has also installed solar-powered lamps, floodlights, bollards, and road studs throughout Twin Lakes and Boracay Newcoast. These upgrades enhance safety and visual appeal while reducing emissions by decreasing reliance on grid electricity. Made possible by the Utility Compliance Group (UCG), the installation and energization of streetlights as well in Eastland Heights improved nighttime visibility and estate mobility while enhancing the efficiency and reliability of the community's energy infrastructure. Further strengthening power infrastructure in Alabang West, UCG facilitated the installation of XLPE underground cables and transformers, alongside the energization of Phase 1A streetlights. These enhancements improved system stability and reinforced the reliability and durability of the estate's electricity distribution network. These measures align operational needs with the country's Energy Efficiency and

Conservation Act (Republic Act No. 11285), reinforcing the role of technology in lowering emissions without compromising liveability

Measured outcomes have begun to emerge from these efforts. At Arden Botanical Estate, solar streetlights generate annual savings of 36,135 kilowatt-hours, equivalent to about ₱500,000 in operational costs. According to the Climate Change Act of 2009, local actions such as Sta. Barbara's conversion to LED lighting, which saves 275,000 kilowatt-hours annually or about ₱4 million, demonstrates how decisions at the local level can contribute to achieving national climate goals while shaping destinations that grow lighter on resources and stronger in purpose.

Water

3-3, 303-1, 303-2

Recognizing the importance of water in everyday life, GERI remains committed to strengthening its water and effluent management practices. The Company's water stewardship is embedded in estate operations through wastewater treatment and responsible discharge practices.

Water and Effluents* (in Megaliters, ML) [303-3, 303-4, 303-5]

Disclosure	2022	2023	2024	2025
Water withdrawal	342.00	499.00	362.00	379.30
Water consumption	200.00	126.00	182.00	108.16
Water discharge	141.00	374.00	180.00	271.14
Water recycled and reused	0.00	-	-	-

Legend: "-" indicates data is unavailable

Water withdrawal increased by 4.8% in 2025, reflecting slightly higher operational demand. Despite this, the Company achieved a 40.6% reduction in water consumption, indicating improved water use efficiency and more effective management of water resources. Water discharge increased by 50.6%, suggesting that a greater volume of water was returned after use, consistent with the observed decline in consumption. This reflects efforts to optimize water utilization and minimize net consumption within operations.

Meanwhile, no water recycling or reuse was recorded during the reporting period, highlighting an opportunity for the Company to further enhance water management practices through circular water use initiatives.

GERI sources water for its offices, construction areas, and project sites from deep wells and third-party concessionaires, including Maynilad, Boracay Island Water Company (BIWC), Boracay Tubi Systems Inc. (BTSI), Laguna Management Service Corp., Metro Naga Water District, and Plaridel Water District. To comply with the Philippine Clean Water Act of 2004 (RA 9275), the Company treats wastewater prior to discharge. Sewage Treatment Plants (STPs) are installed in selected properties, including mid-rise and high-rise condominiums, business centers, and shopping centers, to minimize environmental impact and protect surrounding communities.

These STPs ensure proper wastewater management and compliance with DENR effluent standards. Treated water is reused for landscape irrigation and other non-potable applications where feasible, reinforcing the Company's commitment to water conservation and responsible resource management.

In 2025, GERI maintained 100% compliance with DENR reporting requirements for water quality and wastewater management. Regular inspections and monitoring by the EHS Group ensured that treatment systems were operating effectively and consistently across sites.

To reinforce these practices, a seminar was conducted for the PMD site team on utility provider standards for power, telecommunications, and water services. The session focused on strengthening understanding of technical requirements and compliance procedures, enabling site personnel to support timely utility activation, reduce operational disruptions, and uphold consistent, efficient water management practices across developments.

Through the coordination and compliance efforts of the Utility Compliance Group (UCG), the Certificate of Completion (CoC) for the Alabang West Village water system was secured, confirming adherence to regulatory and technical standards. This milestone ensures uninterrupted and properly managed water distribution, supporting efficient and responsible water use within the township.

Reducing Water Waste

GERI has reduced water use and associated costs at Southwoods Estate by using water timer irrigation systems. These systems promote efficient irrigation and help prevent unnecessary water loss by automatically controlling usage. This initiative resulted in an annual water consumption cost savings of Php 60,000.

Waste

3-3, 306-1, 306-2

The Company recognizes the importance of effective waste management in minimizing environmental impacts and supporting sustainable operations. Waste generated from construction activities and day-to-day estate operations can affect surrounding communities and ecosystems if not properly managed. By improving waste reduction, segregation, and disposal practices, GERI aims to reduce these impacts while maximizing resource recovery. These efforts form part of the Company's broader sustainability strategy and involve employees, contractors, and local stakeholders across its developments.

Waste generation (in metric tonnes, MT) [\[306-3\]](#)

Disclosure	2022	2023	2024	2025
Non-hazardous waste	958.32	11,024.27	1,819.31	1,234.64
Hazardous waste	2.00	4.00	1,019.61	74.70
Total waste generated	960	11,028	2,838.92	1,309.34

Waste Management (in MT) [306-4, 306-5]

Disclosure	2022	2023	2024	2025
Waste diverted from disposal	268.22	3066.54	1,302.81	274.58
Waste directed to disposal	692.10	7,961.73	1,536.10	1,034.76

**FY 2024 data have been restated to correct the placement of on-site storage data.*

Legend: "-" indicates data is unavailable

Total waste generated decreased significantly by 53.9%, reflecting improved waste management practices across operations. This reduction was primarily driven by a 56.2% decline in hazardous waste, indicating more effective handling, treatment, or reduction of high-impact waste streams. Non-hazardous waste also decreased by 32.1%, from 1,819.31 MT to 1,234.64 MT, suggesting improved waste minimization and operational efficiency.

Overall, the downward trend in both hazardous and non-hazardous waste indicates strengthened waste management efforts and progress toward reducing the Company's environmental footprint.

In 2025, GERI reported a decline in both waste diverted from disposal and waste directed to disposal, indicating an overall reduction in waste generation. Waste diverted from disposal decreased by 78.9%, primarily due to reduced use of industrial oil during the reporting period. This was attributed to fewer power interruptions, resulting in less frequent operation of generator sets.

Similarly, waste directed to disposal declined by 32.6%, from 1,536.10 MT to 1,034.76 MT, reflecting improved waste management and lower overall waste volumes. The observed reductions highlight the Company's more efficient operational conditions during the year, particularly in relation to energy use and equipment utilization.

The EHS Group conducts semi-annual audits and consolidates site inspection findings to identify areas to improve waste management. These reports highlight nonconformances and form the basis for corrective actions to reduce waste and strengthen management processes.

Departments involved in waste management receive training on technologies and practices for waste disposal and treatment, while the Procurement Department ensures proper disposal of obsolete laptops and IT equipment. GERI audits its properties and accredited haulers to assess compliance with waste management requirements. These semi-annual audits review contracts, permits, certifications, and environmental and safety compliance. Accredited haulers conduct regular site visits, and quarterly and annual waste management audit reports are submitted to top management for review.

Waste management initiatives in 2025 emphasized reduction, reuse, and community participation. Estate management teams implemented segregation and composting practices, particularly for landscaping and organic waste. Complementing these efforts, the Regulatory Compliance Department (RCD) promoted waste reduction within its operations by encouraging the use of personal tumblers and reusable lunch pails to minimize single-use waste. The team also maximized the use of scratch paper when reviewing documents and

plans prior to permit applications, further reducing paper consumption and supporting responsible resource use across departments. Cuttings from estate greening activities were also reused to propagate plants for landscaping, reducing waste generation while supporting estate aesthetics.

Protecting Our Shores: Community Action for Cleaner Coasts

Sustainability extends beyond estate boundaries and into the natural environments that surround them. In 2025, GERI reinforced its commitment to coastal stewardship through a series of community-based and shoreline clean-up initiatives across Boracay Newcoast, Cavinti, Lian, and the Lialto Project site.

At Lialto, a dedicated beach cleanup led by Golveforce in coordination with the Environmental, Health and Safety (EHS) Group focused on restoring the shoreline by removing debris ranging from loose stones to discarded materials. The activity ensured that development activities progressed responsibly while preserving the natural integrity of the coastal environment.

Similar efforts were carried out in Boracay Newcoast, Cavinti, and Lian, where employees, workers, and community members joined forces to clear waste from public and marine areas. These clean-up drives did more than improve the physical landscape—they strengthened environmental awareness and fostered shared accountability for protecting vital ecosystems.

By embedding proactive waste management into both operations and community engagement, GERI demonstrates that coastal protection is not a one-time effort but a continuing responsibility. Each cleanup effort represents a collective step toward healthier shorelines, resilient ecosystems, and developments that coexist harmoniously with nature.

Collectively, waste-related programs contributed to an estimated 12% reduction in estate-level waste, demonstrating how operational practices and community engagement can work together to improve environmental outcomes.

Materials

3-3

GERI recognizes that responsible materials management reduces environmental impacts and supports efficient project delivery. Improper management of materials in construction and operations can increase resource consumption, waste, and costs. By enhancing material tracking, sourcing, and handling, the Company aims to minimize losses and optimize resource use. These efforts help ensure regulatory compliance and engage employees, contractors, suppliers, and other stakeholders as part of GERI's broader sustainability strategy.

Materials Used by the Organization (in MT) [\[301-1\]](#)

Disclosure	2022	2023	2024	2025
Renewable	23	1	30.48	25.31
Non-renewable	10,051	151,264	62,659.75	157,455.65

Total	10,074	151,265	62,690.18	157,480.96

Legend: “-” indicates data is unavailable

GERI’s total material consumption increased significantly in 2025, driven primarily by a rise in non-renewable materials. Non-renewable material use grew notably, reflecting the inclusion of additional estates in the Company’s reporting scope. This expansion has strengthened GERI’s monitoring systems, as more developments are now actively tracking and reporting their material usage through the Company’s centralized system, the Diligent platform.

The improved data capture supports more complete and reliable reporting, while reinforcing consistent implementation of monitoring practices across all properties. Renewable material use slightly declined but remains part of the Company’s ongoing efforts to incorporate more sustainable inputs where feasible.

In 2025, materials management became a key driver of GERI’s planning, building, and sustaining its estates. Beyond visual design, careful material selection supported long-term performance and environmental responsibility throughout the full development cycle.

The Contracts, Procurement, Interior, and Exterior Finish Department prioritized the use of resource-efficient materials and equipment in project awarding and implementation. Solar-powered streetlights, inverter-type air-conditioning units, and energy-efficient generator sets were installed across several estates, helping reduce operational energy demand and supporting a gradual transition toward more sustainable building systems.

Sales and Marketing transitioned the *Upfront Communique* newsletter to a fully digital format to reduce paper consumption, improve accessibility, and minimize internal waste. The team continues to use recycled and scratch paper for necessary printing, and during internal events—such as the back-office Halloween celebration—decorations were created from recyclable materials to promote resource reuse and reduce overall waste generation.

Growing Value from Every Cutting

Across GERI’s estates, sustainability takes root in the smallest details—even in what would otherwise be discarded. In 2025, estate management teams strengthened their commitment to circular landscape management by transforming routine landscaping trimmings and organic cuttings into new life through dedicated plant nurseries.

Rather than treating green waste as disposal material, teams systematically propagated seedlings from collected cuttings, nurturing them for future use in open spaces, replanting activities, and estate enhancements. Over the year, approximately 3,000 plants including conocarpus, bougainvillea, pandakaki, and other species were cultivated and redistributed across developments.

The initiative did more than beautify landscapes. By reducing the need to procure new planting materials, the program generated an estimated ₱200,000 in cost savings while minimizing organic waste. Through careful stewardship and resourcefulness, GERI demonstrated how sustainability can be both practical and purposeful, turning everyday

operations into opportunities to create environmental and economic value.

In every propagated plant stands a simple but powerful idea: growth can be regenerative, and progress can begin with what we choose to preserve.

These initiatives are aligned with national sustainability frameworks, including the Philippine Green Building Code and the Energy Efficiency and Conservation Act (Republic Act No. 11285), which promote the use of efficient materials and building systems. Together, these practices reflect GERI's intent to build destinations that balance design quality with responsible resource use, ensuring that growth is guided by both purpose and care.

Sustainable Design

Biodiversity

3-3, 304-1, 304-2, 304-3, 304-4

GERI's projects are closely connected to natural ecosystems, so responsible environmental management is essential for long-term business resilience and community value. Poorly managed development can harm habitats and species, while well-planned initiatives support ecosystem protection and restoration. By integrating biodiversity into project planning, operations, and compliance, GERI aims to reduce negative impacts and deliver positive results for ecosystems, communities, and stakeholders.

Disclosure	Location	Hectares
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Alabang West, Las Piñas City	61
	Arden Botanical Estate, Trece Martirez & Tanza, Cavite	269
	Boracay Newcoast, Malay, Aklan	155
	Eastland Heights, Antipolo, Rizal	683
	Southwoods, Biñan, Laguna	67
	Sta. Barbara Heights, Sta. Barbara, Iloilo	157
	The Hamptons Caliraya, Cavinti, Laguna	28
	Twin Lakes, Laurel Batangas	97
Habitats protected or restored	N/A - Projects are not under the ENIPAS ACT	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A - No species identified under the IUCN Red List	

The Company fully complies with the Expanded National Integrated Protected Areas System (ENIPAS) Act of 2018, ensuring that none of its projects are located within areas covered by the law. For all proposed projects, GERI conducts Environmental Impact Assessments (EIAs) to identify potential physical and biological impacts and evaluate their short- and long-term effects. Assessment results inform the development of environmental management plans, which specify measures to mitigate and manage impacts throughout estate operations. EIAs

are internally reviewed before submission to the Department of Environment and Natural Resources (DENR) for approval.

Key developments in Boracay, Iloilo, Caliraya, and Tagaytay were selected to minimize impacts on local flora and fauna. To maintain compliance, GERI conducts regular audits and special inspections across its project areas. Any risks or threats to biodiversity are promptly reported to the EHS team for appropriate action.

Although GERI's projects are not located within ENIPAS-designated protected areas, biodiversity initiatives are embedded into estate operations through greening programs and nurseries. Green corridors, landscaped open spaces, and tree-lined pathways are integrated into estate layouts to preserve natural character while enhancing livability.

Advancing the MEGreen Vision through Tree-Growing at Camp Riego de Dios

On October 1, 2025, GERI strengthened its commitment to environmental stewardship through a meaningful partnership with the Armed Forces of the Philippines (AFP). In a landmark activity held at Camp Riego de Dios in Tanza, Cavite, the Estate Management team joined AFP personnel in planting 1,000 native and endemic seedlings, marking the first tree-growing initiative ever conducted within the camp.

The site was enriched with Banaba, Alibangbang, and Narra seedlings, all carefully propagated from GERI's central nursery. These nurseries, alongside those operating in Boracay Newcoast and Southwoods City, serve as vital hubs supporting the Company's broader greening and biodiversity initiatives.

Beyond the numbers, the activity symbolized shared responsibility between institutions, uniting public and private sectors in pursuit of long-term ecological resilience. Each seedling planted contributes to restoring green cover, enhancing local biodiversity, and strengthening climate adaptation efforts within the community.

The initiative forms part of Project 3.5 Million, Megaworld's large-scale reforestation program, and reflects GERI's continued role in advancing the MEGreen vision. Through sustained partnerships and community-driven action, GERI demonstrates that environmental progress is most impactful when rooted in collaboration and purpose.

Restoring Marine Ecosystems: Artificial Reef Deployment at Boracay Newcoast

In 2025, GERI advanced its biodiversity efforts by deploying artificial reef domes along the shoreline of the Boracay Newcoast. Implemented in partnership with Boracay Business Association of Scuba Shops, the initiative marked the first structured underwater marine rehabilitation activity within the estate.

Ten artificial reef domes were installed to stimulate natural coral growth and provide habitat structures for marine species. The initiative complemented ongoing coastal and underwater clean-up activities conducted throughout the year, strengthening the ecological health of the shoreline.

The deployment supports long-term ecosystem recovery by encouraging coral propagation and enhancing marine biodiversity. The team has committed to expanding reef installations annually to progressively restore sections of the coastal environment.

This initiative reflects GERI's recognition that estate development in tourism destinations carries stewardship responsibilities. By investing in marine habitat restoration, GERI contributes to shoreline resilience, supports local marine life, and reinforces Boracay Newcoast's position as an ecologically responsible destination.

Land Use and Green Infrastructure

Sustainable land use and green infrastructure play a vital role in building resilient, environmentally responsible communities. GERI supports the careful balance between development and the protection of natural resources by prioritizing planning and design approaches that reduce environmental impacts while enabling long-term community growth.

Designing Sustainable Townships: GERI's Integrated Tourism Estate Model

Sustainability takes root in the way land is shaped, safeguarded, and shared. In 2025, GERI's planning, technical, and estate management teams joined forces to ensure that every new development enriches natural systems instead of displacing them. Throughout its estates, green infrastructure, open spaces, and climate-smart design became the blueprint for weaving biodiversity and resilience into daily planning.

These developments are anchored by compact, high-density planning, seamless access to public transit, walkable neighborhoods, and abundant green spaces. Such design choices curb urban sprawl, champion efficient land use, and inspire healthier ways of living for everyone. Central business districts pulse with economic activity by design, while leisure townships invite people to enjoy natural vistas and open spaces that elevate daily life.

GERI's commitment to green infrastructure is reflected in the significant allocation of open spaces across its estates. Boracay Newcoast dedicates 32% of its land area to green and open spaces, while Southwoods City allocates 42%, creating breathable environments within thriving townships. Twin Lakes, designed as a nature-oriented leisure estate, goes further by allocating over 120% of its planned development footprint to green and future open spaces, reinforcing its identity as a destination deeply connected to its natural surroundings.

With this integrated vision, GERI shapes sustainable townships where business, leisure, and nature thrive side by side. These walkable, connected, and resilient communities are designed to flourish in harmony with the people they serve.

In 2025, the Planning and Design Division (PDD), together with the Landscape Architecture Department (LAD) and the Mechanical, Electrical, Plumbing, Fire Protection, and Sanitary system (MEPFS) section, conducted a benchmarking visit to Sigla Modular Farm at the University of the Philippines Los Baños. The activity provided the team with practical insights into hydroponics farming systems and sustainable agricultural practices.

The visit supported the design development of the proposed “farm-to-table” retail concept in Sherwood Hills, now known as The Sherwood Granary. By understanding the technical and operational aspects of modular farming, the team was able to incorporate sustainability considerations into the planning and design process.

This benchmarking initiative strengthened the team’s capacity to integrate environmentally responsible concepts into mixed-use developments, reinforcing GERI’s commitment to sustainable design and green infrastructure planning.

The Product Presentation of Sustainable Materials also emerged as a key initiative within PDD. The team deepened its understanding of emerging technologies and innovative building systems that support both sustainability and cost efficiency in development projects.

Recognizing that responsible design begins with informed decision-making, the team regularly participated in structured product presentations featuring new materials, construction methodologies, and performance-driven solutions. These sessions enhanced architects’ expertise in specification writing while strengthening their technical understanding of various brands, systems, and engineering approaches.

GERI-STED: Embedding Sustainability at the Design Stage

In 2025, GERI wove sustainability into the very fabric of estate development by launching the GERI-STED (Sustainable Tourism Estate Development) Rating Tool. Established by the Master Planning team, this in-house framework establishes clear sustainability benchmarks that shape every planning decision for tourism and mixed-use estates. **Embedded** at the earliest stages of conceptual and master planning, the tool translates sustainability principles into measurable criteria that guide both design and implementation.

The tool is a structured framework that evaluates eight core components, each assigned a specific weight, collectively comprising 100% of the total sustainability rating. The rating is determined by evaluating each component against set indicators, applying its assigned weight, and combining the results to arrive at the estate’s overall sustainability rating. The closer the total weighted score is to the maximum possible score, the higher the estate’s sustainability performance and overall rating.

1. **Environmental Responsive Design (15%)** GERI prioritizes responsible site planning and landscape integration, requiring at least 75% landscape replacement area to preserve ecological balance and reinforce natural identity within developments.
2. **Reduce Consumption (10%)** Smart tracking technologies are deployed to monitor resource use, alongside structured land allocation (minimum 3%) dedicated to utility infrastructure, supporting efficient energy and water management.
3. **Active Mobility (15%)** Developments incorporate blue zone concepts and ensure that at least 50% of mobility options promote walking, cycling, or low-carbon transport, encouraging healthier and more sustainable lifestyle patterns.
4. **Waste Management (10%)** All estates must achieve 100% regulatory compliance, supported by modular Sewage Treatment Plants (STP) and Materials Recovery Facilities (MRF) to ensure responsible waste and wastewater handling.
5. **Intentional Growth and Innovation (15%)** Smart Estate Administration systems are implemented to ensure operational efficiency and transparency. Estates allocate a

minimum 250 sq.m. lot for Estate Management Offices to support organized and responsive governance.

6. **Experiential Immersion (10%)** User-friendly estate navigation and modular marketing pods enhance visitor and resident engagement, strengthening the identity and experiential value of each development.

7. **Health, Safety & Well-being (15%)** GERI enforces estate-wide Environmental, Health, and Safety (EHS) standards in compliance with DOLE regulations. At least 50% of developments are allocated to green open spaces, reinforcing physical well-being and climate resilience.

8. **Social Responsibility & Inclusion (10%)** CSR initiatives are embedded into estate operations, with a minimum 500 sq.m. nursery and activation area to support community programs and environmental initiatives.

This framework strengthens GERI's position as a developer of integrated tourism estates that are environmentally responsible, socially inclusive, operationally resilient, and aligned with long-term value creation. With its measurable standards, GERI-STED unites planning, architecture, engineering, and regulatory teams, fostering a shared vision for sustainable land use, resource management, and environmental harmony.

Climate Adaptation and Resilience

In GERI, climate resilience is embedded into estate design through engineering controls and spatial planning. Drainage systems, slope protection structures, and compact sewage treatment plants reduce vulnerability to flooding, landslides, and water pollution.

Low-impact mobility features and walkable estate layouts encourage reduced reliance on vehicles while promoting adaptive use of public spaces. These initiatives align with the Climate Change Act of 2009 (RA 9729), which calls for climate-resilient development planning. Engineering and design also measure further enhanced resilience. Compact sewage treatment plants were incorporated to safeguard water quality in compliance with the Philippine Clean Water Act of 2004 (Republic Act No. 9275). Walkable layouts and inclusive public spaces also encouraged low-impact mobility, consistent with the Climate Change Act of 2009 (Republic Act No. 9729).

Through climate-responsive design and proactive environmental management, GERI strengthens the long-term resilience of its destinations amid evolving climate risks.

Engineering Resilience Through Responsible Site Development

GERI integrates slope protection and soil stabilization measures into estate development to address erosion, surface runoff, and land stability risks associated with upland and sloped sites. These engineering interventions form part of the Company's broader approach to climate adaptation within its master planned communities.

The use of gabion wall systems allows structural reinforcement while supporting vegetation growth through stone filled frameworks. Soil nailing combined with hydroseeding techniques further stabilizes exposed slopes by anchoring soil layers and promoting plant establishment. This combination of structural and vegetative solutions reduces erosion potential and improves water absorption across developed areas.

At Arden Botanical Estate, these measures were applied during construction to strengthen slope integrity while maintaining the environmental character of the site. The integration of vegetation with engineered support systems enhances durability and reduces vulnerability to intense rainfall events.

By embedding resilient site engineering into its development standards, GERI advances its commitment to responsible land use and adaptive infrastructure across its portfolio.

PROSPERITY: Driving Economic Growth & Innovation

GERI's Prosperity pillar reflects the Company's commitment to sustaining economic performance while strengthening governance, innovation, and responsible business practices. As a developer of integrated tourism estates and lifestyle communities, GERI recognizes that long-term value creation depends not only on financial results, but also on ethical conduct, strong risk management, and trusted partnerships.

In 2025, GERI focused on impactful growth, market presence, digitalization, and good governance to ensure that its expansion contributes to both shareholder value and national development priorities.

Impactful Growth

- **Economic Performance**
- **Market Presence**
- **Digitalization**

Good Governance

- **Enterprise Risk Management**
- **Business Ethics and Integrity**
- **Vendor Accreditation**

Impactful Growth

Economic Performance

3-3, 201-2, 203-2

The Company's financial condition is assessed using indicators of growth, stability, and operational performance. GERI and its subsidiaries regularly track sales results and foot traffic and apply risk management measures to ensure compliance with financial regulations and standards. Financial performance is reported through quarterly and annual disclosures to investors and other stakeholders.

Direct economic value generated and distributed (In Philippine Peso, Php) [\[201-1\]](#)

Disclosure	2022	2023	2024	2025
Direct economic value generated (revenue)	7,330,290,215.00	8,338,664,616.00	8,886,519,613.00	8,937,588,792.00
Direct economic value distributed	5,243,729,964.00	6,228,436,632.00	6,729,913,042.00	6,681,299,295.00
a. Operating costs	2,581,603,378.00	3,344,521,860.00	3,121,913,180.00	2,538,135,715.00
b. Employee wages and benefits	521,887,145.00	713,866,818.00	916,812,731.00	1,077,570,562.00
c. Payments to suppliers, other operating costs	1,415,334,174.00	1,331,311,716.00	1,796,068,211.00	2,063,819,795.00
d. Dividends given to stockholders and interest payments to loan providers	22,101,652.00	17,323,448.00	345,576,030.00	357,323,639.00
e. Taxes given to government	702,803,615.00	821,412,790.00	549,542,890.00	644,449,584.00
Economic value retained	2,086,560,251.00	2,110,227,984.00	2,170,718,559.00	2,256,289,497.00

GERI maintained stable operating performance in 2025, with results broadly aligned with the previous year. The Company generated direct economic value amounting to Php 8.94 billion, marking a 0.57% increase from Php 8.89 billion in 2024. The increase is attributed to higher rental income recorded during the year.

Economic value distributed reached Php 6.68 billion, representing a 0.72% decrease from Php 6.73 billion in 2024. The decline was mainly due to lower costs related to hotel operations and real estate sales. Operating costs amounted to Php 2.54 billion, while payments to suppliers and other operating costs totaled Php 2.06 billion, forming the largest share of the Company's cost structure. Employee wages and benefits reached Php 1.08

billion, reflecting continued support for the workforce. Dividends given stockholders and interest payments to loan providers amounted to Php 357.32 million, while payments to the government were recorded at Php 644.45 million. The overall reduction in economic value distributed aligns with the decrease in cost levels across key operating areas.

The Company reported Php 2.91 billion in profit before tax for 2025. Economic value retained stood at Php 2.26 billion, reflecting a 4.62% increase from Php 2.16 billion in 2024. The increase was mainly due to the decrease in costs and expenses during the year, resulting in a larger portion of generated value remaining within the business.

Boracay New Coast and Lialto Sales and Marketing team underwent a strategic rebranding, transitioning from *Team Platinum* to *Team Leisure*. The shift reflects a stronger alignment with the estate's leisure-focused identity and evolving market positioning. More than a name change, the transformation represents renewed energy, resilience, and a unified team spirit as they strengthen investor confidence and elevate the destination's brand presence.

Consequently, MGEI South underwent a year marked by organizational improvement, stronger collaboration, and purposeful progress. Internal processes were streamlined, and both sales and support teams were restructured to operate more efficiently. Its sales network expanded to reach more households, investors, and partners, while partnerships with community stakeholders were strengthened, with an emphasis on social and environmental contributions through wellness-oriented, eco-conscious programs. These initiatives were aligned with GERI's wider objective of delivering value to clients and neighboring communities.

The township also introduced holistic lifestyle offerings, including biohacking, to help residents experience the advantages of a nature-focused environment. As development advances toward the launch of Nascala Coast, the township aims to uphold respect for natural systems, strengthen community ties, and create enduring value for future generations.

Upcoming projects across Hamptons Caliraya, Nascala Coast, Sherwood Hills, Eastland Heights, and Boracay Newcoast further strengthened GERI's development pipeline and expanded its market footprint. These developments supported continued revenue generation while stimulating construction activity and service demand in host communities.

Through timely delivery and responsible growth, GERI continues to create value for shareholders while contributing to the broader economy through employment, tourism activity, and local procurement.

Strengthening Market Confidence Across Estates

GERI's 2025 growth performance was supported by coordinated sales activation, estate positioning, and market visibility efforts across multiple developments. Several marketing teams reported measurable momentum in demand and investor engagement. This year emerged as a year of renewed investor confidence, driven by stronger brand visibility, expanded global outreach, and revitalized market activity across estates.

Arden Botanical Estate recorded over Php 1 billion in sales, surpassing prior year

performance following the implementation of a comprehensive sales activation framework. The initiative strengthened internal coordination and improved market responsiveness, contributing to sustained transaction volume.

Boracay Newcoast reported strengthened investor confidence supported by enhanced brand visibility and expanded outreach across domestic and international channels. Marketing initiatives emphasized long term estate value and destination positioning, reinforcing buyer interest.

Sta. Barbara Heights highlighted increased commercial foot traffic in Mercato Sta. Barbara and steady sales from recurring open house events. The groundbreaking of Abba Montessori School in Sta. Barbara Heights further strengthened the estate's value proposition, while consistent monthly open house events maintained visibility and engagement throughout the year. Twin Lakes and The Hamptons Caliraya likewise noted estate activation efforts such as destination events that supported sustained property demand.

These coordinated efforts reflect how market confidence is reinforced not only by product offerings, but also by consistent engagement, activation, and structured sales systems across estates.

Financial implications due to climate change

As a tourism estate developer, GERI is exposed to material financial risks arising from climate change. Earthquakes, typhoons, flooding, and other extreme weather events can disrupt operations and constrain business activities, potentially reducing productivity and increasing operating costs.

To address these challenges, GERI evaluates climate-related vulnerabilities and incorporates the results into its corporate strategy. The Company has introduced rent relief and cost-efficiency programs, and has also obtained additional funding from partner banks and its Parent Company to safeguard the continuity of operations under changing climate conditions. Through these actions, GERI seeks to reduce exposure to climate risks, pursue long-term opportunities, and strengthen overall business resilience.

TCFD Pillar	Disclosure
Governance	Board Oversight: The Board provides supervision of climate-related issues and ensures they are embedded within GERI's governance framework. Senior Management Role: Management is responsible for implementing climate-related strategies within their respective functions, supported by formal review mechanisms and clearly defined accountabilities.
Strategy	Climate-related risks and opportunities are incorporated into the Company's overall business strategy. Key initiatives include investments in renewable energy, improvements in energy efficiency across developments, and the construction of climate-resilient infrastructure to respond to evolving climate conditions. These efforts support both operational sustainability and long-term financial performance.

TCFD Pillar	Disclosure
Risk Management	An integrated risk management system is used to identify, evaluate, and manage climate-related risks. This framework addresses potential impacts from extreme weather events, operational disruptions, and supply chain weaknesses. All GERI's current projects and properties are ensured for any climate-related risks.
Metrics and Targets	The Company monitors reductions in greenhouse gas emissions, improvements in energy efficiency, and overall environmental performance to inform future investments and strategies. Having achieved carbon neutrality in Scope 1 and Scope 2 emissions, the Company is now focused on further reducing its Scope 3 emissions where feasible. Targets are benchmarked against industry standards and regulatory requirements, with ongoing efforts to improve energy and water use efficiency across operations.

Tax Approach, Governance, and Strategy

[207-1](#), [207-2](#), [207-3](#), [207-4](#)

Tax compliance remains a fundamental cornerstone of GERI's role in the country's development. As an integrated tourism estate corporation with projects across the Philippines, the Company understands the importance of tax transparency in the development of the communities where its projects are located.

In 2025, GERI's Finance Department enhanced its tax and financial regulatory framework through continuous digitalization efforts. Beyond this, GERI also received an unqualified audit opinion on its 2024 audited financial statements, which complied with accounting principles and tax reporting requirements. As part of efforts to manage tax obligations, moreover, the partial implementation of the NOAH Accounting System automated handling of documents and monitoring in a manner consistent with the guidelines provided in the Ease of Paying Taxes Act or Republic Act No. 11976 to ensure a smooth and online tax reporting and payment process through the Bureau of Internal Revenue (BIR).

These enhancements align with the Department of Finance's deliberate efforts to move toward a digital taxation system, which would reduce compliance costs and enhance tax integrity, according to the Department of Finance (DOF) and Bureau of Internal Revenue (BIR). Simplified tax processes would enable accurate payment of national and local taxes arising from their estate businesses, retail operations, and employment.

GERI boosts investor confidence, helps the government generate revenue, and makes a significant contribution to inclusive economic growth. This is a prudent strategy that ensures the Company's development of tourist estates has a financial value that benefits the organization and the Philippine economy.

Disclosure*	Description
Names of the resident entities	Global-Estate Resorts, Inc.

Primary activities of the organization	Development of integrated tourism and leisure estate
Number of employees, and the basis of calculation of this number	-
Revenues from third-party sales	8,937,588,792.00
Revenues from intra-group transactions with other tax jurisdictions	757,193,871.51
Profit/loss before tax	2,900,739,081.00
Tangible assets other than cash and cash equivalents	34,052,048,168.00
Corporate income tax paid on a cash basis	-
Corporate income tax accrued on profit/loss	644,449,584.00
Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax	-
The time period covered by the information reported	January 1, 2025 to December 31, 2025

Legend: "-" indicates data is unavailable

Market Presence

3-3

GERI recognizes that employing local talent offers valuable insights into regional preferences and market conditions. By drawing on community members' knowledge and lived experience, the Company ensures estate operations are responsive to local needs and challenges, enabling solutions rooted in the community. GERI further affirms that prioritizing local hiring strengthens its market presence and fosters deeper, trust-based relationships with customers.

Market Presence (in %) [202-2]

Disclosure	2022	2023	2024	2025
Proportion of senior management hired from the local community	100%	100%	100%	100%

GERI's developments consistently demonstrate a strong commitment to local hiring, with 100% of senior management positions filled by community-based talent from 2022 to 2025. This practice ensures that leadership teams are deeply attuned to local contexts, enabling estate operations to reflect regional culture, preferences, and evolving market dynamics.

For purposes of this disclosure, "senior management" refers to the incumbent Executive Officers of GERI. The Company defines "local" as within the Philippines. Significant locations of operation are likewise defined as operations within the Philippines.

GERI's developments support both direct and indirect employment across its estates and surrounding communities. Direct employment is generated through construction activities, estate management, hotel operations, and corporate functions. Indirect employment is created through demand for goods and services from contractors, suppliers, transport providers, and service enterprises operating in and around the estates.

In tourism-oriented locations such as Boracay, Tagaytay, and Iloilo, GERI's estates contribute to increased demand for:

- local transport services
- food and retail suppliers
- maintenance and utilities providers
- small-scale service businesses.

GERI supports local business participation by working with local contractors and suppliers where feasible and by coordinating with local government units on development activities. Estate-based initiatives, such as community markets and retail zones, also provide opportunities for small and medium enterprises to operate within or near GERI developments.

In 2025, through the efforts of the Utility Compliance Group (UCG), power and telecommunications connections were successfully activated for Tulip Gardens – Burgundy, ensuring stable and reliable utility access to support residential occupancy and operational readiness. This activation strengthened estate functionality, enhanced service reliability for unit owners, and reinforced the development's readiness to support sustained commercial and residential activity.

Through these mechanisms, GERI's operations help stimulate economic activity beyond its direct business footprint and contribute to broader community livelihoods.

Digitalization

Digitalization remains a key enabler of GERI's sustainability strategy. The Company continues to invest in digital tools to improve operational efficiency, strengthen accountability, and enhance coordination across its estates and corporate functions. These digital initiatives support more responsible resource use, streamlined processes, and improved service delivery.

With the increase in the size and complexity of estate operations, GERI has invested in technology that enhances efficiency, accountability, and collaboration, creating a more confident environment for internal teams and the estate to operate in.

Several projects exemplified this strategic focus. There were internal projects such as iResolve, virtual operation centers, and the Sprout ecosystem that improved teamwork across the estates, enabling faster response to operational issues, greater visibility, and improved workflows. Finance and administration functioned through the partial implementation of the NOAH accounting system, paperless processing, digital clearance, and digitized documentation.

Digital tools used to interact with customers also contributed to this outcome. The Accounts Management teams began using digital surveys, online forms for accepting units, and online turnover options, which increased accessibility, especially for buyers operating their businesses from multiple locations.

This aligns with the national agenda outlined in the Philippine Digital Transformation Strategy, which emphasizes promoting the adoption of digital solutions to increase productivity. The Data Privacy Act also ensured that the innovation was responsible.

Systems that are constantly improved enable people and businesses to function effectively. GERI builds a platform that enables scaling, enhances services, and fosters growth through a step-by-step digital evolution.

The AMD department conducted virtual handovers for buyers overseas or in remote locations. Through video presentations and online account reviews, buyers can review their units without visiting the venue in person. This approach reduces the carbon footprint and transportation costs while providing a convenient, cost-efficient experience for clients.

Driving Efficiency Through Digital Transformation

In 2025, GERI fast-tracked its digital transformation, unlocking greater operational efficiency, reducing resource use, and empowering departments with stronger governance systems.

The ITC team introduced a Hyper-Converged Infrastructure (HCI) server powered by all-solid-state drives, dramatically cutting power use and heat in the data center. This upgrade reduced cooling requirements and boosted reliability and speed. At the same time, greater adoption of cloud platforms like Google Workspace enabled seamless collaboration and reduced physical storage requirements.

Across business units, paper-based processes transitioned to digital platforms. The Accounts Management Department implemented digital documentation and virtual turnover procedures, minimizing paper use and reducing travel-related emissions. Human Resources digitized employee clearance processes, while Finance advanced automation in regulatory reporting through system upgrades aligned with the Ease of Paying Taxes Act.

These initiatives demonstrate how digital innovation fuels both operational excellence and environmental responsibility. By upgrading infrastructure and refining workflows, GERI boosts data integrity, sharpens customer service, and lessens environmental impact, positioning technology as a catalyst for lasting value.

Good Governance

Enterprise Risk Management

GERI adopts a proactive and integrated approach to risk management to safeguard its business, assets, and stakeholders while supporting long-term sustainable growth. Risks are identified, assessed, monitored, and mitigated across business units through established internal controls, regulatory compliance mechanisms, and operational oversight. In 2025, the Company strengthened its risk management framework in response to expanding project

developments, renewable energy integration, and increasing regulatory and sustainability requirements.

- **Competition Risk**

GERI operates in a competitive real estate and township development environment characterized by increasing demand for sustainable, lifestyle-oriented developments. Competition arises from both established and emerging developers offering similar residential, leisure, and commercial projects.

To mitigate this risk, GERI differentiates itself through master-planned leisure townships, strong branding, and integration of sustainability features such as renewable energy use, green open spaces, and community-oriented developments. Continuous product innovation, strategic upcoming projects, and strengthened market presence support the Company's competitive positioning.

- **Market Risk**

Market risk arises from changes in property demand, buyer preferences, and overall economic conditions that may affect sales performance and asset values. Shifts in consumer expectations toward sustainability, lifestyle quality, and digital engagement also influence market dynamics.

GERI addresses this risk through diversified project portfolios across geographic locations, flexible development phasing, and strengthened marketing strategies. In 2025, marketing initiatives emphasized eco-forward development, community-building, and responsible tourism, allowing the Company to respond effectively to evolving market trends.

- **Liquidity Risk**

Liquidity risk refers to the possibility that GERI may encounter difficulty in meeting its financial obligations as they fall due.

The Company manages this risk by maintaining prudent cash flow management, close monitoring of receivables, and disciplined capital expenditure planning. Digitalization of financial and accounting processes in 2025 improved reporting timeliness and visibility over cash positions. GERI continues to ensure access to sufficient funding sources to support ongoing developments and operational needs.

- **Regulatory and Compliance Risk**

GERI is subject to various environmental, construction, and business regulations imposed by national and local government authorities. Failure to comply with these requirements could result in penalties, project delays, or reputational damage.

In 2025, the Company strengthened its compliance posture through full regulatory reporting, digitalized processes, and closer coordination with regulatory agencies. The EHS Group achieved 100% compliance in required reportorial submissions and recorded zero Notices of Violation, reinforcing the Company's commitment to lawful and responsible development.

- **Interest Rate Risk**

Interest rate risk relates to the potential impact of fluctuating interest rates on financing costs and profitability.

GERI manages this exposure by structuring its borrowings with a mix of fixed and variable interest rates and by aligning project financing with projected cash flows. Ongoing monitoring of interest rate movements allows management to adjust funding strategies as necessary.

- **Construction and Development Risk**

Construction and development risk includes potential delays, cost overruns, supply chain disruptions, and safety incidents that may affect project timelines and quality.

In 2025, GERI advanced multiple residential and commercial developments while maintaining strict adherence to safety and environmental standards. Project Management and Engineering teams implemented waste segregation, on-site nurseries, eco-friendly materials, and erosion control measures. Regular audits, contractor coordination, and compliance checks helped mitigate operational and environmental risks.

- **Political and Economic Risk**

GERI's operations may be affected by political changes, policy shifts, inflation, and macroeconomic fluctuations that influence investor confidence and consumer spending.

The Company mitigates this risk by maintaining diversified project locations, strengthening community partnerships, and aligning developments with long-term tourism and residential demand. Sustainable township planning and social development programs further support business continuity amid changing external conditions.

- **Legal and Litigation Risk**

Legal and litigation risk arises from potential disputes related to contracts, regulatory matters, or property transactions.

GERI manages this risk through proper documentation, compliance with legal requirements, and close coordination with regulatory agencies. Regulatory Compliance and Planning teams ensure that permits are secured and maintained prior to project implementation, reducing exposure to legal challenges and project interruptions.

- **Foreign Exchange Risk**

Foreign exchange risk arises from transactions and obligations denominated in foreign currencies, which may be affected by currency fluctuations. The Company minimizes exposure by primarily conducting transactions in Philippine Peso and carefully managing any foreign currency-related commitments. Foreign exchange movements are monitored to assess potential financial impact.

- **Credit Risk**

Credit risk refers to the possibility of loss arising from customers or counterparties failing to meet their contractual obligations.

GERI manages this risk through structured buyer screening, installment payment monitoring, and strengthened digital tracking of accounts. In 2025, improved automation and customer engagement enhanced collection efficiency and customer trust, contributing to better credit management outcomes.

Business Ethics and Integrity

2-15, 2-23, 3-3, 205-1, 205-3, 206-1

Business ethics define the values and standards that guide responsible conduct. At GERI, these principles are integrated into daily operations, from decision-making to stakeholder engagement. This approach reinforces integrity and helps build long-term, trust-based relationships.

GERI maintains formal policy commitments that guide responsible business conduct across its operations and business relationships. These commitments are set out in the Company's Code of Business Conduct and Ethics and related corporate policies, which require compliance with applicable laws, promote ethical behavior, and uphold respect for human rights. The policies reflect a precautionary approach to managing risks by requiring adherence to environmental, health, and safety standards and by preventing labor exploitation and unethical practices.

These policies establish standards on integrity, fair dealing, conflict of interest, and proper use of Company assets and information, and apply to directors, officers, and employees.

GERI's human rights commitment covers internationally recognized principles, including non-discrimination, freedom from forced and child labor, safe and healthy working conditions, and fair treatment in employment. These commitments apply to employees, contractors, and business partners engaged in the Company's estates and projects.

These policies are approved by the Company and made publicly available on the Company's website. The Company implements its policy commitments through its Code of Business Conduct and Ethics and related corporate policies, which apply to directors, officers, and employees, and require compliance with applicable laws and established standards of conduct in the performance of duties.

The Company maintains mechanisms for reporting concerns and violations of these policies. Oversight of compliance is carried out through the Company's governance structures, including the Board and its committees, as well as management. Reported violations of its Code of Business Conduct and Ethics are subject to review and appropriate action in accordance with established procedures. Violations of Company policies may result in disciplinary actions or penalties. The Company also encourages the reporting of concerns and provides protection against retaliation for individuals who report in good faith.

GERI operates in a controlled environment for property development and tourism activities, where equal treatment in competition is imperative to sustain investment confidence and consumer trust. The Company reaffirmed its commitment to operating in a manner consistent with sound business ethics by integrating compliance-driven controls across various operations, including finance, purchasing, sales facilitation, and estate management.

This is achieved by adhering to the Philippine Competition Act (RA 10667), which prohibits anti-competitive agreements, abuse of market dominance, and anti-competitive mergers and acquisitions, and is enforced by the Philippine Competition Commission. The Philippine Competition Commission stated that the sectors involved in real estate, tourism, and mixed-use developments are expected to have transparent pricing, fair contract terms, and open market participation.

Accordingly, the digitalization of processes, documentation, and financial systems makes it easier to identify inconsistencies and strengthens compliance mechanisms, thereby

increasing transparency and supporting fair business practices with clients, contractors, and partners in estates managed by GERI. Finances, account management, and operations are brought together to facilitate uniform pricing, billing, and provision.

Under the Philippine Competition Act, maintaining fair competition is essential to protecting consumers and ensuring an efficient marketplace, aligning with GERI's principles that promote responsible growth through innovation, choice, and transparency.

CORPORATE FRAMEWORKS AND POLICIES

- **Conflicts of Interest**

This policy supports fair and objective decision-making. Directors, senior management, and employees are required to act in the best interest of the Company and to disclose any personal or business relationships with contractors or suppliers. Where potential conflicts may compromise impartiality, individuals are required to inhibit themselves from related decisions or step aside, as appropriate.

GERI manages conflicts of interest through its publicly disclosed Conflict of Interest Policy and Code of Business Conduct and Ethics, which applies to directors, senior management, and employees. The policy requires the disclosure of any actual or potential conflicts and the inhibition of affected individuals from participating in related decisions. Directors and employees are prohibited from using their positions for personal gain or from entering into transactions that could compromise impartial judgment.

Conflicts of interest are disclosed to stakeholders through statutory and regulatory filings, where applicable. These include disclosures on:

- cross-board memberships of directors;
- relationships with suppliers or other stakeholders that may give rise to conflicts;
- the existence of controlling shareholders; and
- related parties, their relationships, transactions, and outstanding balances, in accordance with regulatory requirements.

Further details on conflict-of-interest controls, related-party transaction policies, and ownership structures are available in the Company's corporate governance disclosures and statutory reports, as cited in the **GRI Content Index**.

- **Conduct of Business and Fair Dealings**

In 2025, GERI applied its internal controls and Code of Business Conduct and Ethics across its operations to manage corruption-related risks. Due to confidentiality constraints on internal risk assessment processes, the Company does not disclose the total number or percentage of operations formally assessed for corruption risks. No confirmed incidents of corruption were recorded during the reporting period. The Company likewise did not conduct separate anti-corruption training programs by region or employee type, as anti-corruption policies and controls are integrated into standard onboarding, corporate governance briefings, and internal communications applicable across the organization.

- **Receiving Gifts from Third Parties**

Employees are strictly prohibited from requesting or accepting gifts, favors, or benefits from suppliers or contractors. Policies such as the Policy on Receiving Gifts

from Supplier also prevent third parties from offering gifts to directors, senior management, or employees and prohibit collusion or improper arrangements with bidders.

- **Compliance with Laws and Regulations**

GERI complies with all applicable laws and regulations, including the Data Privacy Act, the Anti-Money Laundering Act, and the National Integrated Protected Areas System Act, among others.

- **Respect for Trade Secrets and Use of Non-Public Information**

The Company enforces an Insider Trading Policy to protect trade secrets and confidential information. Directors and employees are required to restrict access to non-public information to authorized individuals and to refrain from unauthorized disclosure.

- **Use of Funds, Assets, and Information**

GERI upholds transparency and accountability in the management of Company funds, assets, and information. The Internal Audit Department supports this commitment through internal controls, risk management practices, and governance processes, including compliance monitoring, reporting, and asset protection.

- **Employment, Labor Laws, and Policies**

The Company demonstrates its commitment to employee welfare through health, safety, and employee well-being policies. Employees are provided with inpatient and outpatient benefits under a Health Maintenance Organization (HMO), and GERI complies with all government-mandated labor laws.

- **Disciplinary Actions**

Clear procedures are in place to promote compliance with Company policies. GERI applies appropriate disciplinary measures in cases of policy violations or unethical conduct involving employees or contractors.

- **Whistleblowing**

GERI maintains a Whistleblowing Policy that allows the confidential and anonymous reporting of misconduct or unethical behavior directly to the Director or President. Protective measures are in place to safeguard whistleblowers and confidential sources. During the reporting period, no critical concerns were communicated to the Board through the Company's formal reporting and grievance mechanisms. Matters raised through these channels were addressed at the appropriate management level in accordance with established procedures and did not require escalation to the highest governance body. The Board continues to oversee the effectiveness of these mechanisms as part of its governance and risk management responsibilities.

- **Conflict Resolution**

The Company has established mechanisms for resolving disputes involving employees, stakeholders, or suppliers in a manner that upholds ethical standards and preserves professional relationships.

- **Policy on Employee Health, Safety, Welfare, and Training**

All employees are covered by the Company's Health Maintenance Organization (HMO), which provides both in-patient and out-patient care, as well as preventive health programs and medical services. The Company also maintains established safety and security programs, supported by appropriate procedures and facilities, to

ensure a safe working environment. To support employee development, the Company established the Training and Organization Development Department (TODD), which leads the implementation of skills-based, behavioral, and essential training programs, including occupational health and safety (OHS) and disaster preparedness initiatives.

- **Related Party Transaction Policy**

Company ensures that all related party transactions are conducted on terms that are comparable to prevailing market conditions and in the best interests of the Company, conformably with its Related Party Transaction Policy. These transactions are regularly monitored and fully disclosed in the notes to the Company's financial statements. To uphold transparency and accountability, officers with potential conflicts of interest are not involved in the review or approval of such transactions.

In support of these frameworks, GERI conducts regular training and awareness programs to strengthen understanding of anti-corruption policies among employees, senior management, and business partners.

Training and Development Programs

Employee development is supported through the Organization Development and Training Unit (ODT), which conducts programs on project management, disaster preparedness, and basic occupational health. The Unit also introduced the Work Instruction Creation Program to develop skills- and competency-based training materials.

Beyond establishing a comprehensive suite of policies and frameworks that clearly define GERI's business standards, the Company has conducted targeted training to strengthen awareness of its anti-corruption policies among business partners, senior management, and employees.

Communication and training on anti-corruption policies and procedures (in %) [\[205-2\]](#)

Disclosure*	2023	2024	2025
Directors to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Directors and management that have received anti-corruption training	100%	100%	100%

Legend: "-" indicates data is unavailable

From 2022 to 2025, GERI made significant progress in communicating and implementing its anti-corruption policies. In 2022, data was limited, and no formal communication or training was provided to directors, employees, or business partners. By 2023, GERI ensured all directors, employees, and business partners received anti-corruption policies, maintaining complete coverage through 2025.

Anti-corruption training for directors and management reached 100% participation from 2023 onward, reflecting GERI's commitment to ethical leadership. Although no additional employee training occurred in 2025, ongoing policy dissemination maintained high awareness. Reinforcing anti-corruption commitments during contract signings with business partners also demonstrates GERI's dedication to ethical practices beyond its internal operations.

- **Data Privacy Act**

GERI renewed the registration of its Data Processing System in compliance with National Privacy Commission requirements and remains committed to protecting customers' and employees' personal data from unauthorized access and use. The HRMD and the IT group work closely together to ensure the security of employee data.

- **Anti-Money Laundering Act (AMLA)**

As a covered entity under the Anti-Money Laundering Act (AMLA), the company strictly complies with all applicable guidelines and policies. In 2025, GERI Group conducted a refresher training on Anti-Money Laundering (AML) and Counter-Terrorism Proliferation Financing (CTPF), utilizing the free programs offered by the Anti-Money Laundering Council (AMLC). The training reinforced the importance of AML and CTPF measures, ensuring that employees are equipped to perform customer due diligence, identify and report suspicious transactions, and adhere to established compliance procedures. In addition, GERI has integrated AML awareness into its New Hire Employee Orientation Program to instill compliance consciousness from the outset.

These measures help safeguard the integrity of GERI and its subsidiaries and have resulted in zero reported incidents of corruption or legal cases across all operations, including those involving employees and business partners. During the year, GERI likewise made no political contributions or donations to any political party or individual and reported no cases of anti-competitive behavior or violations of anti-trust and monopoly legislation.

Vendor Accreditation

3-3, 414-2

Responsible procurement is central to GERI's sustainability commitments. In 2025, the Company strengthened its supplier accreditation process to ensure that vendors meet defined standards on technical capability, labor compliance, and ethical conduct before engagement. For the purpose of this disclosure, "local" suppliers are defined as suppliers operating within the Philippines, while "significant locations of operation" refer to GERI's development sites and estates nationwide where procurement activities take place.

Proportion of spending on local suppliers (in %) [\[204-1\]](#)

Disclosure	2022	2023	2024	2025
Procurement budget used for significant locations of operations that is spent on local suppliers	99	99	99	99

Supplier Assessment (in %) [\[414-1\]](#)

Disclosure	2022	2023	2024	2025
Suppliers screened using social criteria	100	100	100	100

Digitalization of procurement documentation improved transparency and consistency in supplier evaluation, reducing manual discrepancies and supporting traceability across transactions. Supplier assessments extended beyond cost considerations to include compliance with labor laws and workplace safety standards, reinforcing responsible sourcing practices.

Such practices are integrated with national frameworks and policies. Fair and transparent procurement practices, for instance, as administered under Philippine Competition Act (Republic Act No. 10667), protect against anti-competitive practices and market distortion. On another note, screening suppliers enable compliance with labor and safety standards as governed by DOLE guidelines, among other safety standards for enhanced responsible sourcing practices.

Throughout the year, the Company sustained strong partnerships with contractors and suppliers by maintaining regular communication during project construction and material delivery. By actively assisting in the facilitation of payments, the team reinforced trust, operational continuity, and collaborative working relationships across developments. And through improved procurement and vendor evaluation practices, GERI can ensure their sites are not only developed through an efficient process but through one that is responsible as well, committed to ethical development.

GRI Content Index

Statement of use	Global-Estate Resorts, Inc. has reported in accordance with the GRI Standards for the period January 1, 2025 to December 31, 2025 .
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	3, 5	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization’s sustainability reporting	3, 5				
	2-3 Reporting period, frequency and contact point	3				
	2-4 Restatements of information	Throughout the report				
	2-5 External assurance	External assurance not conducted in 2025 ASR				
	2-6 Activities, value chain and other business relationships	5 2-6 b iii See GERI-2025-DIS Pages 91-93 2-6 c See Global-Estate-Resorts-Inc. 2025-General-Information-Sheet				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
		2-6 d There are no significant changes compared to the previous reporting period				
	2-7 Employees	31				
	2-8 Workers who are not employees	33				
	2-9 Governance structure and composition	8, 15 2-9 cii See GERI Executive Committee 2-9 c vi See GERI-2025-DIS Item 5 Pages 12 to 17				
	2-10 Nomination and selection of the highest governance body	8, 15				
	2-11 Chair of the highest governance body	None	2-11 a, b	Not applicable	The Chairperson of the Board, Mr. Andrew Tan, is also the Chief Executive Officer of the Company	
	2-12 Role of the highest governance body in overseeing the management of impacts	8, 15				
	2-13 Delegation of responsibility for managing impacts	8, 15				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-14 Role of the highest governance body in sustainability reporting	8 The Board reviews and approves GERI's annual sustainability report.				
	2-15 Conflicts of interest	89 2-15 b iv See Code of Business Conduct and Ethics				
	2-16 Communication of critical concerns	Various critical concerns are communicated through committee meetings.				
	2-17 Collective knowledge of the highest governance body	Directors and executive officers attend training and development on corporate governance annually.				
	2-18 Evaluation of the performance of the highest governance body	See Manual on Corporate Governance				
	2-19 Remuneration policies	2-19 See Manual on Corporate Governance Page				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
		23 K. Remuneration of Directors and Officers				
	2-20 Process to determine remuneration	2-20 See Manual on Corporate Governance Page 23 K. Remuneration of Directors and Officers	2-20 a, b	Confidentiality constraints	No disclosure due to Data Privacy	
	2-21 Annual total compensation ratio	None	2-21 a, b, c	Confidentiality constraints	No disclosure due to Data Privacy	
	2-22 Statement on sustainable development strategy	15				
	2-23 Policy commitments	89 2-23 a, b, d, e, f See Code of Business Conduct and Ethics 2-23 c, f See Company Policies 2-23 b.i, b.ii See Whistle-blowing Policy				
	2-24 Embedding policy commitments	5				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-25 Processes to remediate negative impacts	Throughout the report				
	2-26 Mechanisms for seeking advice and raising concerns	41				
	2-27 Compliance with laws and regulations	Throughout the report				
	2-28 Membership associations	None	2-28 a	Information unavailable/ incomplete	GERI has not yet collected the required information	
	2-29 Approach to stakeholder engagement	18				
	2-30 Collective bargaining agreements	41		No labor union		
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	20				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Throughout the report				
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	GRI 101: Biodiversity 2024 will supersede GRI 304: Biodiversity 2016 on 1 January 2026				
	101-2 Management of biodiversity impacts					
	101-3 Access and benefit-sharing					
	101-4 Identification of biodiversity impacts					
	101-5 Locations with biodiversity impacts					



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	101-6 Direct drivers of biodiversity loss					
	101-7 Changes to the state of biodiversity					
	101-8 Ecosystem services					
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	73				
	304-2 Significant impacts of activities, products and services on biodiversity	73				
	304-3 Habitats protected or restored	73				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	73				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	80				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	80				
	201-2 Financial implications and other risks and opportunities due to climate change	80				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	201-3 Defined benefit plan obligations and other retirement plans	None	201-3 a, b, c, d, e	Confidentiality constraints	No disclosure due to Data Privacy	
	201-4 Financial assistance received from government	None	201-4 a, b, c	Confidentiality constraints	No disclosure due to Data Privacy	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	84				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	None	202-1 a, b, c, d	Confidentiality constraints	No disclosure due to Data Privacy	
	202-2 Proportion of senior management hired from the local community	84				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	49, 80				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	49, 58				
	203-2 Significant indirect economic impacts	49, 58, 80				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	93				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	89				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	89				
	205-2 Communication and training about anti-corruption policies and procedures	92				
	205-3 Confirmed incidents of corruption and actions taken	89				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	89				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	89				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	82				
GRI 207: Tax 2019	207-1 Approach to tax	83				
	207-2 Tax governance, control, and risk management	83				
	207-3 Stakeholder engagement and management of concerns related to tax	83				
	207-4 Country-by-country reporting	83				
Materials						



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 3: Material Topics 2021	3-3 Management of material topics	70				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	70				
	301-2 Recycled input materials used	None	301-2 a	Information is unavailable/incomplete	GERI does not currently have the methodology to quantify this disclosure.	
	301-3 Reclaimed products and their packaging materials	None	301-3 a, b	Information is unavailable/incomplete	GERI does not currently have the methodology to quantify this disclosure.	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	64				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64				
	302-2 Energy consumption outside of the organization	65				
	302-3 Energy intensity	65				
	302-4 Reduction of energy consumption	64, 65				
	302-5 Reductions in energy requirements of products and services	None	302-5 a, b, c, d, e	Information is unavailable/incomplete	GERI is still in the process of collecting this information.	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	67				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	67				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	303-2 Management of water discharge-related impacts	67				
	303-3 Water withdrawal	67				
	303-4 Water discharge	67				
	303-5 Water consumption	67				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	60				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	60				
	305-2 Energy indirect (Scope 2) GHG emissions	60				
	305-3 Other indirect (Scope 3) GHG emissions	60				
	305-4 GHG emissions intensity	61				
	305-5 Reduction of GHG emissions	60, 61, 63				
	305-6 Emissions of ozone-depleting substances (ODS)	62				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	62				
Spills						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 306: Effluents and Waste 2016	306-3 Significant spills	None	306-3 a, b, c	Not applicable	Not a material topic	
Waste						

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 3: Material Topics 2021	3-3 Management of material topics	68				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	68				
	306-2 Management of significant waste-related impacts	68				
	306-3 Waste generated	68				
	306-4 Waste diverted from disposal	69				
	306-5 Waste directed to disposal	69				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Information is unavailable/ incomplete	There is currently no environmental criteria included in the assessment of suppliers.	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	None	308-1 a	Information is unavailable/ incomplete	There is currently no environmental criteria included in the assessment of suppliers.	
	308-2 Negative environmental impacts in the supply chain and actions taken	None	308-1 a, b, c, d, e	Information is unavailable/ incomplete	There is currently no environmental criteria included in the assessment of suppliers.	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	31				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	34, 35				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	36, 38				
	401-3 Parental leave	39				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	41				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	47				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	None	403-1 a, b	Not applicable	There are currently no workers who are not employees that are covered by an OHS management system in 2025.	
	403-2 Hazard identification, risk assessment, and incident investigation	45				
	403-3 Occupational health services	45				
	403-4 Worker participation, consultation, and communication on	45				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	occupational health and safety					
	403-5 Worker training on occupational health and safety	45				
	403-6 Promotion of worker health	45				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45				
	403-8 Workers covered by an occupational health and safety management system	None	403-8 a, b, c	Not applicable	There are currently no workers who are not employees that are covered by an OHS management system in 2025.	
	403-9 Work-related injuries	47				
	403-10 Work-related ill health	47				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	42				
	404-2 Programs for upgrading employee skills and transition assistance programs	42				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	404-3 Percentage of employees receiving regular performance and career development reviews	42				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	31				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	32				
	405-2 Ratio of basic salary and remuneration of women to men	None	405-2 a, b	Confidentiality constraints	No disclosure due to Data Privacy	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	31				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	31				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	GERI is currently not unionized.	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None	407-1 a, b	Not applicable	GERI is currently not unionized.	
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	41				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	41				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	41				
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	None	411-1 a, b	Not applicable	Not a material topic	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	58				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	58				
	413-2 Operations with significant actual and	58				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	potential negative impacts on local communities					
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	94				
	414-2 Negative social impacts in the supply chain and actions taken	93				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 415: Public Policy 2016	415-1 Political contributions	None	415-1 a, b	Not applicable	Not a material topic	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	53				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	54				
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	53				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	53				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	55				
	417-2 Incidents of non-compliance concerning product and service information and labeling	53				
	417-3 Incidents of non-compliance concerning marketing communications	GERI did not commit any incident of non-compliance concerning marketing communications in 2025.				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	53				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	56				