17 August 2026

Securities and Exchange Commission
17/F SEC Headquarters, 7907 Makati Avenue
Barangay Bel-Air, Makati City

Attention: **Atty. Oliver O. Leonardo**
Director, Markets, and Securities Regulation Department

Philippine Stock Exchange, Inc.
6th Floor, PSE Tower, 28th Street corner 5th Avenue,
Bonifacio Global City, Taguig City

Attention: **Atty. Johanne Daniel M. Negre**
Head, Disclosure Department

Re: **Comprehensive Corporate Disclosure on Issuance of Shares**
AREIT, Inc.

Dear Mesdames and Gentlemen,

In compliance with Article V, Part A, Section 6 of the Consolidated Listing and Disclosure Rules of the Philippine Stock Exchange, we hereby submit the Comprehensive Corporate Disclosure on the property-for-share swap among AREIT, Inc. (AREIT) with Ayala Land, Inc. (ALI) and its subsidiaries, Capitol Central Commercial Ventures Corp. (CCCVC), Bay City Commercial Ventures Corp. (BCCVC), Makati Cornerstone Leasing Corp. (MCLC), and North Triangle Hotel Ventures, Inc. (NTHVI) (CCCVC, BCCVC, MCLC, and NTHVI are collectively referred to as "Subsidiaries"), as approved by the AREIT Board of Directors in its 10 August 2026 meeting.

The transaction involves issuing 462,481,990 AREIT primary common shares to ALI and the Subsidiaries in exchange for six (6) commercial buildings located in Makati City, Quezon City, and Bacolod City with an aggregate value of ₱17,333,824,985.20, within the fair range of values as validated by a third-party fairness opinion provider.

Please see the attached information for your reference.

Thank you.

MA. FLORENCE THERESE DG. MARTIREZ-CRUZ
Chief Compliance Officer

AREIT, Inc.
Comprehensive Corporate Disclosure on Issuance of Shares

On the issuance of 462,481,990 AREIT primary common shares (the "Shares") to Ayala Land, Inc. ("ALI") and its subsidiaries, Capitol Central Commercial Ventures Corp. ("CCCVC"), Bay City Commercial Ventures Corp. ("BCCVC"), Makati Cornerstone Leasing Corp. ("MCLC"), and North Triangle Hotel Ventures, Inc. ("NTHVI") (CCCVC, BCCVC, MCLC, and NTHVI are collectively referred to as "Subsidiaries"),[1] (ALI and the Subsidiaries are hereinafter collectively referred to as the "Transferors") at an issue price of ₱37.48 per share, set at a premium over the thirty (30)-day volume weighted average price ("30-day VWAP") or the Market Price[2] of ₱37.29, in exchange for six (6) commercial buildings located in Makati City, Quezon City, and Bacolod City, with an aggregate value of ₱17,333,824,985.20, within the fair range of values as validated by a third-party fairness opinion provider.

I. Duly Executed Agreements Relevant to the Proposed Transaction

Definitive agreements on the transaction (as defined below) will be duly disclosed to the Exchange and the Securities and Exchange Commission ("SEC") upon execution. The Company expects to execute the definitive agreements for the transaction on or before October 2026.

II. The Proposed Transaction and Timetable for Implementation and Related Regulatory Requirements

The Company, ALI, and the Subsidiaries will execute a property-for-share swap transaction whereby the Company will issue the Shares to ALI and the Subsidiaries (*as illustrated in Table 2 below*) in exchange for the following identified properties valued at ₱17,333,824,985.20 (the "Transaction"), at an issue price of ₱37.48 per share ("Transaction Price").

Table 1 – Properties Subject of Property-For-Share Swap

Property	Registered Owner	Fair Market Value (in Php)	Transaction Value (in Php)
Glorietta 4	ALI	5,162,510,000.00	5,007,664,757.80
New World Hotel Makati	ALI	2,858,920,000.00	2,726,161,321.44
Ayala Malls Capitol Central	CCCVC*	3,116,840,000.00	3,134,867,828.32
Ayala Malls Cloverleaf	BCCVC*	2,411,620,000.00	2,797,633,132.80
Ayala Malls Circuit	MCLC*	1,977,360,000.00	2,039,348,716.96
Seda Vertis North	NTHVI*	1,705,440,000.00	1,628,149,227.88
Total		**₱17,232,690,000.00**	**₱17,333,824,985.20**

**CCCVC, BCCVC, and MCLC, are wholly-owned subsidiaries of ALI. NTHVI is a wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp. ("AHRC"), a wholly-owned subsidiary of ALI.*
*(collectively, the "**Properties**")*

Table 2 – Breakdown of Shares to be Issued to ALI and Subsidiaries

Stockholder	Number of Shares
ALI	206,345,413
CCCVC	83,641,084
BCCVC	74,643,360
MCLC	54,411,652
NTHVI	43,440,481
TOTAL	**462,481,990**

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[1] *CCCVC, BCCVC, and MCLC, are wholly-owned subsidiaries of ALI. NTHVI is a wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp. ("AHRC"), a wholly-owned subsidiary of ALI.*

[2] ***Market Price** means the volume-weighted average of the closing price for a period of thirty (30) trading days prior to the approval of the transaction (PSE Consolidated Listing and Disclosure Rules, Rule V, Section 3, paragraph (a)). Transaction date refers to the approval of the Board of Directors when issue price was set, or the meeting of the Board of Directors on 10 August 2026.*

The Properties will be used by the Transferors as payment for the Shares. The Transaction will be implemented as a tax-free exchange and is supported by a fairness opinion on the valuation of the Shares and of the Properties prepared and issued by FTI Consulting Philippines, Inc. ("FTI Consulting"), an independent fairness opinion provider accredited by both the SEC and the Philippine Stock Exchange ("PSE"). The Properties have been evaluated by AREIT Fund Managers, Inc. ("AFMI") and have been appraised by Asian Appraisal Company, Inc. ("Asian Appraisal"). The Fairness Opinion issued by FTI Consulting and the Valuation Reports issued by Asian Appraisal are collectively attached hereto as **Annexes A** and **B**, respectively.

The infusion of the Properties into AREIT is in line with the objective of AREIT and its Sponsor, ALI, to grow the asset base of AREIT through the infusion of several high-quality assets to maximize value accretion for AREIT's shareholders.

The Transaction is subject to the approval of AREIT stockholders at the Company's special meeting of stockholders to be held on 23 September 2026.

AREIT will apply for the additional listing of the Shares resulting from the Transaction. The final Transaction Price is set at a premium over the Market Price, which is the 30-day VWAP of ₱37.29. In accordance with the PSE's Consolidated Listing and Disclosure Rules ("PSE Rules"), Article V, Part A, Section 3, paragraph (a), "Market Price" means the volume weighted average of the closing prices for a period of thirty (30) Trading Days prior to the transaction or the date of the approval of the Board of Directors. As such, the Transaction falls within the Exceptions to the conduct of a rights or public offering requirement of the PSE Rules, thus:

> "ARTICLE V
> ADDITIONAL LISTING OF SECURITIES
>
> PART A
> GENERAL
>
> ***
>
> SECTION 3. Exceptions to the Rights or Public Offering Requirement – The Exchange shall grant an exception to the rights or public offering requirement in the following cases:
>
> (a) The transaction price for the shares subscribed is set at a premium over the prevailing market price. Market Price shall mean the weighted average of the closing prices for a period of thirty (30) Trading Days prior to the transaction;
>
> ***"

The exchange of the Shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides that:

> "Section 40. Determination of Amount and Recognition of Gain or Loss –
>
> (C) Exchange of Property – * * *
>
> (2) Exception. – * * *
>
> No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: ***
>
> No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: *Provided*, That stocks issued for services shall not be considered as issued in return for property. ***"

Section 40(C)(2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of *Commissioner of Internal Revenue vs. Filinvest Development Corporation* (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the transferor already has control of the corporation at the time of the exchange.

Further, the case of *Commissioner of Internal Revenue vs. Lucio L. Co, et al.* (G.R. No. 241424, 26 February 2020) reiterated that Section 40(C)(2) applies even in cases where the transferors collectively gain or maintains control of the transferor, as such the Supreme Court "clarified that it is not necessary that, after the exchange, each of the transferors individually gains control of the transferee corporation." The Court explained that the application of Section 40(C)(2) "does not prohibit instances where the transferor gains further control of the transferee corporation" and that "the element of control is satisfied even if one of the transferors is already owning at least 51% of the shares of the transferee corporation, as long as after the exchange, the transferors, not more than five, collectively increase their equity in the transferee corporation by 51% or more."

The Company expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC on or before October 2026, and the issuance of the Electronic Certificates Authorizing Registration ("eCAR") with the relevant office of the Bureau of Internal Revenue ("BIR") within 2027. The SEC's approval of the Transaction is expected to be issued by the end of 2026, and the BIR's eCAR issuance is expected to be issued within 2027. The Company shall likewise apply for the additional listing of shares with the Exchange by Q1 2028. The indicative timetable for implementation of the Transaction is as follows:

Table 3 – Indicative Timetable for Implementation

Special Stockholders' Meeting	23 September 2026
Deed of Exchange Execution	October 2026
SEC Approval (Issuance of Shares and Confirmation of Valuation of the Transaction)	End 2026
Issuance of eCAR	2027
PSE Listing of Additional Shares	1Q 2028

III. The Rationale of the Benefits Expected to Accrue to the Listed Company as a Result of the Proposed Transaction

As the first Philippine Real Estate Investment Trust ("REIT") successfully listed and true to its commitment to diversify and expand its portfolio through constant, accretive asset infusions, AREIT aspires to further grow its leasing portfolio with prime and stable assets. Since its initial public offering ("IPO"), AREIT has delivered on its growth plan, resulting in a 90% total shareholder return from dividend yield and price appreciation, based on the closing price of ₱38.10 on 13 August 2026.

AREIT started with 153 thousand square meters equivalent to ₱30 billion of Assets Under Management ("AUM") in 2020. By December 2021, this has grown to 549 thousand square meters, equivalent to ₱53 billion in AUM. At the close of 2022, AREIT expanded to 673 thousand square meters, equivalent to ₱64 billion in AUM. In September 2023, AREIT further grew its portfolio to 861 thousand square meters and ₱87 billion in AUM, nearly tripling its size since AREIT went public, exceeding its target to double in size within two (2) years from its IPO. AREIT continued to grow its portfolio in 2024, hitting 1.03 million square meters and ₱117 billion in AUM. By end-2024, AREIT's portfolio stands at 1.43 million square meters of building gross leasable area and 286 hectares of industrial land, with an AUM of ₱138 billion. In 2026, AREIT further grew its building portfolio to ₱159 billion in AUM, composed of 1.81 million square meters in gross leasable area and 286 hectares of industrial land. With this asset infusion, AREIT will further grow its building portfolio to over 2.11 million square meters in gross leasable area and 286 hectares of industrial land totaling ₱177 billion in AUM. The new asset infusion of prime commercial buildings will expand, balance, and diversify AREIT's portfolio to capture growth opportunities across various types of real estate and key cities and growth centers in the country, and expand AREIT's portfolio exposure to malls and hotels, further diversifying its asset base.

The Properties are expected to contribute further to AREIT's operating cash flows, boosting dividends per share. At a competitive capitalization rate, the Properties were valued based on a stable level of operating income and the expected yield of the property after considering a long-term sustainable growth for the mall and hotel assets. Notably, the malls will be infused under a direct lease structure, allowing AREIT to capture the full upside of

mall operations and rent escalations rather than a fixed building lease. Meanwhile, the hotels will be infused under a master lease with fixed and variable rent components, providing AREIT with a stable base rental floor while retaining participation in hotel performance upside through the variable lease component. AREIT's dividend yield is approximately 6.7% from its existing assets based on the 30-day VWAP of ₱37.29. The asset-for-share swap will be accretive after the new assets are infused.

The list of Properties to be transferred to AREIT, including their respective gross leasable area, location, and occupancy, is attached herewith as **Annex C**.

IV. Aggregate Value of the Consideration and Terms of Any Payment Arrangement

The Properties are valued at ₱17,333,824,985.20 within the range of values provided in the Fairness Opinion by FTI Consulting and the Appraisal Reports issued by Asian Appraisal.

FTI Consulting used the Discounted Cashflows ("DCF") Approach as the primary method to estimate the fair value of the Shares and Properties. Under the DCF approach, FTI Consulting discounted the cashflows of AREIT and the Properties based on a weighted average cost of capital ("WACC") using the Capital Asset Pricing Model for the assets. The Comparable Public Companies Method and Volume Weighted Average Price Method were used as secondary methods to cross-check the value of the AREIT shares. The Direct Capitalization Approach was used to cross-check the value of the Properties.

Subject to regulatory approvals (including BIR's eCAR issuance confirming the transfer of Properties to AREIT as a tax-free exchange transaction under the Tax Code, as amended, and SEC's approval of the original issuance of Shares to the Transferors), the Transaction will close upon the listing of the Shares with the PSE.

V. Consideration/Issue Value

AREIT will issue the Shares to the Transferors at an issue price of ₱37.48 per share, set at a premium over the Market Price, which is the 30-day VWAP of ₱37.29, which is likewise based on AFMI's valuation, which AREIT believes is fair to both the Company, as the issuer, and ALI and the Subsidiaries, as the subscribers. The issue price of ₱37.48 per share is within the range of fair values based on the fairness opinion issued by FTI Consulting.

VI. Application of Proceeds

The Shares will be issued to the Transferors in exchange for the Properties. AREIT expects to execute the Deed of Exchange on or before October 2026 and file the application for the confirmation of valuation and issuance of original shares, and the Transaction with the SEC in the same month. The application for eCARs with the BIR is expected to be filed by 2027.

VII. Identity of Beneficial Owners of the Shares Subscribed

Table 4 – Identity of Beneficial Owners of the Shares Subscribed

Beneficial Owners/ Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the transaction, their directors/officers or any of their affiliates
Ayala Land, Inc.	ALI is a public corporation organized under the laws of the Philippines. ALI is the largest property developer in the Philippines with a solid track record in developing large-scale, integrated, mixed-use, sustainable estates that are thriving economic centers in their respective regions. ALI holds a balanced and complementary mix of residential developments, shopping centers, offices, hotels and resorts, and other businesses. ALI owns and	ALI is the Sponsor of AREIT and, as of date hereof, directly and indirectly owns 59.03% of AREIT shares, as follows: ALI – direct ownership of 1,651,587,677 shares equivalent to 39.73%

	operates Glorietta 4 in Ayala Center Makati, and owns the New World Hotel Makati building.	AyalaLand Malls, Inc. ("ALMI") – direct ownership of 287,186,771 shares equivalent to 6.91% (ALMI is 100% owned by ALI) NorthBeacon Commercial Corporation ("NBCC") – direct ownership of 55,382,567 shares equivalent to 1.33% (NBCC is 100% owned by ALI) Greenhaven Property Ventures, Inc. ("Greenhaven"), a wholly-owned subsidiary of Ayala Hotels and Resorts Corporation ("AHRC"), a wholly-owned subsidiary of ALI – direct ownership of 77,505,974 shares equivalent to 1.86% Cebu Insular Hotel Co., Inc. ("Cebu Insular"), a subsidiary of ALI and AHRC – direct ownership of 38,326,934 shares equivalent to 0.92% Accendo Commercial Corp. ("Accendo"), a subsidiary of ALI, the latter owning 67% of Accendo – direct ownership of 112,424,084 shares equivalent to 2.70% Cagayan de Oro Gateway Corp. ("CDOGC"), a subsidiary of ALI, the latter owning 70% of CDOGC – direct ownership of 133,334,821 shares equivalent to 3.21% Summerhill Commercial Ventures Corp. ("Summerhill"), a 100% owned subsidiary of ALI – direct ownership of 94,272,644 shares equivalent to 2.27%
Capitol Central Commercial Ventures Corp.	CCCVC is organized primarily to develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or	CCCVC is a wholly-owned subsidiary of ALI.

	establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing. It owns and operates Ayala Malls Capitol Central located in Bacolod City, Negros Occidental.	
Bay City Commercial Ventures Corp.	BCCVC is organized primarily to develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing. It is the owner and operator of Ayala Malls Cloverleaf located in Balintawak, Quezon City, among others.	BCCVC is a wholly-owned subsidiary of ALI.
Makati Cornerstone Leasing Corp.	MCLC is organized primarily to develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing. It owns and operates Ayala Malls Circuit located in Makati City.	MCLC is a wholly-owned subsidiary of ALI.
North Triangle Hotel Ventures, Inc.	NTHVI is organized primarily to own, hold in ownership, manage, deal, and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment, and other allied businesses and, to the limit and extent permitted by law, to acquire and own, either by purchase, lease, or other means of acquisition, lands, buildings, and other improvements necessary or required by its business and to use such lands, buildings, and improvements thereto for the conduct and operation of the general nature of its business and object and all other matters incidental thereto. It is the owner and operator of Seda Vertis North located in Vertis North, Quezon City.	NTHVI is a wholly-owned subsidiary of AHRC, a wholly-owned subsidiary of ALI.

VIII. Additional Information on Ayala Land, Inc. and the Subsidiaries, Capitol Central Commercial Ventures Corp., Bay City Commercial Ventures Corp., Makati Cornerstone Leasing Corp., and North Triangle Hotel Ventures, Inc.

A. Ayala Land, Inc.

ALI was registered with the SEC on 20 June 1988. It is the largest property developer in the country with a solid track record in developing large-scale, integrated, mixed-use, and sustainable estates that are now thriving economic centers.

1. Articles of Incorporation

The Articles of Incorporation of ALI is attached hereto as **Annex D**.

The primary purpose of ALI, as stated in its Amended Articles of Incorporation dated 22 August 2014, is:

> "To deal and engage in land or real estate business in all its branches and ramifications, to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent, or otherwise deal in and dispose of, for itself or for others, for profit and advantage, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property, improved or unimproved, with or to such persons and entities and under such terms and conditions as may be permitted by law; to acquire, purchase, hold, manage, develop, and sell subdivision lots, with or without buildings or improvements, for such other consideration and in such manner or form as the Corporation may determine or as the law permits; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Corporation or of other persons, to engage or act as real estate broker, on commission or for such fees as may be proper or legal and to exercise or undertake such powers and purposes as may be required and necessarily implied from the purposes herein mentioned."

2. Major Projects and Investments

ALI is the largest property developer in the Philippines with a solid track record in developing large-scale, integrated, mixed-use, sustainable estates that are thriving economic centers in their respective regions. ALI has successfully developed properties in, and transformed the neighborhoods of, the Makati CBD, Ayala Alabang, Cebu Park District, and Bonifacio Global City. With over 9 thousand hectares in its land bank, 54 estates, and presence in 57 growth centers across the country, ALI holds a balanced and complementary mix of residential developments, shopping centers, offices, hotels and resorts, and other businesses. ALI has ample experience in the real estate industry in the Philippines, focusing its business on strategic business lines, including property development, commercial leasing, hotels and resorts, and real-estate-adjacent services.

ALI's property development activities concern the sale of high-end residential lots and units (including leisure community developments), office spaces, commercial and industrial lots, middle-income residential lots and units, affordable lot units and house and lot packages, economic housing units and house and lot packages, and socialized housing packages, and the lease of residential units and marketing of residential developments. These products are developed and sold through ALI's subsidiaries under a variety of brands, including AyalaLand Premier for high-end village lots and condominium units; Alveo for upscale village lots, condominium and office units; Avida for middle-income village lots, house and lot packages, condominium and office units; Amaia for economic house and lot packages; and BellaVita for the socialized house and lot packages.

ALI's experience with commercial leasing is broad and encompasses the development and leasing of office buildings, standard factory buildings, shopping centers, and hotels and resorts. This experience also includes the operation of movie theaters, food courts, entertainment facilities, and carparks in developed shopping centers; management and operations of malls which are co-owned with partners; and operation and management of branded and owner-operated hotels.

ALI also offers real estate related services such as construction, for land development and construction of ALI and third-party projects, and property management, for properties of ALI and third-party projects. Such property management activities also include operation of water and sewage treatment facilities, distribution of district cooling systems, and bulk purchase and supply of electricity for energy solutions. Construction and property management services are led by ALI's subsidiaries, Makati Development Corporation and Ayala Property Management Corporation, respectively.

3. Capital and Organizational Structure

Attached as **Annex E** is the latest General Information Sheet with Organizational Structure of ALI.

4. Latest Audited Financial Statements

The audited financial statements of ALI for the years 2023, 2024, and 2025 are attached as **Annexes F, G, and H**, respectively.

5. List of Subsidiaries and Affiliates

Please refer to Annex E for the complete list of companies under the ALI Group.

6. Board of Directors and Officers

Directors:

a. Jaime Augusto Zobel de Ayala – Chairman
b. Cezar P. Consing – Director, Vice Chairman
c. Anna Ma. Margarita B. Dy –Director, President and Chief Executive Officer
d. Fernando Zobel de Ayala – Director
e. Mariana Beatriz E. Zobel de Ayala – Director, Senior Vice President
f. Daniel Gabriel M. Montecillo – Lead Independent Director
g. Rex Maria A. Mendoza – Independent Director
h. Cesar V. Purisima – Independent Director
i. Surendra Mohan Menon – Independent Director

Officers:

a. Anna Ma. Margarita B. Dy – President and Chief Executive Officer
b. Mariana Beatriz E. Zobel de Ayala – Senior Vice President
c. Raquel S. Cruz – Senior Vice President
d. Joseph Carmichael Z. Jugo – Senior Vice President
e. Robert S. Lao – Senior Vice President
f. Jose Eduardo A. Quimpo II – Senior Vice President, Chief Finance Officer, Treasurer, and Chief Risk Officer
g. Darwin L. Salipsip – Senior Vice President
h. Jaime Z. Urquijo – Senior Vice President
i. Maria Franchette M. Acosta – Group General Counsel and Corporate Secretary
j. Millette A. Arnedo – Vice President, Chief Legal Officer, Chief Compliance Officer, Data Protection Officer, and Assistant Corporate Secretary
k. Chrysilla Carissa P. Bautista – Vice President and Head of Litigation
l. Neal C. Perez – Chief Audit Executive
m. Roscoe M. Pineda – Vice President and Chief Information Officer
n. Isabel D. Sagun – Vice President and Chief Human Resources Officer

B. Capitol Central Commercial Ventures Corp.

1. Articles of Incorporation

The Amended Articles of Incorporation of CCCVC is attached hereto as **Annex I**.

The primary purpose of CCCVC, as stated in its Amended Articles of Incorporation dated 27 November 2018, is:

> "To develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing."

2. Major Projects and Investments

CCCVC is organized primarily as a real estate holding company and is authorized to operate Ayala Malls Capitol Central located in Bacolod City, Negros Occidental.

3. Capital and Organizational Structure

CCCVC is a wholly-owned subsidiary of ALI. Attached as **Annex J** is the latest General Information Sheet of CCCVC. Please refer to Annex E for the Organizational Structure of ALI, which includes CCCVC.

4. Latest Audited Financial Statements

The audited financial statements of CCCVC for the years 2023, 2024, and 2025 are attached as **Annexes K, L, and M**.

5. List of Subsidiaries and Affiliates

CCCVC does not have any subsidiaries. Please refer to Annex E for a list of its affiliates under the ALI Group.

6. Board of Directors and Officers

Directors:

a. Paul A. Birkett – Chairman
b. Janice A. Parreño – Director
c. Angelita C. Dela Rosa – Director, Treasurer
d. Myron Lawrence T. Yao – Director
e. Jose Ramon E. Katipunan – Director, President

Officers:

a. Jose Ramon E. Katipunan – President
b. Angelita C. Dela Rosa – Treasurer
c. Ma. Kriselva V. Ferrer – Chief Finance Officer
d. Maria Paula G. Romero-Bautista – Corporate Secretary
e. Trixie Carmela J. Gonzales – Assistant Corporate Secretary

C. Bay City Commercial Ventures Corp.

1. Articles of Incorporation

The Articles of Incorporation of BCCVC is attached hereto as **Annex N**.

The primary purpose of BCCVC, as stated in its Articles of Incorporation dated 03 November 2017, is:

> "To develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing."

2. Major Projects and Investments

BCCVC is organized primarily as a real estate holding company and is authorized to operate Ayala Malls Cloverleaf located in Balintawak, Quezon City.

3. Capital and Organizational Structure

BCCVC is a wholly-owned subsidiary of ALI. Attached as **Annex O** is the latest General Information Sheet of BCCVC. Please refer to Annex E for the Organizational Structure of ALI, which includes BCCVC.

4. Latest Audited Financial Statements

The audited financial statements of BCCVC for the years 2023, 2024, and 2025 are attached as **Annexes P, Q, and R**.

5. List of Subsidiaries and Affiliates

BCCVC does not have any subsidiaries. Please refer to Annex E for a list of its affiliates under the ALI Group.

6. Board of Directors and Officers

Directors:

a. Paul A. Birkett – Chairman
b. Jose Ramon E. Katipunan – Director, President
c. Angelita C. Dela Rosa – Director, Treasurer
d. Michael Brian C. Sy – Director
e. Roann F. Hinolan-Batoon – Director

Officers:

a. Jose Ramon E. Katipunan – President
b. Angelita C. Dela Rosa – Treasurer
c. Arlene G. Negro – Chief Finance Officer
d. Maria Paula G. Romero-Bautista – Corporate Secretary
e. Trixie Carmela J. Gonzales – Assistant Corporate Secretary
f. Millette A. Arnedo – Data Protection Officer
g. Aileen Q. Pescador – General Manager
h. Jacklyn Kate D. Yap – AMLC Compliance Officer

D. Makati Cornerstone Leasing Corp.

1. Articles of Incorporation

The Articles of Incorporation of MCLC is attached hereto as **Annex S**.

The primary purpose of MCLC, as stated in its Articles of Incorporation dated 05 June 2017, is:

> "To develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing."

2. Major Projects and Investments

MCLC is organized primarily as a real estate holding company and is authorized to operate Ayala Malls Circuit located in Makati City.

3. Capital and Organizational Structure

MCLC is a wholly-owned subsidiary of ALI. Attached as **Annex T** is the latest General Information Sheet of MCLC. Please refer to Annex E for the Organizational Structure of ALI, which includes MCLC.

4. Latest Audited Financial Statements

The audited financial statements of MCLC for the years 2023, 2024, and 2025 are attached as **Annexes U, V, and W**.

5. List of Subsidiaries and Affiliates

MCLC does not have any subsidiaries. Please refer to Annex E for a list of its affiliates under the ALI Group.

6. Board of Directors and Officers

Directors:

a. Jose Ramon E. Katipunan – Chairman
b. Tomas Julian R. Santos – Director, President
c. Roann F. Hinolan-Batoon – Director
d. Patricia Gail Y. Samaniego – Director
e. Daniel Jan E. del Mundo – Director, Chief Finance Officer, and Treasurer

Officers:

a. Tomas Julian R. Santos – President
b. Daniel Jan E. del Mundo – Director, Chief Finance Officer, and Treasurer
c. Maria Paula G. Romero-Bautista – Corporate Secretary
d. Lindeza R. Rogero-Gavino – Assistant Corporate Secretary

E. North Triangle Hotel Ventures, Inc.

1. Articles of Incorporation

The Amended Articles of Incorporation of NTHVI is attached hereto as **Annex X**.

The primary purpose of NTHVI, as stated in its Amended Articles of Incorporation dated 26 October 2017, is:

> "To own, hold in ownership, manage, deal, and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment, and other allied businesses and, to the limit and extent permitted by law, to acquire and own, either by purchase, lease, or other means of acquisition, lands, buildings, and other improvements necessary or required by its business and to use such lands, buildings, and improvements thereto for the conduct and operation of the general nature of its business and object and all other matters incidental thereto."

2. Major Projects and Investments

NTHVI is a wholly-owned subsidiary of AHRC, a wholly-owned subsidiary of ALI. NTHVI is organized primarily as a real estate developer and is authorized to manage and operate hotels. It is the owner and operator of Seda Vertis North located in Vertis North, Quezon City.

3. Capital and Organizational Structure

NTHVI is 100% owned by AHRC, a wholly-owned subsidiary of ALI. Attached as **Annex Y** is the latest General Information Sheet of NTHVI. Please refer to Annex E for the Organizational Structure of ALI, which includes NTHVI.

4. Latest Audited Financial Statements

The audited financial statements of NTHVI for the years 2023, 2024, and 2025 are attached as **Annexes Z, AA, and AB**.

5. List of Subsidiaries and Affiliates

NTHVI does not have any subsidiaries. Please refer to Annex E for a list of its affiliates under the ALI Group.

6. Board of Directors and Officers

Directors:

a. Mariana Beatriz E. Zobel de Ayala – Chairman
b. Maria Cristina Carmen M. Zuluaga – Director, President and Chief Executive Officer
c. Ma. Divina Y. Lopez – Member
d. Daniel Jan E. del Mundo – Director, Treasurer, Group Comptroller, and Compliance Officer
e. Gustavo Alfonso H. Morales – Director

Officers:

a. Maria Cristina Carmen M. Zuluaga –President and Chief Executive Officer
b. Daniel Jan E. del Mundo –Treasurer, Group Comptroller, and Compliance Officer
c. Maria Paula G. Romero-Bautista – Corporate Secretary
d. Trixie Carmela J. Gonzales – Assistant Corporate Secretary

IX. Statement of Active Business Pursuits and Objectives

The Company is the first Philippine REIT that successfully became publicly listed. Upon listing in August 2020, the Company's property portfolio consists of three (3) commercial buildings in Metro Manila:

Table 5 – AREIT's Property Portfolio Upon Listing

	Solaris One	Ayala North Exchange	McKinley Exchange
Year Completed	2008	2019	2014
Description	Grade A, PEZA-Accredited 24-storey commercial building	Grade A, PEZA-accredited, mixed-use development	Grade A, PEZA-accredited, mixed-use development
Location	130 Dela Rosa, Legaspi Village, Makati City	6796 Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City	McKinley Road corner EDSA, Makati City
GLA	46,768 sq.m.	95,300 sq.m.	10,687 sq.m.
Right over Building	Owned	Owned	Leased
Right over Land	Leased	Leased	Leased
Land Lease Expiry	2048	2058	2054

On 15 September 2020, AREIT purchased from ALO Prime Realty Corp., a wholly-owned subsidiary of ALI, the building known as Teleperformance Cebu, in accordance with its REIT Plan. Thereafter, AREIT continued to grow its portfolio by acquiring The 30th Commercial Development, and parcels of industrial land in Laguna Technopark:

Table 6 – AREIT's Acquisitions 2020 to January 2021

	Teleperformance Cebu	The 30th	Laguna Technopark Lots
Year Completed	2010	2017	N/A
Description	Grade A, Gold LEED, PEZA-Accredited 12-storey commercial building	Grade A, PEZA-accredited, mixed-use development	Four (4) land parcels leased by Integrated Micro-Electronics, Inc.
Location	Inez Villa Street, Cebu I.T. Park (formerly Asiatown I.T. Park), Barangay Apas, Cebu City	Meralco Avenue, Pasig City	Laguna Technopark, Binan, Laguna
GLA	18,092 sq.m.	74,704 sq.m.	98,179 sq.m. (land)
Right over Building	Owned	Owned	N/A
Right over Land	Leased	Leased	Owned
Land Lease Expiry	2051	2056	N/A

On 8 June 2021, ALI, and its subsidiaries, Westview Commercial Ventures Corp. ("WCVC") and Glensworth Development, Inc. ("GDI"), entered into a Deed of Exchange with AREIT whereby the latter issued 483,254,375 primary common shares of stock to ALI, WCVC, and GDI, at an issue price of ₱32.00 per share in exchange for identified properties valued at ₱15,464,140,000. On 8 October 2021, AREIT received the approval of the SEC

of the said property-for-share swap and allowed the issuance of 483,254,375 shares of AREIT in favor of ALI, WCVC, and GDI, in exchange for the following identified properties valued at ₱15,464,140,000:

Table 7 – AREIT's Property-for-Share Swap with ALI, WCVC, and GDI

	Vertis North Mall and Corporate Centers 1, 2, and 3	BPI-Philam Life Makati	BPI-Philam Life Alabang	Bacolod Capitol Corporate Center	Ayala Northpoint Technohub	One Evotech and Two Evotech
Year Completed	2017	1998	1997	2018	2011	2013
Description	Grade A, LEED Certified, PEZA-accredited mixed-use development	Grade A office units	Grade A office units	Grade A, PEZA-accredited office building	Grade A, PEZA-accredited office building	Grade A, LEED Silver-Certified, PEZA-accredited office building
Location	Quezon City	Makati	Alabang	Bacolod City	Talisay City, Negros Occidental	Sta. Rosa, Laguna
GLA	Office – 125,144 Mall – 39,306	1,072	515 sqm	11,313	4,653	23,727
Right over Building	Owned	Owned	Owned	Owned	Owned	Owned
Right over Land	Leased	Office Condominium Units	Office Condominium Units	Leased	Leased	Leased
Land Lease Expiry	2058	N/A	N/A	2062	2058	2058

Consistent with its investment strategy, AREIT entered into a Deed of Exchange with ALI whereby the former issued 252,136,383 primary common shares of stock to ALI at an issue price of ₱44.65 per share in exchange for six (6) office buildings located in Cebu with an aggregate value of ₱11,257,889,535.91. The SEC issued the Confirmation of Valuation and approved the said property-for-share swap and allowed the issuance of 252,136,383 shares of AREIT in favor of ALI on 29 December 2022:

Table 8 – AREIT's Property-for-Share Swap with ALI (Cebu Properties)

	eBloc 1	eBloc 2	eBloc 3	eBloc 4	ACC Tower	Tech Tower
Year Completed	2009	2011	2014	2015	2016	2016
No. of Storeys	12	16	12	12	20	12
Description	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited
Location	Cebu IT Park	Cebu IT Park	Cebu IT Park	Cebu IT Park	Ayala Center Cebu	Ayala Center Cebu
GLA (sq.m)	20,842	27,727	15,233	15,835	27,457	16,273
Right over Land	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold

In 2023, the Company and ALI, AyalaLand Malls, Inc. (“ALMI”), and NorthBeacon Commercial Corp. (“NBCC”) entered into a Deed of Exchange executing another property-for-share swap transaction whereby the Company issued 607,559,380 primary common shares to ALI, ALMI, and NBCC in exchange for the following identified properties valued at ₱22,479,697,060, at an issue price of ₱37.00 per share, set at a premium over the 30-day VWAP of ₱35.83.

Table 9 – AREIT’s Property-for-Share Swap with ALI, ALMI, and NBCC

	Glorietta BPO 1	Glorietta BPO 2	One Ayala West Tower	One Ayala East Tower	Glorietta Mall Wings 1 and 2	MarQuee Mall
Location	Ayala Center Makati					Angeles City, Pampanga
Year Completed	2016	2016	2021	2022	2012	2009
Description	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited	Grade A, commercial building, PEZA-accredited	Regional Mall	Regional Mall

GLA (sq.m)	18,770	21,256	30,999	39,996	68,764	66,041
Occupancy	98%	98%	98%	98%	100%	100%
Right over Land	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold
Landowner	Ayala Land, Inc.	Ayala Land, Inc.	Ayala Land, Inc.	Ayala Land, Inc.	Ayala Land, Inc.	NorthBeacon Commercial Corp.

On 19 March 2024, the Company and ALI, Greenhaven Property Ventures, Inc. (“Greenhaven”), Cebu Insular Hotel Co., Inc. (“Cebu Insular”), and Buendia Christiana Holdings Corp. (“BCHC”) entered into a Deed of Exchange executing another property-for-share swap transaction whereby the Company issued 841,259,412 primary common shares to ALI, Greenhaven, Cebu Insular, and BCHC in exchange for the following identified properties valued at ₱28,602,820,008.00, at an issue price of ₱34.00 per share, set at a premium over the 30-day VWAP of ₱32.77.

Table 10 – AREIT’s Property-for-Share Swap with ALI, Greenhaven, Cebu Insular, and BCHC

	Ayala Triangle Tower 2	**Greenbelt 3 & 5**	**Holiday Inn & Suites Makati**	**Seda Ayala Center Cebu**	**Zambales Industrial Land**
Location	Ayala Triangle Gardens, Makati City	Ayala Center, Makati City	Glorietta, Ayala Center, Makati City	Ayala Center Cebu, Cebu Business Park	Palauig, Zambales
Year Completed	2021	Greenbelt 3 – 2004 (2022 Renovation Completion); Greenbelt 5 - 2007	2013	2018	N/A
Description	Triple A Headquarter Office	Premier Lifestyle Mall	Contemporary Business Hotel	Contemporary Business Hotel	Industrial Land (solar power plant)
GLA (sq.m)	63,150	93,732	26,218	13,579	2,759,135
Occupancy	98%	100%	100%	100%	100%
Right over Land	Leasehold	Leasehold	Leasehold	Leasehold	Freehold
Landowner	Ayala Land, Inc.	Ayala Land, Inc.	Ayala Land, Inc.	Cebu Insular Hotel Company, Inc.	----

On 19 May 2025, the Company and ALI, Accendo Commercial Corp. (“Accendo”), and Cagayan de Oro Gateway Corp. (“CDOGC”) entered into a Deed of Exchange executing another property-for-share swap transaction whereby the Company issued 505,890,177 primary common shares to ALI, Accendo, and CDOGC in exchange for the following identified properties valued at ₱20,994,442,345.50, at an issue price of ₱41.50 per share, set at a premium over the 30-day VWAP of ₱40.68.

Table 11 – AREIT’s Property-for-Share Swap with ALI, Accendo, and CDOGC

	Central Bloc Office 1	**Central Bloc Office 2**	**Central Bloc Mall**	**Seda Central Bloc**	**Abreeza Mall**	**Abreeza BPO**	**Centrio Mall**	**Centrio BPO**
Location	Cebu City	Cebu City	Cebu City	Cebu City	Davao City	Davao City	City of Cagayan de Oro	City of Cagayan de Oro
Year Completed	2019	2020	2019	2020	2011	2013	2012	2016
Description	Headquarter Office	Headquarter Office	Lifestyle Shopping Center	Contemporary Business Hotel	Lifestyle Shopping Center	BPO Office	Lifestyle Shopping Center	BPO Office
GLA (sq. m)	28,483	38,633	112,429	17,949	89,893	9,214	92,707	9,053
2025 Occupancy	95%	97%	100%	100%	100%	98%	100%	100%
Right over Land	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold
Landowner	ALI	ALI	ALI	ALI	Accendo	Accendo	CDOGC	CDOGC

On 12 March 2026, the Company and ALI, and its subsidiary, Summerhill Commercial Ventures Corporation (“Summerhill”) entered into a Deed of Exchange executing another property-for-share swap transaction whereby

the Company issued 441,131,656 primary common shares to ALI and Summerhill in exchange for the following identified properties valued at ₱19,475,962,612.40, at an issue price of ₱44.15 per share, set at a premium over the 30-day VWAP of ₱37.29.

Table 12 – AREIT's Property-for-Share Swap with ALI and Summerhill

	Feliz Mall	**Ayala Center Cebu Mall**
Location	Pasig City	Cebu
Year Completed	2017	1994
Description	Lifestyle Mall	Flagship Mall
Location	Pasig City	Cebu City
Operator	Summerhill Commercial Ventures Corp.	Ayala Land, Inc.
GLA (sq. m)	160,521	214,337
2025 Occupancy	81%	91%
AREIT's right over Land	Leasehold	Leasehold
Landowner	Summerhill Commercial Ventures Corp.	Ayala Land, Inc.

Current Transaction

AREIT's principal strategy is to invest in income-generating real estate properties that meet a select set of criteria. A potential new property should (1) be located in a prime location in either Metro Manila or other key provinces in the Philippines, (2) be primarily (but not exclusively) focused on commercial properties, and maybe other types of real estate properties available in the market, and (3) have stable occupancy, tenancy, and income operations.

Upon approval of the Transaction by the Company's stockholders and obtaining regulatory approvals, the Company will own the Properties, thereby increasing AREIT's building portfolio from over 1.81 million square meters to over 2.11 million square meters in gross leasable area and industrial land portfolio of 2.86 million square meters in gross leasable area; increasing AREIT's AUM from ₱159 billion to around ₱177 billion; diversifying its asset base of offices, malls, hotels, and industrials to reduce sector risks; capitalizing on flagship commercial assets from its Sponsor, ALI, and expanding opportunities across the broader Ayala Land Group; and at the Transaction Price of ₱37.48 per share, the assets to be infused are yield accretive to AREIT at a competitive capitalization rate, ultimately redounding to the benefit of all stockholders, including the minority investors through dividend accretion.

X. Effects to the Company Before and After the Transaction

A. Increase in Authorized Capital Stock

There is no change in the Company's Authorized Capital Stock.

B. Change in the Nature of Business

There is no change in the nature of the business of the Company.

C. Change in the Board of Directors and Officers

There is no change in the Company's Board of Directors and Officers as a result of the Transaction.

D. Change in Name

There is no change in the name of the Company.

E. Capital Structure – Ownership Structure of AREIT before and after the Transaction

Provided on the following table is the change in the ownership structure after the transaction.

Table 13 – Ownership Structure of AREIT Before and After the Transaction

Stockholder	Current (before property for share swap)		Indicative Post-Transaction (after the property for share swap)	
	Number of Shares	Percentage of Ownership	Number of Shares	Percentage of Ownership
ALI	1,651,587,678	39.73%	1,817,933,091	39.35%
ALMI	287,186,771	6.91%	287,186,771	6.22%
NBCC	55,382,567	1.33%	55,382,567	1.20%
Greenhaven	77,505,974	1.86%	77,505,974	1.68%
Cebu Insular	38,326,934	0.92%	38,326,934	0.83%
BCHC	199,109,438	4.79%	199,109,438	4.31%
Accendo	112,424,084	2.70%	112,424,084	2.43%
CDOGC	133,334,821	3.21%	133,334,821	2.89%
Summerhill	94,272,644	2.27%	94,272,644	2.04%
CCCVC	-	-	83,641,084	1.81%
BCCVC	-	-	74,643,360	1.62%
MCLC	-	-	54,411,652	1.18%
NTHVI	-	-	43,440,481	0.94%
Directors and Officers	3,610,707	0.09%	3,610,707	0.08%
Non-ALI/Public	1,504,146,200	36.18%	1,544,146,200	33.43%
TOTAL	**4,156,887,818**	**100.00%**	**4,619,369,808**	**100.00%**

AREIT shall ensure that ALI will sell some of its AREIT shareholdings before the approval by the SEC of the Transaction to ensure compliance with the minimum public ownership requirements imposed upon the Company. The relevant disclosures on the sale of shareholdings will be made in due course once its terms are finalized.

XI. Identities of Controlling and Substantial Stockholders of the Parties to the Transaction

The controlling stockholder of AREIT is the Ayala Land Group, as follows:

Table 14 – Controlling Stockholder of AREIT

Name of Stockholder	Form of Ownership	Number of Shares	% Ownership
ALI	Direct	1,651,587,678	39.73%
ALMI	Direct	287,186,771	6.91%
CDOGC	Direct	133,334,821	3.21%
Accendo	Direct	112,424,084	2.70%
Greenhaven	Direct	77,505,974	1.86%
NBCC	Direct	55,382,567	1.33%
Cebu Insular	Direct	38,326,934	0.92%
Summerhill	Direct	94,272,644	2.27%

XII. Statement as to the steps to be taken, if any, to safeguard the interest of any independent shareholders

The issuance of the 462,481,990 primary common shares to ALI and the Subsidiaries will be discussed and taken up in the Company's Special Stockholders' Meeting on 23 September 2026. The final Transaction Price of ₱37.48 per share is set at a premium over the 30-day VWAP of ₱37.29. In accordance with the PSE's Consolidated Listing and Disclosure Rules, Article V, Part A, Section 3, paragraph (a), "Market Price" means the volume weighted average of the closing prices for a period of thirty (30) Trading Days prior to the transaction or the date of the approval of the Board of Directors. As such, the Transaction falls within the Exceptions to the conduct of a rights or public offering requirement of the Additional Listing Rules of the PSE.

The Company's Fund Manager on 27 July 2026 has endorsed the Transaction to the Company. The Company's Risk Management, Related Party Transactions Review, and Sustainability Committee and the Board of Directors have reviewed FTI Consulting's fairness opinion on the Shares and the Properties, as well as the appraisal reports issued by Asian Appraisal. Asian Appraisal and FTI Consulting have issued Appraisal Reports and Fairness Opinion to establish the fairness of the valuation of the Shares and the Properties used in this Transaction.

Pertinent details are provided in the supporting Annexes submitted together with this document.

SCHEDULE OF ANNEXES

ANNEX	DESCRIPTION
A	Fairness Opinion
B	Appraisal Reports
C	Property Details
D	Articles of Incorporation – Ayala Land, Inc.
E	General Information Sheet – Ayala Land, Inc.
F	Audited Financial Statements for 2023 – Ayala Land, Inc.
G	Audited Financial Statements for 2024 – Ayala Land, Inc.
H	Audited Financial Statements for 2025 – Ayala Land, Inc.
I	Articles of Incorporation – Capitol Central Ventures Corp.
J	General Information Sheet – Capitol Central Ventures Corp.
K	Audited Financial Statements for 2023 – Capitol Central Ventures Corp.
L	Audited Financial Statements for 2024 – Capitol Central Ventures Corp.
M	Audited Financial Statements for 2025 – Capitol Central Ventures Corp.
N	Articles of Incorporation – Bay City Commercial Ventures Corp.
O	General Information Sheet – Bay City Commercial Ventures Corp.
P	Audited Financial Statements for 2023 – Bay City Commercial Ventures Corp.
Q	Audited Financial Statements for 2024 – Bay City Commercial Ventures Corp.
R	Audited Financial Statements for 2025 – Bay City Commercial Ventures Corp.
S	Articles of Incorporation – Makati Cornerstone Leasing Corp.
T	General Information Sheet – Makati Cornerstone Leasing Corp.
U	Audited Financial Statements for 2023 – Makati Cornerstone Leasing Corp.
V	Audited Financial Statements for 2024 – Makati Cornerstone Leasing Corp.
W	Audited Financial Statements for 2025 – Makati Cornerstone Leasing Corp.
X	Articles of Incorporation – North Triangle Hotel Ventures, Inc.
Y	General Information Sheet – North Triangle Hotel Ventures, Inc.
Z	Audited Financial Statements for 2023 – North Triangle Hotel Ventures, Inc.
AA	Audited Financial Statements for 2024 – North Triangle Hotel Ventures, Inc.
AB	Audited Financial Statements for 2025 – North Triangle Hotel Ventures, Inc.

Property-for-Share Swap between AREIT, Inc., Ayala Land, Inc., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc.

Fairness Opinion Report

FTI CONSULTING™

10 August 2026

STRICTLY PRIVATE & CONFIDENTIAL

10 August 2026

AREIT Fund Managers, Inc.
28F, Tower One & Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City

Attention: Board of Directors of AREIT Fund Managers, Inc.

Re: Fairness Opinion Report

Ladies and Gentlemen:

FTI Consulting Philippines, Inc. ("FTI Consulting") is pleased to submit this Fairness Opinion Report ("Report") covering the property-for-share swap transaction in relation to the planned infusion of certain properties (the "Properties") owned by **Ayala Land, Inc.** ("ALI"), **Makati Cornerstone Leasing Corp.** ("MCLC"), **Capitol Central Commercial Ventures Corp.** ("CCCVC"), **Bay City Commercial Ventures Corp**. ("BCCVC"), and **North Triangle Hotel Ventures, Inc**. ("NTHVI") (collectively, the "Property Owners") into AREIT, Inc. ("AREIT"). The Property Owners intend to transfer the Properties to AREIT in exchange for primary shares to be issued by AREIT (the "Transaction").

The Properties consist of four shopping malls (i.e., Glorietta 4 owned by ALI, Ayala Malls Circuit Makati owned by MCLC, Ayala Malls Capitol Central owned by CCCVC, and Ayala Malls Cloverleaf owned by BCCVC) and two hotels (i.e., New World Makati Hotel owned by ALI and Seda Vertis North owned by NTHVI). After the Transaction, ALI and NTHVI will continue earning lease income from the hotels and will lease the hotels back from AREIT under a master lease agreement. The tenants of the four shopping malls will be under direct lease agreement with AREIT.

In this regard, FTI Consulting has been asked to render an opinion on whether the proposed exchange of AREIT shares for the Properties is fair from a financial point of view.

FTI Consulting conducted a valuation study of AREIT and the Properties in accordance with the International Valuation Standards ("IVS") to determine the fairness of the consideration to be transferred and consideration to be received by AREIT. The following standards were used:

- IVS 101 Scope of Work
- IVS 102 Bases of Value
- IVS 103 Valuation and Approaches
- IVS 104 Data and Inputs
- IVS 105 Valuation Models
- IVS 106 Documentation and Reporting
- IVS 200 Business and Business Interests
- IVS 400 Real Property Interests*

The Valuation Date is 31 March 2026, with the Philippine Peso ("PHP") as the Valuation Currency. Market Value (also referred to as "Fair Value") is the basis of value used in this engagement. Market Value is defined in the IVS as the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

The Philippine Stock Exchange, Inc.'s ("PSE") Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104, amended No. 2024-0019) requires a fairness opinion covering the property-for-share swap transactions. Such fairness opinion must be supported by a valuation report.

FTI Consulting is an independent firm accredited by the PSE (PSE Accreditation CN – No. 2024-0063 released on December 13, 2024) for purposes of issuing fairness opinions and valuation reports of listed companies and prospective initial listing applicants of the Exchange in compliance with the PSE Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104). FTI Consulting is also accredited by the Securities and Exchange Commission (SEC Accreditation No. 032) as a Professional Services Organization (PSO) in accordance with SEC Memorandum No 2 Series of 2014 (Guideline on Asset Valuation).

*Provisions on valuation approaches and methods

Summary of Findings

The Properties were valued using the Discounted Cash Flows ("DCF") Method and Direct Capitalization Method under the Income Approach. AREIT, on the other hand, was valued using the DCF Method as the primary method. The Volume Weighted Average Price ("VWAP") Method and Comparable Public Companies Method under the Market Approach were used as cross-checks. The estimated valuation ranges of the Properties and AREIT as of the Valuation Date are presented in Exhibits 1 and 2, respectively.

Exhibit 1. Valuation Summary – Properties

Properties	Low Estimate	High Estimate
In PHP millions		
Glorietta 4	4,948	6,053
Ayala Malls Circuit Makati	1,987	2,455
Ayala Malls Capitol Central	3,100	3,880
Ayala Malls Cloverleaf	2,303	3,066
New World Makati Hotel	2,688	2,876
Seda Vertis North	1,611	1,721
TOTAL RANGE OF MARKET VALUES	**16,637**	**20,051**

Sources: FTI Consulting Analysis

Exhibit 2. Valuation Summary – AREIT

Method	Equity Value		Value per Share[1]	
In PHP millions except for the per share values	Low Est.	High Est.	Low Est.	High Est.
Discounted Cash Flows Method	**133,124**	**165,698**	**32.03**	**39.86**
Cross-checks:				
Volume Weighted Average Price Method	162,462	176,751	39.08	42.52
Comparable Public Companies Method				
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
RANGE OF MARKET VALUES	**133,124**	**165,698**	**32.03**	**39.86**

[1]Total shares outstanding of 4,156.89 million.
Source: S&P Capital IQ, FTI Consulting Analysis
**NTM = next twelve months*

Fair Range of AREIT shares to be Exchanged

Given the range of market values of the Properties and the range of market values per share of AREIT, we determined the range of AREIT shares to be issued which is considered fair from a financial point of view as shown in Exhibit 3.

Exhibit 3. Fair Range of AREIT Shares to be Issued

Summary	Range of Market Values	
Amounts in PHP millions, except price per share	**Low Estimate**	**High Estimate**
Glorietta 4	4,948	6,053
Ayala Malls Circuit Makati	1,987	2,455
Ayala Malls Capitol Central	3,100	3,880
Ayala Malls Cloverleaf	2,303	3,066
New World Makati Hotel	2,688	2,876
Seda Vertis North	1,611	1,721
AREIT (PHP/share)[1]	**32.03**	**39.86**

Fair Range of AREIT Shares to be Issued (in millions) [2]	**Low Estimate**	**High Estimate**
Glorietta 4	124.13	189.01
Ayala Malls Circuit Makati	49.85	76.66
Ayala Malls Capitol Central	77.77	121.16
Ayala Malls Cloverleaf	57.79	95.74
New World Makati Hotel	67.43	89.81
Seda Vertis North	40.42	53.72
Total Fair Range of AREIT Shares to be Exchanged	**417.39**	**626.09**

[1]Rounded to two decimal places for presentation purposes

[2] The fair range of shares to be exchanged was computed by dividing the low estimate market value of each property by the high estimate AREIT value per share, and the high estimate market value of each property by the low estimate AREIT value per share.

Source: FTI Consulting Analysis

Valuation Conclusion and Fairness Opinion

Exhibit 4 shows the comparison of the fair range of AREIT shares to be issued calculated by FTI Consulting and the proposed number of shares to be issued by AREIT's management in the Transaction.

Exhibit 4. Comparison of the Fair Range of AREIT Shares to be Issued and the Proposed Number of Shares to be Issued by AREIT

Total Number of Shares	Fair Range of Shares to be Issued		Proposed Number of Shares to be issued by AREIT
In Millions	Low Estimate	High Estimate	
Glorietta 4	124.13	189.01	133.61
Ayala Malls Circuit Makati	49.85	76.66	54.41
Ayala Malls Capitol Central	77.77	121.16	83.64
Ayala Malls Cloverleaf	57.79	95.74	74.64
New World Makati Hotel	67.43	89.81	72.74
Seda Vertis North	40.42	53.72	43.44
Total number of shares	**417.39**	**626.09**	**462.48**

Source: FTI Consulting Analysis, AREIT Management

Given that the shares to be issued by AREIT for each property fall within our fair ranges of shares that AREIT can issue in exchange for each of the Properties (as seen in Exhibit 4), we are of the opinion that the proposed Transaction is fair from a financial point of view.

Statement of Limitations

- This Report opines solely on the fairness of the number of shares to be issued by AREIT and the valuation of the Properties and AREIT. It does not opine as to the operational merits or strategic rationale of the Transaction.
- In the preparation of the valuation report, FTI Consulting relied on available information and records, including but not limited on the representation of AREIT, ALI, CCCVC, MCLC, BCCVC, AND NTHVI, audited and unaudited financial statements and such other relevant supporting documents.
- While our work may include an analysis of financial and accounting data, our work does not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls, or other attestation or review services in accordance with standards established by the Auditing and Assurance Standards Council ("AASC"). Accordingly, we do not express an opinion or any other form of assurance on the financial statements of AREIT, Property Owners, and the Properties or any financial or other information.
- With respect to prospective financial information relative to the AREIT and the Properties referenced throughout the valuation report, we did not examine, compile, or apply agreed-upon procedures to such information in accordance with standards established by the AASC and we express no assurance of any kind on such information. There will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We take no responsibility for the achievability of the expected results anticipated by the Management.
- Management is responsible for any and all financial information provided to us during the course of our work.

Statement of Compliance

- The Report is reviewed and approved by the Senior Managing Directors of FTI Consulting. The Report is not approved by an internal committee.
- The Report does not express an opinion about the fairness of the compensation in the Transaction to any of AREIT's, ALI's, CCCVC's, MCLC's, BCCVC's, and NTHVI's directors, officers, or employees relative to the compensation to AREIT's, ALI's, CCCVC's, MCLC's, BCCVC's, and NTHVI's shareholders.
- FTI Consulting did not act as a financial advisor to any party to the Transaction and did not or will not receive a payment that is contingent on the successful completion of the Transaction, for rendering the fairness opinion.
- There is no material relationship between FTI Consulting and any party to the Transaction. During the prior two years, as it relates to the Transaction, FTI Consulting has not received or intends to receive compensation as a financial advisor.
- Information with respect to AREIT's and the Properties' operations and account balances purported to be in effect and described in our valuation report was obtained primarily through analyses provided by and discussions with AREIT's, ALI's, CCCVC's, MCLC's, BCCVC's, and NTHVI's management ("Management").
- FTI Consulting performed appropriate analysis to evaluate inputs and assumptions, and their appropriateness for the valuation purpose.
- Members of FTI Consulting, particularly those who are registered Certified Public Accountants, Chartered Financial Analysts, and Chartered Valuer and Appraiser, are compliant with the Code of Ethics of the Philippine Institute of Certified Public Accountants, the CFA Institute Code of Ethics, and Code for Ethical Principles for Professional Valuers.
- A brief description of FTI Consulting and the educational and professional qualification of its representatives who conducted the valuation is included in our valuation report.

Should you require clarification on any of the matters contained in this Report or any further information, we would be pleased to meet and discuss.

Yours faithfully,

FTI CONSULTING PHILIPPINES, INC.
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25 ADB Avenue, Ortigas Center
Pasig City, 1605 Philippines
PSE Accreditation CN-No. 2024-0063
Validity Date: 29 December 2024 to 28 December 2027
SEC Accreditation No. 032
Validity Date: 30 September 2025 to 30 September 2030

John B. Balce
Senior Managing Director
[redacted]

Dominador T. Gregorio III
Senior Managing Director
[redacted]

Valuation Report

Property-for-Share Swap between AREIT, Inc., Ayala Land, Inc., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc.

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10 August 2026

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Executive Summary

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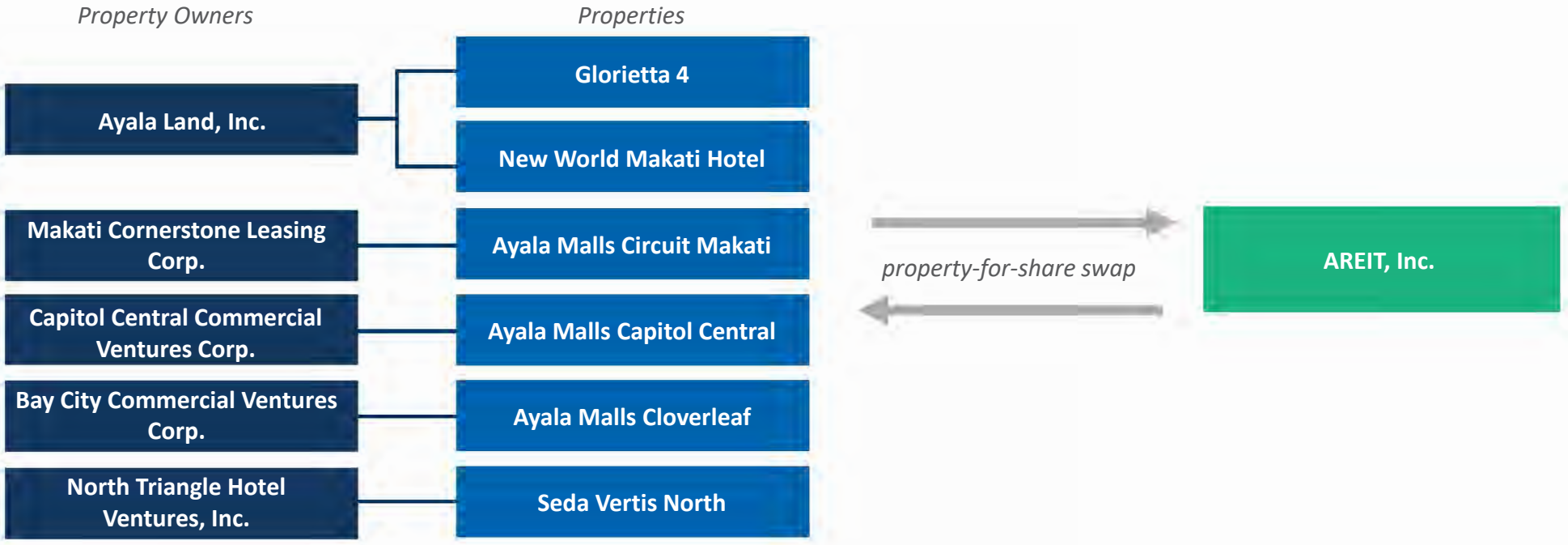
Executive Summary

- **Ayala Land, Inc.** ("ALI"), **Makati Cornerstone Leasing Corp.** ("MCLC"), **Capitol Central Commercial Ventures Corp.** ("CCCVC"), **Bay City Commercial Ventures Corp**. ("BCCVC"), and **North Triangle Hotel Ventures, Inc**. ("NTHVI") (collectively, the "Property Owners") intend to transfer certain properties (the "Properties") to **AREIT, Inc.** ("AREIT") in exchange for primary shares to be issued by AREIT under a property-for-share swap (the "Transaction").
- The Properties consist of four shopping malls (i.e., Glorietta 4 owned by ALI, Ayala Malls Circuit Makati owned by MCLC, Ayala Malls Capitol Central owned by CCCVC, and Ayala Malls Cloverleaf owned by BCCVC) and two hotels (i.e., New World Makati Hotel owned by ALI and Seda Vertis North owned by NTHVI). After the Transaction, ALI and NTHVI will continue earning lease income from the hotels and will lease the hotels back from AREIT under a master lease agreement. The tenants of the four shopping malls will be under direct lease agreement with AREIT.



Executive Summary

- AREIT, formerly known as One Dela Rosa Property Development, was registered with the Philippine Securities and Exchange Commission ("SEC") on 4 September 2006 and listed in the Philippine Stock Exchange ("PSE") on 13 August 2020, primarily to engage in the business of a real estate investment trust as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (the "REIT Act"), and other applicable laws.
- ALI is one of the leading real estate companies in the Philippines. ALI's core businesses are strategic landbank management, residential development, retail shopping centers, offices, hotels and resorts. It also offers services in property management and construction. ALI operates Glorietta 4 and New World Makati Hotel.
- CCCVC, MCLC, and BCCVC are 100 percent owned by ALI. These entities operate Ayala Malls Capitol Central, Ayala Malls Circuit Makati, and Ayala Malls Cloverleaf, respectively.
- NTHVI is 100 percent owned by Ayala Hotels and Resorts Corp., which is a subsidiary of ALI. NTHVI operates Seda Vertis North Hotel.
- FTI Consulting Philippines, Inc. ("FTI Consulting") conducted a valuation study of both the Properties and AREIT in accordance with the International Valuation Standards ("IVS") to determine the fairness of the consideration to be transferred and consideration to be received by AREIT. We considered different methodologies under the Income Approach and Market Approach to value the Properties and AREIT. Detailed discussion of the different valuation methodologies considered in this valuation exercise is presented in *Valuation Approach* section of this report.
- The valuation date is 31 March 2026, with the Philippine Peso ("PHP") as the Valuation Currency. Market Value (also referred to as "Fair Value") is the basis of value used in this engagement. Market Value is defined in the IVS as the estimated amount for which an asset or liability should exchange on the between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

Executive Summary

Summary of Findings

The Properties were valued using the Discounted Cash Flows ("DCF") Method and Direct Capitalization Method under the Income Approach. Based upon discussions with and representations of Property Owners' management, research conducted, and the valuation analyses performed and described herein, the total range of market values of the Properties was estimated within **PHP16,637 million to PHP20,051 million** as of Valuation Date.

Exhibit 1. Valuation Summary – Properties

Properties	Low Estimate	High Estimate
In PHP millions		
Glorietta 4	4,948	6,053
Ayala Malls Circuit Makati	1,987	2,455
Ayala Malls Capitol Central	3,100	3,880
Ayala Malls Cloverleaf	2,303	3,066
New World Makati Hotel	2,688	2,876
Seda Vertis North	1,611	1,721
TOTAL RANGE OF MARKET VALUES	**16,637**	**20,051**

Sources: FTI Consulting Analysis

Executive Summary

Summary of Findings

AREIT was valued using the DCF Method as the primary method. The Volume Weighted Average Price ("VWAP") Method and Comparable Public Companies Method under the Market Approach were used as cross-checks. Based upon discussions with and representations of AREIT's management, research conducted, and the valuation analyses performed and described herein, the range of market values of AREIT is within **PHP133,124 million to PHP165,698 million** or **PHP32.03 to PHP39.86** on a per share basis as of Valuation Date.

Exhibit 2. Valuation Summary – AREIT, Inc.

Method	Equity Value[1]		Value per Share[2]	
In PHP millions except for the per share values	Low Estimate	High Estimate	Low Estimate	High Estimate
Discounted Cash Flows Method	**133,124**	**165,698**	**32.03**	**39.86**
Cross-checks:				
Volume Weighted Average Price Method	162,462	176,751	39.08	42.52
Comparable Public Companies Method				
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
RANGE OF MARKET VALUES	**133,124**	**165,698**	**32.03**	**39.86**

Source: FTI Consulting Analysis

**NTM = next twelve months*

[1]The valuation includes the contribution of ACC Mall and Feliz Mall, following their infusion into AREIT.

[2]The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.

Market Overview

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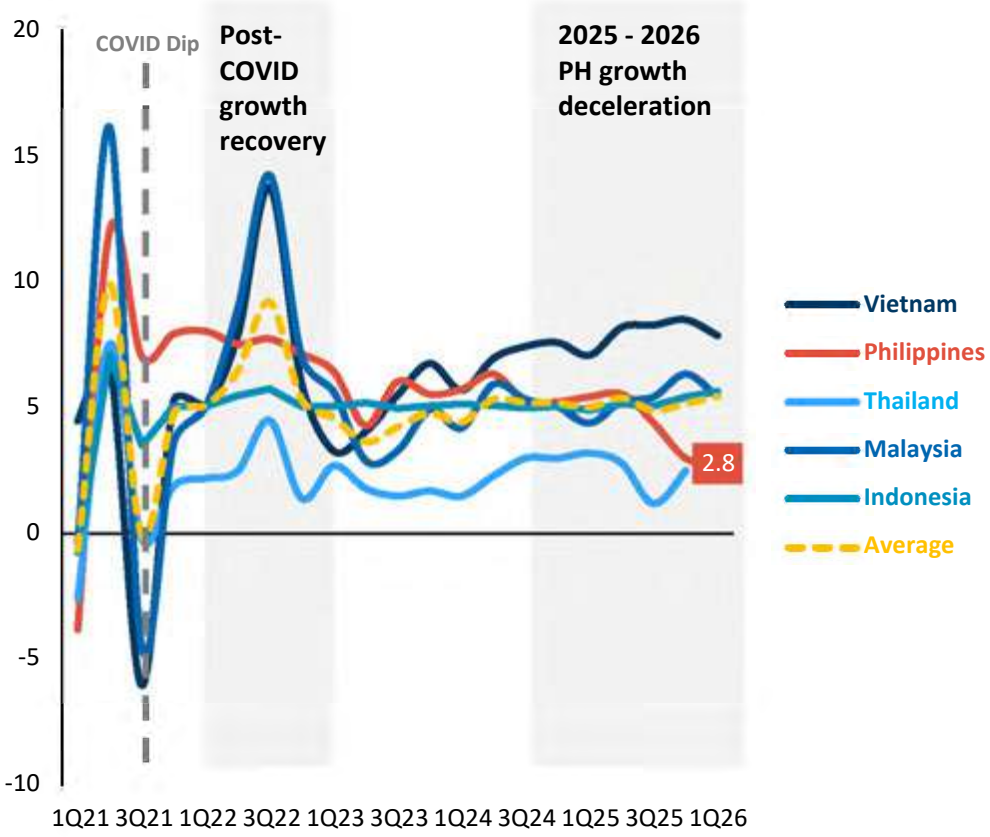
Market Overview
Southeast Asian and Philippine Economy

Vietnam has pulled away from its Southeast Asian peers, posting quarterly GDP growth that climbed from 4.5 percent in 1Q21 to 7.8 percent by 1Q26, while the Philippines, Thailand, and Malaysia show a more uneven, cyclical recovery pattern over the same period. This divergence sharpened notably from 2024 into 2025, even as regional inflation cooled from its 2022-2023 highs into a low, more stable band by late 2025 and early 2026.

GDP Growth Comparisons Across ASEAN-5 from 1Q21 to 1Q26 (in %)



Source: S&P Global Capital IQ

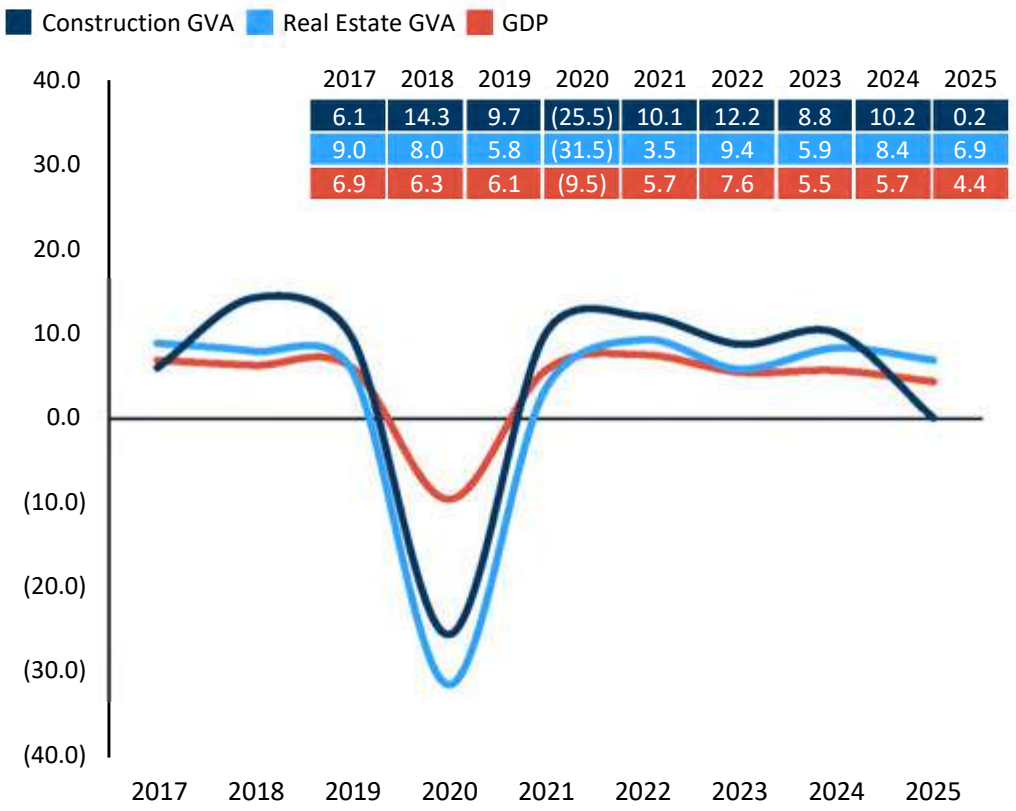
- Vietnam topped ASEAN-6 growth again in 1Q26 at 7.8 percent, and according to Vietnam's National Statistics Office, this was the strongest first-quarter performance in 16 years, powered by broad-based gains in industry and construction (8.9 percent), services (8.2 percent), and a 19.9 percent surge in exports.
- According to Development Bank of Singapore ("DBS"), ASEAN-6 economies faced the same Middle East-driven energy shock but saw sharply asymmetric inflation outcomes — Indonesia and Malaysia stayed contained at 2.4 percent and 1.9 percent respectively, while the Philippines, Vietnam, and Thailand saw inflation jump to 7.2 percent, 5.5 percent, and 2.9 percent, respectively, by April 2026.
- Per DBS, the Philippines is among the most exposed economies in the region to the oil price shock, as modest domestic fuel subsidy support leaves retail prices more directly exposed to swings in global crude prices and their second-round inflationary effects.
- This is on top of Philippine GDP deceleration. GDP growth decelerated for three straight quarters (3.9 percent in 3Q25, 3.0 percent in 4Q25, 2.8 percent in 1Q26). This is, similarly, mainly due to two reasons per Department of Economy, Planning, and Development ("DEPDev") Secretary Arsenio Balisacan: 1) flood-control scandal which eroded investor confidence and 2) Middle East conflict.

Source: S&P Global Capital IQ, Originally extracted from respective country statistics authority

Market Overview
Philippine Real Estate Sector

Philippine real estate GVA has consistently outgrown headline GDP every year from 2017 to 2025, cementing its role as a driver of both the broader economy and construction activity. This outperformance became most critical in 2024-2025, when real estate GVA growth (8.4 percent and 6.9 percent) held well above GDP (5.7 percent and 4.4 percent), cushioning a broader economic slowdown.

YoY Growth Rate of Philippine Construction GVA, Real Estate GVA, and GDP at 2018 Constant Prices from 2017–2025 (Figures in %)



	2017	2018	2019	2020	2021	2022	2023	2024	2025
Construction GVA	6.1	14.3	9.7	(25.5)	10.1	12.2	8.8	10.2	0.2
Real Estate GVA	9.0	8.0	5.8	(31.5)	3.5	9.4	5.9	8.4	6.9
GDP	6.9	6.3	6.1	(9.5)	5.7	7.6	5.5	5.7	4.4

Sources: Philippine Statistics Authority

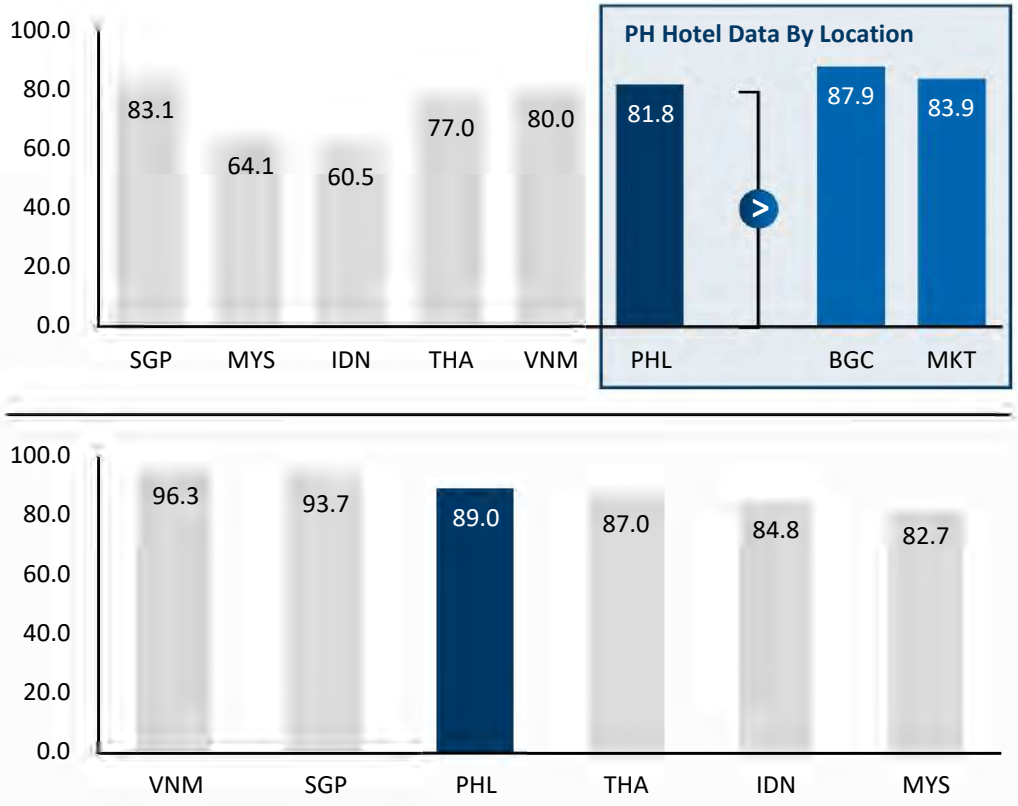
- Real estate GVA growth exceeded GDP growth in nearly every year from 2017-2025, including 8.4 percent versus 5.7 percent in 2024 and 6.9 percent versus 4.4 percent in 2025, showing the sector's persistent structural premium over the broader economy.
- The gap widened notably in 2024 and 2025, real estate GVA grew 8.4 percent and 6.9 percent respectively, well above GDP growth of 5.7 percent and 4.4 percent, positioning real estate as a key buffer against slowing overall output.
- Per Cushman & Wakefield, this decoupling is largely structural due to record OFW remittances of USD35.6 billion in 2025 and BSP policy rate cuts from a 6.5 percent peak in 2024 down to 4.3 percent, which directly channel cheaper credit and steady household income into housing demand, insulating real estate from the same export and infrastructure-spending shocks dragging down GDP.
- Moreover, according to Colliers, the property market stayed strong despite the economy slowing down in late 2025. This shows that the property market depends less on overall trade or government spending. Instead, it is driven by tech and call center expansions, companies moving to premium offices in Makati, BGC, and Ortigas, and multinational firms setting up their global support hubs in Metro Manila.

Source: Philippine Statistics Authority, Colliers, Cushman & Wakefield, Maybank Investment Group

Market Overview
Southeast Asian and Philippine Real Estate Sector – Hotel and Retail

Philippine retail space is running near-full at 89.0 percent occupancy in 1Q26, ranking third in Southeast Asia behind only Vietnam and Singapore, while Philippine hotel occupancy ranks second-highest among Southeast Asian markets at an average of 81.8 percent occupancy in 1Q26, which reflects retailers actively refreshing and reinvesting in mall space to capture resilient consumer footfall amid cost caution and geopolitical uncertainty.

Hotel (Top) and Retail (Bottom) Average Occupancy Rates Comparison for Southeast Asian Countries in 1Q26, Figures in %



Sources: Colliers, Leechiu, CBRE, Savills, Sanos Knight Frank

Hotels

- Philippine hotel occupancy averaged 81.8 percent in 1Q26, ranking second-highest among selected Southeast Asian markets, below Singapore (83.1 percent) but above Vietnam (80.0 percent), Thailand (77.0 percent), Malaysia (64.1 percent), and Indonesia (60.5 percent).
- Per JLL, the 81.8 percent occupancy rate, which covers Metro Manila, was supported by corporate accounts, MICE activities, and domestic leisure travel, with business demand remaining resilient across core commercial districts. However, higher jet-fuel prices, suspended airline routes, and delayed bookings could weigh on hotel demand in the succeeding quarters.

Retail

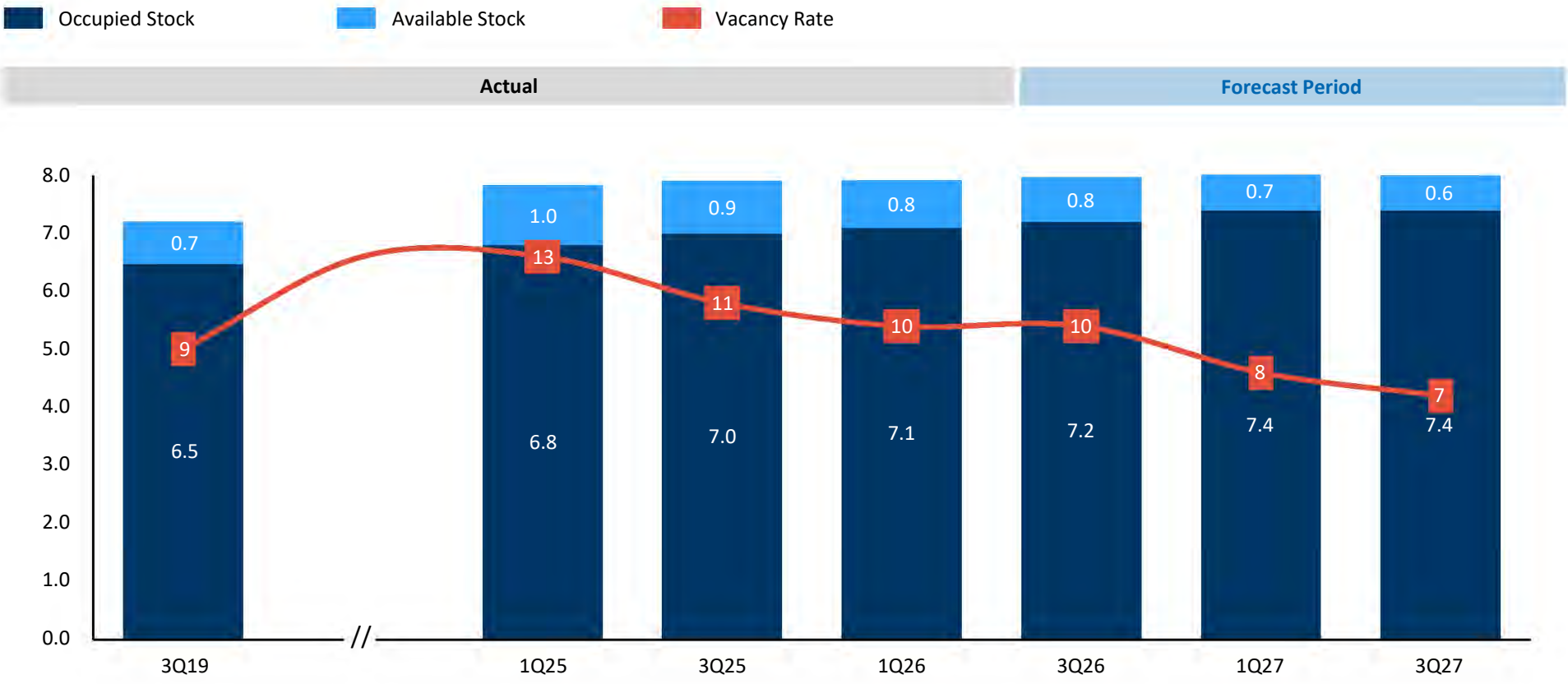
- Philippine retail occupancy stood at 89.0 percent in 1Q26, the third-highest in Southeast Asia after Vietnam (96.3 percent) and Singapore (93.7 percent), and ahead of Thailand (87.0 percent), Indonesia (84.8 percent), and Malaysia (82.7 percent).
- According to Colliers, this retail strength is driven by mall operators proactively refreshing retail spaces and earmarking billions in capex for reinvigoration, drawing sustained take-up from foreign F&B, clothing, and home furnishing brands even as personal consumption expenditure growth slowed through 2025.

Sources: Colliers, Leechiu, CBRE, Savills, Sanos Knight Frank
Note: SGP = Singapore; MYS = Malaysia; IDN = Indonesia; THA = Thailand; VNM = Vietnam; PHL = Philippines; SVS = Savills; CBRE = CBRE; SKF = Santos Knight Frank; LEE = Leechiu; CIGI = Colliers International Group Inc.

Market Overview
Philippine Real Estate Sector – Retail

Colliers Philippines now expects mall vacancy, which fell to 10.8 percent by 1Q26, its lowest since 1Q20, to revert fully to pre-pandemic levels.

Historical and Forecast for Retail Occupied Stock, Available Stock, and Vacancy Rate percent, Figures in Million sqm Except for Vacancy Rate %



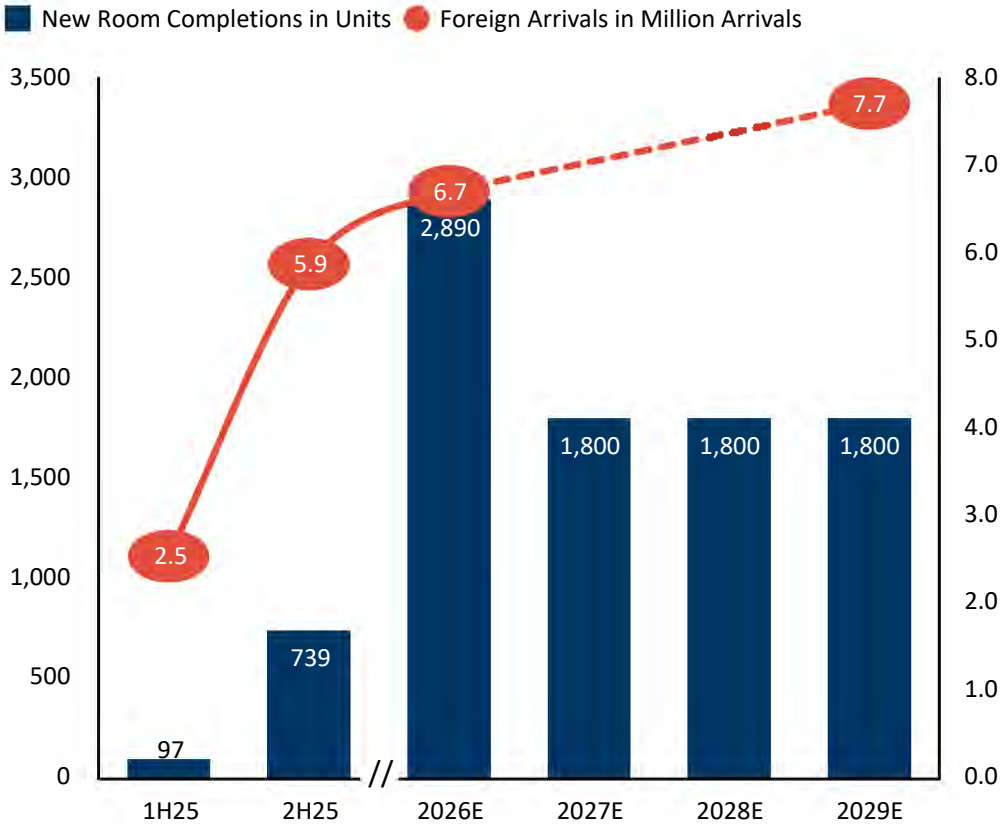
Sources: Colliers

Source: Colliers

Market Overview
Philippine Real Estate Sector – Hotel

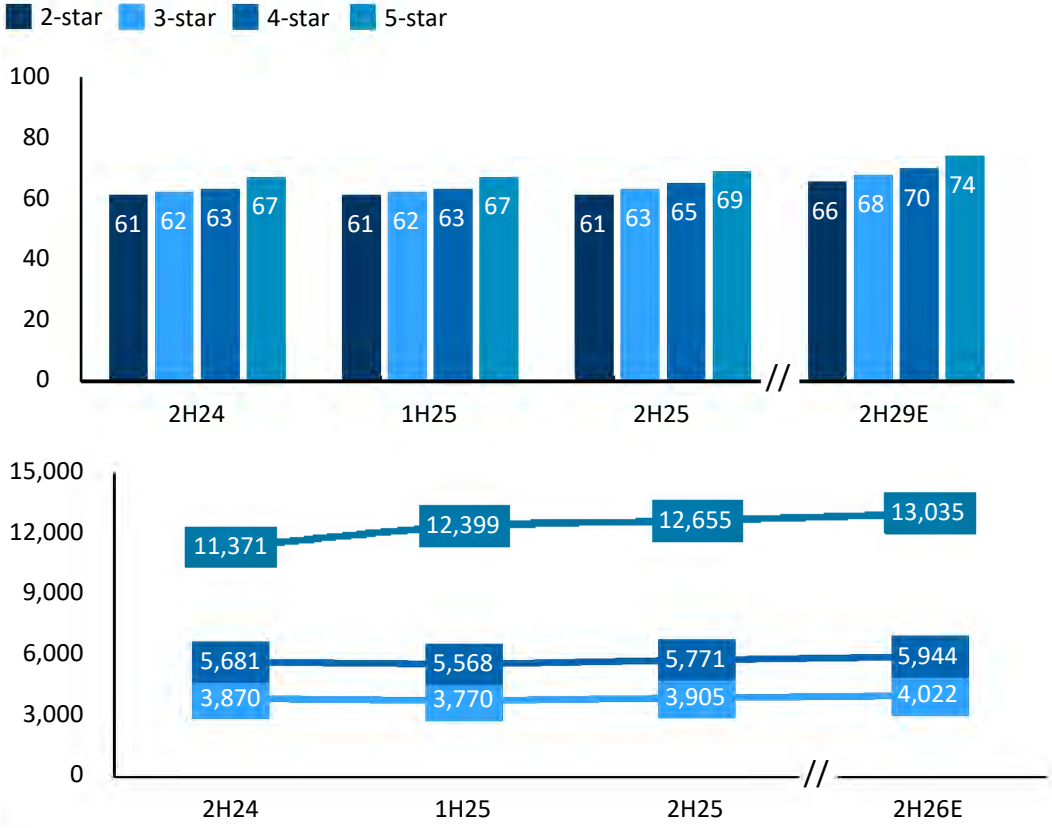
Metro Manila's hotel sector is entering its heaviest supply cycle in years, with 2026 completions (2,890 rooms) outpacing foreign arrival recovery, even as upscale 4- and 5-star properties continue to outperform on both occupancy and ADR growth. Colliers attributes much of this resilience to surging domestic MICE (Meetings, Incentives, Conferences, Exhibitions) demand — including property exhibits, pharmaceutical launches, and trade fairs.

Foreign Arrivals and New Room Completions in Philippine Hotels from 1H25 to Forecast Period 2026-2029



Sources: Colliers

Metro Manila Hotel Occupancy (Top) and Average Daily Rates (Bottom) per Star Classification from 2H24 to 2H25 and 2H29 (estimate), Figures in % and PHP respectively



Sources: Colliers. Note: No data on PHP ADR for 2-star hotels.

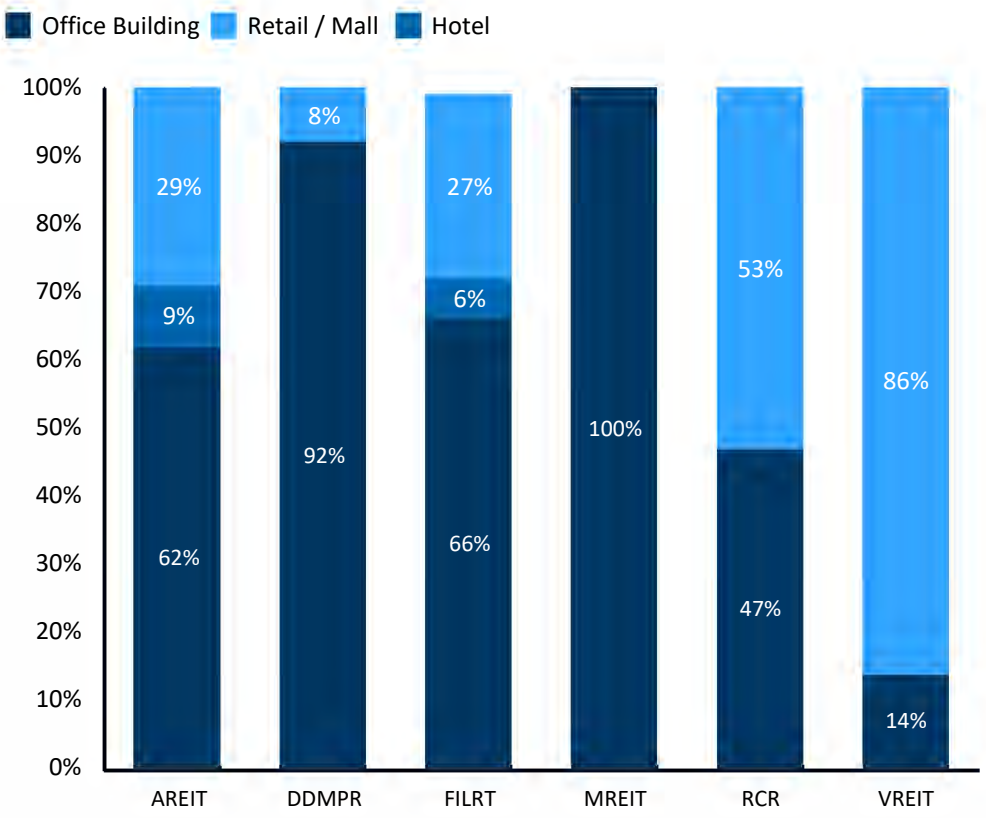
Sources: Colliers

Note: Per Colliers, MICE is helping offset weak South Korean and Chinese arrivals and is projected to add 510,000 sqm of new MICE facility supply across Metro Manila, Tarlac, Cavite, and Cebu.

Market Overview
Philippine REITs

Per Leechiu as of latest information in 2025, AREIT, FILRT, and RCR are predominantly office-backed REITs, with AREIT and FILRT holding roughly two-thirds or more of their portfolios in office buildings and RCR closer to a fifty-fifty split between office and retail/mall assets. DDMPR and MREIT are effectively pure-play office REITs, with close to 90 to 100 percent of their portfolios in office properties and little to no exposure to hotel or retail/mall assets.

Asset Class Breakdown of the Philippine REITs as of FY25, Figures in %



Sources: Leechiu Property Consultants (3Q25)

Growth Outlook

- Sell side coverage on Philippine REITs has turned more constructive, with recent UBS and J.P. Morgan notes pointing to a sector that is working through its correction and setting up for a stronger stretch ahead.
- UBS coverage on local Philippine REITs highlights that sponsor-led asset infusion pipelines remain a key growth lever, on top of weighted average lease expiries running close to two decades, which gives the sector recurring income visibility. Underpinned by this is that despite rental reversions turning negative in recent quarters, rental renewal rates across sectors still run above industry averages.
- J.P. Morgan's research on the REIT and real estate services sector points to asset diversification and regulatory support as the two forces set to bolster the sector's expansion through 2026 and 2027. While the bank models a decline in aggregate sector net income this year on higher funding costs and softer pre-sales, it expects sector profit growth to inflect positive in 2027 on an easier base driven by a recovery in residential pre-sales, steady gross margins and public spending tailwinds tied to the 2028 election cycle.
- Maybank's Philippines Strategy 2026 Year Ahead note describes Philippine REITs as an increasingly important part of the local capital markets. It expects continued asset diversification and regulatory support to keep widening the sector.

Sources: J.P. Morgan, UBS, Maybank Investment Group, Leechiu Property Consultants, Leechiu Property Consultants
Note: Zero malls were infused into MREIT under Wave 4 — that tranche consisted entirely of nine Grade A office buildings in McKinley Hill (plus office space in Eastwood City), with a combined GLA of about 165,500 sqm. Mall assets are instead earmarked for Wave 5, MREIT's upcoming retail diversification round, which is set to include five lifestyle malls — Eastwood Mall, Venice Mall, Lucky Chinatown Mall, Festive Walk Mall, and Southwoods Mall — totaling roughly 160,000 sqm of GLA.

Valuation Approach

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Valuation Approach

To arrive at our estimates of value, we have considered different methodologies under the Income Approach and Market Approach. The succeeding sections discuss the theoretical basis of both approaches as well as the specific methodologies relevant to the analyses performed.

Income Approach

The Income Approach is based on the premise that the value of an asset is the present value of the future earning capacity that is available for distribution to investors in the asset.

The Income Approach should be used as primary basis of valuation under the following circumstances:

- The income-producing ability of the asset is the critical element affecting value from a participant perspective; and/or
- Reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, comparable assets in the market.

Under the Income Approach, the Discounted Cash Flows Method and Direct Capitalization Method were considered in the valuation analysis.

Discounted Cash Flows Method

This method involves forecasting the asset's appropriate cash flow stream over an appropriate period and discounting the forecasted cash flows back to present value using an appropriate discount rate. This discount rate should consider the time value of money, inflation, and the risk inherent in the ownership of the asset being valued.

Free Cash Flows to the Firm

Free Cash Flows to the Firm ("FCFF") represents the cash flows available for distribution to the capital holders of the asset after all operating expenses have been paid and all necessary investments in working capital and fixed assets have been made, as shown below:

$$FCFF = EBIT \times (1 - Tax\ rate) + Noncash\ Charges - FCInv - WCInv$$

where:
- *EBIT* = Earnings before interest and taxes
- *Noncash Charges* = Depreciation and amortization
- *FCInv* = Fixed capital investments
- *WCInv* = Working capital investments

FCFF are discounted using the weighted average cost of capital ("WACC"). WACC is computed by multiplying the weights of debt and equity in the company's financing by the after-tax costs of debt and equity, respectively. The formula for the calculation of WACC is presented below:

$$WACC = W_d K_d (1 - Tax\ Rate) + W_e K_e$$

where:
- W_d = Weight of debt
- W_e = Weight of equity
- K_d = Pre-tax cost of debt
- K_e = Cost of equity

Valuation Approach

The pre-tax cost of debt for the Properties was computed using the weighted average yield to maturity of ALI's listed and outstanding bonds with longer remaining maturities as of Valuation Date, sourced from Bloomberg. For AREIT, a build up method was used by adding an assumed spread to the risk-free rate.

The cost of equity, on the other hand, was computed using the Capital Asset Pricing Model ("CAPM"). CAPM is calculated as follows:

$K_e = R_f + \beta_L \times MRP + \alpha$

where:
R_f = Risk-free rate
β_L = Levered beta
MRP = Market risk premium
α = Alpha risk premium

The risk-free rate represents the return that would be earned from an investment in risk-free assets such as government bonds, while the market risk premium refers to the difference between the expected market return and the risk-free rate.

Beta measures the sensitivity of a stock's returns to changes in the market and is a measure of systematic risk. Levered beta is the beta of a firm inclusive of the effects of capital structure and is calculated using the Hamada equation, as follows:

$\beta_L = \beta_U \times [1 + (1 - T)\ (D/E)]$

where:
β_L = Levered beta of the subject asset
β_U = Unlevered beta
T = Effective tax rate of the subject asset
D/E = Debt-to-equity ratio

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies while the debt-to-equity ratio was based on the subject company's target capital structure.

Comparable companies were selected based on their business operations and risks. The process of filtering out the comparable companies considered in our valuation analysis and their corresponding business descriptions are presented in Appendices B and C.

To determine the unlevered betas of comparable companies, the following formula is used:

$\beta_U = \beta \div [1 + (1 - T)\ (D/MC)]$

where:
β_U = Unlevered beta of comparable company
β = Adjusted beta of comparable company
T = Effective tax rate of comparable company
D/MC = Debt-to-market capitalization ratio of comparable company

Please refer to Appendix D for the details of the unlevered beta computation.

Lastly, an alpha risk premium was added to the cost of equity to account for company-specific risks, such as size difference.

Valuation Approach

Direct Capitalization Method

This method values an asset by capitalizing the net operating income ("NOI") at a predetermined capitalization rate. The formula for the Direct Capitalization Method is as follows:

Value = Net Operating Income / Capitalization Rate

Net operating income is the amount of income remaining after deducting vacancy and collection losses, and operating expenses from potential gross income.

The applied capitalization rate in the valuation exercise equals a pre-tax discount rate less an expected terminal growth rate.

Market Approach

The Market Approach references actual transactions in the equity of the company being valued or transactions in similar companies that are traded in the public markets. Third-party transactions in the equity of a company generally represent the best estimate of fair market value if they are done at arm's length.

This approach should be used as the primary basis for valuation under the following circumstances:

- The subject company has recently been sold in a transaction appropriate for consideration under the basis of value;
- The subject company or substantially similar companies are actively publicly traded; and/or
- There are frequent and/or recent observable transactions in substantially similar companies.

Under the Market Approach, the Comparable Public Companies Method and Volume Weighted Average Price Method were considered in the valuation analysis.

Valuation Approach

Comparable Public Companies Method

This method involves identifying and selecting publicly-traded companies with financial and operating characteristics similar to the subject company being valued.

Once comparable companies are identified, valuation multiples can be derived, adjusted for comparability, and then applied to the subject company's corresponding fundamental data to estimate the value of its equity.

Per IVS, this method should be used only when the subject company is sufficiently similar to the publicly traded comparable companies to allow for meaningful comparison.

We used S&P Capital IQ in extracting comparable companies and their corresponding multiples. The process of filtering out the comparable companies considered in our valuation analysis and their corresponding business descriptions are presented in Appendices B and C.

Volume Weighted Average Price ("VWAP") Method

This method involves analysis of the value of the company's shares based on its historical trading volume and price. VWAP is commonly used for subject companies that are actively traded. Given that prices may already reflect past and forward-looking available information of the subject company, this method may provide reliable basis of market value.

Valuation Analysis – Properties

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Valuation Analysis | Properties
Overview

The Properties to be transferred to AREIT comprise of four malls (i.e., **Glorietta 4**, **Ayala Malls Circuit Makati**, **Ayala Malls Capitol Central**, **Ayala Malls Cloverleaf**) and two hotels (**i.e., New World Makati Hotel**, and **Seda Vertis North**). The following provides a brief overview of the mall Properties:

Glorietta 4

- Glorietta 4 is a shopping mall located at Ayala Center, Makati City.
- Glorietta 4 began operations in 1998 and has a gross leasable area of 30,429 square meters.
- Glorietta 4 is fully owned by ALI.

Ayala Malls Circuit Makati

- Ayala Malls Circuit Makati is a shopping mall located along Hippodromo Street, Barangay Carmona, Makati City.
- Ayala Malls Circuit Makati began operations in 2018 and has a gross leasable area of 65,161 square meters.
- Ayala Malls Circuit Makati is fully owned by MCLC.

Ayala Malls Capitol Central

- Ayala Malls Capitol Central is a shopping mall located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental.
- Ayala Malls Capitol Central began operations in 2018 and has a gross leasable area of 63,391 square meters.
- Ayala Malls Capitol Central is fully owned by CCCVC.

Ayala Malls Cloverleaf

- Ayala Malls Cloverleaf is a shopping mall located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City.
- Ayala Malls Cloverleaf began operations in 2017 and has a gross leasable area of 33,511 square meters.
- Ayala Malls Cloverleaf is fully owned by BCCVC.

Valuation Analysis | Properties
Overview

The Properties to be transferred to AREIT comprise of four malls (i.e., **Glorietta 4**, **Ayala Malls Circuit Makati**, **Ayala Malls Capitol Central**, **Ayala Malls Cloverleaf**) and two hotels (**i.e., New World Makati Hotel**, and **Seda Vertis North**). The following provides a brief overview of the hotel Properties:

New World Makati Hotel

- New World is a hotel located at Esperanza Street, corner Makati Avenue, Ayala Center, Makati City.
- New World Makati Hotel began operations in 1994 and has a gross leasable area of 72,488 square meters.
- New World Makati Hotel is fully owned by ALI.

Seda Vertis North

- Seda Vertis North is a hotel located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City.
- Seda Vertis North began operations in 2017 and has a gross leasable area of 35,478 square meters.
- Seda Vertis North is fully owned by NTHVI.

The Transaction involves the transfer of New World Makati Hotel and Seda Vertis North to AREIT. After the Transaction, ALI and NTHVI will continue earning lease income from the hotels and will lease the hotels back from AREIT under a master lease agreement.

Valuation Analysis | Properties
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method:

Discount Rate Estimation - Malls

Inputs to the determination of the WACC used to value the mall properties as of Valuation Date were based on the following parameters:

- Cost of equity was computed using the Capital Asset Pricing Model ("CAPM").
  - Risk-free rate of 6.93 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
  - Market risk premium of 6.55 percent was obtained from Damodaran's Equity Risk Premium Assessment for the Philippines.
  - Levered beta was derived from the average unlevered beta of comparable companies and then re-levered based on AREIT's target capital structure.
  - Alpha risk premium was referenced from the Deciles Size Premia Study by Kroll.
  - Pre-tax cost of debt of 6.26 percent was based on weighted average yield to maturity (YTM) of the listed and outstanding bonds of ALI with longer remaining maturities as of Valuation Date, sourced from Bloomberg.

Discount Rate for the Malls As of 31 March 2026	Value
Risk-free Rate (RFR)	6.93%
Market Risk Premium (MRP)	6.55%
Unlevered Beta (β_U)	0.39
Debt-to-Equity Ratio (D/E)	0.43
Levered Beta (β_L)	0.55
Alpha Risk Premium (α)	1.05%
Cost of Equity (Ke)	**11.61%**
Cost of Debt, pre-tax (Kd)	**6.26%**
Weight of Equity (We)	70.00%
Weight of Debt (Wd)	30.00%
WACC, rounded	**10.00%**

Sources: Bloomberg, Kroll, ALI Financial Statements, FTI Consulting Analysis

Valuation Analysis | Properties
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method:

Discount Rate Estimation - Hotels

Inputs to the determination of the WACC used to value the hotel properties as of Valuation Date were based on the following parameters:

- Cost of equity was computed using the Capital Asset Pricing Model ("CAPM").
  - Risk-free rate of 6.93 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
  - Market risk premium of 6.55 percent was obtained from Damodaran's Equity Risk Premium Assessment for the Philippines.
  - Levered beta was derived from the average unlevered beta of comparable companies and then re-levered based on AREIT's target capital structure.
  - Alpha risk premiums were referenced from the Deciles Size Premia Study by Kroll.
- Pre-tax cost of debt of 6.26 percent was based on weighted average yield to maturity (YTM) of the listed and outstanding bonds of ALI with longer remaining maturities as of Valuation Date, sourced from Bloomberg.

Discount Rate for the Hotels As of 31 March 2026	Value (Low)	Value (High)
Risk-free Rate (RFR)	6.93%	6.93%
Market Risk Premium (MRP)	6.55%	6.55%
Unlevered Beta (β_U)	0.47	0.47
Debt-to-Equity Ratio (D/E)	0.43	0.43
Levered Beta (β_L)	0.67	0.67
Alpha Risk Premium (α)	1.05%	0.88%
Cost of Equity (Ke)	**12.36%**	**12.19%**
Cost of Debt, pre-tax (Kd)	**6.26%**	**6.26%**
Weight of Equity (We)	70.00%	70.00%
Weight of Debt (Wd)	30.00%	30.00%
WACC, rounded	**10.55%**	**10.40%**

Sources: Bloomberg, Kroll, ALI Financial Statements, FTI Consulting Analysis

Valuation Analysis | Properties
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method:

Revenues

Mall revenues consist of the properties' rental income and other income from ancillary operations. For the hotels, revenues pertain to AREIT's future lease collections from ALI and NTHVI.

Rental Income

Rental income is derived from the leasing operations of the retail space. This was estimated using forecasted lease rates, escalation, and occupancy rates.

Lease Rates
Forecasted base lease rates provided by management were followed, taking into consideration the average rates from existing contracts of each property.

Escalation

Escalation rates were based on management's estimate of future increases in rent due to renovations and inflation. These rates were sensitized to arrive at the low and high estimates.

Occupancy Rates

Forecasted occupancy rates were based on management's projections, ranging between 70 percent and 90 percent. Occupancy is expected to decline during periods of major renovation.

Occupancy Rates (cont'd)
A gradual increase in occupancy rates was assumed for Glorietta 4 and Cloverleaf under the low estimate scenario to reflect a more conservative ramp-up, given the significant occupancy increases projected between 2026 and 2027.

Other Income

Other income comprises revenue from specialty leasing operations and AREIT's share of income from the properties' theater operations. These were projected based on inflation assumptions and management's expected growth.

Direct Operating Expenses

These include controllable and non-controllable expenses. Controllable expenses were forecasted to increase by 5 percent, in line with management's budget, while non-controllable expenses are forecasted based on percentage of revenues.

For Glorietta 4 and Circuit Mall, the forecasted non-controllable expenses were adjusted to align with historical percentages of revenue.

Valuation Analysis | Properties
Discounted Cash Flows Method/Direct Capitalization Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

General and Administrative Expenses

General and Administrative expenses were forecasted as a percentage of revenues based on management's budget and historical expense levels. These consist of payroll and non-payroll expenses.

Management Fees

Management fees pertain to fund and property management fees.

Depreciation Expense

Mall properties were depreciated using the straight-line method over their estimated useful lives. Depreciation was not considered in the valuation of hotel properties as these are subject to master lease agreements.

Capital Expenditures

For the mall properties, annual recurring capital expenditures were assumed to be 5 percent of rental income, except for Circuit Mall with 7 percent of rental income, as provided by management. Major CAPEX was based on management's budget and was assumed to occur every 10 years.

Working Capital Requirements

Working capital requirements for the mall properties were calculated based on the average collection period and average payment period, as provided by management.

The following are the **Key Valuation Inputs and Assumptions** used in the Direct Capitalization Method:

Net Operating Income ("NOI")

The forecasted revenues and cost and expenses in 2027 were used to determine NOI, except for Capitol Central for which the stabilized NOI was assumed in 2029 as the property is expected to turn positive margins until that year.

Capitalization Rate

The calculated NOI was divided by the capitalization rate to arrive at the estimated market value.

For the mall properties, a capitalization rate of 7 percent was computed by obtaining the difference between the pre-tax WACC of 10 percent and the terminal growth rate of 3 percent based on the management's assumption of long-term stable growth rate.

For New World Hotel, capitalization rates ranging from 7.40 percent to 7.79 percent were used. The capitalization rates were computed by obtaining the difference between the pre-tax WACCs of 10.40 percent to 10.55 percent and the terminal growth rate of 2.76 percent to 3 percent.

For Seda Vertis North, capitalization rates ranging from 7.40 percent to 7.77 percent were used. The capitalization rates were computed by obtaining the difference between the pre-tax WACCs of 10.40 percent to 10.55 percent and the terminal growth rate of 2.78 percent to 3 percent.

The terminal growth rates for hotels were based on the blended escalation rate considering both the fixed and variable revenues of the hotel and the escalation rate of fixed lease rates under the Master Lease Agreement.

Valuation Analysis | Properties
Valuation Summary

Based upon discussions with and representations of Property Owners' management, research conducted, and the valuation analyses performed and described herein, the total market values of the Properties were estimated within the range of **PHP16,637 million to PHP20,051 million** as of Valuation Date.

Properties	FTI Valuation Range		Discounted Cash Flows Method		Direct Capitalization Method	
Amounts in PHP millions	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
Glorietta 4	4,948	6,053	4,948	6,053	5,149	5,784
Ayala Malls Circuit Makati	1,987	2,455	2,037	2,455	1,987	2,142
Ayala Malls Capitol Central	3,100	3,880	3,100	3,880	3,345	3,692
Ayala Malls Cloverleaf	2,303	3,066	2,576	3,066	2,303	2,711
New World Makati Hotel	2,688	2,876	2,688	2,772	2,757	2,876
Seda Vertis North	1,611	1,721	1,611	1,655	1,653	1,721
Total Range of Market Values	**16,637**	**20,051**				

Source: FTI Consulting Analysis

Valuation Analysis – AREIT, Inc.

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Valuation Analysis | AREIT, Inc.
Company Overview

- **AREIT, Inc.** ("AREIT") was incorporated on 4 September 2006 as a real estate company. It was originally known as One Dela Rosa Property Development, Inc. before changing to its current name on 12 April 2019.
- AREIT is a subsidiary of Ayala Land, Inc ("ALI"), while Ayala Corporation ("AC") is the ultimate parent company.
- It is the first REIT in the Philippines, formed primarily to own and invest in an income-generating commercial portfolio of office, retail, and hotel properties in the country that meets its investment criteria.
- Revenues for the three-month period ending 31 March 2026 were at PHP3,544.80 million while net income was at PHP2,559.66 million, posting a 72.21 percent net margin.
- AREIT's main financial highlights for 2025 and the three-month period ending 31 March 2026 are as follows:

Amounts in PHP millions	FY25	1Q26
Total Revenues[1]	12,959.78	3,544.80
Direct Operating Expenses	(3,303.76)	(883.13)
General & Admin Expenses	(127.08)	(24.34)
Net Income	9,539.22	2,559.66
Total Assets	147,322.39	148,002.15
Total Equity	135,902.80	136,158.69

Source: Management, AREIT Financial Statements
[1]Total Revenues is composed of PHP8,826.84 million and PHP2,320.32 million of rental income in FY25 and 1Q26, respectively.

- AREIT was publicly listed on the Philippine Stock Exchange on 13 August 2020.
- As a commercial REIT, AREIT is focused on expanding its office, shopping center, and hotel properties. Its current properties portfolio includes:
  - Ayala North Exchange Properties
  - Teleperformance Cebu
  - The 30th Ayala Malls and Corporate Center
  - Solaris One Building
  - McKinley Exchange Corporate Center
  - Laguna Technopark Industrial Lots
  - Vertis North Mall and Corporate Centers
  - BPI-Philam Life Makati Office Units
  - BPI-Philam Life Alabang Office Units
  - The Bacolod Capitol Corporate Center
  - The Ayala North Point Technohub
  - Evotech One and Two
  - eBloc Towers 1 to 4
  - Seda Ayala Center Cebu Tower
  - The Tech Tower
  - One Ayala Tower 1 & 2
  - Glorietta 1 & 2
  - Marquee Mall
  - Seda Lio
  - Ayala Triangle Gardens Tower 2
  - Holiday Inn Makati
  - Greenbelt 3 & 5
  - Palauig Industrial Lot
  - Abreeza BPO and Mall
  - Centrio BPO and Mall
  - Central Bloc 1 & 2
  - Central Bloc Mall
  - Central Bloc Hotel
  - ACC Mall*
  - Feliz Mall*

**Note: ACC Mall and Feliz Mall were assumed part of AREIT's portfolio for the purpose of the valuation exercise as of 31 March 2026. These malls were subject of a property-for-share swap acquisition.*

Valuation Analysis | AREIT, Inc.
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method:

Discount Rate Estimation

Inputs to the determination of the WACC used to value AREIT as of Valuation Date were based on the following parameters:

- Cost of equity was computed using the Capital Asset Pricing Model ("CAPM").
  - Risk-free rate of 6.93 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
  - Market risk premium of 6.55 percent was obtained from Damodaran's Equity Risk Premium Assessment for the Philippines.
  - Levered beta was derived from the average unlevered beta of comparable companies and then re-levered based on the target capital structure of AREIT.
- Pre-tax cost of debt of 7.23 percent was based on risk-free rate with a spread based on management information.
- Under the REIT Law, a Philippine REIT is subject to regular income tax, but it can claim as a deduction from its taxable net income any dividend distributed out of its distributable income. Since AREIT has been compliant with the REIT law, the effective tax rate applicable for AREIT is zero percent

Discount Rate For AREIT As of 31 March 2026	Value
Risk-free Rate (RFR)	6.93%
Market Risk Premium (MRP)	6.55%
Unlevered Beta (β_U)	0.49
Debt-to-Equity Ratio (D/E)	0.43
Levered Beta (β_L)	0.70
Cost of Equity (Ke)	**11.49%**
Cost of Debt, pre-tax (Kd)	**7.23%**
Weight of Equity (We)	70.00%
Weight of Debt (Wd)	30.00%
WACC, rounded	**10.20%**

Sources: Bloomberg, S&P Capital IQ, Aswath Damodaran, Management, FTI Consulting Analysis

Valuation Analysis | AREIT, Inc.
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

Revenues

- AREIT's revenues consist of rental income and net dues.
- Majority of the rental income is derived from office leases. Other sources of rental income are leases from retail, land, hotel, and parking.
- Net dues pertain to association dues charged to tenants, consisting of Common Usage Service Areas ("CUSA") and utility charges. Net dues were estimated as a percentage of rental income.
- Occupancy rates were based on management assumptions.
- To arrive at the low and high estimates of values, we sensitized office lease rates and escalation assumed per property.
- Lease rates were sensitized by applying either the management's forecasts or the market-based lease rates in the respective locations of each property as of Valuation Date sourced from third-party market studies.
- Escalation rates were based on management's estimate of future increases/decreases in rent rates. These were sensitized to arrive at the low and high estimates.

Direct Operating Expenses

- Direct operating expenses include outside services, repairs and maintenance ("R&M"), land and building leases, taxes and licenses, management fees, and insurance.
- Outside services, R&M costs, insurance, and other direct operating expenses were based on management's forecast from 2026 to 2031 and projected to grow by inflation thereafter.
- Land and building leases were based on contracted rates per land and building lease agreements.
- Taxes and licenses is composed of business tax, real property tax, and other permits.

General and Administrative Expenses

- General and administrative expenses include professional fees, taxes and licenses, and systems costs.
- Professional fees, taxes and licenses, system costs and other G&A expenses were based on management's forecast from 2026 to 2031 and projected to grow by inflation thereafter.

Valuation Analysis | AREIT, Inc.
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

Depreciation Expense

- AREIT uses fair value accounting and as such, no depreciation expense is being recognized.

Capital Expenditures

- Annual recurring maintenance capital expenditures were assumed to be 3.75 percent on average of rental income as provided by management.

Working Capital Requirements

- Working capital requirements were calculated based on the historical average collection and payment periods.

Terminal Value

- The terminal value was determined using Perpetuity Model given the long-term nature of the properties being managed.
- This was derived by dividing the terminal cash flow by the difference between WACC and the terminal growth rate. The terminal cash flow was computed based on last year's explicit forecast period cash flow. The terminal growth rate used was 3 percent.

Using the DCF method, the equity value of AREIT as of the Valuation Date was estimated within the range of **PHP133,124 million to PHP165,698 million** or **PHP32.03 to PHP39.86** on a per share basis.

Valuation Summary (in PHP millions)	Low Estimate	High Estimate
Estimated Value of Operating Assets	**139,228**	**171,802**
[-] Net Debt	(1,924)	(1,924)
[-] Non-operating assets and liabilities	(4,179)	(4,179)
Estimated Equity Value	**133,124**	**165,698**
Outstanding Shares* (in millions)	4,157	4,157
Estimated Equity Value per Share	**32.03**	**39.86**

Source: FTI Consulting Analysis

*The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.

Valuation Analysis | AREIT, Inc.
Volume Weighted Average Price Method

- As a cross-check to our DCF valuation and given that the shares of AREIT are listed on the local stock exchange, we also valued AREIT using the Volume Weighted Average Price ("VWAP") method.
- The VWAP method is computed using the following formula:

$$VWAP = \frac{\sum(Stock\ Price\ x\ Volume\ Traded)}{\sum Volume\ Traded}$$

- We considered the stock prices and trading volume of AREIT over a one-year period from the Valuation Date. Stock prices were extracted from S&P Capital IQ and were weighted by their corresponding trading volume.
- Presented to the right are the 1-month, 3-month, 6-month, and 1-year VWAPs of AREIT as of the Valuation Date.
- Using the VWAP method, the equity value of AREIT as of Valuation Date was estimated within the range of **PHP 162,462 million** to **PHP 176,751 million**, or **PHP39.08** to **PHP42.52** on a per share basis.

Valuation Summary	Low Estimate	High Estimate
	As of 31 March 2026	3-Month
VWAP (in PHP per share)	39.08	42.52
Outstanding Shares* (in millions)	4,156.89	4,156.89
Estimated Equity Value (in PHP millions)	**162,462.40**	**176,750.66**

Source: S&P Capital IQ, FTI Consulting Analysis

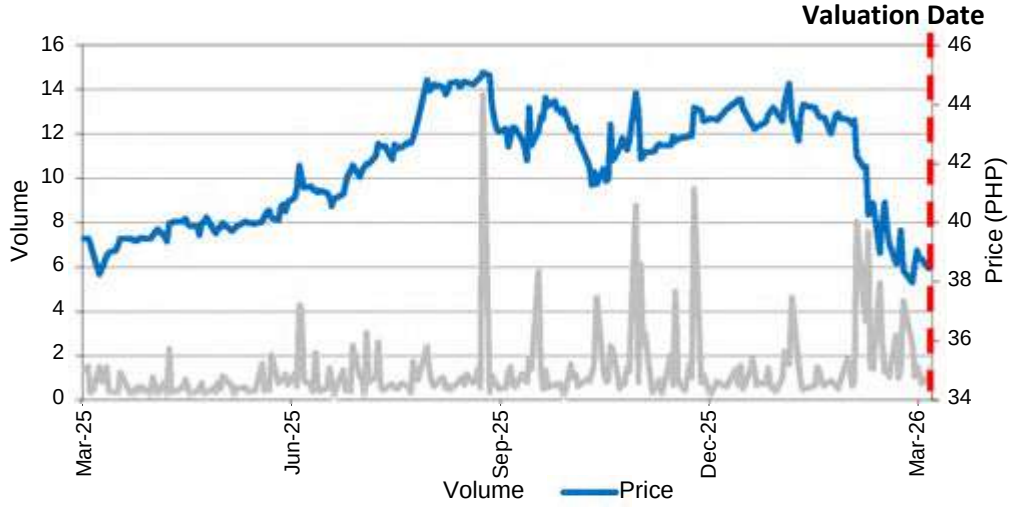
*The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.

VWAP Computation as of 31 March 2026

Period	Price per Share[1] (PHP per share)	Equity Value (In PHP millions)
1-year	40.53	168,487.10
6-month	42.32	175,900.43
3-month	42.52	176,750.66
1-month	41.96	174,424.59
VWAP as of 31 March 2026	39.08	162,462.40

[1]Rounded to two decimal places for presentation purposes
Sources: S&P Capital IQ, FTI Consulting Analysis

Price and Volume Chart



Sources: S&P Capital IQ, FTI Consulting Analysis

Valuation Analysis | AREIT, Inc.
Comparable Public Companies Method

- The Comparable Public Companies Method was also used as a cross-check to estimate the equity value of AREIT. This method involves the identification of publicly traded companies that are reasonably comparable to AREIT, and the analysis of the valuation indications that the multiples of comparable companies imply when applied to AREIT.
- Philippine REITs were determined as the comparable companies of AREIT. These consist of RL Commercial REIT, Inc. ("RCR"), MREIT, Inc. ("MREIT"), and Filinvest REIT Corp. ("FILRT").
- We examined the price multiples as of the Valuation Date of the selected comparable companies. The EV-to-NTM EBITDA, EV-to-NTM EBIT, and Price-to-NTM Earnings were considered.
- We took the minimum and maximum of the comparable companies' multiples gathered from S&P Capital IQ to estimate low and high case values. The calculated minimum and maximum multiples were multiplied by management's next twelve months' forecast of AREIT's EBITDA, EBIT, and Earnings. The enterprise value multiples were adjusted for net debt, to arrive at the equity values.
- Using the Comparable Public Companies Method, the equity value of AREIT as of the Valuation Date was estimated within the range of **PHP129,526 million** to **PHP152,676 million**, or **PHP31.16** to **PHP36.73** on a per share basis.

Price Multiples of Comparable Public Companies

Comparable Companies	EV-to-NTM EBITDA*	EV-to-NTM EBIT*	Price-to-NTM Earnings*
RCR	13.10	12.88	13.73
MREIT	12.09	12.70	11.65
FILRT	NM**	11.91	12.12
Minimum	**12.09**	**11.91**	**11.65**
Maximum	**13.10**	**12.88**	**13.73**

Sources: S&P Capital IQ, FTI Consulting Analysis
**NTM = next twelve months*
***NM = no meaningful figure*

Implied Equity Values of AREIT using Comparable Public Companies Method

Multiple	Implied Equity Value (In PHP millions)		Value per Share[1] (PHP per share)	
	Minimum	Maximum	Low Est.	High Est.
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
Estimated Equity Value	129,526	152,676	31.16	36.73

[1]Rounded to two decimal places for presentation purposes
Source: FTI Consulting Analysis

Note: DDMP REIT Inc. had no next-twelve-months multiples in S&P Capital IQ Database as of Valuation Date. Hence, it was not considered in Comparable Public Companies Method.

Valuation Analysis | AREIT, Inc.
Valuation Summary

Based upon discussions with and representations of AREIT's management, research conducted, and the valuation analyses performed and described herein, the range of market values of AREIT is within **PHP133,124.38 million to PHP165,698.46 million** or **PHP32.03 to PHP39.86** on a per share basis as of Valuation Date.

Valuation Summary – AREIT, Inc.

Method	Equity Value		Value per Share[1]	
In PHP millions except for the per share values	Low Estimate	High Estimate	Low Estimate	High Estimate
Discounted Cash Flows Method	**133,124**	**165,698**	**32.03**	**39.86**
Cross-checks:				
Volume Weighted Average Price Method	162,462	176,751	39.08	42.52
Comparable Public Companies Method				
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
RANGE OF MARKET VALUES	**133,124**	**165,698**	**32.03**	**39.86**

Source: FTI Consulting Analysis
**NTM = next twelve months*
[1]The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.

Valuation Conclusion

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Valuation Conclusion

Based upon discussions with and representations of management, research conducted, and the valuation analyses performed and described herein, the market values of the Properties and AREIT are estimated as follows:

	Market Values (In PHP millions)		Value per Share (PHP per share)[1]	
	Low Estimate	High Estimate	Low Estimate	High Estimate
Properties	16,637	20,051		
AREIT, Inc.	133,124	165,698	32.03	39.86

[1]Rounded to two decimal places for presentation purposes
Source: FTI Consulting Analysis

Appendices

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Appendix A
Glossary of Terms

Term	Definition
ADR	Average daily rate measures the average rental income per occupied unit over a specific period
Alpha risk premium	Risk premium associated with the level of unsystematic risk or risks specific to the subject company or asset
Beta	Measures the sensitivity of a stock's returns to changes in the market and is a measure of systematic risk
Book Value	Value of an asset or liability according to its balance sheet account balance
BVAL	Bloomberg Valuation
Capitalization rate	Rate of return on a property based on the net operating income that the property generates
CAPM	Capital Asset Pricing Model; Estimates the expected return on an investment given its systematic risk
Comparable companies	Publicly traded companies that are of similar characteristics (such as size, business of operations, or risks) and industry to the enterprise being valued
Comparable Public Companies Method	Valuation method that involves identification of publicly listed companies that are reasonably comparable to the subject company, and analysis of the valuation indications that the multiples of comparable companies imply when applied to the subject company
Cost of debt	The effective interest rate used by a company to pay its debts
Cost of equity	The return that stockholders require for a company; also called as required rate of return on equity
CUSA	Common Usage Service Area
Direct Capitalization Method	A real estate appraisal method that helps in converting income into value
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value
Discounted Cash Flows Analysis	Involves forecasting the appropriate cash flow stream over an appropriate period and then discounting it back to a present value at an appropriate discount rate
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBT	Earnings Before Tax
EPS	Earnings per Share
Fairness Opinion	An opinion on whether the financial terms of a proposed corporate transaction are fair to the equity holders of an entity involved
FCFF	Free Cash Flows to the Firm; Represents the cash flows available for distribution to the capital holders of the asset after all operating expenses have been paid and all necessary investments in working capital and fixed assets have been made

Appendix A
Glossary of Terms

Term	Definition
GDP	Gross Domestic Product; The total market value of the goods and services produced by a country's economy during a specified period of time
GICS	Global Industry Classification Standard
GLA	Gross Leasable Area; Amount of floor space available to be rented
IVS	International Valuation Standards
Levered beta	Beta of a firm inclusive of the effects of capital structure
Market capitalization	Measure of the value of a company's value obtained by multiplying the number of shares outstanding by the company's share price
Market risk premium	The difference between the expected return of the market and the risk-free rate of return
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
MICE	Meetings, Incentives, Conferences, and Exhibitions
NOI	Net operating income; The amount of income remaining after deducting vacancy and collection losses, and operating expenses from potential gross income
NOPAT	Net Operating Profit After Tax
NTM	Next Twelve Months
Occupancy rate	Ratio of rented or used space to the total amount of available space
PHP	Philippine Peso
Raw beta	Historical beta that represents the relationship of a security's return and return of an index
REIT	Real Estate Investment Trust; A company that owns, operates, or finances income-generating real estate.
Rent roll	Comprehensive list of rental units owned by a landlord providing details such as the unit number and current tenants' lease arrangements
Risk premium	Excess return above the risk-free rate of risky assets
Risk-free rate	The rate of return with zero risk; represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time

Appendix A
Glossary of Terms

Term	Definition
sqm	Square meter
Unlevered beta	Beta of a company without debt; removes the financial effect of leverage
Vacancy Rate	Ratio of vacant or unoccupied space to the total amount of available space
Valuation	The process of establishing the value of an asset or liability
Valuation approach	One of three principal ways of estimating value; each valuation approach includes different methods that may be used to apply the principles of the approach to specific asset types or situations
Valuation Date	The date on which the opinion of value applies
VWAP	Volume Weighted Average Price
VWAP Method	Valuation method that involves analysis of the value of the subject company's shares based on its historical trading volume and price
WACC	Weighted Average Cost of Capital; a calculation of a firm's cost of capital in which each source of capital is proportionately weighted

Appendix B
Selection of Comparable Companies | Mall Properties

Using S&P Capital IQ, we obtained the population of public companies with properties in their portfolios which are possibly comparable to the mall properties to be transferred to AREIT in the Transaction. We selected comparable public companies in the 'Retail REITs,' and 'Real Estate Management & Development' industries which operate in Southeast Asia and primarily lease office spaces. The table below presents the selection process of comparable public companies used in the analysis.

Selection Process of Comparable Companies	Number of Comparables Filtered out	Number of Comparables Remaining
GICS Industry Classification: Retail REITs/Real Estate Management & Development		846
Geographic Location: Within Southeast Asia	778	68
Business Line: Retail Space Leasing	59	9
Final Number of Comparable Companies Used		**9**

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix B
Selection of Comparable Companies | Hotel Properties

Using S&P Capital IQ, we obtained the population of public companies with properties in their portfolios which are possibly comparable to the hotel properties to be transferred to AREIT in the Transaction. We selected comparable public companies in the 'Hotels, Restaurants and Leisure', 'Hotel and Resorts REITs,' and 'Real Estate Management & Development' industries which operate in Southeast Asia and primarily lease office spaces. The table below presents the selection process of comparable public companies used in the analysis.

Selection Process of Comparable Companies	Number of Comparables Filtered out	Number of Comparables Remaining
GICS Industry Classification: Hotels, Restaurants and Leisure/Hotel and Resorts REITs/Real Estate Management & Development		2765
Geographic Location: Within Southeast Asia	2292	473
Business Line: Majority Hotel Operations	466	7
Final Number of Comparable Companies Used		**7**

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix B
Selection of Comparable Companies | AREIT, Inc.

Using the S&P Capital IQ, we obtained the population of public companies which are possibly comparable to AREIT. We selected comparable public companies in the 'Office REITs' and 'Diversified REITs' industries which operate in the Philippines and primarily lease office spaces. The table below presents the selection process of comparable public companies used in the analysis.

Selection Process of Comparable Companies	Number of Comparables Filtered out	Number of Comparables Remaining
GICS Industry Classification: Office REITs, Diversified REITs		366
Geographic Location: Within the Philippines	359	7
Business Description: Office Space Leasing (majority)	3	4
Final Number of Comparable Companies Used		**4**

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix C
Comparable Companies | Mall Properties

Presented below are the selected comparable companies for the DCF Method of the Mall Properties.

Comparable Companies	Country	Company Description
Axtra Future City Freehold And Leasehold Real Estate Investment Trust	Thailand	Axtra Future City Freehold And Leasehold Real Estate Investment Trust specializes in investments in freehold and leasehold of 17 shopping malls anchored by a Tesco Lotus hypermarket.
CapitaLand Malaysia Trust	Malaysia	CapitaLand Malaysia Trust (CLMT) is a real estate investment trust (REIT) listed on the Main Market of Bursa Malaysia Securities Berhad since 16 July 2010. CLMT's primary objective is to invest, on a long-term basis, in a geographically diversified portfolio of quality income-producing real estate assets across Malaysia, focusing on retail, logistics and industrial properties.
Frasers Centrepoint Trust	Singapore	Frasers Centrepoint Trust is a leading developer-sponsored retail real estate investment trust and one of the largest suburban retail mall owners in Singapore.
IGB Commercial Real Estate Investment Trust	Malaysia	IGB Commercial Real Estate Investment Trust (IGBCR) was listed on the Main Market of Bursa Malaysia Securities Berhad on 20 September 2021. It was established with the principal investment policy of investing, directly and indirectly, in a portfolio of income-producing real estate used primarily for commercial purposes.
Landmark REIT	Singapore	Landmark REIT, formerly Lippo Malls Indonesia Retail Trust, is the only Indonesia-exposed retail real estate investment trust listed on SGX Securities.
LH Shopping Centers Leasehold Real Estate Investment Trust	Thailand	LH Shopping Centers Leasehold Real Estate Investment Trust is a real estate investment trust externally managed by Land and Houses Fund Management Company Limited.
Pavilion Real Estate Investment Trust	Malaysia	Pavilion Real Estate Investment Trust with the largest exposure to the retail sector by any listed Malaysian REIT, Pavilion REIT owns a RM9.1 billion portfolio based on appraised value, to which its most prominent assets are its retail malls, Pavilion Kuala Lumpur Mall and Pavilion Bukit Jalil.
RL Commercial REIT, Inc.	Philippines	RL Commercial REIT, Inc., a real estate company, invests in various real estate properties.
United Hampshire US Real Estate Investment Trust	Singapore	United Hampshire US Real Estate Investment Trust Listed on the Main Board of the Singapore Exchange.

Source: S&P Capital IQ

Appendix C
Comparable Companies | Hotel Properties

Presented below are the selected comparable companies for the DCF Method of the Hotel Properties.

Comparable Companies	Country	Company Description
Avillion Berhad	Malaysia	Avillion Berhad, an investment holding company, engages in the hotel, property, and travel businesses in Malaysia, Hong Kong, Singapore, and Indonesia.
Grand Plaza Hotel Corporation	Philippines	Grand Plaza Hotel Corporation owns, leases, and manages hotels, inns, and resorts in the Philippines.
Magma Group Berhad	Malaysia	Magma Group Berhad, an investment holding company, engages in the development, operation, and management of hotels and resorts in Malaysia.
PH Resorts Group Holdings, Inc.	Philippines	PH Resorts Group Holdings, Inc. engages in the hotel and restaurant business.
Saigon Hotel Corporation	Vietnam	Saigon Hotel Corporation operates the Saigon Hotel in Ho Chi Minh City, Vietnam.
Shangri-La Hotels (Malaysia) Berhad	Malaysia	Shangri-La Hotels (Malaysia) Berhad, an investment holding company, owns and operates hotels and beach resorts primarily in Malaysia.
S Hotels and Resorts Public Company Limited	Thailand	S Hotels and Resorts Public Company Limited, together with its subsidiaries, engages in the investment and hospitality businesses.

Source: S&P Capital IQ

Appendix C
Comparable Companies | AREIT, Inc.

Presented below are the selected comparable companies for the Unlevered Beta Computation and Comparable Public Companies Method of AREIT.

Comparable Companies	Country	Business Description
Filinvest REIT Corp.	Philippines	Filinvest REIT Corp. operates as a real estate investment trust. The Company owns and operates office buildings which cater mainly to technology based companies, including those engaged in the business process outsourcing industry and knowledge process outsourcing. Filinvest REIT provides its services throughout Philippines.
MREIT, Inc.	Philippines	MREIT, Inc. operates as a real estate investment trust. The Company leases portfolio of office and commercial assets. MREIT serves customers in Philippines.
RL Commercial REIT, Inc.	Philippines	RL Commercial REIT, Inc. operates as a real estate investment trust. The Company manages a portfolio of office and commercial assets. RL Commercial REIT serves customers in Philippines.
DDMP REIT Inc.	Philippines	DDMP REIT Inc. operates as a real estate investment trust company in the Philippines.

Source: S&P Capital IQ

Appendix D
Unlevered Beta Computation | Mall Properties

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies. To determine the unlevered betas of comparable companies, the following formula is used:

$\beta_U = \beta \div [1 + (1 - T)\ (D/MC)]$

where: β_U = Unlevered beta of comparable company
β = Adjusted beta of comparable company
T = Effective tax rate of comparable company
D/MC = Debt-to-market capitalization ratio of comparable company

Please see table below for the computed unlevered beta for the valuation of the Mall Properties.

Comparable Companies	Adjusted Beta [1]	Debt-to-Market Cap[2]	Effective Tax Rate	Unlevered Beta
Axtra Future City Freehold And Leasehold Real Estate Investment Trust	0.66	0.10	0.00%	0.60
CapitaLand Malaysia Trust	0.54	1.04	2.14%	0.27
Frasers Centrepoint Trust	0.60	0.60	17.00%	0.40
IGB Commercial Real Estate Investment Trust	0.48	0.62	0.00%	0.30
Landmark REIT	0.85	6.01	53.65%	0.22
LH Shopping Centers Leasehold Real Estate Investment Trust	0.59	0.29	0.00%	0.46
Pavilion Real Estate Investment Trust	0.47	0.58	0.00%	0.30
RL Commercial REIT, Inc.	0.55	0.01	0.10%	0.55
United Hampshire US Real Estate Investment Trust	0.73	1.03	16.96%	0.39
Average				**0.39**

[1] Weekly Beta of the comparable companies from the Valuation Date adjusted using the Blume Method
[2] Computed by dividing comparable companies' total debt balance over market capitalization as of Valuation Date
Sources: Capital IQ, FTI Consulting Analysis

Appendix D
Unlevered Beta Computation | Hotel Properties

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies. To determine the unlevered betas of comparable companies, the following formula is used:

$\beta_U = \beta \div [1 + (1 - T)\ (D/MC)]$

where: β_U = Unlevered beta of comparable company
β = Adjusted beta of comparable company
T = Effective tax rate of comparable company
D/MC = Debt-to-market capitalization ratio of comparable company

Please see table below for the computed unlevered beta for the valuation of the Hotel Properties.

Comparable Companies	Adjusted Beta [1]	Debt-to-Market Cap[2]	Effective Tax Rate	Unlevered Beta
Avillion Berhad	0.90	1.06	24.00%	0.50
Grand Plaza Hotel Corporation	0.58	0.46	93.98%	0.56
Magma Group Berhad	0.68	0.33	24.00%	0.54
PH Resorts Group Holdings, Inc.	0.52	3.24	25.00%	0.15
Saigon Hotel Corporation	0.45	0.00	18.72%	0.45
Shangri-La Hotels (Malaysia) Berhad	0.75	0.27	30.28%	0.63
S Hotels and Resorts Public Company Limited	1.38	2.73	20.00%	0.43
Average				**0.47**

[1] Weekly Beta of the comparable companies from the Valuation Date adjusted using the Blume Method
[2] Computed by dividing comparable companies' total debt balance over market capitalization as of Valuation Date

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix D
Unlevered Beta Computation | AREIT, Inc.

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies. To determine the unlevered betas of comparable companies, the following formula is used:

$\beta_U = \beta \div [1 + (1 - T)\ (D/MC)]$

where: β_U = Unlevered beta of comparable company
β = Adjusted beta of comparable company
T = Effective tax rate of comparable company
D/MC = Debt-to-market capitalization ratio of comparable company

Please see table below for the computed unlevered beta for the valuation of AREIT.

Comparable Companies	Adjusted Beta [1]	Debt-to-Market Cap[2]	Effective Tax Rate	Unlevered Beta
RL Commercial REIT, Inc.	0.55	0.006	0.10%	0.55
MREIT, Inc.	0.51	0.113	0.07%	0.46
Filinvest REIT Corp.	0.49	0.313	0.00%	0.37
DoubleDragon Corporation	0.57	0.00	0.00%	0.57
Average				**0.49**

[1] Weekly beta of the comparable companies from the Valuation Date adjusted using the Blume Method
[2] Computed by dividing comparable companies' total debt balance over market capitalization as of the Valuation Date

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix E
DCF Summary – Low and High Estimate | Properties

Glorietta 4

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	749.98	792.76	837.48	884.23	932.89	971.94	1,012.15	1,043.53	1,065.66	1,088.44
(-) Operating Expenses	(324.06)	(329.12)	(344.34)	(363.44)	(418.89)	(434.12)	(452.54)	(468.08)	(480.59)	(493.58)
(-) Depreciation	(146.08)	(158.81)	(173.63)	(176.91)	(108.18)	(110.63)	(112.98)	(115.22)	(111.50)	(113.51)
Net Operating Profit	**279.83**	**304.83**	**319.51**	**343.88**	**405.82**	**427.20**	**446.63**	**460.23**	**473.57**	**481.35**
(+) Depreciation	146.08	158.81	173.63	176.91	108.18	110.63	112.98	115.22	111.50	113.51
(-) Working Capital Requirements	0.5	(3.3)	(2.9)	(2.8)	(0.0)	(2.0)	(2.2)	(1.6)	(1.0)	(1.0)
(-) Capital Expenditures	(450.0)	(43.1)	(45.5)	(47.9)	(50.5)	(53.1)	(54.9)	(56.7)	(58.6)	(60.5)
Total Cash Flows to the Firm	**(23.52)**	**417.18**	**444.73**	**470.08**	**463.50**	**482.67**	**502.57**	**517.17**	**525.50**	**533.33**
Terminal Value (TV)										6,755.95
Total Cash Flows to the Firm with TV	**(23.52)**	**417.18**	**444.73**	**470.08**	**463.50**	**482.67**	**502.57**	**517.17**	**525.50**	**7,289.28**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**(20.87)**	**336.51**	**326.08**	**313.33**	**280.86**	**265.85**	**251.61**	**235.38**	**217.43**	**2,741.47**

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	775.52	845.38	891.68	940.06	990.39	1,042.96	1,097.85	1,134.22	1,171.84	1,210.78
(-) Operating Expenses	(331.90)	(345.14)	(360.69)	(380.35)	(438.56)	(458.37)	(481.94)	(499.23)	(517.19)	(535.85)
(-) Depreciation	(146.08)	(158.81)	(173.63)	(176.91)	(108.18)	(110.63)	(112.98)	(115.22)	(111.50)	(113.51)
Net Operating Profit	**297.54**	**341.43**	**357.36**	**382.80**	**443.65**	**473.96**	**502.93**	**519.76**	**543.16**	**561.43**
(+) Depreciation	146.08	158.81	173.63	176.91	108.18	110.63	112.98	115.22	111.50	113.51
(-) Working Capital Requirements	(1.1)	(5.1)	(3.0)	(2.9)	0.0	(2.9)	(3.1)	(1.9)	(1.9)	(2.0)
(-) Capital Expenditures	(450.0)	(43.1)	(45.5)	(47.9)	(50.5)	(53.1)	(54.9)	(56.7)	(58.6)	(60.5)
Total Cash Flows to the Firm	**(7.46)**	**451.98**	**482.46**	**508.89**	**501.40**	**528.58**	**557.94**	**576.38**	**594.11**	**612.39**
Terminal Value (TV)										9,010.82
Total Cash Flows to the Firm with TV	**(7.46)**	**451.98**	**482.46**	**508.89**	**501.40**	**528.58**	**557.94**	**576.38**	**594.11**	**9,623.21**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**(6.62)**	**364.58**	**353.73**	**339.19**	**303.82**	**291.14**	**279.33**	**262.33**	**245.82**	**3,619.26**

Sources: FTI Consulting Analysis

Appendix E
DCF Summary – Low and High Estimate | Properties

Ayala Malls Circuit Makati

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	339.59	352.53	462.69	565.10	662.86	691.05	720.45	751.12	783.10	816.46
(-) Operating Expenses	(165.90)	(177.70)	(250.74)	(304.04)	(363.06)	(378.42)	(394.44)	(411.14)	(428.57)	(446.74)
(-) Depreciation	(143.75)	(150.37)	(148.45)	(151.72)	(116.35)	(126.10)	(136.33)	(147.07)	(152.71)	(155.27)
Net Operating Profit	**29.94**	**24.45**	**63.49**	**109.34**	**183.45**	**186.54**	**189.69**	**192.90**	**201.82**	**214.44**
(+) Depreciation	143.75	150.37	148.45	151.72	116.35	126.10	136.33	147.07	152.71	155.27
(-) Working Capital Requirements	2.6	(0.4)	(5.6)	(5.6)	(4.3)	(1.4)	(1.5)	(1.6)	(1.6)	(1.7)
(-) Capital Expenditures	(395.0)	(396.8)	(190.6)	(64.5)	(46.4)	(48.7)	(51.2)	(53.7)	(56.4)	(59.2)
Total Cash Flows to the Firm	**(218.67)**	**(222.29)**	**15.72**	**190.97**	**249.09**	**262.47**	**273.36**	**284.69**	**296.50**	**308.79**
Terminal Value (TV)										3,911.57
Total Cash Flows to the Firm with TV	**(218.67)**	**(222.29)**	**15.72**	**190.97**	**249.09**	**262.47**	**273.36**	**284.69**	**296.50**	**4,220.36**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**(194.05)**	**(179.30)**	**11.52**	**127.29**	**150.93**	**144.57**	**136.86**	**129.57**	**122.68**	**1,587.26**

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	339.59	352.53	462.69	565.10	662.86	700.96	741.26	783.89	828.99	876.69
(-) Operating Expenses	(165.90)	(177.70)	(250.74)	(304.04)	(363.06)	(383.80)	(405.75)	(428.96)	(453.51)	(479.49)
(-) Depreciation	(143.75)	(150.37)	(148.45)	(151.72)	(116.35)	(126.10)	(136.33)	(147.07)	(152.71)	(155.27)
Net Operating Profit	**29.94**	**24.45**	**63.49**	**109.34**	**183.45**	**191.06**	**199.19**	**207.86**	**222.77**	**241.93**
(+) Depreciation	143.75	150.37	148.45	151.72	116.35	126.10	136.33	147.07	152.71	155.27
(-) Working Capital Requirements	2.6	(0.4)	(5.6)	(5.6)	(4.3)	(1.9)	(2.1)	(2.2)	(2.3)	(2.4)
(-) Capital Expenditures	(395.0)	(396.8)	(190.6)	(64.5)	(46.4)	(48.7)	(51.2)	(53.7)	(56.4)	(59.2)
Total Cash Flows to the Firm	**(218.67)**	**(222.29)**	**15.72**	**190.97**	**249.09**	**266.49**	**282.30**	**299.04**	**316.77**	**335.54**
Terminal Value (TV)										4,937.28
Total Cash Flows to the Firm with TV	**(218.67)**	**(222.29)**	**15.72**	**190.97**	**249.09**	**266.49**	**282.30**	**299.04**	**316.77**	**5,272.83**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**(194.05)**	**(179.30)**	**11.52**	**127.29**	**150.93**	**146.78**	**141.33**	**136.10**	**131.07**	**1,983.09**

Sources: FTI Consulting Analysis

Appendix E
DCF Summary – Low and High Estimate | Properties

Ayala Malls Capitol Central

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	321.44	332.29	480.12	561.73	648.72	675.40	703.19	732.12	762.26	793.64
(-) Operating Expenses	(161.60)	(170.11)	(197.71)	(221.27)	(241.94)	(254.97)	(268.74)	(283.30)	(298.70)	(314.99)
(-) Depreciation	(206.26)	(210.04)	(211.78)	(105.45)	(111.93)	(118.75)	(125.90)	(133.41)	(137.35)	(139.14)
Net Operating Profit	**(46.41)**	**(47.86)**	**70.63**	**235.01**	**294.85**	**301.69**	**308.55**	**315.41**	**326.20**	**339.50**
(+) Depreciation	206.26	210.04	211.78	105.45	111.93	118.75	125.90	133.41	137.35	139.14
(-) Working Capital Requirements	9.2	(0.2)	(11.5)	(6.0)	(6.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)
(-) Capital Expenditures	(680.8)	(105.9)	(111.2)	(28.1)	(32.4)	(34.1)	(35.8)	(37.5)	(39.4)	(41.4)
Total Cash Flows to the Firm	**(511.74)**	**56.07**	**159.79**	**306.40**	**367.98**	**385.02**	**397.29**	**409.83**	**422.65**	**435.73**
Terminal Value (TV)										5,394.28
Total Cash Flows to the Firm with TV	**(511.74)**	**56.07**	**159.79**	**306.40**	**367.98**	**385.02**	**397.29**	**409.83**	**422.65**	**5,830.01**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**(454.11)**	**45.23**	**117.16**	**204.22**	**222.98**	**212.06**	**198.90**	**186.53**	**174.88**	**2,192.65**

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	321.44	332.29	480.12	561.73	648.72	686.91	727.36	770.19	815.56	863.60
(-) Operating Expenses	(161.60)	(170.11)	(197.71)	(221.27)	(241.94)	(256.53)	(272.02)	(288.48)	(305.95)	(324.50)
(-) Depreciation	(206.26)	(210.04)	(211.78)	(105.45)	(111.93)	(118.75)	(125.90)	(133.41)	(137.35)	(139.14)
Net Operating Profit	**(46.41)**	**(47.86)**	**70.63**	**235.01**	**294.85**	**311.64**	**329.44**	**348.31**	**372.26**	**399.96**
(+) Depreciation	206.26	210.04	211.78	105.45	111.93	118.75	125.90	133.41	137.35	139.14
(-) Working Capital Requirements	9.2	(0.2)	(11.5)	(6.0)	(6.4)	(2.3)	(2.4)	(2.6)	(2.7)	(2.9)
(-) Capital Expenditures	(680.8)	(105.9)	(111.2)	(28.1)	(32.4)	(34.1)	(35.8)	(37.5)	(39.4)	(41.4)
Total Cash Flows to the Firm	**(511.74)**	**56.07**	**159.79**	**306.40**	**367.98**	**394.02**	**417.13**	**441.59**	**467.46**	**494.82**
Terminal Value (TV)										7,280.95
Total Cash Flows to the Firm with TV	**(511.74)**	**56.07**	**159.79**	**306.40**	**367.98**	**394.02**	**417.13**	**441.59**	**467.46**	**7,775.77**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**(454.11)**	**45.23**	**117.16**	**204.22**	**222.98**	**217.02**	**208.84**	**200.98**	**193.42**	**2,924.44**

Sources: FTI Consulting Analysis

Appendix E
DCF Summary – Low and High Estimate | Properties

Ayala Malls Cloverleaf

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	379.55	435.49	498.83	551.13	578.68	603.24	628.84	655.55	683.39	712.44
(-) Operating Expenses	(186.81)	(223.96)	(285.34)	(293.46)	(307.96)	(321.90)	(336.49)	(351.75)	(367.71)	(384.42)
(-) Depreciation	(120.65)	(128.41)	(132.08)	(121.57)	(127.36)	(133.43)	(139.81)	(146.51)	(150.03)	(151.63)
Net Operating Profit	**72.09**	**83.13**	**81.41**	**136.09**	**143.36**	**147.90**	**152.54**	**157.29**	**165.65**	**176.39**
(+) Depreciation	120.65	128.41	132.08	121.57	127.36	133.43	139.81	146.51	150.03	151.63
(-) Working Capital Requirements	5.1	(2.0)	(2.1)	(3.2)	(1.3)	(1.1)	(1.1)	(1.2)	(1.2)	(1.3)
(-) Capital Expenditures	(191.1)	(30.0)	(30.0)	(27.6)	(28.9)	(30.4)	(31.9)	(33.5)	(35.2)	(36.9)
Total Cash Flows to the Firm	**6.78**	**179.52**	**181.41**	**226.89**	**240.45**	**249.85**	**259.31**	**269.11**	**279.28**	**289.81**
Terminal Value (TV)										3,671.12
Total Cash Flows to the Firm with TV	**6.78**	**179.52**	**181.41**	**226.89**	**240.45**	**249.85**	**259.31**	**269.11**	**279.28**	**3,960.93**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**6.01**	**144.80**	**133.01**	**151.23**	**145.70**	**137.61**	**129.82**	**122.48**	**115.55**	**1,489.69**

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	402.65	442.75	486.86	551.13	578.68	612.00	647.24	684.53	723.97	765.70
(-) Operating Expenses	(192.72)	(225.38)	(280.85)	(292.81)	(307.31)	(323.83)	(341.24)	(359.61)	(378.99)	(399.42)
(-) Depreciation	(120.65)	(128.41)	(132.08)	(121.57)	(127.36)	(133.43)	(139.81)	(146.51)	(150.03)	(151.63)
Net Operating Profit	**89.28**	**88.96**	**73.92**	**136.74**	**144.01**	**154.74**	**166.19**	**178.40**	**194.96**	**214.65**
(+) Depreciation	120.65	128.41	132.08	121.57	127.36	133.43	139.81	146.51	150.03	151.63
(-) Working Capital Requirements	3.5	(0.9)	(0.8)	(4.0)	(1.3)	(1.7)	(1.8)	(1.9)	(2.0)	(2.2)
(-) Capital Expenditures	(191.1)	(30.0)	(30.0)	(27.6)	(28.9)	(30.4)	(31.9)	(33.5)	(35.2)	(36.9)
Total Cash Flows to the Firm	**22.38**	**186.45**	**175.25**	**226.72**	**241.10**	**256.08**	**272.29**	**289.50**	**307.78**	**327.19**
Terminal Value (TV)										4,814.37
Total Cash Flows to the Firm with TV	**22.38**	**186.45**	**175.25**	**226.72**	**241.10**	**256.08**	**272.29**	**289.50**	**307.78**	**5,141.56**
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	**19.86**	**150.39**	**128.49**	**151.12**	**146.09**	**141.05**	**136.32**	**131.76**	**127.35**	**1,933.72**

Sources: FTI Consulting Analysis

Appendix E
DCF Summary – Low Estimate | Properties

New World Makati Hotel

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	242.41	248.84	255.46	262.27	269.29	276.51	283.94	291.59	299.47	307.58
(-) Operating Expenses	-	(15.42)	(15.67)	(15.93)	(16.19)	(16.46)	(16.74)	(17.02)	(17.32)	(17.62)	(17.93)
Total Net Cash Flows	**-**	**226.98**	**233.16**	**239.53**	**246.08**	**252.83**	**259.77**	**266.92**	**274.27**	**281.85**	**289.64**
Present Value Factor	0.96	0.88	0.80	0.72	0.65	0.59	0.53	0.48	0.44	0.40	0.36
Total Discounted Net Cash Flows	**-**	**200.17**	**185.97**	**172.79**	**160.58**	**149.23**	**138.68**	**128.88**	**119.79**	**111.35**	**103.50**

	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	315.92	324.52	333.36	342.47	351.85	361.50	371.44	381.67	392.21	403.06	414.22
(-) Operating Expenses	(18.26)	(18.59)	(18.93)	(19.28)	(19.64)	(20.01)	(20.39)	(20.79)	(21.19)	(21.61)	(22.04)
Total Net Cash Flows	**297.67**	**305.93**	**314.44**	**323.20**	**332.21**	**341.49**	**351.05**	**360.89**	**371.02**	**381.45**	**392.18**
Present Value Factor	0.32	0.29	0.26	0.24	0.22	0.20	0.18	0.16	0.14	0.13	0.12
Total Discounted Net Cash Flows	**96.20**	**89.44**	**83.15**	**77.30**	**71.86**	**66.82**	**62.14**	**57.77**	**53.72**	**49.96**	**46.46**

	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	425.72	437.56	449.75	462.29	475.22	488.52	502.22	516.32	530.84	545.80	561.19
(-) Operating Expenses	(22.48)	(22.94)	(23.41)	(23.89)	(24.39)	(24.90)	(25.43)	(25.97)	(26.53)	(27.11)	(27.70)
Total Net Cash Flows	**403.24**	**414.62**	**426.34**	**438.40**	**450.83**	**463.62**	**476.79**	**490.35**	**504.31**	**518.69**	**533.50**
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.06	0.06	0.05	0.05	0.04	0.04
Total Discounted Net Cash Flows	**43.21**	**40.18**	**37.38**	**34.77**	**32.33**	**30.07**	**27.98**	**26.03**	**24.21**	**22.52**	**20.95**

	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F
Revenues	577.05	593.37	610.18	627.49	645.32	663.67	682.57	702.03
(-) Operating Expenses	(28.31)	(28.94)	(29.58)	(30.25)	(30.94)	(31.64)	(32.37)	(33.12)
Total Net Cash Flows	**548.74**	**564.44**	**580.60**	**597.24**	**614.38**	**632.03**	**650.20**	**668.91**
Present Value Factor	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.02
Total Discounted Net Cash Flows	**19.50**	**18.14**	**16.87**	**15.70**	**14.61**	**13.59**	**12.65**	**11.77**

Sources: FTI Consulting Analysis

Appendix E
DCF Summary – High Estimate | Properties

New World Makati Hotel

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	242.41	249.87	257.45	252.10	259.77	272.52	287.97	296.48	305.25	314.35
(-) Operating Expenses	-	(15.42)	(15.71)	(16.00)	(15.80)	(16.09)	(16.58)	(17.18)	(17.51)	(17.84)	(18.19)
Total Net Cash Flows	**-**	**226.98**	**234.16**	**241.45**	**236.30**	**243.67**	**255.93**	**270.79**	**278.97**	**287.40**	**296.16**
Present Value Factor	0.96	0.88	0.80	0.72	0.66	0.59	0.54	0.49	0.44	0.40	0.36
Total Discounted Net Cash Flows	**-**	**200.51**	**187.34**	**174.95**	**155.09**	**144.86**	**137.80**	**132.04**	**123.22**	**114.99**	**107.31**

	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	323.58	333.16	343.02	353.27	363.66	357.04	367.88	385.98	407.63	419.65	432.02
(-) Operating Expenses	(18.55)	(18.92)	(19.30)	(19.69)	(20.09)	(19.84)	(20.26)	(20.95)	(21.79)	(22.25)	(22.73)
Total Net Cash Flows	**305.03**	**314.24**	**323.73**	**333.58**	**343.57**	**337.21**	**347.62**	**365.02**	**385.85**	**397.40**	**409.30**
Present Value Factor	0.33	0.30	0.27	0.24	0.22	0.20	0.18	0.16	0.15	0.13	0.12
Total Discounted Net Cash Flows	**100.10**	**93.41**	**87.16**	**81.34**	**75.88**	**67.46**	**62.99**	**59.90**	**57.35**	**53.50**	**49.91**

	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	444.88	457.90	471.41	485.34	499.80	514.45	506.23	521.56	547.27	577.71	594.70
(-) Operating Expenses	(23.22)	(23.72)	(24.24)	(24.78)	(25.33)	(25.90)	(25.58)	(26.17)	(27.16)	(28.33)	(28.99)
Total Net Cash Flows	**421.66**	**434.17**	**447.17**	**460.56**	**474.46**	**488.55**	**480.64**	**495.39**	**520.10**	**549.37**	**565.71**
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.07	0.06	0.06	0.05	0.05	0.04
Total Discounted Net Cash Flows	**46.57**	**43.43**	**40.52**	**37.80**	**35.27**	**32.89**	**29.31**	**27.36**	**26.02**	**24.89**	**23.21**

	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F
Revenues	612.19	630.36	648.77	667.88	687.56	707.99	728.70	750.19
(-) Operating Expenses	(29.66)	(30.36)	(31.07)	(31.81)	(32.56)	(33.35)	(34.15)	(34.97)
Total Net Cash Flows	**582.53**	**600.00**	**617.70**	**636.07**	**654.99**	**674.64**	**694.55**	**715.22**
Present Value Factor	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02
Total Discounted Net Cash Flows	**21.65**	**20.20**	**18.83**	**17.57**	**16.38**	**15.28**	**14.25**	**13.29**

Sources: FTI Consulting Analysis

Appendix E
DCF Summary – Low Estimate | Properties

Seda Vertis North

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	146.90	150.83	154.87	159.04	163.32	167.73	172.27	176.95	181.76	186.71
(-) Operating Expenses	-	(11.12)	(11.32)	(11.53)	(11.74)	(11.96)	(12.18)	(12.41)	(12.65)	(12.90)	(13.15)
Total Net Cash Flows	**-**	**135.78**	**139.51**	**143.35**	**147.30**	**151.36**	**155.55**	**159.86**	**164.29**	**168.86**	**173.56**
Present Value Factor	0.96	0.88	0.80	0.72	0.65	0.59	0.53	0.48	0.44	0.40	0.36
Total Discounted Net Cash Flows	**-**	**119.74**	**111.27**	**103.41**	**96.12**	**89.34**	**83.04**	**77.19**	**71.76**	**66.71**	**62.02**

	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	191.81	197.06	202.47	208.03	213.76	219.66	225.73	231.98	238.42	245.05	251.87
(-) Operating Expenses	(13.41)	(13.68)	(13.95)	(14.24)	(14.53)	(14.83)	(15.14)	(15.46)	(15.79)	(16.13)	(16.47)
Total Net Cash Flows	**178.40**	**183.38**	**188.51**	**193.79**	**199.23**	**204.83**	**210.59**	**216.53**	**222.63**	**228.92**	**235.40**
Present Value Factor	0.32	0.29	0.26	0.24	0.22	0.20	0.18	0.16	0.14	0.13	0.12
Total Discounted Net Cash Flows	**57.66**	**53.61**	**49.85**	**46.35**	**43.10**	**40.08**	**37.28**	**34.66**	**32.24**	**29.98**	**27.89**

	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	258.90	266.14	273.58	281.25	289.15	297.28	305.66	314.28	323.15	332.29	341.71
(-) Operating Expenses	(16.83)	(17.20)	(17.58)	(17.97)	(18.37)	(18.79)	(19.22)	(19.66)	(20.11)	(20.58)	(21.06)
Total Net Cash Flows	**242.07**	**248.93**	**256.00**	**263.28**	**270.78**	**278.49**	**286.44**	**294.62**	**303.04**	**311.72**	**320.65**
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.06	0.06	0.05	0.05	0.04	0.04
Total Discounted Net Cash Flows	**25.94**	**24.13**	**22.44**	**20.88**	**19.42**	**18.07**	**16.81**	**15.64**	**14.55**	**13.53**	**12.59**

	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F
Revenues	351.40	361.38	371.65	382.23	393.13	404.35	415.90	427.80
(-) Operating Expenses	(21.55)	(22.06)	(22.58)	(23.12)	(23.68)	(24.25)	(24.84)	(25.45)
Total Net Cash Flows	**329.85**	**339.32**	**349.07**	**359.11**	**369.45**	**380.10**	**391.06**	**402.35**
Present Value Factor	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.02
Total Discounted Net Cash Flows	**11.72**	**10.90**	**10.14**	**9.44**	**8.79**	**8.18**	**7.61**	**7.08**

Sources: FTI Consulting Analysis

Appendix E
DCF Summary – High Estimate | Properties

Seda Vertis North

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	146.90	151.34	155.86	160.53	157.42	162.24	167.16	178.97	184.22	189.66
(-) Operating Expenses	-	(11.12)	(11.35)	(11.58)	(11.82)	(11.66)	(11.90)	(12.15)	(12.76)	(13.02)	(13.30)
Total Net Cash Flows	**-**	**135.78**	**139.99**	**144.28**	**148.72**	**145.76**	**150.33**	**155.01**	**166.22**	**171.20**	**176.36**
Present Value Factor	0.96	0.88	0.80	0.72	0.66	0.59	0.54	0.49	0.44	0.40	0.36
Total Discounted Net Cash Flows	**-**	**119.95**	**112.00**	**104.54**	**97.61**	**86.66**	**80.94**	**75.59**	**73.42**	**68.49**	**63.90**

	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	195.19	200.91	206.81	212.92	219.13	225.56	232.18	239.05	246.03	253.26	260.70
(-) Operating Expenses	(13.58)	(13.87)	(14.18)	(14.49)	(14.80)	(15.13)	(15.47)	(15.82)	(16.18)	(16.54)	(16.92)
Total Net Cash Flows	**181.60**	**187.04**	**192.63**	**198.43**	**204.32**	**210.43**	**216.71**	**223.23**	**229.85**	**236.71**	**243.78**
Present Value Factor	0.33	0.30	0.27	0.24	0.22	0.20	0.18	0.16	0.15	0.13	0.12
Total Discounted Net Cash Flows	**59.60**	**55.60**	**51.87**	**48.39**	**45.13**	**42.10**	**39.27**	**36.63**	**34.16**	**31.87**	**29.73**

	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	256.53	264.30	272.33	291.18	299.78	308.52	317.58	326.91	336.57	346.39	356.57
(-) Operating Expenses	(16.71)	(17.11)	(17.52)	(18.48)	(18.92)	(19.36)	(19.82)	(20.30)	(20.79)	(21.29)	(21.81)
Total Net Cash Flows	**239.82**	**247.19**	**254.81**	**272.70**	**280.86**	**289.16**	**297.76**	**306.61**	**315.77**	**325.10**	**334.76**
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.07	0.06	0.06	0.05	0.05	0.04
Total Discounted Net Cash Flows	**26.49**	**24.73**	**23.09**	**22.38**	**20.88**	**19.47**	**18.16**	**16.93**	**15.80**	**14.73**	**13.74**

	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F
Revenues	367.05	377.90	388.94	400.38	412.15	424.35	436.76	449.61
(-) Operating Expenses	(22.35)	(22.90)	(23.46)	(24.05)	(24.65)	(25.27)	(25.90)	(26.56)
Total Net Cash Flows	**344.70**	**355.00**	**365.48**	**376.33**	**387.51**	**399.08**	**410.86**	**423.05**
Present Value Factor	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02
Total Discounted Net Cash Flows	**12.81**	**11.95**	**11.14**	**10.39**	**9.69**	**9.04**	**8.43**	**7.86**

Sources: FTI Consulting Analysis

Appendix F
DCM Summary – Low and High Estimate | Properties

Glorietta 4

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	749.98
(-) Operating Expenses	PHP mn	(324.06)
(-) CAPEX	PHP mn	(37.50)
Net Operating Income	**PHP mn**	**388.42**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**5,148.88**

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	775.52
(-) Operating Expenses	PHP mn	(331.90)
(-) CAPEX	PHP mn	(38.78)
Net Operating Income	**PHP m**	**404.85**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**5,783.55**

Ayala Malls Circuit Makati

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	339.59
(-) Operating Expenses	PHP mn	(165.90)
(-) CAPEX	PHP mn	(23.77)
Net Operating Income	**PHP mn**	**149.91**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**1,987.25**

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	339.59
(-) Operating Expenses	PHP mn	(165.90)
(-) CAPEX	PHP mn	(23.77)
Net Operating Income	**PHP m**	**149.91**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**2,141.61**

Source: FTI Consulting Analysis

Appendix F
DCM Summary – Low and High Estimate | Properties

Ayala Malls Capitol Central

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2029
Revenues	PHP mn	480.12
(-) Operating Expenses	PHP mn	(197.71)
(-) CAPEX	PHP mn	(24.01)
Net Operating Income	**PHP mn**	**258.41**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**3,345.43**

Direct Capitalization Method (High Estimate)		
Operating Year	year	2029
Revenues	PHP mn	480.12
(-) Operating Expenses	PHP mn	(197.71)
(-) CAPEX	PHP mn	(24.01)
Net Operating Income	**PHP m**	**258.41**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**3,691.54**

Ayala Malls Cloverleaf

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	379.55
(-) Operating Expenses	PHP mn	(186.81)
(-) CAPEX	PHP mn	(18.98)
Net Operating Income	**PHP mn**	**173.77**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**2,303.45**

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	402.65
(-) Operating Expenses	PHP mn	(192.72)
(-) CAPEX	PHP mn	(20.13)
Net Operating Income	**PHP m**	**189.80**
Capitalization Rate	**%**	**7.00%**
Market Value of the Property	**PHP mn**	**2,711.45**

Source: FTI Consulting Analysis

Appendix F
DCM Summary – Low and High Estimate | Properties

New World Makati Hotel

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	242.41
(-) Operating Expenses	PHP mn	(15.42)
Net Operating Income	**PHP mn**	**226.98**
Capitalization Rate	**%**	**7.79%**
Market Value of the Property	**PHP mn**	**2,757.05**

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	242.41
(-) Operating Expenses	PHP mn	(15.42)
Net Operating Income	**PHP m**	**226.98**
Capitalization Rate	**%**	**7.40%**
Market Value of the Property	**PHP mn**	**2,876.11**

Seda Vertis North

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	146.90
(-) Operating Expenses	PHP mn	(11.12)
Net Operating Income	**PHP mn**	**135.78**
Capitalization Rate	**%**	**7.77%**
Market Value of the Property	**PHP mn**	**1,652.83**

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	146.90
(-) Operating Expenses	PHP mn	(11.12)
Net Operating Income	**PHP m**	**135.78**
Capitalization Rate	**%**	**7.40%**
Market Value of the Property	**PHP mn**	**1,720.54**

Source: FTI Consulting Analysis

Appendix G
DCF Summary – Low Estimate | AREIT

Amounts in PHP millions (except Present Value Factors)		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenues	PHP Mn	11,433	15,278	15,780	15,721	15,688	15,441	16,532	16,862	17,197	17,538	17,887
[-] Direct Operating Expenses	PHP Mn	(2,783)	(3,851)	(3,939)	(3,984)	(4,042)	(4,120)	(4,234)	(4,350)	(4,468)	(4,590)	(4,715)
[-] General and Admin Expenses	PHP Mn	(46)	(65)	(67)	(69)	(71)	(73)	(75)	(78)	(80)	(82)	(85)
EBITDA	**PHP Mn**	**8,605**	**11,361**	**11,774**	**11,668**	**11,575**	**11,248**	**12,223**	**12,435**	**12,648**	**12,865**	**13,087**
[-] Taxes	PHP Mn											
NOPAT	**PHP Mn**	**8,605**	**11,361**	**11,774**	**11,668**	**11,575**	**11,248**	**12,223**	**12,435**	**12,648**	**12,865**	**13,087**
[-] Working Capital Requirements	PHP Mn	(930)	(1,275)	(184)	85	86	229	(487)	(54)	(53)	(54)	(54)
[-] Capital Expenditures	PHP Mn	(369)	(496)	(513)	(511)	(512)	(507)	(542)	(553)	(564)	(575)	(587)
Total Free CF to the Firm	**PHP Mn**	**7,305**	**9,590**	**11,077**	**11,242**	**11,149**	**10,970**	**11,193**	**11,828**	**12,031**	**12,236**	**12,446**
[+] Terminal Value	PHP Mn											178,045
Total Free CF to the Firm with TV	**PHP Mn**	**7,305**	**9,590**	**11,077**	**11,242**	**11,149**	**10,970**	**11,193**	**11,828**	**12,031**	**12,236**	**190,491**
Present Value Factor	x	0.96	0.89	0.80	0.73	0.66	0.60	0.54	0.49	0.45	0.41	0.37
Discounted Free CF to the Firm	**PHP Mn**	**7,043**	**8,490**	**8,900**	**8,194**	**7,374**	**6,584**	**6,096**	**5,844**	**5,394**	**4,978**	**70,330**

Estimated Operating Value	**PHP Mn**	**139,228**
Add: Cash	PHP Mn	76
Less: Net Debt	PHP Mn	(2,000)
Less: Non-operating assets and liabilities	PHP Mn	(4,179)
Estimated Equity Value	**PHP Mn**	**133,124**

Source: FTI Consulting Analysis

Appendix G
DCF Summary – High Estimate | AREIT

Amounts in PHP millions (except Present Value Factors)		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenues	PHP Mn	11,433	15,303	15,850	15,837	15,852	15,657	20,320	20,918	21,531	22,162	22,813
[-] Direct Operating Expenses	PHP Mn	(2,783)	(3,851)	(3,939)	(3,984)	(4,042)	(4,120)	(4,234)	(4,350)	(4,468)	(4,590)	(4,715)
[-] General and Admin Expenses	PHP Mn	(46)	(65)	(67)	(69)	(71)	(73)	(75)	(78)	(80)	(82)	(85)
EBITDA	**PHP Mn**	**8,605**	**11,386**	**11,843**	**11,784**	**11,738**	**11,463**	**16,011**	**16,491**	**16,982**	**17,489**	**18,013**
[-] Taxes	PHP Mn											
NOPAT	**PHP Mn**	**8,605**	**11,386**	**11,843**	**11,784**	**11,738**	**11,463**	**16,011**	**16,491**	**16,982**	**17,489**	**18,013**
[-] Working Capital Requirements	PHP Mn	(930)	(1,289)	(209)	59	59	200	(2,511)	(205)	(211)	(218)	(225)
[-] Capital Expenditures	PHP Mn	(369)	(497)	(515)	(515)	(517)	(514)	(667)	(686)	(706)	(727)	(748)
Total Free CF to the Firm	**PHP Mn**	**7,305**	**9,600**	**11,119**	**11,328**	**11,280**	**11,149**	**12,834**	**15,599**	**16,065**	**16,544**	**17,039**
[+] Terminal Value	PHP Mn											243,755
Total Free CF to the Firm with TV	**PHP Mn**	**7,305**	**9,600**	**11,119**	**11,328**	**11,280**	**11,149**	**12,834**	**15,599**	**16,065**	**16,544**	**260,795**
Present Value Factor	x	0.96	0.89	0.80	0.73	0.66	0.60	0.54	0.49	0.45	0.41	0.37
Discounted Free CF to the Firm	**PHP Mn**	**7,043**	**8,499**	**8,934**	**8,257**	**7,461**	**6,692**	**6,990**	**7,707**	**7,203**	**6,731**	**96,286**

Estimated Operating Value	**PHP Mn**	**171,802**
Add: Cash	PHP Mn	76
Less: Net Debt	PHP Mn	(2,000)
Less: Non-operating assets and liabilities	PHP Mn	(4,179)
Estimated Equity Value	**PHP Mn**	**165,698**

Source: FTI Consulting Analysis

About FTI Consulting Philippines, Inc.

FTI CONSULTING

FTI Consulting Philippines at a Glance

FTI Consulting Philippines, Inc. (FTI PH) is a financial/business advisory firm assisting clients with major events that can significantly influence the reputation and valuation of their organization. We help companies **build**, **grow**, **defend**, or **repair** their businesses.

FTI PH is a 100 percent Filipino-owned company with an exclusive franchise agreement with **FTI Consulting, Inc.**, a US-based global consulting firm listed on the New York Stock Exchange (NYSE: FCN). FTI PH was incorporated in 2006.

What Makes us Unique

Definitive Expertise

FTI PH employs **highly qualified professionals** particularly, MBAs, CPAs, and CFA charterholders with extensive, practical experience in applying that expertise to generate a decisive impact.

Accredited by SEC and PSE

FTI PH is accredited by the **Securities and Exchange Commission** (SEC) for the valuation of shares of stock and intangible assets, and is also accredited by the **Philippine Stock Exchange** (PSE) to issue fairness opinions and valuation reports of listed companies of the Exchange.

A Culture that Delivers

Our culture and working style reflect a **bias for the tangible** and a **tenacity for solutions** that make a meaningful difference. Our practices, as standalone offerings and comprehensive solutions, address the many interconnected issues our clients face.

Wide Client Reach

Our clients encompass a **diverse spectrum** of global and domestic: publicly-listed companies, financial institutions, family-owned corporations, funds/investors, and government-owned and controlled corporations.

Our Services

- Lead M&A Advisory
- Infrastructure Advisory
- Corporate & Debt Restructuring
- Valuations
- Fairness Opinion
- Purchase Price Allocation
- Financial Model Preparation
- Financial Model Review
- Financial Due Diligence
- Funds Advisory
- Distressed Debt Advisory

Industry Experience

Comprehensive Services

LEAD M&A AND INFRASTRUCTURE ADVISORY

As a trusted partner to companies, boards of directors, investors, lenders, and creditors around the world, the Corporate Finance & Restructuring segment is focused on delivering **restructuring**, **business transformation**, and **transaction solutions**. Committed to our clients' success, our award-winning professionals address the full spectrum of financial, operational, and transactional risks and opportunities across diverse industries. Among our core strengths is providing expertise in guiding companies through the value-creation life cycle.

VALUATION/PURCHASE PRICE ALLOCATION

We capitalize on our technical proficiency and extensive knowledge in various industries in **valuing shares of stock** and **intangible assets**. We utilize three general approaches to valuation: income, market, and cost approaches. We also provide post-acquisition support to clients through an independent **purchase price allocation** of their acquired assets and assumed liabilities, as part of their financial reporting requirements.

FINANCIAL MODEL PREPARATION AND REVIEW

We assist clients in their financial modeling needs through either **financial model construction** or **review**. Financial model construction involves preparing a model based on the needs of the client, using the project documents and/or technical studies commissioned by a client to evaluate a project. Our expertise in building financial models allows us to conduct an effective review of the models of other parties. We provide critical feedback to clients by assessing the integrity and structure of the model, checking for calculation errors, and documenting findings for immediate and future reference.

RESTRUCTURING

As one of the most well known names in the industry, we bring credibility and a proven track record of results to rebuild or extract value from underperforming companies. FTI PH has expertise in providing the following services: **performance improvement**, **CRO** (Chief Restructuring Officer)/**Interim Management**, **Restructuring Advisory**, and **Liquidity Management**. An objective third party specializing in rebuilding value is often the catalyst necessary to revitalize a company.

OTHER SERVICES

FTI PH's expertise extends to other services including **distressed debt advisory**, **financial due diligence**, **funds advisory**, and other transaction-related services.

Our Global Reach

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.

North America

Canada
Calgary
Montreal
Toronto
Vancouver

United States
Atlanta
Bethesda
Boston
Bowie
Brentwood
Charlotte
Chicago
Columbia
Dallas
Denver
Detroit
Great Neck
Houston
Indianapolis
Irvine
Las Vegas
Los Angeles
McLean
Miami
Milwaukee
New York
Oakland
Palm Beach
Philadelphia
Pittsburgh
Portland
Redwood City
Richmond
Roseland
San Francisco
Santa Barbara
Scottsdale
Seattle
Walnut Creek
Washington, D.C.
Wayne

Latin America

Argentina
Buenos Aires

Brazil
São Paulo

Caribbean
British Virgin Islands
Cayman Islands

Colombia
Bogotá

Mexico
Mexico City

Europe, Middle East, Africa

Belgium
Brussels
Ixelles

Denmark
Copenhagen

Finland
Helsinki

France
Paris

Germany
Berlin
Düsseldorf
Frankfurt
Hamburg
Munich

Ireland
Dublin

Italy
Milan

Netherlands
Amsterdam

Qatar
Doha

Saudi Arabia
Riyadh

South Africa
Cape Town
Johannesburg
Sandton

Spain
Barcelona
Madrid

Switzerland
Zurich

United Arab Emirates
Abu Dhabi
Dubai

United Kingdom
London
Stirling

Asia

China
Beijing
Hong Kong
Shanghai
Shenzhen

India
Mumbai
New Delhi

Indonesia
Jakarta

Japan
Tokyo

Korea
Seoul

Malaysia
Kuala Lumpur

Philippines [1]
Manila

Singapore

Australia

Brisbane
Melbourne
Perth
Sydney

Our Team

FTI CONSULTING™

Dominador (“Butch”) Gregorio III

Senior Managing Director

+63 920.928.3514
butch.gregorio@fticonsulting-ph.com

Location
Manila, Philippines

Certifications
Certified Public Accountant
Licensed Real Estate Broker
Fellow - Institute of Corporate Directors (ICD)

Professional Affiliations
Finance Executives of the Philippines
Philippine Institute of Certified Public Accountants

Education
MBA – Wharton Business School
MA in International Studies – Lauder Institute of Management and International Studies, University of Pennsylvania
BS Business Administration and Accountancy, University of the Philippines – *Cum Laude*

Dominador (Butch) Gregorio III is a Senior Managing Director in FTI Consulting Philippines’ Corporate Finance practice, based in Manila, Philippines. He has more than 30 years of professional experience in mergers and acquisitions (“M&A”), transaction support, debt restructuring and corporate financial advisory.

Mr. Gregorio has advised clients in healthy and distressed situations in connection with sell-side advisory, valuations, corporate reorganizations, recapitalizations, funds advisory, and strategic business/financial issues.

Mr. Gregorio’s experience covers all aspects of financial and operating transaction support, including business enterprise valuation, identifying value drivers and risk issues critical to the investment decision, structuring considerations, due diligence of the quality of earnings, cash flows, and balance sheet, fairness opinions, project finance, supporting negotiating financing covenants, advice on sale and purchase agreements, business process reviews, interim management roles, and corporate directorships. He is an independent director of National Reinsurance Corporation and Home Credit Philippines.

Prior to joining, Mr. Gregorio provided similar services as a partner and head of the Financial Advisory Services group for Deloitte in Almaty, Kazakhstan. From 2003 to 2007, he was the COO and Managing Director of Ernst & Young Transaction Advisory Services, Inc. in the Philippines. He was a partner in SGV & Co. and head of the Corporate Finance Division. Mr. Gregorio spent seven years with Citicorp Real Estate, Inc. (Citibank N.A.) in New York, Minneapolis, and Dallas, U.S.A. .

Relevant Experience

- Buy-side M&A advisory for the purchase of Wizards Group by NTT Data which included structuring, valuation, due diligence, and negotiations until financial closing
- Sell-side advisor for the successful disposition of 100 percent of Country Builders Bank, a 36-branch Metro Manila-based rural bank
- Financial advisory and due diligence on the potential acquisition of Chemphil Industries
- Sell-side advisor on the successful sale of a distributor of medical devises to a foreign buyer
- Financial advisor to the buyers of National Life Insurance Corporation in successful bidding through the Insurance Commission
- Fairness opinion and valuation engagement for the property-for-share swap of a listed energy company for an international renewable energy portfolio
- Fairness opinion and valuation covering a property-for share swap in relation to the infusion of certain assets listed real estate developers to REITS.
- Assessment of financial condition and recommendations for the debt restructuring of a listed agriculture company with its banks

John Balce

Senior Managing Director

+63 928.503.9492
john.balce@fticonsulting-ph.com

Location
Manila, Philippines

Certifications
Certified Public Accountant
Chartered Financial Analyst
AMAVI-Certified Intellectual Property Valuer

Professional Affiliations
CFA Institute
CFA Society Philippines
Philippine Institute of Certified Public Accountants
Finance Executives Institute of the Philippines

Education
Executive Master in Business Administration, Asian Institute of Management

John Balce is a Senior Managing Director in FTI Consulting Philippines' Corporate Finance practice, based in Manila, Philippines. His industry expertise includes infrastructure, energy, mining, and financial institutions. He has more than 19 years of professional experience in financial modeling, valuation, deal advisory, project finance, and corporate restructuring.

Mr. Balce has been involved in several deals, including mergers & acquisitions ("M&A"), capital raising, debt refinancing, public-private partnerships, non-performing loan ("NPL") portfolio sales, and corporate rehabilitation. Mr. Balce has assisted in several cross-border engagements in the Philippines, China, Hong Kong, Indonesia, and Singapore.

Mr. Balce has extensive experience in building complex financial models for infrastructure and energy projects for evaluating financial viability for purposes of contractual negotiations, regulatory considerations and financing. He likewise has extensive experience in performing valuation of companies in various industries, whether public or private, including embedded intangible assets in M&A transactions.

Mr. Balce holds an executive master's degree in Business Administration, with honors, from the Asian Institute of Management. He graduated Magna Cum Laude from the University of the Philippines - Diliman with a bachelor's degree in Business Administration and Accountancy. He is a Certified Public Accountant and a Chartered Financial Analyst ("CFA") Charterholder. He is the President and Chairman of the CFA Society Philippines, a member of the CFA Institute, a member of the Philippine Institute of Certified Public Accountants, and an officer of the Finance Executives Institute of the Philippines.

Relevant Experience

- Spearheaded the team assisting a group of Philippine conglomerates that submitted an unsolicited proposal for the rehabilitation of the Ninoy Aquino International Airport
- Managed the team performing a valuation of a portfolio of onshore and offshore energy assets for purposes of two-stage property-for-share swaps
- Spearheaded the team which built financial models for several coal-fired power plants on behalf of a major power generation company
- Led the team reviewing the financial model for a biomass power plant facility which is a joint venture between MPIC and an LGU
- Spearheaded the creation of the financial model for the LRT2 O&M PPP project for the Consortium of AC Infra and MPIC
- Managed the team reviewing the financial models for several regional airports on which the Philippine government is bidding under its PPP program
- Managed the preparation of an O&M model for the AC Infra – Metro Pacific Consortium in its bid for the LRT1 extension PPP project
- Managed the reorganization and sale of the Philippines' second-largest biodiesel producer owned by a Singapore-based hedge fund

Alvin Tan

Senior Managing Director

+63 998.844.0835
alvin.tan@fticonsulting-ph.com

Location
Manila, Philippines

Certifications
Chartered Financial Analyst
Chartered Valuer and Appraiser
Advanced Financial Modeler
Certified Financial Consultant

Professional Affiliations
CFA Institute
CFA Society Philippines
Institute of Valuers and Appraisers, Singapore
Financial Modeling Institute
Institute of Financial Consultants

Education
Executive Master in Business Administration, Asian Institute of Management – High Distinction

Alvin Tan is a Senior Managing Director in FTI Consulting Philippines' Corporate Finance practice, based in Manila, Philippines. Mr. Tan has more than 13 years of experience in financial advisory services with a strong focus on shares and intangible assets valuations, fairness opinions, and purchase price allocation exercises.

Mr. Tan has meaningful corporate advisory and transaction support experience providing strategic advice to clients across several industry sectors, including banking & financial services, real estate & REITs, power & renewable energy, infrastructure, utilities, technology, consumer, retail, healthcare, and education.

Mr. Tan has significant experience in the valuation of shares and intangible assets. He has spearheaded and performed a number of complex valuation engagements, including fairness opinions and valuations of majority and minority stakes in public and private firms both locally and internationally. He has conducted usufruct valuations, intangible asset valuations and purchase price allocation exercises for mergers and acquisitions in different industry sectors. He has also assisted engagements covering financial due diligence, restructuring, and sell-side M&As in the Philippines.

Mr. Tan obtained his Executive Master in Business Administration with High Distinction at the Asian Institute of Management. He graduated valedictorian from the University of Santo Tomas with a Bachelor's degree in Business Administration Major in Financial Management and was awarded the most outstanding graduate. He is a CFA Charterholder, a CVA Charterholder, and a Certified Advanced Financial Modeler. He serves as a board of trustee and the Vice President for Academic Relations of the CFA Society Philippines.

Relevant Experience

- Managed the team performing a valuation of an investment holding company that owns a majority stake in one of the Philippines' largest publicly-listed conglomerates
- Spearheaded the fairness opinion engagement for the property-for-share swap of a publicly-listed energy company in the Philippines with an international renewable energy portfolio
- Led the fairness opinion engagement supported by a valuation exercise for a large real estate company in the Philippines regarding its property-for-share swap transaction between its parent company
- Prepared various financial models for a power generation company which were submitted to power distributors, bank lenders, and the Energy Regulatory Commission
- Managed the review of various financial models in the renewable energy space for the lenders' financing purposes
- Assisted in the successful sale of the largest rural bank in the Philippines in terms of branches in Metro Manila
- Performed financial due diligence on the potential acquisition of a publicly-listed chemicals company

Certificate of Reliance

FTI CONSULTING™

Certificate of Reliance

CERTIFICATE OF RELIANCE

30 July 2026

FTI Consulting Philippines, Inc.
Pasig City, Philippines

Attention: Alvin T. Tan
Senior Managing Director

Subject: Certificate of Reliance

Gentlemen:

This Certificate of Reliance is provided to you in connection with your engagement with AREIT Fund Managers, Inc. (AFMI), to render a fairness opinion, supported by a valuation report, on the proposed property-for-share swap between AREIT, Inc. and certain properties (the "Properties") owned by Ayala Land Inc., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc. (collectively, the "Asset Owners")

This is to certify that to the best of my knowledge, the financial statements, forecasts and supporting schedules listed in Annex A and submitted to FTI Consulting Philippines, Inc. (FTI Consulting), for the purpose of valuing AREIT (the Shares) and the Properties to be transferred, represent the best estimates as to the future operating performance, financial results and cashflows of the said Shares and Properties, and are true, accurate, and free from material misstatements. We have provided you with access to all information which we are aware are relevant to the engagement.

We further certify that information we disclosed about the current operations, structure, and organization, regulatory/legal disclosures and other similar information relating to AREIT and the Properties are accurate to the best of our knowledge and belief at the time of the disclosure. Further, AFMI shall indemnify and hold harmless FTI Consulting and its directors, officers, employees and/or agents from any liability, loss or damage relating to or arising out of FTI Consulting's reliance on all information provided in performing the said valuation in accordance with clause 6 of the Terms and Conditions.

Sincerely,

[redacted]

Tomas Julian R. Santos
President and CEO
AREIT Fund Managers, Inc.

Annex A - List of Financial Schedules, Reports, and Other Documents

	File Name	Information
1	AFS 2023_MSRD_AREIT-Inc._SEC-Form-17-C_29February2024.pdf	Audited Financial Statements of AREIT as of December 31, 2023
2	AFS 2024_MSRD_AREIT, Inc._SEC Form 17-A_14April2025.pdf	Audited Financial Statements of AREIT as of December 31, 2024
3	AFS 2025_MSRD_AREIT, Inc._SEC Form 17-A_14April2026.pdf	Audited Financial Statements of AREIT as of December 31, 2025
4	FS_Q1-26_MSRD_AREIT-Inc._SEC-Form17-Q_14May20.pdf	Audited Financial Statements of AREIT as of March 31, 2026
5	2025-2026 AREIT Historical and Forecast Opstats vF.xlsx	Historical and Forecasted Operating Statistics with breakdown per property from 2022-2036
6	2025-2036 AREIT Financial Historical and Forecast PnL vF.xlsx	Historical and Forecasted Income Statement
7	(SHARED) Project Golden – Mall Valuations_07212026.xlsx	Historical and Forecasted Income Statement for Mall Properties
8	(SHARED) Project Golden - Hotel Valuations.xlsx	Historical and Forecasted Income Statement for Hotel Properties
9	Glorietta - Tenant Roll.xlsx	Tenant Roll
10	Cloverleaf_Tenant Roll Fields.xlsx	Tenant Roll
11	Circuit Mall_Tenant Roll_as of June 2026.xlsx	Tenant Roll
12	Circuit Mall_Tenant Roll with GLA.xlsx	Tenant Roll
13	Capitol Central_Tenant Roll Fields.xlsx	Tenant Roll
14	AFMI_Tranche IA_Information Request List_July 15 2026.xlsx	Information request list and series of queries and responses regarding management's forecast and assumptions

FTI Consulting Philippines, Inc.'s SEC and PSE Accreditation

FTI CONSULTING

FTI Consulting Philippines, Inc. Accreditations

Securities and Exchange Commission

Accreditation No. 032-PSO

CERTIFICATE OF ACCREDITATION

THIS IS TO CERTIFY that

FTI CONSULTING PHILIPPINES, INC.

has been accredited by the Commission on **30 September 2025** as a Professional Service Organization (PSO) after its compliance with the documentary and qualification requirements of SEC Memorandum Circular No. 02, Series of 2014 (Guidelines on Asset Valuations).

The effectivity of this Certificate shall be from **September 30, 2025** to **September 30, 2030** and shall be subject to the requirements set forth under said Circular or any amendments thereto and such orders as may be issued by the Commission.

The accreditation by the Commission of the company named herein is permissive only and does not constitute a recommendation or indorsement of its engagement and practice. The review of the qualifications and sample valuation report of the company was based only on the documents submitted and the representations made therein by the company. Parties directly concerned on a report issued by the PSO are expected to conduct due diligence towards reliance of the contents thereof.

Issued at Makati City, Philippines this 30th day of September, Two Thousand and Twenty-Five.

FIDELES D. PE BENITO
Officer-in-Charge
Office of the General Accountant

CN - No. 2024-0063

PSE **MEMORANDUM**

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Listing
- ☐ Market Education
- ☐ Market Information
- ☐ Products and Services
- ☐ Public Advisory
- ☐ Regulatory Updates
- ☐ TP Announcements
- ☑ Others **Accredited Firms**

TO : **INVESTING PUBLIC AND ALL TRADING PARTICIPANTS**

DATE : **December 13, 2024**

SUBJECT : **FTI Consulting Philippines, Inc.**
Accredited Firm for Issuing Fairness Opinions and Valuation Reports

Please be informed that the Exchange approved the application of FTI Consulting Philippines, Inc. **(the "Firm")** for renewal of accreditation as a fairness opinion and valuation report provider of listed companies and prospective initial listing applicants of the Exchange.

All fairness opinions and valuation reports submitted to the Exchange as part of a listing application should be prepared by an independent fairness opinion and valuation report provider duly accredited by the Exchange, in accordance with the Consolidated Listing and Disclosure Rules of the Exchange and the Guidelines for Fairness Opinions and Valuation Reports and the Policy on Validity Period of Accreditation of Firms for Valuation or Appraisal Purposes, as amended, and the PSE Amended Voluntary Delisting Rules.

In view thereof, the accreditation of the Firm shall be effective for a period of three (3) years from December 29, 2024[1], subject to the Firm's compliance with the reportorial requirements.

For your information and guidance.

RAMON S. MONZON
President and Chief Executive Officer

[1] *As previously announced, the existing accreditation of FTI Consulting Philippines, Inc. is valid from December 29, 2023 to December 29, 2024.*

Mandate Letter

FTI CONSULTING

Mandate Letter

FAIRNESS OPINION SERVICES ENGAGEMENT LETTER

STRICTLY PRIVATE & CONFIDENTIAL

June 19, 2020

Tomas Julian R. Santos
President and CEO
AREIT Fund Managers, Inc.
28F Tower One & Exchange Plaza,
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Re: Fairness Opinion supported by a Valuation Report

Dear Mr. Santos:

1. Introduction

We understand that AREIT Fund Managers, Inc. ("AFMI" or the "Client") is looking for an independent valuation specialist who will provide a fairness opinion supported by a valuation report on the market values of certain properties (the "Properties") owned by Ayala Land, Inc., Ayala Land Estates, Inc., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc. (collectively, the "Asset Owners"), and the shares of AREIT, Inc. ("AREIT" or the "Shares") for a proposed property-for-share swap (the "Transaction").

AREIT is a real estate investment trust company listed in the Philippine Stock Exchange ("PSE") with a portfolio comprising offices, hotels, retail, and industrial lots. The Properties include the following:

Asset Owner	Type	Properties
Ayala Land, Inc. ("ALI")	Mall	Glorietta 4
	Hotel	New World
	Land	Land under Seda Vertis
Ayala Land Estates, Inc. ("ALLET")	Land	Land under Cleverleaf
Capitol Central Commercial Ventures, Corp. ("CCCVC")	Mall	Capitol Central
Makati Cornerstone Leasing Corp. ("MCLC")	Mall	Circuit Mall
Bay City Commercial Ventures Corp. ("BCCVC")	Mall	Manila Bay Cleverleaf

Asset Owner	Type	Properties
North Triangle Hotel Ventures, Inc. ("NTHVI")	Hotel	Seda Vertis

FTI Consulting Philippines, Inc. ("FTI Consulting") is being requested to issue for the Board of Directors of AREIT, the PSE, and the Securities and Exchange Commission ("SEC") a fairness opinion in accordance with applicable PSE and SEC requirements, supported by a valuation report of both the Shares and the Properties to determine whether the number of shares to be issued in exchange for the properties to be infused is fair from a financial point of view.

FTI Consulting is a corporate finance advisory firm that offers a wide array of services including valuation, transaction advisory, and mergers and acquisitions. We are experienced corporate finance professionals. FTI Consulting also has the requisite accreditation, experience, and skills to properly undertake this engagement.

FTI Consulting is accredited by the PSE for purposes of issuing fairness opinions and valuation reports of listed companies and prospective initial listing applicants of the Exchange (PSE Accreditation CN 2024-0063) in accordance with the PSE Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0166), as amended. FTI Consulting is also accredited by the SEC (SEC Accreditation No. 032) as a Professional Services Organization ("PSO") in accordance with SEC Memorandum Circular No. 2, Series of 2014.

This letter of engagement (the "Engagement") and the related Terms and Conditions constitute the engagement contract (the "Engagement Contract") pursuant to which our services will be provided.

2. Scope of Services and Time Frame

Fairness Opinion

- On the basis of our independent valuation of the range of market values calculated for the Shares and the Properties, determine the fair range of exchange ratio for each of the Properties to be exchanged and whether the number of shares to be issued in exchange for the Properties to be infused is fair from a financial point of view.

Valuation

- In support of the fairness opinion, analyze and estimate a range of market values[1] of the Shares and the Properties as of the Valuation Date[2], with Philippine Peso (PHP) as the valuation currency, using the generally accepted valuation approaches, as appropriate and applicable, under the International Valuation Standards (IVS).

[1] Market value, as defined by the IVS, is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
[2] Valuation Date is the date on which the estimation of value applies using information that is known or knowable as of that date.

For Properties	For Shares
• Income Approach: Discounted Cash Flows Method • Income Approach: Direct Capitalization Method	• Income Approach: Discounted Cash Flows Method • Market Approach: Volume-Weighted Average Price ("VWAP") Method • Market Approach: Comparable Public Companies Method

The following are the activities to be performed in the valuation:

- Discuss with the Client the business operations, revenue mix, key operating metrics, tenants' lease terms, developments and plans, market dynamics, etc. to understand the business and operations of AREIT, the Properties and the industry.
- Review the audited and/or unaudited interim financial statements and related management reports of the Shares as of the Valuation Date.
- Review at least three-year historical and performance data of the Properties.
- Review the financial forecasts of the Shares and the Properties (with a focus on the tenant leases and rent rolls and the lease payments with AREIT for some Properties).
- Perform appropriate analysis to evaluate inputs and assumptions of the financial forecasts and appropriateness for the valuation.
- Hold discussions and Q&A sessions with the Client's management regarding the bases of assumptions used in the financial forecasts.
- Conduct research on historical trading prices of AREIT and calculate volume-weighted average prices ("VWAPs").
- Review key contracts and agreements pertinent to the valuation such as lease agreements, loan agreements, shareholders agreements, etc.
- Conduct a site visit, as appropriate.
- Review appraisal reports on land, and property and equipment.
- Review publicly available industry reports for understanding of industry dynamics.
- Conduct meetings and interviews with Client's management and other company advisors (i.e., legal, regulatory, tax, accounting, technical, etc.) and such other activities as may be necessary and desirable to arrive at the valuation.

Excluded Services

We note that our proposed scope of work does not include the market valuation and appraisal of the land and any property and equipment. The Client shall be responsible for providing current appraisals for the land, property and equipment. We are not providing financial modelling services and will not deliver a financial model.

Reporting

A. Internal

- Drafting of valuation study of the Shares and the Properties and opining on the fairness of the Transaction;

Mandate Letter

- Submission to the Client of the draft valuation and fairness opinion report for comments;
- Finalization of valuation study and fairness opinion report (the "Report"); and
- Presentation of final results to management and the Board of Directors of AREIT, if necessary.

B. Regulatory

- Submit the Report that will be used in the regulatory filings of the Client to the PSE and SEC;
- Coordinate with the Client on presentations to the PSE and SEC, if necessary.

Timetable

Presented below is the proposed timetable:

Phases	*Responsibility*	*Duration (in weeks)*	*Timeframe (in weeks)*
Provision of documents needed for confirmation of independence	FTI and Client	[redacted]	
Confirmation of Independence*	FTI and PSE		
Provision of information requirements for valuation exercise	Client		
Valuation Exercise	FTI		
Submission and review of draft results and presentation materials	FTI and Client		
Submission, review, and receipt of comments on draft report	FTI and Client		
Report finalization and submission of soft copy of the Report*	FTI		

* Indicative duration for securing a confirmation of independence from the PSE which may extend or accelerate [redacted] from submission of documents requested by the PSE.

** Please note that it will take [redacted] days from submission of the soft copy to deliver the hard copies of the Report.

Please note that our timetable may be affected by the need to secure a confirmation of independence from the PSE. It is a requirement by the PSE that we are independent of the Transaction and the parties to the Transaction. We will submit our request for clearance of independence to the PSE as soon as we are engaged. We have no control over the time it will take for PSE to approve our request for clearance of independence. We are not aware of any conflicts of interest in undertaking this engagement.

The proposed schedule assumes that (1) all required information and documents will be made available, on a timely basis, and (2) there will be no unexpected delays that may occur which are beyond our control, which includes the confirmation of independence by the PSE. In any event, we shall exert our best efforts to ensure an efficient and creative process to meet the Client's objectives.

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3. Working Arrangements

Our performance of the Services is dependent upon the Client providing us with such information and assistance as we may reasonably require from time to time. To facilitate our work, it is understood that the Client will appoint a contact person who will be the primary point of contact for our information requirements and will coordinate meetings between our team and key persons such as management, technical advisors, legal advisors, accounting/tax advisors, other financial advisors.

Conference calls using the mutually preferred channel of communication shall be preferred over face-to-face meetings. We request that face-to-face meetings be limited on an as-needed basis. The Client agrees that, to expedite communication, correspondence, letters, memos, information and data requirements can be transmitted via electronic mail. We will transmit report in soft copy format. Hard copies will be provided if requested and given an appropriate lead time so that logistics can be arranged. Billings will be sent electronically via email. We request that payment of our bills be made via wire transfer to our designated bank account.

The Client shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete. We will assume no responsibility and make no representations with respect to the accuracy or completeness of information provided by the Client. You shall also notify us immediately if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

Upon closing of the Engagement, FTI Consulting will issue a Certificate of Completion as part of our internal documentation procedures. The Client agrees to sign this Certificate of Completion once the Engagement has been satisfactorily completed. FTI Consulting will also issue a Client Satisfaction Survey as part of our internal process. The Client agrees to respond to said Survey honestly.

4. Our Responsibilities and Limitations

FTI Consulting will rely, in whole or in part, on information provided by the Client. In the course of our Engagement, we may also rely on work done by third party service providers engaged or to be engaged by the Client. We will assume no responsibility and make no representations with respect to the accuracy or completeness of information provided by the Client or the third-party service providers engaged by the Client.

Our work does not include the provision of technical, accounting, tax, legal, and regulatory advice and we make no representations regarding questions of technical, accounting, tax, legal, and regulatory interpretation. We will consult with the Client's technical, accounting, tax, legal

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advisors for any technical, accounting, tax, legal and regulatory assumptions needed in the valuation.

FTI Consulting shall be engaged by the Client to provide a fairness opinion. As such, the Client is expected to already have determined the values in which they intend to execute the Transaction. FTI Consulting is limited only to render an opinion on whether these values are fair from a financial point of view. FTI Consulting and its individual employees will not make any management decisions for the Client and will not be responsible for communicating information concerning AREIT and the Asset Owners to the public or all companies' shareholders.

The PSE and SEC require an independent assessment of the fairness of the exchange ratio in the property-for-share swap deal between AREIT and the Properties of the Asset Owners. The results of our evaluation will be discussed with the Client and be reflected in our report accordingly.

5. Certificate of Reliance

The Scope of Services and the results will be based on information provided by AREIT and the Asset Owners, and publicly available information. Prior to issuing the final report, we will require that management of AREIT and the Asset Owners provide us with a Certificate of Reliance, that any projected financial forecasts and other supporting schedules for the purpose of the valuation represent to the best of their knowledge the best estimates as to the future operating performance, financial results and cash flows of the Shares and the Properties, and that unaudited financial statements provided are to the best of their knowledge true, accurate and free from material misstatements due to fraud or error. A draft Certificate of Reliance is set out in Exhibit III. The final fairness opinion and valuation report will only be released upon issuance by AFMI and the Asset Owners of their respective signed Certificates of Reliance.

6. Professional Fees

For Services rendered in connection with this Engagement, we propose to charge a total fixed fee of [redacted] net of value added taxes (VAT). The fees shall be billed and due to FTI Consulting as follows:

- [redacted] net, upon signing of the Engagement Letter;
- [redacted] net, upon receipt of confirmation of our independence from the PSE; and
- [redacted] net, upon release of the final Report.

Our proposed fee for Services rendered under this Engagement will be for the account of and to be paid by AFMI.

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Mandate Letter

Our proposed fees are exclusive of any applicable taxes (including, but not limited to, value-added taxes). We shall therefore add the 12 percent VAT to our billings for professional fees as required by existing regulations unless our billing qualifies for zero-rating. We shall request the name, Tax Identification Number (TIN) and address of AFMI for billing purposes. If AFMI qualifies for zero-rating, we shall also request for any of the following: Certificate of Residence, Articles of Incorporation, or Certificate of Registration.

Our proposed fee is based on the proposed scope of work for this Engagement. Should you wish to amend the scope, including the revision or update of financial forecasts, underlying assumptions or valuation date, or require us to perform additional tasks pre- and post-finalization, and upon written agreement on the amended or additional scope of work, the additional hours spent will be charged at our standard hourly rates discounted by [redacted] if there is no agreement on the rates to be charged for the amended or additional scope of work.

After the completion of the engagement, if there is a need for us to meet with or make presentations to the SEC or PSE or other third parties, with your approval, we will comply with these requests. We will bill you for the additional time spent in excess of [redacted] for the preparation, presentation and subsequent work that may be required by the SEC, PSE or other third parties. We will apply a [redacted] discount to our standard hourly rates. We will inform you in case we anticipate that the hours required will exceed [redacted]

Furthermore, in the event that this Engagement is discontinued or terminated as a result of your decision not to proceed with our assistance relative to this Engagement, any prior billings shall be considered as our fees for services rendered thus far. In addition, we shall bill you for actual time charges incurred in excess of such prior billings and any unbilled out-of-pocket expenses (OPEs).

For reference, presented below are our billing rates, net of VAT:

Staff Classification	Standard Hourly Rate (PHP)	Discounted Hourly Rate (PHP)
Senior Managing Director	[redacted]	[redacted]
Managing Director		
Director		
Associate Director		
Manager		
Senior Associate II		
Senior Associate I		
Associate II		
Associate I		

Out-of-Pocket Expenses

In addition, our fees do not yet include our disbursements for applicable Out of Pocket Expenses (OPE) including the Fee for Confirmation of Independence required by the PSE upon filing, courier service, report printing, specialized databases, transportation, accommodations, meals, staffs per diems, and other expenses specifically related to the Engagement. We will charge an advance OPE of [redacted] which includes the PSE fee for confirmation of independence. The total amount for OPEs shall be capped at [redacted] for the scope of work related to this Engagement.

Other Related Matters

Further, if FTI Consulting and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this Engagement, FTI Consulting will be compensated by you at its regular hourly rates and reimbursed for reasonable allocated and direct expenses (including counsel fees) with respect thereto.

Invoices for fees and expenses incurred in connection with this Engagement will be billed based on the payment milestones discussed above, and are due upon receipt. If we do not receive payment of any invoice within [redacted] calendar days of the invoice date, we shall be entitled, without prejudice to any other rights that we may have and to immediately suspend provision of the Services until all sums due are paid in full. We will also charge interest on unpaid fees and expenses at an annual rate of [redacted]

If withholding taxes are required to be deducted from the amounts payable to FTI Consulting, the Client shall pay such taxes to the appropriate tax authority. The Client shall promptly submit to FTI Consulting the Certificate of Creditable Withheld at Source (BIR Form 2307) to enable FTI Consulting to claim a tax credit. If no certificate is issued, the Client shall pay the equivalent amount withheld as if no tax has been withheld.

The Client agrees to promptly notify FTI Consulting if the Client or any of their subsidiaries or affiliates extends (or solicits the possible interest in receiving) an offer of employment to a principal or employee of FTI Consulting involved in this Engagement and agrees that FTI Consulting has earned and will be entitled to a cash fee, upon hiring, equal to [redacted] of the aggregate first year's annualized compensation, including any guaranteed or target bonus and equity award, to be paid to FTI Consulting's former principal or employee that the Client or any of their subsidiaries or affiliates hires at any time up to one year subsequent to the date of the final invoice rendered by FTI Consulting with respect to this Engagement.

7. Terms and Conditions

The attached Terms and Conditions set forth the duties of each party with respect to the Services. Further, this letter and the Terms and Conditions attached comprise the entire Engagement Contract for the provision of the Services to the exclusion of any other express or

implied terms, whether expressed orally or in writing, including any conditions, warranties and representations, and shall supersede all previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services.

8. Relationships with Other Parties

Based on our understanding of interested parties to this Transaction (the "Potentially Interested Parties"), we have undertaken a limited review of our records to determine FTI Consulting's professional relationships with the Client. From the results of such review, we were not made aware of any conflicts of interest or additional relationships that we believe would preclude us from performing the Services. However, as you know, we are a large consulting firm with numerous offices throughout the world. We are regularly engaged by new clients, which may include one or more of the Potentially Interested Parties. We will not knowingly accept an engagement that directly conflicts with this Engagement without your prior written consent, which you agree shall not be unreasonably withheld.

9. Other Matters

Either of us may request changes to the work we will perform. Changes must be agreed upon between us and will be subject to reasonable adjustments to fees and timetables. Changes which amount to the provision of significant additional services, rather than adjustments to the services already agreed, must be agreed to in writing.

Please note that accredited PSOs of the SEC may be required to submit copies of valuation reports that they have prepared for purposes of complying with the requirements of their accreditation. As Valuation Specialists, FTI Consulting adheres to the latest version of the International Valuation Standards. FTI Consulting confirms that this valuation exercise will be undertaken in accordance with the IVS.

This agreement is valid for 10 days from the date of this Engagement Letter. If we are engaged after the validity date, we reserve the right to adjust the proposed fees and the engagement timetable for the delivery of our service.

Mandate Letter

If you have any questions, please call Alvin T. Tan, Senior Managing Director, at +63.998.844.0835. If the services outlined herein are in accordance with your requirements and if the above terms are acceptable to you, please have one copy of this letter signed in the space provided below and returned to us.

Yours sincerely,

FTI CONSULTING PHILIPPINES, INC.

By: [redacted]
Alvin T. Tan
Senior Managing Director

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Confirmation of Terms of Engagement

We agree to engage FTI Consulting Philippines, Inc. upon the terms set forth herein and in the attached Terms and Conditions.

ARETT Fund Managers, Inc.

By: [redacted]
Name: Tomas Julian R. Santos
Position: President & CEO

Date: _____

Scope of Work

FTI CONSULTING

Scope of Work

Fairness Opinion

- On the basis of our independent valuation of the range of market values calculated for the Shares and the Properties, determine the fair range of exchange ratio for each of the Properties to be exchanged and whether the number of shares to be issued in exchange for the Properties to be infused is fair from a financial point of view.

Valuation

- In support of the fairness opinion, analyze and estimate a range of market values of the Shares and the Properties as of the Valuation Date, with Philippine Peso (PHP) as the valuation currency, using the generally accepted valuation approaches, as appropriate and applicable, under the International Valuation Standards (IVS):
  - Income Approach: Discounted Cash Flows Method
  - Income Approach: Direct Capitalization Method
  - Market Approach: Volume-Weighted Average Price ("VWAP") Method
  - Market Approach: Comparable Companies Method
- Discuss with the Client the business operations, revenue mix, key operating metrics, tenants' lease terms, developments and plans, market dynamics, etc. to understand the business and operations of AREIT, the Properties and the industry.
- Review the audited and/or unaudited interim financial statements and related management reports of the Shares as of the Valuation Date.
- Review at least three-year historical and performance data of the Properties.
- Review the financial forecasts of the Shares and the Properties (with a focus on the tenant leases and rent rolls and the lease payments with AREIT for some Properties).
- Perform appropriate analysis to evaluate inputs and assumptions of the financial forecasts and appropriateness for the valuation.
- Hold discussions and Q&A sessions with the Clients' management regarding the bases of assumptions used in the financial forecasts.

Scope of Work

Valuation (cont'd)

- Conduct research on historical trading prices of AREIT and calculate volume-weighted average prices ("VWAPs").
- Review key contracts and agreements pertinent to the valuation such as lease agreements, loan agreements, shareholders agreements, etc.
- Conduct a site visit, as appropriate.
- Review appraisal reports on land, and property and equipment.
- Review publicly available industry reports for understanding of industry dynamics.
- Conduct meetings and interviews with Client's management and other company advisors (i.e., legal, regulatory, tax, accounting, technical, etc.) and such other activities as may be necessary and desirable to arrive at the valuation.

Reporting

- Drafting of valuation study of the Shares and the Properties and opining on the fairness of the Transaction;
- Submission to the Clients of the draft valuation and fairness opinion report for comments;
- Finalization of valuation study and fairness opinion report (the "Report");
- Presentation of final results to management and the Board of Directors of AREIT if necessary.
- Submit the Report that will be used in the regulatory filings of the Clients to the PSE and SEC; and
- Coordinate with the Clients on presentations to the PSE and SEC, if necessary.

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FTI CONSULTING™

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Experts with Impact™

FTI CONSULTING™

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Glorietta 4

Ayala Center, Makati City, Metropolitan Manila

BCG26-C10923-001.1 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.
Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

Attention: **MR. TOMAS JULIAN R. SANTOS**
President

Re: **AACI File No. BCG26-C10923-001.1**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of ***Glorietta 4*** (the "PROPERTY") located at Ayala Center, Makati City, Metro Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).
Subject of the valuation:	The subject of the valuation is ***Glorietta 4,*** located at Ayala Center, Makati City, Metro Manila.
Basis of value:	The valuation was made on the basis of ***market value***. **Market value** is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).
Valuation date:	The valuation date is as of 31 March 2026**.**

Opinion of value:

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

PESOS:
FIVE BILLION
ONE HUNDRED SIXTY-TWO MILLION
FIVE HUNDRED TEN THOUSAND ONLY
(In Words)

PHP5,162,510,000.00
(In Figures)

We have made no investigation of and assume no responsibility for titles to and liabilities against the property appraised.

WE HEREBY CERTIFY that we have neither present nor prospective interest on the property appraised or on the value reported.

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI),** were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.

b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.

c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.

d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.

e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.

f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.

g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.

h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.

j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.

k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.

l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.

m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.

n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.

o) Erasures on the appraisal date and values invalidate this valuation report.

p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).

3 Basis of Value

The basis of value shall be **market value**, which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.
(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;

b. For the term of the lease, we have used documents provided by the COMPANY; and

c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Glorietta 4

The property appraised, identified as "Glorietta 4" is a flagship retail and lifestyle center with a gross leasable area of approximately 30,429 square meters. The property integrates fashion outlets, dining clusters, cinemas, and event spaces, serving as a central hub within Ayala Center. Developed by Ayala Land, it is positioned as one of the largest and most prominent malls in the country.

Figure 1: Glorietta 4

6.2 Location

The property is located at Ayala Center, Makati City, Metro Manila. It is bounded by Ayala Avenue, Makati Avenue, and Pasay Road. It lies approximately 500 meters north of Makati Medical Center and directly adjoins Greenbelt, Landmark, and SM Makati. Accessibility is reinforced by MRT Ayala Station and major thoroughfares such as EDSA and Ayala Avenue.

6.3 Property Ownership

The land and the building are currently owned by **Ayala Land, Inc. ("ALI").** Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 30,429 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 70%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 91%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** "provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available."

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** "provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved." The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** "provides an indication of value by converting future cash flow to a single current value." Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FVt / (1 + i)t] - I_0$$

The last equation states that the Net Present Value, ∑PV, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

8.2.1 The projection was based on the data provided by the CLIENT;

8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;

8.2.3 The occupancy rate was based on the projection provided by the CLIENT;

8.2.4 The Rental rates per square meter per month were based on the data provided by the CLIENT;

8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		**Delevered**	**Relevered**
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital

	Cost	**%**	**Weight**
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
	Weighted average cost of capital		**11.40%**

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.

- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.

- We used the 1.1767 Industry Beta as of the valuation date.

- Client's preferred debt-to-equity ratio is at 30/70.

9 Valuation Conclusion

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
FIVE BILLION
ONE HUNDRED SIXTY-TWO MILLION
FIVE HUNDRED TEN THOUSAND ONLY
(In Words)

PHP5,162,510,000.00
(In Figures)

10 Valuation Date

This valuation is as of 31 March 2026**.**

ANNEX A

AREIT FUND MANAGERS, INC.
GLORIETTA 4
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income	PHP	681,190,670	719,167,050	758,808,941	800,182,095	843,354,710	888,397,519
Cinema Tickets	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carkparks	PHP	32,575,134	34,203,891	35,914,085	37,709,789	39,595,279	41,575,043
Specialty Leasing							
Carts and Kiosks	PHP	49,519,969	51,995,967	54,595,766	57,325,554	60,191,832	63,201,423
Venue Rental	PHP	24,776,546	26,015,373	27,316,142	28,681,949	30,116,046	31,621,849
Ad Panels	PHP	-	-	-	-	-	-
Other Income	PHP	8,888,287	9,332,701	9,799,336	10,289,303	10,597,982	10,915,922
Other Income-Ancillary	PHP	21,146,175	22,203,484	23,313,658	24,479,341	25,703,308	26,988,474
GROSS REVENUES	**PHP**	**818,096,781**	**862,918,467**	**909,747,928**	**958,668,032**	**1,009,559,158**	**1,062,700,229**
Cost of Sales	PHP	-	-	-	-	-	-
GROSS OPERATING PROFIT	**PHP**	**818,096,781**	**862,918,467**	**909,747,928**	**958,668,032**	**1,009,559,158**	**1,062,700,229**
Direct Operating Expenses (DOE)							
Controllable	PHP	(72,630,887)	(76,262,431)	(80,075,553)	(84,079,330)	(88,283,297)	(92,697,462)
Non-controllable	PHP	(199,933,107)	(198,363,387)	(203,857,702)	(213,164,465)	(228,550,043)	(239,233,117)
General Administrative Expenses							
Direct	PHP	(30,601,348)	(28,694,116)	(31,200,425)	(33,962,187)	(36,423,827)	(38,341,100)
Indirect	PHP	-	-	-	-	-	-
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**514,931,439**	**559,598,532**	**594,614,248**	**627,462,050**	**656,301,992**	**692,428,551**
Depreciation	PHP	(146,082,244)	(158,810,792)	(173,630,603)	(176,914,899)	(108,184,755)	(110,630,790)
Interest Income/Expense	PHP	2,707,567	2,817,201	2,960,575	3,112,247	2,835,892	2,835,892
NET INCOME BEFORE TAX	**PHP**	**371,556,762**	**403,604,941**	**423,944,221**	**453,659,399**	**550,953,129**	**584,633,653**
Provision for Income Tax	PHP	(92,889,190)	(100,901,235)	(105,986,055)	(113,414,850)	(137,738,282)	(146,158,413)
NET INCOME AFTER TAX (ALI)	**PHP**	**278,667,571**	**302,703,706**	**317,958,166**	**340,244,549**	**413,214,847**	**438,475,240**
AREIT - DIRECT LEASE							
EBITDA	**PHP**	514,931,439	559,598,532	594,614,248	627,462,050	656,301,992	692,428,551
Less: Capital Expenditures	PHP	(449,953,230)	(43,145,923)	(45,487,396)	(47,933,402)	(50,477,958)	(53,135,011)
Less: Changes in working capital	PHP	(4,404,527)	(3,514,509)	(3,084,002)	(2,926,813)	(2,572,733)	(3,126,890)
Less: Property Management Fees	PHP	(43,461,364)	(46,369,363)	(48,999,797)	(51,617,073)	(54,153,204)	(57,011,866)
Less: Fund Management Fees	PHP	(23,926,125)	(25,489,473)	(26,715,023)	(27,864,696)	(28,874,094)	(30,138,524)
FREE CASH FLOW TO FIRM	**PHP**	**(6,813,807)**	**441,079,264**	**470,328,030**	**497,120,066**	**520,224,003**	**549,016,259**
TERMINAL VALUE	**PHP**						
NET PRESENT VALUE							
Period lapsed	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value	**PHP**	**- 6,116,700**	**355,444,195**	**340,238,174**	**322,827,753**	**303,268,531**	**287,309,218**
Net present value (NPV)	**PHP**	**5,162,514,085**					
Rounded to:	**PHP**	**5,162,510,000**					

ANNEX A

AREIT FUND MANAGERS, INC.
GLORIETTA 4
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income	PHP	915,049,444	942,500,928	970,775,956	999,899,234	
Cinema Tickets	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carkparks	PHP	43,653,795	45,836,485	48,128,309	50,534,725	
Specialty Leasing						
Carts and Kiosks	PHP	66,361,495	69,679,569	73,163,548	76,821,725	
Venue Rental	PHP	33,202,941	34,863,088	36,606,242	38,436,555	
Ad Panels	PHP	-	-	-	-	
Other Income	PHP	11,243,400	11,580,702	11,928,123	12,285,966	
Other Income-Ancillary	PHP	28,337,897	29,754,792	31,242,532	32,804,658	
GROSS REVENUES	**PHP**	**1,097,848,972**	**1,134,215,564**	**1,171,844,709**	**1,210,782,863**	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROFIT	**PHP**	**1,097,848,972**	**1,134,215,564**	**1,171,844,709**	**1,210,782,863**	
Direct Operating Expenses (DOE)						
Controllable	PHP	(97,332,335)	(102,198,951)	(107,308,899)	(112,674,344)	
Non-controllable	PHP	(246,299,151)	(253,610,012)	(261,174,687)	(269,002,515)	
General Administrative Expenses						
Direct	PHP	(39,609,230)	(40,921,298)	(42,278,918)	(43,683,765)	
Indirect	PHP	-	-	-	-	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**714,608,257**	**737,485,302**	**761,082,205**	**785,422,239**	
Depreciation	PHP	(112,980,095)	(115,224,771)	(111,497,314)	(113,509,551)	
Interest Income/Expense	PHP	2,835,892	2,835,892	2,835,892	2,835,892	
NET INCOME BEFORE TAX	**PHP**	**604,464,054**	**625,096,423**	**652,420,783**	**674,748,579**	
Provision for Income Tax	PHP	(151,116,014)	(156,274,106)	(163,105,196)	(168,687,145)	
NET INCOME AFTER TAX (ALI)	**PHP**	**453,348,041**	**468,822,318**	**489,315,587**	**506,061,434**	
AREIT - DIRECT LEASE						
EBITDA	**PHP**	714,608,257	737,485,302	761,082,205	785,422,239	
Less: Capital Expenditures	PHP	(54,892,449)	(56,710,778)	(58,592,235)	(60,539,143)	
Less: Changes in working capital	PHP	(1,927,219)	(1,988,146)	(2,051,057)	(2,116,018)	
Less: Property Management Fees	PHP	(58,842,618)	(60,734,312)	(62,689,078)	(64,709,124)	
Less: Fund Management Fees	PHP	(30,914,814)	(31,715,510)	(32,541,402)	(33,393,303)	
FREE CASH FLOW TO FIRM	**PHP**	**568,031,157**	**586,336,555**	**605,208,433**	**624,664,651**	
TERMINAL VALUE	**PHP**					**7,662,522,707**
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	**PHP**	**266,847,970**	**247,266,971**	**229,113,933**	**212,285,755**	**2,604,028,285**
Net present value (NPV)	**PHP**					
Rounded to:	**PHP**					

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Ayala Malls Capitol Central

Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental

BCG26-C10923-001.2 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.
Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

Attention: **MR. TOMAS JULIAN R. SANTOS**
President

Re: **AACI File No. BCG26-C10923-001.2**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of the ***Ayala Malls Capitol Central*** (the "PROPERTY") located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Capitol Central Commercial Ventures Corp. (CCCVC).
Subject of the valuation:	The subject of the valuation is the ***Ayala Malls Capitol Central,*** located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental.
Basis of value:	The valuation was made on the basis of ***market value***. **Market value** is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).

Valuation date:	The valuation date is as of 31 March 2026**.**
Opinion of value:	Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
THREE BILLION
ONE HUNDRED SIXTEEN MILLION
EIGHT HUNDRED FORTY THOUSAND ONLY
(In Words)

PHP3,116,840,000.00
(In Figures)

We have made no investigation of and assume no responsibility for titles to and liabilities against the property appraised.

WE HEREBY CERTIFY that we have neither present nor prospective interest on the property appraised or on the value reported.

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI),** were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.

b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.

c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.

d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.

e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.

f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.

g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.

h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.

j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.

k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.

l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.

m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.

n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.

o) Erasures on appraisal date and values invalidate this valuation report.

p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Capitol Central Commercial Ventures Corp. (CCCVC).

3 Basis of Value

The basis of value shall be **fair value** which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13)."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.
(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;

b. For the term of lease, we have used documents provided by the COMPANY; and

c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Ayala Malls Capitol Central

The property appraised, identified as "Ayala Malls Capitol Central," is a core retail and lifestyle center with a gross leasable area of approximately 63,391 square meters. It houses retail shops, dining clusters, cinemas, and service establishments, serving Bacolod City and nearby towns in Negros Occidental. The property is designed to cater to both local residents and regional visitors, integrating lifestyle and convenience retail. Developed by Ayala Land, it is positioned as a major commercial destination in Bacolod. Its scale and tenant mix reinforce its role as a regional shopping center.

Figure 1: The Ayala Malls Capitol Central

6.2 Location

The property is located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental. It is accessible via Lacson Street and nearby transport routes.

6.3 Property Ownership

The land is currently owned by the **Province of Negros Occidental**, while the building and other improvements thereon are currently owned by **Capitol Central Commercial Ventures Corp.** Upon the transfer of the building and other land improvements to **AREIT, Inc.**, ownership of the land shall remain vested in the Province of Negros Occidental, which shall continue to act as the Lessor under the existing long-term lease agreement.

In connection with the transfer of the building and other improvements, the existing land lease from the Province of Negros Occidental to Capitol Central Commercial Ventures Corp. shall be transferred/assigned to AREIT, Inc., subject to the applicable terms and conditions of the lease agreement, the consent of the Lessor, and the relevant transaction documents. Accordingly, AREIT, Inc. shall become the Lessee under the transferred lease, while legal title to the land shall remain with the Province of Negros Occidental. The building and other improvements shall likewise be transferred to and owned by AREIT, Inc., in accordance with the terms and conditions of the transaction documents and applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 63,391 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 81%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 90%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** "provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available."

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** "provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved." The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** "provides an indication of value by converting future cash flow to a single current value." Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FVt / (1 + i)t] - I_0$$

The last equation states that the Net Present Value, ∑PV, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

8.2.1 The projection was based on the data provided by the CLIENT;

8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;

8.2.3 The occupancy rate was based on the projection provided by the CLIENT;

8.2.4 Average rental rates per square meter were based on the data provided by the CLIENT;

8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
	Weighted average cost of capital		**11.40%**

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.

- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.

- We used the 1.1767 Industry Beta as of the valuation date.

- Client's preferred debt-to-equity ratio is at 30/70.

9 Valuation Conclusion

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
THREE BILLION
ONE HUNDRED SIXTEEN MILLION
EIGHT HUNDRED FORTY THOUSAND ONLY
(In Words)

PHP3,116,840,000.00
(In Figures)

10 Valuation Date

This valuation is as of 31 March 2026**.**

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CAPITOL CENTRAL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income-Mall	PHP	261,201,471	269,037,515	413,701,230	491,989,861	575,497,733	604,272,620
Rental Income-Office	PHP	-	-	-	-	-	-
Cinema Tickets	PHP	-	-	-	-	-	-
Snackbar	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carkparks	PHP	2,258,578	2,371,507	2,490,082	2,614,586	2,745,315	2,882,581
Specialty Leasing							
Carts and Kiosks	PHP	27,673,749	29,057,436	30,510,308	32,035,824	33,637,615	35,319,495
Venue Rental	PHP	17,680,699	18,564,734	19,492,971	20,467,619	21,491,000	22,565,550
Ad Panels	PHP	-	-	-	-	-	-
Other Income	PHP	3,706,864	3,892,207	4,086,817	4,291,158	4,505,716	4,731,002
Other Income-Ancillary	PHP	8,922,554	9,368,681	9,837,115	10,328,971	10,845,420	11,387,691
GROSS REVENUES	**PHP**	**321,443,914**	**332,292,080**	**480,118,523**	**561,728,019**	**648,722,799**	**681,158,939**
Cost of Sales	PHP	-	-	-	-	-	-
GROSS OPERATING PROFIT	**PHP**	**321,443,914**	**332,292,080**	**480,118,523**	**561,728,019**	**648,722,799**	**681,158,939**
Direct Operating Expenses (DOE)							
Controllable	PHP	(32,129,572)	(33,736,051)	(35,422,853)	(37,193,996)	(39,053,696)	(41,006,381)
Non-controllable	PHP	(90,545,669)	(92,063,674)	(94,287,417)	(100,424,077)	(106,968,742)	(113,948,538)
General Administrative Expenses							
Direct	PHP	-	-	-	-	-	-
Indirect	PHP	(8,595,226)	(8,666,274)	(14,029,081)	(21,651,842)	(25,005,061)	(26,255,314)
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**190,173,447**	**197,826,082**	**336,379,171**	**402,458,104**	**477,695,301**	**499,948,707**
Depreciation	PHP	(206,258,096)	(210,044,586)	(211,782,271)	(105,447,518)	(111,934,746)	(118,746,335)
Interest Income/Expense	PHP	(13,324,412)	(7,011,888)	(2,039,136)	(14,701,411)	(14,701,411)	(14,701,411)
Other Income/Expense	PHP	(2,677,924)	(2,193,360)	(1,892,419)	(1,892,419)	(1,892,419)	(1,892,419)
PAS/PFRS	PHP	(3,635,621)	(10,119,236)	(10,300,049)	(5,627,036)	(6,498,495)	(6,823,420)
NET INCOME BEFORE TAX	**PHP**	**(35,722,606)**	**(31,542,989)**	**110,365,295**	**274,789,719**	**342,668,229**	**357,785,121**
Provision for Income Tax	PHP	8,930,652	7,885,747	(27,591,324)	(68,697,430)	(85,667,057)	(89,446,280)
NET INCOME AFTER TAX (ALI)	**PHP**	**(26,791,955)**	**(23,657,242)**	**82,773,972**	**206,092,289**	**257,001,172**	**268,338,841**
AREIT - DIRECT LEASE							
EBITDA	**PHP**	190,173,447	197,826,082	336,379,171	402,458,104	477,695,301	499,948,707
Less: Capital Expenditures	PHP	(680,828,783)	(105,870,222)	(111,163,733)	(28,086,401)	(32,436,140)	(34,057,947)
Less: Changes in working capital	PHP	11,357,057	(634,823)	(11,828,704)	(6,057,673)	(6,459,486)	(1,931,808)
Less: Property Management Fees	PHP	(16,368,967)	(16,962,254)	(26,246,405)	(31,007,453)	(36,250,598)	(38,002,551)
Less: Fund Management Fees	PHP	(9,860,517)	(10,128,359)	(14,977,717)	(17,290,480)	(19,923,782)	(20,702,651)
FREE CASH FLOW TO FIRM	**PHP**	**(505,527,762)**	**64,230,423**	**172,162,612**	**320,016,097**	**382,625,295**	**405,253,750**
TERMINAL VALUE	**PHP**						
NET PRESENT VALUE							
Period lapsed	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value	**PHP**	**- 453,808,267**	**51,760,155**	**124,543,487**	**207,817,154**	**223,054,320**	**212,075,938**
Net present value (NPV)	**PHP**	**3,116,844,447**					
Rounded to:	**PHP**	**3,116,840,000**					

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CAPITOL CENTRAL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income-Mall	PHP	634,486,251	666,210,564	699,521,092	734,497,146	
Rental Income-Office	PHP	-	-	-	-	
Cinema Tickets	PHP	-	-	-	-	
Snackbar	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carkparks	PHP	3,026,710	3,178,046	3,336,948	3,503,795	
Specialty Leasing						
Carts and Kiosks	PHP	37,085,470	38,939,744	40,886,731	42,931,067	
Venue Rental	PHP	23,693,828	24,878,519	26,122,445	27,428,567	
Ad Panels	PHP	-	-	-	-	
Other Income	PHP	4,967,552	5,215,930	5,476,726	5,750,562	
Other Income-Ancillary	PHP	11,957,075	12,554,929	13,182,675	13,841,809	
GROSS REVENUES	**PHP**	**715,216,886**	**750,977,731**	**788,526,617**	**827,952,948**	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROFIT	**PHP**	**715,216,886**	**750,977,731**	**788,526,617**	**827,952,948**	
Direct Operating Expenses (DOE)						
Controllable	PHP	(43,056,700)	(45,209,535)	(47,470,011)	(49,843,512)	
Non-controllable	PHP	(121,392,396)	(129,331,168)	(137,797,762)	(146,827,269)	
General Administrative Expenses						
Direct	PHP	-	-	-	-	
Indirect	PHP	(27,568,080)	(28,946,483)	(30,393,808)	(31,913,498)	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**523,199,712**	**547,490,544**	**572,865,036**	**599,368,669**	
Depreciation	PHP	(125,898,504)	(133,408,281)	(137,350,914)	(139,143,216)	
Interest Income/Expense	PHP	(14,701,411)	(14,701,411)	(14,701,411)	(14,701,411)	
Other Income/Expense	PHP	(1,892,419)	(1,892,419)	(1,892,419)	(1,892,419)	
PAS/PFRS	PHP	(7,164,591)	(7,522,820)	(7,898,961)	(8,293,909)	
NET INCOME BEFORE TAX	**PHP**	**373,542,786**	**389,965,612**	**411,021,330**	**435,337,713**	
Provision for Income Tax	PHP	(93,385,697)	(97,491,403)	(102,755,332)	(108,834,428)	
NET INCOME AFTER TAX (ALI)	**PHP**	**280,157,090**	**292,474,209**	**308,265,997**	**326,503,285**	
AREIT - DIRECT LEASE						
EBITDA	**PHP**	523,199,712	547,490,544	572,865,036	599,368,669	
Less: Capital Expenditures	PHP	(35,760,844)	(37,548,887)	(39,426,331)	(41,397,647)	
Less: Changes in working capital	PHP	(2,018,940)	(2,109,800)	(2,204,533)	(2,303,287)	
Less: Property Management Fees	PHP	(39,838,075)	(41,761,079)	(43,775,653)	(45,886,070)	
Less: Fund Management Fees	PHP	(21,516,436)	(22,366,615)	(23,254,723)	(24,182,350)	
FREE CASH FLOW TO FIRM	**PHP**	**424,065,416**	**443,704,162**	**464,203,797**	**485,599,315**	
TERMINAL VALUE	**PHP**					**5,956,661,344**
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	**PHP**	**199,216,177**	**187,116,739**	**175,733,767**	**165,025,854**	**2,024,309,124**
Net present value (NPV)	**PHP**					
Rounded to:	**PHP**					

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Ayala Malls Circuit

Hippodromo Street, Brgy. Carmona, Makati City, Metropolitan Manila

BCG26-C10923-001.3 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.
Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

Attention: **MR. TOMAS JULIAN R. SANTOS**
President

Re: **AACI File No. BCG26-C10923-001.3**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of the ***Ayala Malls Circuit (excluding Circuit Lane)***, (the "PROPERTY") located along Hippodromo St., Barangay Carmona, Makati City, Metro Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Makati Cornerstone Leasing Corp. (MCLC).
Subject of the valuation:	The subject of the valuation is the ***Ayala Malls Circuit (excluding Circuit Lane)***, located along Hippodromo St., Barangay Carmona, Makati City, Metro Manila.
Basis of value:	The valuation was made on the basis of ***market value***. **Market value** is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).

Valuation date:	The valuation date is as of 31 March 2026**.**
Opinion of value:	Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
ONE BILLION
NINE HUNDRED SEVENTY-SEVEN MILLION
THREE HUNDRED SIXTY THOUSAND ONLY
(In Words)

PHP1,977,360,000.00
(In Figures)

We have made no investigation of and assume no responsibility for titles to and liabilities against the property appraised.

WE HEREBY CERTIFY that we have neither present nor prospective interest on the property appraised or on the value reported.

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI),** were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.

b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.

c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.

d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.

e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.

f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.

g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.

h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.

j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.

k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.

l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.

m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.

n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.

o) Erasures on appraisal date and values invalidate this valuation report.

p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Makati Cornerstone Leasing Corp. (MCLC).

3 Basis of Value

The basis of value shall be **fair value** which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13)."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.
(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;

b. For the term of lease, we have used documents provided by the COMPANY; and

c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Ayala Malls Circuit

The property appraised, identified as "Ayala Malls Circuit," is a core retail and lifestyle center with a gross leasable area of approximately 65,184 square meters excluding the Circuit Lane. The property houses retail shops, dining clusters, cinemas, and entertainment facilities. Developed by Ayala Land, it serves as the retail anchor of the Circuit Makati estate, integrating with office towers, residential condominiums, and event venues.

Figure 1: The Ayala Malls Circuit

6.2 Location

The property is located along Hippodromo St., Barangay Carmona, Makati City, Metro Manila. It is situated within the 21-hectare Circuit Makati mixed-use development in Barangay Carmona. Accessibility is reinforced by J. P. Rizal Avenue and public transport routes connecting to Makati and other parts of Metro Manila.

6.3 Property Ownership

The land is currently owned by **Ayala Land Inc. ("ALI"),** and the building is currently owned by **Makati Cornerstone Leasing Corp.** Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 65,184 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 77%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 76%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** "provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available."

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** "provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved." The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** "provides an indication of value by converting future cash flow to a single current value." Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FVt / (1 + i)t] - I_0$$

The last equation states that the Net Present Value, ∑PV, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

8.2.1 The projection was based on the data provided by the CLIENT;

8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;

8.2.3 The occupancy rate was based on the projection provided by the CLIENT;

8.2.4 The Rental rates per square meter per month were based on the data provided by the CLIENT;

8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
	Weighted average cost of capital		**11.40%**

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.

- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.

- We used the 1.1767 Industry Beta as of the valuation date.

- Client's preferred debt-to-equity ratio is at 30/70.

9 Valuation Conclusion

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
ONE BILLION
NINE HUNDRED SEVENTY-SEVEN MILLION
THREE HUNDRED SIXTY THOUSAND ONLY
(In Words)

PHP1,977,360,000.00
(In Figures)

10 Valuation Date

This valuation is as of 31 March 2026**.**

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CIRCUIT
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income	PHP	201,850,894	207,906,421	310,833,940	405,652,446	495,443,222	520,215,383
Cinema Tickets	PHP	-	-	-	-	-	-
Snackbar	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carkparks	PHP	65,318,316	68,584,232	72,013,443	75,614,115	79,394,821	83,364,562
Specialty Leasing							
Carts and Kiosks	PHP	23,604,978	24,785,227	26,024,488	27,325,713	28,691,998	30,126,598
Venue Rental	PHP	12,497,509	13,122,385	13,778,504	14,467,429	15,190,800	15,950,341
Ad Panels	PHP	-	-	-	-	-	-
Other Income	PHP	26,024,511	27,325,737	28,692,024	30,126,625	31,632,956	33,214,604
Other Income-Ancillary	PHP	10,291,611	10,806,192	11,346,502	11,913,827	12,509,518	13,134,994
GROSS REVENUES	**PHP**	**339,587,820**	**352,530,193**	**462,688,901**	**565,100,154**	**662,863,316**	**696,006,482**
Cost of Sales	PHP	-	-	-	-	-	-
GROSS OPERATING PROFIT	**PHP**	**339,587,820**	**352,530,193**	**462,688,901**	**565,100,154**	**662,863,316**	**696,006,482**
Direct Operating Expenses (DOE)							
Controllable	PHP	(615,210)	(645,971)	(678,269)	(712,183)	(747,792)	(785,181)
Non-controllable	PHP	(123,370,471)	(131,928,260)	(173,340,443)	(207,206,598)	(249,941,937)	(262,292,821)
General Administrative Expenses							
Direct	PHP	(202,611)	(225,903)	(390,306)	(477,295)	(481,485)	(505,560)
Indirect	PHP	(18,419,675)	(21,104,811)	(46,187,774)	(58,493,421)	(50,371,411)	(52,889,981)
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**196,979,853**	**198,625,249**	**242,092,109**	**298,210,657**	**361,320,691**	**379,532,939**
Depreciation	PHP	(143,746,334)	(150,373,369)	(148,450,757)	(151,719,537)	(116,350,935)	(126,095,026)
Interest Income/Expense	PHP	12,383,069	15,620,528	20,952,033	21,413,967	16,432,599	16,432,599
NET INCOME BEFORE TAX	**PHP**	**65,616,587**	**63,872,409**	**114,593,385**	**167,905,087**	**261,402,355**	**269,870,512**
Provision for Income Tax	PHP	(16,404,147)	(15,968,102)	(28,648,346)	(41,976,272)	(65,350,589)	(67,467,628)
NET INCOME AFTER TAX (ALI)	**PHP**	**49,212,440**	**47,904,307**	**85,945,039**	**125,928,815**	**196,051,766**	**202,402,884**
AREIT - DIRECT LEASE							
EBITDA	**PHP**	196,979,853	198,625,249	242,092,109	298,210,657	361,320,691	379,532,939
Less: Capital Expenditures	PHP	(394,989,525)	(396,759,211)	(190,581,987)	(64,459,447)	(46,400,432)	(48,720,454)
Less: Changes in working capital	PHP	2,635,377	(357,849)	(5,647,745)	(5,631,056)	(4,519,908)	(1,705,882)
Less: Property Management Fees	PHP	(17,184,279)	(17,630,139)	(22,456,240)	(27,492,727)	(32,634,473)	(34,266,197)
Less: Fund Management Fees	PHP	(9,035,993)	(9,093,582)	(10,614,922)	(12,579,071)	(14,787,922)	(15,425,351)
FREE CASH FLOW TO FIRM	**PHP**	**(221,594,568)**	**(225,215,531)**	**12,791,215**	**188,048,356**	**262,977,955**	**279,415,056**
TERMINAL VALUE	**PHP**						
NET PRESENT VALUE							
Period lapsed	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value	**PHP**	**- 198,923,688**	**- 181,490,176**	**9,253,243**	**122,117,839**	**153,304,995**	**146,222,484**
Net present value (NPV)	**PHP**	**1,977,356,221**					
Rounded to:	**PHP**	**1,977,360,000**					

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CIRCUIT
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income	PHP	546,226,152	573,537,460	602,214,333	632,325,050	
Cinema Tickets	PHP	-	-	-	-	
Snackbar	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carkparks	PHP	87,532,790	91,909,430	96,504,901	101,330,146	
Specialty Leasing						
Carts and Kiosks	PHP	31,632,928	33,214,574	34,875,303	36,619,068	
Venue Rental	PHP	16,747,858	17,585,250	18,464,513	19,387,739	
Ad Panels	PHP	-	-	-	-	
Other Income	PHP	34,875,334	36,619,101	38,450,056	40,372,559	
Other Income-Ancillary	PHP	13,791,743	14,481,331	15,205,397	15,965,667	
GROSS REVENUES	**PHP**	**730,806,806**	**767,347,146**	**805,714,504**	**846,000,229**	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROFIT	**PHP**	**730,806,806**	**767,347,146**	**805,714,504**	**846,000,229**	
Direct Operating Expenses (DOE)						
Controllable	PHP	(824,440)	(865,662)	(908,946)	(954,393)	
Non-controllable	PHP	(275,261,248)	(288,878,097)	(303,175,788)	(318,188,364)	
General Administrative Expenses						
Direct	PHP	(530,838)	(557,379)	(585,248)	(614,511)	
Indirect	PHP	(55,534,480)	(58,311,204)	(61,226,765)	(64,288,103)	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**398,655,800**	**418,734,803**	**439,817,757**	**461,954,858**	
Depreciation	PHP	(136,326,321)	(147,069,181)	(152,709,183)	(155,273,100)	
Interest Income/Expense	PHP	16,432,599	16,432,599	16,432,599	16,432,599	
NET INCOME BEFORE TAX	**PHP**	**278,762,077**	**288,098,221**	**303,541,173**	**323,114,358**	
Provision for Income Tax	PHP	(69,690,519)	(72,024,555)	(75,885,293)	(80,778,589)	
NET INCOME AFTER TAX (ALI)	**PHP**	**209,071,558**	**216,073,666**	**227,655,880**	**242,335,768**	
AREIT - DIRECT LEASE						
EBITDA	**PHP**	398,655,800	418,734,803	439,817,757	461,954,858	
Less: Capital Expenditures	PHP	(51,156,476)	(53,714,300)	(56,400,015)	(59,220,016)	
Less: Changes in working capital	PHP	(1,791,176)	(1,880,734)	(1,974,771)	(2,073,510)	
Less: Property Management Fees	PHP	(35,979,507)	(37,778,482)	(39,667,406)	(41,650,776)	
Less: Fund Management Fees	PHP	(16,094,651)	(16,797,416)	(17,535,320)	(18,310,118)	
FREE CASH FLOW TO FIRM	**PHP**	**293,633,989**	**308,563,870**	**324,240,245**	**340,700,438**	
TERMINAL VALUE	**PHP**					**4,179,242,157**
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	**PHP**	**137,942,493**	**130,126,039**	**122,747,724**	**115,783,484**	**1,420,271,783**
Net present value (NPV)	**PHP**					
Rounded to:	**PHP**					

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Ayala Malls Cloverleaf

A. Bonifacio Avenue, Brgy. Balingasa, Quezon City, Metropolitan Manila

BCG26-C10923-001.4 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.
Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

Attention: **MR. TOMAS JULIAN R. SANTOS**
President

Re: **AACI File No. BCG26-C10923-001.4**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of the ***Ayala Malls Cloverleaf*** (the "PROPERTY") located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City, Metro Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Bay City Commercial Ventures Corp. (BCCVC).
Subject of the valuation:	The subject of the valuation is the ***Ayala Malls Cloverleaf,*** located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City, Metro Manila.
Basis of value:	The valuation was made on the basis of ***market value***. **Market value** is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).

Valuation date:	The valuation date is as of 31 March 2026**.**
Opinion of value:	Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
TWO BILLION
FOUR HUNDRED ELEVEN MILLION
SIX HUNDRED TWENTY THOUSAND ONLY
(In Words)

PHP2,411,620,000.00
(In Figures)

We have made no investigation of and assume no responsibility for titles to and liabilities against the property appraised.

WE HEREBY CERTIFY that we have neither present nor prospective interest on the property appraised or on the value reported.

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

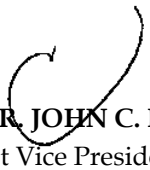
GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI),** were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.



ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.

b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.

c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.

d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.

e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.

f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.

g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.

h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.

j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.

k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.

l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.

m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.

n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.

o) Erasures on appraisal date and values invalidate this valuation report.

p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Bay City Commercial Ventures Corp. (BCCVC).

3 Basis of Value

The basis of value shall be **fair value** which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13)."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.
(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;

b. For the term of lease, we have used documents provided by the COMPANY; and

c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Ayala Malls Cloverleaf

The property appraised, identified as "Ayala Malls Cloverleaf," is a core retail and lifestyle center with a gross leasable area of approximately 33,277 square meters. The property integrates retail shops, dining clusters, and community facilities, serving northern Quezon City and nearby provinces. Developed by Ayala Land, it is positioned as the retail component of the Cloverleaf estate.

Figure 1: Ayala Malls Cloverleaf

6.2 Location

The property is located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City, Metro Manila. It is situated near the Balintawak Cloverleaf interchange, providing direct access to EDSA and NLEX. Accessibility is reinforced by A. Bonifacio Avenue and major transport routes serving Quezon City and northern Metro Manila.

6.3 Property Ownership

The land is currently owned by **Ayalaland Estates Inc. ("ALEI"),** and the building is currently owned by **Bay City Commercial Corp.** Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALEI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALEI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 33,277 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 78%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 86%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** "provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available."

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** "provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved." The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** "provides an indication of value by converting future cash flow to a single current value." Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FVt / (1 + i)t] - I_0$$

The last equation states that the Net Present Value, ∑PV, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

8.2.1 The projection was based on the data provided by the CLIENT;

8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;

8.2.3 The occupancy rate was based on the projection provided by the CLIENT;

8.2.4 The Rental rates per square meter per month were based on the data provided by the CLIENT;

8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 5% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
	Weighted average cost of capital		**11.40%**

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.
- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.
- We used the 1.1767 Industry Beta as of the valuation date.
- Client's preferred debt-to-equity ratio is at 30/70.

9 Valuation Conclusion

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
TWO BILLION
FOUR HUNDRED ELEVEN MILLION
SIX HUNDRED TWENTY THOUSAND ONLY
(In Words)

PHP2,411,620,000.00
(In Figures)

10 Valuation Date

This valuation is as of 31 March 2026**.**

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CLOVERLEAF
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income	PHP	296,983,249	326,681,574	359,349,731	417,244,965	438,107,214	460,012,574
Cinema Tickets	PHP	-	-	-	-	-	-
Snackbar	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carkparks	PHP	29,793,629	32,772,992	36,050,291	37,852,806	39,745,446	41,732,719
Specialty Leasing							
Carts and Kiosks	PHP	25,493,696	28,043,066	30,847,372	32,389,741	34,009,228	35,709,689
Venue Rental	PHP	22,160,250	24,376,275	26,813,903	28,154,598	29,562,328	31,040,444
Ad Panels	PHP	-	-	-	-	-	-
Other Income	PHP	3,247,141	3,409,499	3,579,973	3,758,972	3,946,921	4,144,267
Other Income-Ancillary	PHP	24,971,238	27,468,362	30,215,198	31,725,958	33,312,256	34,977,869
GROSS REVENUES	**PHP**	**402,649,204**	**442,751,767**	**486,856,469**	**551,127,040**	**578,683,392**	**607,617,562**
Cost of Sales	PHP	-	-	-	-	-	-
GROSS OPERATING PROFIT	**PHP**	**402,649,204**	**442,751,767**	**486,856,469**	**551,127,040**	**578,683,392**	**607,617,562**
Direct Operating Expenses (DOE)							
Controllable	PHP	(81,319,074)	(103,275,225)	(131,159,535)	(137,717,512)	(144,603,388)	(151,833,557)
Non-controllable	PHP	(70,211,264)	(77,104,877)	(84,083,903)	(92,641,170)	(97,023,228)	(101,624,390)
General Administrative Expenses							
Direct	PHP	-	-	-	-	-	-
Indirect	PHP	(14,386,382)	(16,349,318)	(36,389,386)	(27,225,337)	(28,586,603)	(30,015,933)
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**236,732,484**	**246,022,348**	**235,223,645**	**293,543,022**	**308,470,173**	**324,143,682**
Depreciation	PHP	(120,650,000)	(128,410,000)	(132,080,000)	(121,570,477)	(127,357,311)	(133,433,487)
Interest Income/Expense	PHP	-	1,330,000	3,710,000	3,028,356	3,028,356	3,028,356
Other Income	PHP	48,950,000	50,420,000	51,940,000	51,940,000	51,940,000	51,940,000
PAS/PFRS	PHP	(14,740,000)	(8,530,000)	(3,610,000)	(9,832,417)	(10,324,038)	(10,840,240)
NET INCOME BEFORE TAX	**PHP**	**150,292,484**	**160,832,348**	**155,183,645**	**217,108,484**	**225,757,180**	**234,838,311**
Provision for Income Tax	PHP	(37,573,121)	(40,208,087)	(38,795,911)	(54,277,121)	(56,439,295)	(58,709,578)
NET INCOME AFTER TAX (ALI)	**PHP**	**112,719,363**	**120,624,261**	**116,387,734**	**162,831,363**	**169,317,885**	**176,128,733**
AREIT - DIRECT LEASE							
EBITDA	**PHP**	236,732,484	246,022,348	235,223,645	293,543,022	308,470,173	324,143,682
Less: Capital Expenditures	PHP	(191,059,681)	(30,000,000)	(30,000,000)	(27,556,352)	(28,934,170)	(30,380,878)
Less: Changes in working capital	PHP	2,548,956	(924,888)	(759,564)	(4,040,164)	(1,338,774)	(1,405,713)
Less: Property Management Fees	PHP	(20,540,113)	(22,068,335)	(23,013,522)	(26,982,817)	(28,331,958)	(29,748,556)
Less: Fund Management Fees	PHP	(11,258,270)	(11,583,415)	(11,205,461)	(13,246,639)	(13,769,089)	(14,317,662)
FREE CASH FLOW TO FIRM	**PHP**	**16,423,375**	**181,445,710**	**170,245,098**	**221,717,050**	**236,096,182**	**248,290,873**
TERMINAL VALUE	**PHP**						
NET PRESENT VALUE							
Period lapsed	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value	**PHP**	**14,743,133**	**146,218,219**	**123,156,345**	**143,982,152**	**137,634,062**	**129,934,688**
Net present value (NPV)	**PHP**	**2,411,623,776**					
Rounded to:	**PHP**	**2,411,620,000**					

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CLOVERLEAF
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income	PHP	483,013,203	507,163,863	532,522,056	559,148,159	
Cinema Tickets	PHP	-	-	-	-	
Snackbar	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carkparks	PHP	43,819,355	46,010,322	48,310,838	50,726,380	
Specialty Leasing						
Carts and Kiosks	PHP	37,495,174	39,369,932	41,338,429	43,405,350	
Venue Rental	PHP	32,592,466	34,222,089	35,933,194	37,729,854	
Ad Panels	PHP	-	-	-	-	
Other Income	PHP	4,351,480	4,569,054	4,797,507	5,037,382	
Other Income-Ancillary	PHP	36,726,762	38,563,100	40,491,256	42,515,818	
GROSS REVENUES	**PHP**	**637,998,440**	**669,898,362**	**703,393,280**	**738,562,944**	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROFIT	**PHP**	**637,998,440**	**669,898,362**	**703,393,280**	**738,562,944**	
Direct Operating Expenses (DOE)						
Controllable	PHP	(159,425,235)	(167,396,497)	(175,766,321)	(184,554,637)	
Non-controllable	PHP	(106,455,609)	(111,528,390)	(116,854,809)	(122,447,549)	
General Administrative Expenses						
Direct	PHP	-	-	-	-	
Indirect	PHP	(31,516,730)	(33,092,567)	(34,747,195)	(36,484,555)	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	**PHP**	**340,600,866**	**357,880,909**	**376,024,954**	**395,076,202**	
Depreciation	PHP	(139,813,471)	(146,512,455)	(150,029,421)	(151,628,217)	
Interest Income/Expense	PHP	3,028,356	3,028,356	3,028,356	3,028,356	
Other Income	PHP	51,940,000	51,940,000	51,940,000	51,940,000	
PAS/PFRS	PHP	(11,382,252)	(11,951,364)	(12,548,933)	(13,176,379)	
NET INCOME BEFORE TAX	**PHP**	**244,373,499**	**254,385,446**	**268,414,957**	**285,239,962**	
Provision for Income Tax	PHP	(61,093,375)	(63,596,361)	(67,103,739)	(71,309,991)	
NET INCOME AFTER TAX (ALI)	**PHP**	**183,280,124**	**190,789,084**	**201,311,217**	**213,929,972**	
AREIT - DIRECT LEASE						
EBITDA	**PHP**	340,600,866	357,880,909	376,024,954	395,076,202	
Less: Capital Expenditures	PHP	(31,899,922)	(33,494,918)	(35,169,664)	(36,928,147)	
Less: Changes in working capital	PHP	(1,475,998)	(1,549,798)	(1,627,288)	(1,708,653)	
Less: Property Management Fees	PHP	(31,235,983)	(32,797,783)	(34,437,672)	(36,159,555)	
Less: Fund Management Fees	PHP	(14,893,663)	(15,498,465)	(16,133,507)	(16,800,300)	
FREE CASH FLOW TO FIRM	**PHP**	**261,095,298**	**274,539,945**	**288,656,824**	**303,479,547**	
TERMINAL VALUE	**PHP**					**3,722,667,699**
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	**PHP**	**122,656,565**	**115,777,637**	**109,276,898**	**103,134,353**	**1,265,109,724**
Net present value (NPV)	**PHP**					
Rounded to:	**PHP**					

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of New World Makati Hotel

Esperanza Street corner Makati Avenue, Ayala Center ,
Makati City, Metropolitan Manila
BCG26-C10923-001.5 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.
Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

Attention: **MR. TOMAS JULIAN R. SANTOS**
President

Re: **AACI File No. BCG26-C10923-001.5**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final report* on the valuation as of 31 March 2026, of the ***New World Makati Hotel*** (the "PROPERTY") located at Esperanza Street, corner Makati Ave, Ayala Center, Makati City, 1228 Metro Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).
Subject of the valuation:	The subject of the valuation is the ***New World Makati Hotel*** located at Esperanza Street, corner Makati Ave, Ayala Center, Makati City, 1228 Metro Manila.
Basis of value:	The valuation was made on the basis of ***market value***. **Market value** is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation." (IVSC 2025).
Valuation date:	The valuation date is as of 31 March 2026**.**

Opinion of value: Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
TWO BILLION
EIGHT HUNDRED FIFTY-EIGHT MILLION
NINE HUNDRED TWENTY THOUSAND ONLY
(In Words)

PHP2,858,920,000.00
(In Figures)

We have made no investigation of and assume no responsibility for titles to and liabilities against the property appraised.

WE HEREBY CERTIFY that we have neither present nor prospective interest on the property appraised or on the value reported.

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI),** were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026, was done under the direct supervision of the undersigned.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.

b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.

c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.

d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.

e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.

f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.

g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.

h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.

j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.

k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.

l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.

m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.

n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.

o) Erasures on appraisal date and values invalidate this valuation report.

p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).

3 Basis of Value

The basis of value shall be **market value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.
(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;

b. For the term of lease, we have used documents provided by the COMPANY; and

c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 New World Makati Hotel

The property appraised, identified as New World Makati Hotel, is a five-star luxury hotel located at Esperanza Street corner Makati Avenue, Ayala Center, Makati City, Metro Manila.

New World Makati Hotel comprises 578 guestrooms and suites, offering a range of accommodations designed for both business and leisure travelers. The property features comprehensive hotel facilities including multiple dining outlets, a fitness center, spa, outdoor swimming pool, and extensive meeting and function spaces suitable for corporate events and social functions.

The hotel benefits from its strategic location adjacent to Greenbelt and near Glorietta, with convenient access to major offices, retail centers, and transport networks within Makati.

Figure 1: The New World Makati Hotel

6.2 Location

Esperanza Street, corner Makati Ave, Ayala Center, Makati City, 1228 Metro Manila.

6.3 Property Ownership

The land and the building are currently owned by **Ayala Land, Inc. ("ALI").** Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a luxury hotel with a gross leasable area of 72,488 sq. m.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS 2025, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** "provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available."

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities and complexity of the structure among others.

7.1.2 Cost Approach

The **cost approach** "provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors involved." The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** "provides an indication of value by converting future cash flow to a single current value." Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances for long-lived or indefinite lived assets, DCF may include a terminal value which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply an expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FVt / (1 + i)t] - I_0$$

The last equation states that the Net Present Value, ∑PV, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumption

To arrive at the fair value of the PROPERTY, we used the following assumptions.

8.2.1 The property has a total of 578 available rooms, with the projected occupancy rate furnished to us by the CLIENT;

8.2.2 The projected average room rate was furnished to us by the CLIENT;

8.2.3 The COMPANY's cash inflows consist of daily rental income from its guests, exclusive of value added tax (VAT), provided by the CLIENT;

8.2.4 For the operating expenses, we have used the data provided by the CLIENT;

8.2.5 The provision for business tax was assumed at zero-point seventy-five percent (0.75%) of gross revenue throughout the projection period;

8.2.6 To determine the terminal value/reversion value, we have used the Gordon growth model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.0700	0.5243	0.7490
Cost of equity	14.0946%	10.44%	11.95%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	11.95%	70.00%	8.36%
	Weighted average cost of capital		**10.89%**

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.

- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.

- We used the 1.07 Industry Beta as of the valuation date.

- Client's preferred debt-to-equity ratio is at 30/70.

9 Valuation Conclusion

Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
TWO BILLION
EIGHT HUNDRED FIFTY-EIGHT MILLION
NINE HUNDRED TWENTY THOUSAND ONLY
(In Words)

PHP2,858,920,000.00
(In Figures)

10 Valuation Date

This valuation is as of 31 March 2026.

ANNEX A

AREIT FUND MANAGERS, INC.
NEW WORLD MAKATI HOTEL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	208,764,432	215,027,365	221,478,186	228,122,531
Variable Rent	PHP	33,641,602	34,844,553	35,975,204	23,977,353
GROSS REVENUES	**PHP**	**242,406,034**	**249,871,918**	**257,453,390**	**252,099,884**
Operating Expenses					
Unutilized CWT	PHP	(242,406)	(249,872)	(257,453)	(252,100)
Real Property Tax	PHP	(3,354,624)	(3,354,624)	(3,354,624)	(3,354,624)
Business Tax	PHP	(1,818,045)	(1,874,039)	(1,930,900)	(1,890,749)
Fund Managers Fees	PHP	(2,737,681)	(2,737,681)	(2,737,681)	(2,737,681)
Property Management Fees	PHP	(7,272,181)	(7,496,158)	(7,723,602)	(7,562,997)
NET OPERATING INCOME	**PHP**	**226,981,097**	**234,159,544**	**241,449,129**	**236,301,734**
TERMINAL VALUE	**PHP**				
NET PRESENT VALUE					
Period lapsed	years	1.0000	2.0000	3.0000	4.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.9018	0.8132	0.7334	0.6614
Present value	**PHP**	**204,691,624**	**190,428,798**	**177,074,811**	**156,281,810**
Net present value (NPV)	**PHP**	**2,858,918,899**			
Rounded to:	**PHP**	**2,858,920,000**			

ANNEX A

AREIT FUND MANAGERS, INC.
NEW WORLD MAKATI HOTEL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2031	2032	2033	2034
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	234,966,207	242,015,194	249,275,649	256,753,919
Variable Rent	PHP	24,800,852	30,500,867	38,691,804	39,724,803
GROSS REVENUES	**PHP**	**259,767,059**	**272,516,060**	**287,967,454**	**296,478,722**
Operating Expenses					
Unutilized CWT	PHP	(259,767)	(272,516)	(287,967)	(296,479)
Real Property Tax	PHP	(3,354,624)	(3,354,624)	(3,354,624)	(3,354,624)
Business Tax	PHP	(1,948,253)	(2,043,870)	(2,159,756)	(2,223,590)
Fund Managers Fees	PHP	(2,737,681)	(2,737,681)	(2,737,681)	(2,737,681)
Property Management Fees	PHP	(7,793,012)	(8,175,482)	(8,639,024)	(8,894,362)
NET OPERATING INCOME	**PHP**	**243,673,723**	**255,931,887**	**270,788,402**	**278,971,987**
TERMINAL VALUE	**PHP**				
NET PRESENT VALUE					
Period lapsed	years	5.0000	6.0000	7.0000	8.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.5964	0.5379	0.4850	0.4374
Present value	**PHP**	**145,331,783**	**137,653,318**	**131,341,728**	**122,023,546**
Net present value (NPV)	**PHP**				
Rounded to:	**PHP**				

ANNEX A

AREIT FUND MANAGERS, INC.
NEW WORLD MAKATI HOTEL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2035	2036	TERMINAL VALUE
FREE CASH FLOWS				
Revenues:				
Base Rent	PHP	264,456,537	272,390,233	
Variable Rent	PHP	40,788,828	41,959,734	
GROSS REVENUES	**PHP**	**305,245,365**	**314,349,966**	
Operating Expenses				
Unutilized CWT	PHP	(305,245)	(314,350)	
Real Property Tax	PHP	(3,354,624)	(3,354,624)	
Business Tax	PHP	(2,289,340)	(2,357,625)	
Fund Managers Fees	PHP	(2,737,681)	(2,737,681)	
Property Management Fees	PHP	(9,157,361)	(9,430,499)	
NET OPERATING INCOME	**PHP**	**287,401,114**	**296,155,188**	
TERMINAL VALUE	**PHP**			**3,866,503,606**
NET PRESENT VALUE				
Period lapsed	years	9.0000	10.0000	10.0000
Discount rate	%	10.89%	10.89%	10.89%
Present value factor	%	0.3945	0.3557	0.3557
Present value	**PHP**	**113,365,752**	**105,347,238**	**1,375,378,491**
Net present value (NPV)	**PHP**			
Rounded to:	**PHP**			

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of SEDA Vertis North

Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila

BCG26-C10923-001.6 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.
Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

Attention: **MR. TOMAS JULIAN R. SANTOS**
President

Re: **AACI File No. BCG26-C10923-001.6**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final report* on the valuation as of 31 March 2026, of the ***SEDA Vertis North*** (the "PROPERTY") located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and North Triangle Hotel Ventures, Inc. (NTHVI).
Subject of the valuation:	The subject of the valuation is the ***SEDA Vertis North*** located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila.
Basis of value:	The valuation was made on the basis of ***market value***. **Market value** is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation." (IVSC 2025).
Valuation date:	The valuation date is as of 31 March 2026**.**

Opinion of value:

Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
ONE BILLION
SEVEN HUNDRED FIVE MILLION
FOUR HUNDRED FORTY THOUSAND ONLY
(In Words)

PHP1,705,440,000.00
(In Figures)

We have made no investigation of and assume no responsibility for titles to and liabilities against the property appraised.

WE HEREBY CERTIFY that we have neither present nor prospective interest on the property appraised or on the value reported.

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI),** were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of March 2026, was done under the direct supervision of the undersigned.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.

b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.

c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.

d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.

e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.

f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.

g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.

h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.

j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.

k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.

l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.

m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.

n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.

o) Erasures on appraisal date and values invalidate this valuation report.

p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and North Triangle Hotel Ventures, Inc. (NTHVI).

3 Basis of Value

The basis of value shall be **market value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.
(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;

b. For the term of lease, we have used documents provided by the COMPANY; and

c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 SEDA Vertis North

The property appraised, identified as "Seda Vertis North," is an upscale business hotel located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila. The hotel is part of the Seda Hotels portfolio under Ayala Land Hospitality, and is integrated within the Vertis North mixed-use development, a major urban center that combines business, retail, residential, and lifestyle elements in northern Metro Manila.

Seda Vertis North occupies a 24-storey building and offers 438 guestrooms and suites that cater to both business and leisure travelers. Room categories range from deluxe, club, and premier rooms to corner suites and a presidential suite, each equipped with modern amenities and services designed for comfort and convenience. The hotel also features multiple leisure and event facilities including a rooftop bar, swimming pool, gym, spa, banquet and meeting spaces, an executive lounge, and dining outlets.

The property benefits from its strategic location within Vertis North, adjacent to Ayala Malls Vertis North and within walking distance of Trinoma Mall and the North Avenue MRT Station, providing accessibility to major transport links and commercial destinations.

Figure 1: The SEDA Vertis North

6.2 Location

The PROPERTY is located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila.

6.3 Property Ownership

The land and the building are currently owned by **Ayala Land, Inc. ("ALI").** Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a business hotel with a gross leasable area of 35,478 sq. m.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS 2025, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** "provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available."

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities and complexity of the structure among others.

7.1.2 Cost Approach

The **cost approach** "provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors involved." The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** "provides an indication of value by converting future cash flow to a single current value." Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances for long-lived or indefinite lived assets, DCF may include a terminal value which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply an expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FVt / (1 + i)t] - I_0$$

The last equation states that the Net Present Value, ∑PV, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumption

To arrive at the fair value of the PROPERTY, we used the following assumptions.

8.2.1 The property has a total of 438 available rooms, with the projected occupancy rate furnished to us by the CLIENT;

8.2.2 The projected average room rate was furnished to us by the CLIENT as follows;

8.2.3 The COMPANY's cash inflows consist of daily rental income from its guests, exclusive of value added tax (VAT), provided by the CLIENT;

8.2.4 For the operating expenses, we have used the data provided by the CLIENT;

8.2.5 The provision for business tax was assumed at two percent (2%) of gross revenue throughout the projection period.

8.2.6 To determine the terminal value/reversion value, we have used the Gordon growth model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.0700	0.5243	0.7490
Cost of equity	14.0946%	10.44%	11.95%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	11.95%	70.00%	8.36%
	Weighted average cost of capital		**10.89%**

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.

- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.

- We used the 1.07 Industry Beta as of the valuation date.

- Client's preferred debt-to-equity ratio is at 30/70.

9 Valuation Conclusion

Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of ***THE PROPERTY*** as of 31 March 2026 is as follows:

PESOS:
ONE BILLION
SEVEN HUNDRED FIVE MILLION
FOUR HUNDRED FORTY THOUSAND ONLY
(In Words)

PHP1,705,440,000.00
(In Figures)

10 Valuation Date

This valuation is as of 31 March 2026**.**

ANNEX A

AREIT FUND MANAGERS, INC.
SEDA VERTIS NORTH
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	127,722,384	131,554,056	135,500,677	139,565,698
Variable Rent	PHP	19,181,822	19,785,629	20,354,692	20,967,787
GROSS REVENUES	**PHP**	**146,904,206**	**151,339,685**	**155,855,369**	**160,533,484**
Operating Expenses					
Unutilized CWT	PHP	(146,904)	(151,340)	(155,855)	(160,533)
Real Property Tax	PHP	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Business Tax	PHP	(2,938,084)	(3,026,794)	(3,117,107)	(3,210,670)
Fund Managers Fees	PHP	(1,628,149)	(1,628,149)	(1,628,149)	(1,628,149)
Property Management Fees	PHP	(4,407,126)	(4,540,191)	(4,675,661)	(4,816,005)
NET OPERATING INCOME	**PHP**	**135,783,943**	**139,993,212**	**144,278,596**	**148,718,127**
TERMINAL VALUE	**PHP**				
NET PRESENT VALUE					
Period lapsed	years	1.0000	2.0000	3.0000	4.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.9018	0.8132	0.7334	0.6614
Present value	**PHP**	**122,450,002**	**113,848,612**	**105,811,544**	**98,357,036**
Net present value (NPV)	**PHP**	**1,705,442,796**			
Rounded to:	**PHP**	**1,705,440,000**			

ANNEX A

AREIT FUND MANAGERS, INC.
SEDA VERTIS NORTH
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2031	2032	2033	2034
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	143,752,668	148,065,248	152,507,206	157,082,422
Variable Rent	PHP	13,667,423	14,170,619	14,657,239	21,892,057
GROSS REVENUES	**PHP**	**157,420,091**	**162,235,868**	**167,164,445**	**178,974,479**
Operating Expenses					
Unutilized CWT	PHP	(157,420)	(162,236)	(167,164)	(178,974)
Real Property Tax	PHP	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Business Tax	PHP	(3,148,402)	(3,244,717)	(3,343,289)	(3,579,490)
Fund Managers Fees	PHP	(1,628,149)	(1,628,149)	(1,628,149)	(1,628,149)
Property Management Fees	PHP	(4,722,603)	(4,867,076)	(5,014,933)	(5,369,234)
NET OPERATING INCOME	**PHP**	**145,763,517**	**150,333,689**	**155,010,909**	**166,218,631**
TERMINAL VALUE	**PHP**				
NET PRESENT VALUE					
Period lapsed	years	5.0000	6.0000	7.0000	8.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.5964	0.5379	0.4850	0.4374
Present value	**PHP**	**86,936,218**	**80,857,182**	**75,185,645**	**72,704,744**
Net present value (NPV)	**PHP**				
Rounded to:	**PHP**				

ANNEX A

AREIT FUND MANAGERS, INC.
SEDA VERTIS NORTH
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2035	2036	TERMINAL VALUE
FREE CASH FLOWS				
Revenues:				
Base Rent	PHP	161,794,895	166,648,742	
Variable Rent	PHP	22,426,742	23,010,501	
GROSS REVENUES	**PHP**	**184,221,637**	**189,659,243**	
Operating Expenses				
Unutilized CWT	PHP	(184,222)	(189,659)	
Real Property Tax	PHP	(2,000,000)	(2,000,000)	
Business Tax	PHP	(3,684,433)	(3,793,185)	
Fund Managers Fees	PHP	(1,628,149)	(1,628,149)	
Property Management Fees	PHP	(5,526,649)	(5,689,777)	
NET OPERATING INCOME	**PHP**	**171,198,184**	**176,358,472**	
TERMINAL VALUE	**PHP**			**2,302,477,543**
NET PRESENT VALUE				
Period lapsed	years	9.0000	10.0000	10.0000
Discount rate	%	10.89%	10.89%	10.89%
Present value factor	%	0.3945	0.3557	0.3557
Present value	**PHP**	**67,529,352**	**62,733,589**	**819,028,872**
Net present value (NPV)	**PHP**			
Rounded to:	**PHP**			

ANNEX C – PROPERTY DETAILS

	Glorietta 4	Ayala Malls Capitol Central	Ayala Malls Circuit	Ayala Malls Cloverleaf	New World	Seda Vertis North
Location	Makati City	Bacolod City	Makati City	Quezon City	Makati	Quezon City
Description	Flagship Mall	Regional Mall	Regional Mall	Regional Mall	Luxury Hotel	Contemporary Business Hotel
GLA, sqm	30,429	63,391	65,184	33,277	72,488	35,478
Lease Out Rate*/ Occupancy Rate	91%*	90%*	76%*	86%*	100%	100%
Building Owner	Ayala Land, Inc.	Capitol Central Commercial Ventures Corp.	Makati Cornerstone Leasing Corp.	Bay City Commercial Ventures Corp.	Ayala Land, Inc.	North Triangle Hotel Ventures, Inc.
Landowner	Ayala Land, Inc.	Province of Negros Occidental	Ayala Land, Inc.	Ayalaland Estates, Inc.	Ayala Land, Inc.	Ayala Land, Inc.

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 152747

CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

AYALA LAND, INC.
[Amending Articles III & VII thereof.]

copy annexed, adopted on February 21, 2014 and April 07, 2014 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 22nd day August, Twenty Fourteen.

GERARDO F. DEL ROSARIO
Officer-In-Charge
Company Registration and Monitoring Department

BUWIS DST 2014 02103325

AMENDED ARTICLES OF INCORPORATION

OF

AYALA LAND, INC.
(SEC Reg. No. 152747)

KNOW ALL MEN BY THESE PRESENTS:

We, all of legal age, Filipino citizens, and all of whom are residents of the Philippines, have this day voluntarily associated ourselves for the purpose of forming a corporation in accordance with the laws of the Philippines, and

By These Presents Certify:

FIRST – That the name of the Corporation is

"AYALA LAND, INC."

SECOND – That the purpose or purposes for which said Corporation is formed are as follows:

PRIMARY

(1) To deal and engage in land or real estate business in all its branches and ramifications, to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent, or otherwise deal in and dispose of, for itself or for others, for profit and advantage, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property, improved or unimproved, with or to such persons and entities and under such terms and conditions as may be permitted by law; to acquire, purchase, hold, manage, develop, and sell subdivision lots, with or without buildings or improvements, for such other consideration and in such manner or form as the Corporation may determine or as the law permits; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Corporation or of other persons, to engage or act as real estate broker, on commission or for such fees as may be proper or legal and to exercise or undertake such powers and purposes as may be required and necessarily implied from the purposes herein mentioned.

SECONDARY

(2) To deal, engage, and transact, directly or indirectly, in all forms of business and mercantile acts and transactions concerning all kinds of real or personal property, goods, wares, chattel, choses in action, tangible and intangible properties, technical and industrial equipment, personal and real rights, commercial papers, evidence of indebtedness, or other forms of obligations, services, and all other things including future ones, which are not excluded from the commerce of men or which are not contrary to law or good morals;

(3) To act as financial, commercial, general agent or factor to undertake the general management or representation of any person, partnership, firm, or corporation in carrying on, either in or outside the Philippines, any transaction or negotiation in any business of commercial, manufacturing, or other business of any nature, and to perform all such transactions as shall tend to promote the best interest of the Corporation and those it represents except the management of the funds or portfolio of the corporation it represents;

(4) To borrow or raise money or funds for the purpose of the Corporation, and in pursuance thereof, to issue mortgages, hypothecations, deeds of trust, debentures, bonds, liens, or other obligations of the Corporation, either at par, premium, or discount, secured by all or part of the revenues, rights, interests, and properties of the Corporation, and to change or vary from time to time any such mortgages, obligations, and securities;

(5) To acquire for itself or in behalf of other parties, and to invest in, hold, sell, or otherwise dispose of, stocks, bonds, debentures, certificates, or other securities of any corporation, domestic or foreign, or other persons in the same manner and to the same extent as juridical persons might or could do, and while the owner or holder of such stocks, bonds, or other securities, to exercise all rights, privileges, and powers appurtenant thereto; without dealing in securities or engaging in stock brokerage business;

(6) To apply for, obtain, register, lease, license, purchase, or otherwise acquire, and to hold, use, own, operate, sell, assign, and dispose of any trademark, tradename, trade secrets, formulas, patents, inventions, copyrights, and processes used in connection with or secured under letters, patents, copyrights, domestic or foreign;

(7) To buy, sell, rent, manufacture, install use, operate and generally deal in and with machines, devices, apparatuses, inventions, gadgets, and other kinds of technical or industrial equipment or improvement within the commerce of man;

(8) To make, enter into, and ratify and confirm, undertake and perform all kinds of lawful contracts with any person, firm, or corporation without limit as to amount and conditions including, but not limited to, contracts creating rights, encumbrances, liens, easements, servitudes, and other privileges respecting any property or girth of any kind owned by the Corporation, and

(9) To do all such other things and acts as are necessary or impliedly included, incidental or conducive to the attainment of the above objects or any of them, or which may be conveniently carried on or done in connection therewith, or which may directly or indirectly enhance the value of or render profitable any business of the Corporation; provided always that, nothing shall be done in connection with any of the above objects of the Corporation which is prohibited by the laws of the Philippines now or hereafter existing, and provided further that the funds of the Corporation invested for one purpose shall not be diverted to another purpose except in accordance with the Corporation Law of the Philippines.

THIRD - That the place where the principal office of the Corporation is located is **at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City**, Metro Manila, Philippines, but it may establish such branch offices in any place or places in or outside the Philippines as may be approved by the Board of Directors. **(As amended on 7 April 2014)**

FOURTH - That the term for which the Corporation is to exist is fifty (50) years from date of incorporation.

FIFTH - That the names and residences of the incorporators and their nationalities are the following:

Name	Residence	Nationality
Jaime Zobel de Ayala	[redacted]	Filipino
Renato L. de la Fuente		Filipino
Ariston Estrada Jr.		Filipino
Francis H. Licuanan III		Filipino
Jaime A. Zobel de Ayala II		Filipino

SIXTH - That the number of directors of the Corporation shall be nine (9) and the names and residences of said directors who are to serve until their successor are elected and qualified as provided for in the by-laws are as follows: (As amended on 11 May 1994)

Name	Residence
Jaime Zobel de Ayala	[redacted]
Renato L. de la Fuente	
Ariston Estrada Jr.	
Francis H. Licuanan III	
Vicente R. Ayllon	
Manuel Q. Bengson	
Jaime A. Zobel de Ayala II	
Fernando Zobel de Ayala	

SEVENTH - That the capital stock of said Corporation is **TWENTY ONE BILLION FIVE HUNDRED MILLION PESOS (P21,500,000,000.00)**, Philippine Currency, divided into TWENTY BILLION (20,000,000,000) Common Shares with a par value of ONE PESO (P1.00) per share, or the aggregate amount of TWENTY BILLION PESOS (P20,000,000,000.00), and FIFTEEN BILLION

(15,000,000,000) Voting Preferred Shares with a par value of TEN CENTAVOS (P0.10) per share, or the aggregate amount of ONE BILLION FIVE HUNDRED MILLION (P1,500,000,000.00). (As amended on 18 April 2012)

Common Shares

All common shares of stock of the Corporation shall enjoy the same rights and privileges. Common Shares may be owned or subscribed by or transferred to any person, partnership, association, or corporation regardless of nationality; provided that, at anytime at least 60% of the outstanding capital stock shall be owned by citizens of the Philippines or by partnerships, associations, or corporations 60% of the voting stock or voting power of which is owned and controlled by citizens of the Philippines. (As amended on 02 April 2008)

Any and all issues of the Corporation's common stocks, **except as otherwise specified in this Article Seventh or by law, shall be subject to the stockholders' pre-emptive rights in accordance with law. No stockholder of the Corporation shall have pre-emptive rights to** (i) issues of common shares covered by the Corporation's Stock Option Plans for its employees and officers, and **the members of the management committees of its subsidiaries or affiliates,** (ii) the issuance, sale or other disposition of treasury shares, **and (iii)** the issuance of common shares in one or more offerings, with the approval of stockholders representing two-third (2/3) of the outstanding capital stock, for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Corporation and/or in payment of a previously contracted debt. **(As amended on 7 April 2014)**

One Billion (1,000,000,000) unissued common shares of the Corporation (the "Carved-out Shares") are hereby reserved or allocated for issuance, in one or more transactions or offerings, (i) for properties or assets needed for the business of the Corporation, or (ii) for cash to acquire properties or assets needed for the business of the Corporation, or (iii) in payment of debt contracted prior to the issuance of the Carved-out Shares. The issuance of all or any part of the Carved-out Shares is not subject to any pre-emptive rights by any shareholder and does not require the approval of stockholders. (As amended on 7 April 2014)

Voting Preferred Shares

The voting preferred shares shall have the following features, rights, and privileges:

a) Voting Rights. Voting, with each share entitled to one (1) vote.

b) Dividend Rate. Dividend rate to be determined by the Board of Directors at the time of the issuance of the shares, equivalent to 90% of the 10-year PDST R2 (to be re-priced every ten (10) years), payable annually, non-cumulative.

c) Convertibility. Shareholders have the option to convert one (1) voting preferred share to one (1) common share commencing on the 10^{th} year after the issuance of the Voting Preferred Shares at a conversion price which shall be the higher of (i) the 30-day average closing price or (ii) closing price immediately preceding the exercise of the conversion option less the par value of the voting preferred shares.

d) Pre-emptive Rights. No pre-emptive rights to any issue of shares, common, preferred, or voting preferred.

e) Redemption. These shares shall be redeemable at par at the sole option of the Corporation under terms and conditions approved by the Board of Directors.

f) Listing. Non-listed

g) Liquidation Rights. Preferred in liquidation to the extent of par value. (As amended on 18 April 2012)

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the Corporation and this resolution shall be indicated in all stock certificates issued by the Corporation (As amended on 16 April 1997).

EIGHT - That the amount of capital stock which has been actually subscribed is TWO HUNDRED FIFTY MILLION PESOS (P250,000,000.00) and that the following persons have subscribed for the number of shares in the amount of the capital stock set out after their respective names:

Name	Nationality	No. & Class of Shares Subscribed		
		A	B	
Ayala Corporation	Filipino	2,249,992		P224,999,200
Ayala Corporation	Filipino		250,000	25,000,000
Jaime Zobel de Ayala	Filipino	1	-	100
Francisco H. Licuanan III	Filipino	1	-	100
Renato L. de la Fuente	Filipino	1	-	100
Ariston Estrada Jr.	Filipino	1	-	100
Jaime A. Zobel de Ayala II	Filipino	1	-	100
Fernando Zobel de Ayala	Filipino	1	-	100
Vicente R. Ayllon	Filipino	1	-	100
Manuel Q. Bengson	Filipino	1	-	100
		2,250,000	250,000	P250,000,000

NINTH - That the following persons have paid on the shares of the capital stock for which they have subscribed the amounts set out after their respective names:

Name	Nationality	Amount
Ayala Corporation (A)	Filipino	P134,999,200
Ayala Corporation (B)	Filipino	15,000,000
Jaime Zobel de Ayala	Filipino	100

Francis H. Licuanan III	Filipino	100
Renato L. de la Fuente	Filipino	100
Ariston Estrada Jr.	Filipino	100
Jaime A. Zobel de Ayala II	Filipino	100
Fernando Zobel de Ayala	Filipino	100
Vicente R. Ayllon	Filipino	100
Manuel Q. Bengson	Filipino	100
		P150,000,000

TENTH - That ARISTON ESTRADA JR. has been elected by the subscribers as Treasurer of the Corporation, to act as such until his successor has been duly elected and qualified in accordance with the By-Laws, and that, as such Treasurer, he has been authorized to receive for the Corporation and to receipt in its name for all subscriptions paid in by the said subscribers.

IN WITNESS WHEREOF, we have hereunto set our hands at Makati, Metro Manila, Philippines this June 20, 1988.

(Sgd)
JAIME ZOBEL DE AYALA

(Sgd)
RENATO L. DE LA FUENTE

(Sgd)
ARISTON ESTRADA JR.

(Sgd)
FRANCISCO H. LICUANAN III

(Sgd)
JAIME A. ZOBEL DE AYALA II

Signed in the Presence of:

(Sgd)
GREGORIO C. PARFAN

(Sgd)
LOURDES F. BARCELONA

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI, METRO MANILA) SS.

BEFORE ME, personally appeared with their respective residence certificates, to wit:

Jaime Zobel de Ayala	-	[redacted]
Renato L. de la Fuente	-	[redacted]
Ariston Estrada, Jr.	-	[redacted]
Francis H. Licuanan III	-	[redacted]
Jaime A. Zobel de Ayala II	-	[redacted]

known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation and they acknowledged to me that the same is their free act and deed.

WITNESS MY HAND AND SEAL this 20th day of June 1988 at Makati, Metro Manila, Philippines.

(Sgd)
RENAN R. OSERO
Notary Public
Until December 31, 1988
[redacted]

Doc. No. 302;
Page No. 62;
Book No. III;
Series of 1988.

AYALA LAND, INC.
(SEC Reg. No. 152747)

DIRECTORS' CERTIFICATE

OF AMENDMENT OF THE ARTICLES OF INCORPORATION

WE, being a majority of the members of the Board of Directors and the Corporate Secretary of **Ayala Land, Inc.** (the "Corporation"), do hereby certify that –

1. At its regular meeting on 21 February 2014, a majority of the members of the Board of Directors approved Resolution No. B-14-14 to approve and authorize the amendment of the Seventh Article of the Articles of Incorporation to exempt from pre-emptive rights (1) One Billion (1,000,000,000) common shares issued for acquisitions or debt payments, and (2) common shares covered by stock options granted to members of the Management Committees of the Corporation's subsidiaries or affiliates.

2. At the annual stockholders' meeting of the Corporation on 21 February 2014 at the Fairmont Makati, Resolution No. S-04-14 was approved by the affirmative vote of stockholders owning at least two-thirds (2/3) of the outstanding capital stock approving and authorizing the amendment of the Seventh Article of the Articles of Incorporation to exempt from pre-emptive rights (1) One Billion (1,000,000,000) common shares issued for acquisitions or debt payments, and (2) common shares covered by stock options granted to members of the Management Committees of the Corporation's subsidiaries or affiliates.

3. The Corporation has complied with all the requirements of Section 16 of the Corporation Code.

4. Attached herewith is a copy of the Articles of Incorporation of the Corporation as amended.

IN WITNESS WHEREOF, we signed this Certificate this JUN 16 2014 at Makati City.

(Signature page follows.)

FERNANDO ZOBEL DE AYALA
Chairman of the Board
[redacted]

JAIME AUGUSTO ZOBEL DE AYALA
Director
[redacted]

ANTONINO T. AQUINO
Director
[redacted]

JAIME C. LAYA
Director
[redacted]

FRANCIS G. ESTRADA
Director
[redacted]

BERNARD VINCENT O. DY
Director
[redacted]

SOLOMON M. HERMOSURA
Corporate Secretary
[redacted]

SUBSCRIBED AND SWORN to before me this JUN 16 2014 at Makati City, the affiants exhibited to me their respective competent evidence of identity, as follows:

Name	Competent Evidence of Identity	Date and Place of Issuance
Fernando Zobel de Ayala	[redacted]	[redacted]
Jaime Augusto Zobel de Ayala	[redacted]	[redacted]
Bernard Vincent O. Dy	[redacted]	[redacted]
Antonino T. Aquino	[redacted]	[redacted]
Francis G. Estrada	[redacted]	[redacted]
Jaime C. Laya	[redacted]	[redacted]
Solomon M. Hermosura	[redacted]	[redacted]

Doc. No. 146 ;
Page No. 28 ;
Book No. XI ;
Series of 2014.

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

ROBERTO T. ONGSIAKO
NOTARY PUBLIC
ROLL NO. 37041
MAKATI CITY, PHILIPPINES

ROBERTO T. ONGSIAKO
Notary Public – Makati City
[redacted]

OFFICIAL RECEIPT
Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554

Accountable Form No. 51 Revised 2006	ORIGINAL
DATE August 18, 2014	No. 1162455

PAYOR AYALA LAND INC.
MAKATI CITY

NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
LRF (A0825)	431	CRMD	20.00
AMENDED ARTICLES	606	CRMD	500.00
AMENDED BY LAWS	606	CRMD	500.00
		TOTAL	PHP 1,020.00

AMOUNT IN WORDS
ONE THOUSAND TWENTY PESOS AND 0/100

Received	Received the Amount Stated Above
☒ Cash ☐ Treasury Warrant ☐ Check ☐ Money Order	Carlota A. Brown COLLECTING OFFICER
Treasury Warrant, Check, Money Order Number	
Date of Treasury Warrant, Check, Money Order	O.R. No. 1162455

NOTE: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

GENERAL INFORMATION SHEET

FOR THE YEAR 2026

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL STOCKHOLDERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURRED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE.
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS.

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: AYALA LAND, INC.	**DATE REGISTERED:** JUNE 30, 1988
BUSINESS/TRADE NAME: N.A.	**FISCAL YEAR END:** DECEMBER 31
SEC REGISTRATION NUMBER: 152747	**CORPORATE TAX IDENTIFICATION NUMBER (TIN)** 000-153-790-000
DATE OF ANNUAL MEETING PER BY-LAWS ANY DATE IN APRIL OF EACH YEAR	
ACTUAL DATE OF ANNUAL MEETING APRIL 23, 2026	**WEBSITE/URL ADDRESS:** www.ayalaland.com.ph
COMPLETE PRINCIPAL OFFICE ADDRESS: 32nd to 35th FLOORS TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY*	**EMAIL ADDRESS:** inquiry@ayalaland.com.ph
COMPLETE BUSINESS ADDRESS: 32nd to 35th FLOORS TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY*	**FAX NUMBER:** 7750-6790

OFFICIAL E-MAIL ADDRESS:	**ALTERNATE E-MAIL ADDRESS:**	**OFFICIAL MOBILE NUMBER:**	**ALTERNATE MOBILE NO.:**
corporatesecretary@ayalaland.com.ph	compliance@ayalaland.com.ph	0905-465-4259	0917-587-1632

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER:		**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):**
ISLA LIPANA & CO.	RODERICK M. DANAO	0142-SEC *8* (Category A)	7908-3100 / 7908-3676

PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:	**INDUSTRY CLASSIFICATION:**	**GEOGRAPHICAL CODE:**
Please see Annex "A"	REAL ESTATE	N.A.

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NUMBER	ADDRESS
AYALA CORPORATION	34218	37F to 39F, AYALA TRIANGLE GARDENS TOWER 2, PASEO DE ROXAS COR. MAKATI AVENUE, MAKATI CITY 1226
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NUMBER**	**ADDRESS**
PLEASE SEE "ANNEX B"		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**The change in address of the Corporation was approved by the Board of Directors on April 23, 2026 to be effective on May 1, 2026.*

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:

AYALA LAND, INC.

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) **Yes** [√] **No** [ ]

Please check the appropriate box:

1.

- [ ] a. Banks
- [ ] b. Offshore Banking Units
- [ ] c. Quasi-Banks
- [ ] d. Trust Entities
- [ ] e. Non-Stock Savings and Loan Associations
- [ ] f. Pawnshops
- [ ] g. Foreign Exchage Dealers
- [ ] h. Money Changers
- [ ] i. Remittance Agents
- [ ] j. Electronic Money Issuers
- [ ] k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- [ ] a. Insurance Companies
- [ ] b. Insurance Agents
- [ ] c. Insurance Brokers
- [ ] d. Professional Reinsurers
- [ ] e. Reinsurance Brokers
- [ ] f. Holding Companies
- [ ] g. Holding Company Systems
- [ ] h. Pre-need Companies
- [ ] i. Mutual Benefit Association
- [ ] j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- [ ] a. Securities Dealers
- [ ] b. Securities Brokers
- [ ] c. Securities Salesman
- [ ] d. Investment Houses
- [ ] e. Investment Agents and Consultants
- [ ] f. Trading Advisors
- [ ] g. Other entities managing Securities or rendering similar services
- [ ] h. Mutual Funds or Open-end Investment Companies
- [ ] i. Close-end Investment Companies
- [ ] j. Common Trust Funds or Issuers and other similar entities
- [ ] k. Transfer Companies and other similar entities
- [ ] l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based thereon
- [ ] m. Entities administering or otherwise dealing in valuable objects
- [ ] n. Entities administering or otherwise dealing in cash substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. [ ] Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. [ ] Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- [ ] a. acting as a formation agent of juridical persons
- [ ] b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- [ ] c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- [ ] d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- [ ] a. managing of client money, securities or other assets
- [ ] b. management of bank, savings or securities accounts
- [ ] c. organization of contributions for the creation, operation or management of companies
- [ ] d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. [√] None of the above

Describe nature of business:

REAL ESTATE AS PROVIDED UNDER RA 11521

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? **Yes** [√] **No** [ ]

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:

AYALA LAND, INC.

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES*	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares x Par/Stated Value)
	COMMON	20,000,000,000	1.00	20,000,000,000.00
	PREFERRED***	15,000,000,000	0.10	1,500,000,000.00
	TOTAL	35,000,000,000	TOTAL PhP	21,500,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES*	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	12,547	COMMON	11,056,715,890	3,205,771,908	1.00	11,056,715,890.00	41%
	2,616	PREFERRED	12,387,384,784	224,204,144	0.10	1,238,738,478.40	46%
		COMMON	2,372,887,399	N.A.	1.00	2,372,887,399.00	N.A.
		PREFERRED	624,166,452	N.A.	0.10	62,416,645.20	N.A.
		TOTAL	26,441,154,525		TOTAL PhP	14,730,758,412.60	88%

FOREIGN (INDICATE BY NATIONALITY	NO. OF STOCK-HOLDERS	TYPE OF SHARES*	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
VARIOUS	300	COMMON	3,283,216,559	3,283,216,559	1.00	3,283,216,559.00	12%
VARIOUS	73	PREFERRED	54,943,523	54,943,523	0.10	5,494,352.30	0%
Percentage of Foreign Equity:		12%	3,338,160,082		TOTAL PhP	3,288,710,911.30	12%
					TOTAL SUBSCRIBED P	18,019,469,323.90	100%

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES*	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	12,547	COMMON	11,056,715,890	1.00	11,056,715,890.00	41%
	2,616	PREFERRED	12,387,384,784	0.10	1,238,738,478.40	46%
		COMMON	2,372,887,399	1.00	2,372,887,399.00	N.A.
		PREFERRED	624,166,452	0.10	62,416,645.20	N.A.
		TOTAL	26,441,154,525	TOTAL PhP	14,730,758,412.60	88%

FOREIGN (INDICATE BY NATIONALITY	NO. OF STOCK-HOLDERS	TYPE OF SHARES*	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
VARIOUS	300	COMMON	3,283,216,559	1.00	3,283,216,559.00	12%
VARIOUS	73	PREFERRED	54,943,523	0.10	5,494,352.30	0%
		TOTAL	3,338,160,082	TOTAL PhP	3,288,710,911.30	12%
				TOTAL PAID-UP PhP	18,019,469,323.90	100%
				ADDITIONAL PAID-IN CAPITAL PhP	105,849,635,865.76	
				SUBSCRIPTION RECEIVABLE PhP	(1,571,194,412.26)	
				TOTAL CAPITALIZATION PhP	122,297,910,777.40	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than the Directors, Officers, Shareholders owning 10% of outstanding shares.

***With voting rights.

Note: Above capital structure is as of March 31, 2026.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:

AYALA LAND, INC.

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. JAIME AUGUSTO ZOBEL DE AYALA		Y	C	M	Y	CHAIRPERSON	N.A.	
2. CEZAR P. CONSING		N	M	M	Y	VICE CHAIRPERSON	N&C/M	
3. ANNA MA. MARGARITA B. DY		N	M	F	Y	PRESIDENT & CHIEF EXECUTIVE OFFICER	N.A.	
4. FERNANDO ZOBEL DE AYALA		N	M	M	Y	N.A.	N.A.	
5. MARIANA BEATRIZ ZOBEL DE AYALA		N	M	F	Y	SENIOR VICE PRESIDENT	N.A.	
6. CESAR V. PURISIMA		N	I		Y	N.A.	A/C	
7. REX MARIA A. MENDOZA		N	I	M	Y	N.A.	A/M N&C/C	
8. SURENDRA MOHAN MENON		N	I	M	Y	N.A.	N&C/M	
9. DANIEL GABRIEL M. MONTECILLO (Lead Independent Director)		N	I	M	Y	N.A.	A/M	
10. RAQUEL S. CRUZ		N	-	F	Y	SENIOR VICE PRESIDENT	N.A.	
11. JOSEPH CARMICHAEL Z. JUGO		N	-	M	Y	SENIOR VICE PRESIDENT	N.A.	
12. ROBERT S. LAO		N	-	M	Y	SENIOR VICE PRESIDENT	N.A.	
13. JOSE EDUARDO A. QUIMPO II		N	-	M	Y	SENIOR VICE PRESIDENT, CHIEF FINANCE OFFICER, TREASURER & CHIEF RISK OFFICER	N.A.	
14. DARWIN L. SALIPSIP		N	-	M	Y	SENIOR VICE PRESIDENT	N.A.	
15. JAIME Z. URQUIJO		N	-	M	Y	SENIOR VICE PRESIDENT	N.A.	

INSTRUCTIONS:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:

AYALA LAND, INC.

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
16. MILLETTE A. ARNEDO		N	-	F	Y	VICE PRESIDENT, CHIEF LEGAL OFFICER, CHIEF COMPLIANCE OFFICER, DATA PROTECTION OFFICER & ASSISTANT CORPORATE SECRETARY	N.A.	
17. CHRYSILLA CARISSA P. BAUTISTA		N	-	F	Y	VICE PRESIDENT & HEAD OF LITIGATION	N.A.	
18. ROSCOE M. PINEDA		N	-	M	Y	VICE PRESIDENT & CHIEF INFORMATION OFFICER	N.A.	
19. ISABEL D. SAGUN		N	-	F	Y	VICE PRESIDENT & CHIEF HUMAN RESOURCES OFFICER	N.A.	
20. NEAL C. PEREZ		N	-	M	Y	CHIEF AUDIT EXECUTIVE	N.A.	
21. MARIA FRANCHETTE M. ACOSTA		N	-	F	N	CORPORATE SECRETARY & GROUP GENERAL COUNSEL	N.A.	
22. - NOTHING FOLLOWS -								
23.								
24.								
25.								
26.								
27.								
28.								
29.								
30.								

INSTRUCTIONS:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:

AYALA LAND, INC.

TOTAL NUMBER OF STOCKHOLDERS: 15,536 **NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:** 14,620

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: PhP997,363,986,000.00

STOCKHOLDER'S INFOMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (Php)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER SHIP		
1. AYALA CORPORATION FILIPINO 37F to 39F, AYALA TRIANGLE GARDENS TOWER 2, PASEO DE ROXAS COR. MAKATI AVENUE, MAKATI CITY 1226	COMMON PREFERRED TOTAL	7,622,336,687 12,163,180,640 19,785,517,327	7,622,336,687.00 1,216,318,064.00 8,838,654,751.00	73.88%	8,838,654,751.00	000-153-610-000
2. PCD NOMINEE CORP. NON-FILIPINO G/F MSE BLDG., AYALA AVENUE, MAKATI CITY	COMMON	3,274,257,207	3,274,257,207.00	12.23%	3,274,257,207.00	004-774-849
3. PCD NOMINEE CORP. FILIPINO G/F MSE BLDG., AYALA AVENUE, MAKATI CITY	COMMON	3,021,233,143	3,021,233,143.00	11.28%	3,021,233,143.00	004-774-849
4. GOVERNMENT SERVICE INSURANCE SYSTEM FILIPINO 6/F GSIS FINANCIAL CENTER, MACAPAGAL AVENUE, PASAY CITY	PREFERRED	156,350,871	15,635,087.10	0.58%	15,635,087.10	000-766-810
5. AYALALAND HOTELS AND RESORTS CORP FILIPINO 3F WEST TOWER SEDA BGC, 30TH STREET CORNER 11TH AVENUE, BONIFACIO GLOBAL CITY, 1634 TAGUIG CITY, METRO MANILA	COMMON	116,298,039	116,298,039.00	0.43%	116,298,039.00	007-877-542
6. ALI ESOP/ESOWN ACCOUNT FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	16,936,132	16,936,132.00	0.06%	16,936,132.00	N.A.
7. THE PROVINCE OF CEBU FILIPINO C/O OFFICE OF THE GOVERNOR, PROVINCIAL CAPITOL COMPOUND, CEBU CITY	COMMON	15,682,093	15,682,093.00	0.06%	15,682,093.00	001-985-298
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			-	-		
TOTAL AMOUNT OF PAID-UP CAPITAL					-	
ADDITIONAL PAID-IN CAPITAL					-	
TOTAL CAPITALIZATION					-	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attached separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: AYALA LAND, INC.

TOTAL NUMBER OF STOCKHOLDERS: 15,536 **NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:** 14,620

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: PhP997,363,986,000.00

STOCKHOLDER'S INFOMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (Php)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER SHIP		
8. HSBC MANILA OBO 026-174698-564 AMERICAN 7/F HSBC CENTRE, 3058 FIFTH AVENUE WEST, BONIFACIO GLOBAL CITY, TAGUIG	PREFERRED	15,051,000	1,505,100.00	0.06%	1,505,100.00	000-504-444
9. DEUTSCHE BANK AG MANILA OBO A/C 12129924004 AMERICAN 19/F FOUR NEO BUILDING 31ST SR.COR. 4TH AVE. E-SQUARE ZONE CRESCENT PARK WEST FORT BONIFACIO, BONIFACIO GLOBAL CITY, TAGUIG CITY	PREFERRED	13,670,744	1,367,074.40	0.05%	1,367,074.40	171-909-408
10 ESOWN ADMINISTRATOR 2023 FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	12,364,804	12,364,804.00	0.05%	12,364,804.00	N.A.
11 SOCIAL SECURITY SYSTEM FILIPINO SSS MAIN BUILDING EAST AVENUE, DILIMAN QUEZON CITY	COMMON	11,576,800	11,576,800.00	0.04%	11,576,800.00	000-728-944
12 2022 ESOWN ADMINISTRATOR FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	10,839,904	10,839,904.00	0.04%	10,839,904.00	N.A.
13 ESOWN ADMINISTRATOR 2020 FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	10,185,024	10,185,024.00	0.04%	10,185,024.00	N.A.
14 ESOWN ADMINISTRATOR 2024 FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	9,550,539	9,550,539.00	0.04%	9,550,539.00	N.A.
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			-	-		
TOTAL AMOUNT OF PAID-UP CAPITAL					-	
ADDITIONAL PAID-IN CAPITAL					-	
TOTAL CAPITALIZATION					-	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attached separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: AYALA LAND, INC.

TOTAL NUMBER OF STOCKHOLDERS: 15,536 **NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:** 14,620

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: PhP997,363,986,000.00

STOCKHOLDER'S INFOMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (Php)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER SHIP		
15 2025 ESOWN ADMINISTRATOR FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	8,431,110	8,431,110.00	0.03%	8,431,110.00	N.A.
16 2021 ESOWN ADMINISTRATOR FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	7,735,191	7,735,191.00	0.03%	7,735,191.00	N.A.
17 ESOWN ADMINISTRATOR 2016 FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	7,385,652	7,385,652.00	0.03%	7,385,652.00	N.A.
18 ESOWN ADMINISTRATOR 2015 FILIPINO C/O ALI ESOWN ADMINISTRATOR	COMMON	7,367,067	7,367,067.00	0.03%	7,367,067.00	N.A.
19 EMILIO LOLITO J. TUMBOCON	COMMON	7,361,509	7,361,509.00	0.03%	7,361,509.00	
20 TREASURY SHARES	COMMON	2,372,887,399	2,372,887,399.00	N.A.	2,435,304,044.20	N.A.
	PREFERRED	624,166,452	62,416,645.20			
	TOTAL	2,997,053,851	2,435,304,044.20			
21 OTHERS	COMMON	180,391,548	180,391,548.00	1.02%	189,799,053.20	N.A.
	PREFERRED	94,075,052	9,407,505.20			
(NUMBER OF STOCKHOLDERS: 12,831 COMMON & 2,685 PREFERRED)						
	TOTAL	274,466,600	189,799,053.20			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			18,019,469,323.90	100.00%		
TOTAL AMOUNT OF PAID-UP CAPITAL						18,019,469,323.90
ADDITIONAL PAID-IN CAPITAL						105,849,635,865.76
SUBSCRIPTION RECEIVABLE						(1,571,194,412.26)
TOTAL CAPITALIZATION						122,297,910,777.40

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attached separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:

AYALA LAND, INC.

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	33,657,188,000	VARIOUS
1.2 BONDS/COMMERICAL PAPER (ISSUED BY PRIVATE CORPORATIONS)	N.A.	N.A.
1.3 LOANS/CREDITS/ADVANCES	N.A.	N.A.
1.4 GOVERNMENT TREASURY BILLS	N.A.	N.A.
1.5 OTHERS (SHORT-TERM INVESTMENTS & INVESTMENT IN VARIOUS FUNDS)	9,988,943,000	VARIOUS

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N.A.		

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
2,372,887,399 COMMON SHARES 624,166,452 PREFERRED SHARES	2,997,053,851	10.06%

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR:	Php	229,741,748,000.00

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	8,540,741,000.00	Feb. 20, June 13
5.2 STOCK		& Oct. 28, 2025
5.3 PROPERTY		
TOTAL	8,540,741,000.00	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT
March 14, 2025	43,777 COMMON SHARES	43,777.00
April 8, 2025	981,519,991 COMMON SHARES	981,519,991.00

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	BSP	IC
TYPE OF LICENSE/REGN.	Sale of Common Shares	N.A.	N.A.
DATE ISSUED:	June 22, 2010		
DATE STARTED OPERATIONS:	June 22, 2010		

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT *
21,000,000.00	204	29	90

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**Manpower complement is composed of service providers engaged by the Company.*

I, MARIA FRANCHETTE M. ACOSTA , CORPORATE SECRETARY OF AYALA LAND, INC.

DECLARE UNDER PENALTY OF PERJURY THAT ALL MATTERS SET FORTH IN THIS GIS HAVE BEEN MADE IN GOOD FAITH, DULY VERIFIED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, ARE TRUE AND CORRECT.

I HEREBY ATTEST THAT ALL INFORMATION IN THIS GIS ARE BEING SUBMITTED IN COMPLIANCE WITH THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION (SEC) THE COLLECTION, PROCESSING, STORAGE AND SHARING OF SAID INFORMATION BEING NECESSARY TO CARRY OUT THE FUNCTIONS OF PUBLIC AUTHORITY FOR THE PERFORMANCE OF THE CONSTITUTIONALLY AND STATUTORILY MANDATED FUNCTIONS OF THE SEC AS A REGULATORY AGENCY.

I FURTHER ATTEST THAT I HAVE BEEN AUTHORIZED BY THE BOARD OF DIRECTORS TO FILE THIS GIS WITH THE SEC.

I UNDERSTAND THAT THE COMMISSION MAY PLACE THE CORPORATION UNDER DELINQUENT STATUS FOR FAILURE TO SUBMIT THE REPORTORIAL REQUIREMENTS THREE (3) TIMES, CONSECUTIVELY OR INTERMITTENTLY, WITHIN A PERIOD OF FIVE (5) YEARS (*Section 177, RA No. 11232*).

I HEREBY WAIVE MY RIGHT TO HAVE THE DUPLICATE ORIGINAL COPY OF THIS GENERAL INFORMATION SHEET TRANSMITTED TO ME IN ELECTRONIC FORMAT AND EFFECTIVELY WAIVE ANY OBJECTION TO THE COMPLETENESS OF SUCH REPRODUCTION, PURSUANT TO THE 2004 RULES ON NOTARIAL PRACTICE, AS AMENDED.

DONE THIS APR 29 2026 IN _____.

MARIA FRANCHETTE M. ACOSTA
CORPORATE SECRETARY

SUBSCRIBED AND SWORN TO BEFORE ME IN CITY/PROVINCE, PHILIPPINES ON APR 29 2026
BY AFFIANT WHO PERSONALLY APPEARED BEFORE ME AND EXHIBITED TO ME AS COMPETENT EVIDENCE OF IDENTITY
HER ISSUED ON AT

DOC. NO. 103;
PAGE NO. 22;
BOOK NO. XXVIII;
SERIES OF 2026.

Notarial eDST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on copy submitted to the court.

ATTY. RIZZA ANNE O. SY
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

RIZZA ANNE O. SY
Notary Public

ANNEX "A"

AYALA LAND, INC.
Primary Purpose

TO DEAL AND ENGAGE IN LAND OR REAL ESTATE BUSINES IN ALL ITS BRANCHES AND RAMIFICATIONS, TO HOLD, DEVELOP, MANAGE, ADMINISTER, SELL, CONVEY, ENCUMBER, PURCHASE, ACQUIRE, RENT OR OTHERWISE DEAL IN AND DISPOSE OF, FOR ITSELF OR FOR OTHERS, FOR PROFIT AND ADVANTAGE, RESIDENTIAL ICNLUDING, BUT NOT LIMITED TO, ALL KINDS OF HOUSING PROJECTS, COMMERCIAL, INDUSTRIAL, URBAN OR OTHER KINDS OF REAL PROPERTY, IMPROVED OR UNIMPROVED, WITH OR TO SUCH PERSONS AND ENTITIES AND UNDER SUCH TERMS AND CONDITIONS AS MAY BE PERMITTED BY LAW; TO ACQUIRE, PURCHASE, HOLD, MANAGE, DEVELOP AND SELL SUBDIVISION LOTS, WITH OR WITHOUT BUILDINGS OR IMPROVEMENTS, FOR SUCH CONSIDERATION AND IN SUCH MANNER OR FORM AS THE CORPORATION MAY DETERMINE OR AS THE LAW PERMITS; TO ERECT, CONSTRUCT, ALTER, MANAGE, OPERATE, LEASE, IN WHOLE OR IN PART, BUILDINGS AND TENEMENTS OF THE CORPORATION OR OF OTHER PERSONS, TO ENGAGE OR ACT AS REAL ESTATE BROKER, ON COMMISSION OR FOR SUCH FEES AS MAY BE PROPER OR LEGAL AND TO EXERCISE OR UNDERTAKE SUCH OTHER POWERS AND PURPOSES AS MAY BE REQUIRED AND NECESSARILY IMPLIED FROM THE PURPOSES HEREIN MENTIONED. *****00000*****

ANNEX "B"
Subsidiaries/Affiliates as of December 31, 2025

Property Development:
- AyalaLand Premier, Inc.
- Verde Golf Development Corp.
- Ayalaland-Tagle Properties, Inc.
- AKL Properties, Inc.
- BGWest Properties, Inc. (BGW/BG West)
- Roxas Land Corporation (RLC)
- Alveo Land Corporation (Alveo)
- Portico Land Corp. (Portico)
- Solinea, Inc. (Solinea)
- Serendra, Inc.
- Avida Land Corporation (Avida)
- Amaia Land Co. (Amaia)
- Amaia Southern Properties, Inc. (ASPI)
- Amicassa Process Solutions, Inc.
- BellaVita Land Corporation (BellaVita)
- Avencosouth Corp.
- AyalaLand Estates, Inc
- Alchiba Development Corp.
- Allysonia International Ltd.
- Angetenar Development, Corp.
- Arabica Midland Holdings, Inc.
- Balitiger Inc.
- Cebalrai Development Corp.
- Cebu District Property Enterprise, Inc (CDPEI)
- Crans Montana Holdings, Inc.
- Cyprusdipper Holdings, Inc.
- Elasmotherium Holdings, Inc.
- Froston Inc.
- Gianttapir Holdings, Inc.
- Gomaisa Development Corp.
- Javantiger, Inc.
- OLC Development Corporation
- Pelorovis Holdings, Inc.
- Praecipua Development Corp.
- Redheap Holdings Inc.
- Rookwood Properties, Inc.
- Saudigazelle Holdings, Inc.
- Southcreston Holdings Inc.
- Taygata Development, Corp.
- Wedgemore Property Inc
- Westpaddock Holdings Inc.
- Kleysha Development Corp.
- Torcello Holdings, Inc.
- Vesta Property Holdings, Inc.
- Aurora Properties Incorporated
- Caucasianmoose Holdings, Inc.
- Crestedshelduck Holdings, Inc.
- Wollymammoth Holdings, Inc.
- Accendo Commercial Corp.
- Bennuheron Holdings, Inc.
- Ceci Realty, Inc.
- Lagdigan Land Corp.
- Erinome Holdings, Inc.
- Aviana Development Corporation
- Prow Holdings, Inc.
- Taft Punta Engaño Property Inc. (TPEPI)
- Nuevo Centro, Inc. (Nuevo Centro)
- Altaraza Development Corporation
- Alviera Country Club, Inc. (Alviera)
- Ayala Greenfield Development Corp. (AGDC)

Corporate Business:
- AyalaLand Offices, Inc. (ALO)
- AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))
- AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)
- First Gateway Real Estate Corp.
- Makati Cornerstone Leasing Corp. (MCLC)
- UP North Property Holdings, Inc.
- AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)

Shopping Centers:
- Ayalaland Malls Inc. (formerly ALI Commercial Center, Inc.) (ALMI)
- Arvo Commercial Corporation (Arvo)
- Ayala Malls Zing (AMZING), Inc.
- Ayala Theatres Management, Inc. (ATMI)
- Ayalaland Malls Synergies, Inc.
- AyalaLand Malls Vismin, Inc.
- Ayalaland MetroNorth, Inc. (AMNI)
- Bay City Commercial Venture Corp. (BCCVC)
- Capitol Central Commercial Ventures Corp.
- Cavite Commercial Town Center, Inc. (CCTCI)
- CBP Theatre Management Inc.
- Glensworth Development, Inc.
- Kitrino Koudini Holdings Inc.
- NorthBeacon Commercial Corporation (NBCC)
- South Ralston Properties, Inc.
- Subic Bay Town Centre, Inc. (SBTCI)
- Summerhill Commercial Ventures Corporation (Summerhill)
- Soltea Commercial Corp.
- North Triangle Depot Commercial Corporation (NTDCC)
- Alogis Artico, Inc. (formerly Ecozone Power Management, Inc.)
- AyalaLand Logistics Holdings Corp. (ALLHC)
- Laguna Technopark, Inc. and Subsidiary
- LCI Commercial Ventures, Inc.
- Orion Beverage Inc.
- Orion Land, Inc.
- Orion Maxis, Inc.
- Orion Property Development, Inc.
- Orion Solutions, Inc.
- Tutuban Properties, Inc.
- Unity Realty & Development Corp. (URDC)
- Cagayan de Oro Gateway Corp. (CDOGC)
- Station Square East Commercial Corporation (SSECC)
- Adauge Commercial Corporation (Adauge)
- FLT Prime Insurance Corporation
- ALI-CII Development Corporation (ALI-CII)
- Leisure and Allied Industries Philippines, Inc. (LAIP)
- A-Flow Land I Corp.

Hotels and Resorts:
- AyalaLand Hotels and Resorts Corporation (AHRC)
- ALI Makati Hotel and Residences, Inc.
- ALI Makati Hotel Property, Inc.
- Bacuit Bay Development Corporation
- Bay Area Hotel Ventures,Inc.
- Bonifacio Hotel Ventures, Inc.
- Capitol Central Hotel Ventures, Inc.
- Cebu Insular Hotel Company, Inc. (CIHCI)
- Central Bloc Hotel Ventures, Inc.
- Chirica Resorts Corp.
- Econorth Resorts Ventures, Inc.
- Ecosouth Hotel Ventures, Inc.
- Greenhaven Property Venture, Inc. (GPVI)
- Lio Resort Ventures, Inc.
- Lio Tourism Estate Management Corporation
- Makati North Hotel Ventures, Inc.
- North Liberty Resort Ventures, Inc.
- North Triangle Hotel Ventures, Inc.
- Pangulasian Island Resort Corporation
- Sentera Hotel Ventures, Inc.
- Sicogon Town Hotel, Inc.
- Ten Knots Development, Corp. (TKDC)
- Ten Knots Phils., Inc. (TKPI)
- Turista.ph (formerly Paragua Eco-Resort Ventures Inc.)
- Sicogon Island Tourism Estate Corp. (SITE Corp.)
- Northgate Hotel Ventures, Inc.
- Southcrest Hotel Ventures, Inc.

Construction:
- Makati Development Corporation (MDC)
- MDC Conqrete, Inc. (MCI)
- MDC Equipment Solutions, Inc. (MESI)
- MDC Subic, Inc.
- MDBI Construction Corp.
- MDTK Corporation

Property Management:
- Ayala Property Management Corporation (APMC)
- Prime Support Services, Inc.

Others:
- ALI Capital Corp. (formerly Varejo Corp.) (ALICap)
- Ayalaland Business Solutions Inc. (ABSI)
- Arca South Integrated Terminal, Inc. (ASITI)
- Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)
- Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)
- Ayala Land International Sales, Inc. (ALISI)
- Ayala Land International (Singapore) Pte. Ltd
- Ayala Land International Marketing (Hong Kong) Ltd
- Ayala Land International Marketing, Inc. (AIMI)
- Ayala Land International Marketing, SRL (ALIM SRL)
- Ayala Land International Marketing Japan Co., Ltd.
- Ayala Land International Marketing London
- AyalaLand Advisory Broadway Inc. (Canada)
- AyalaLand Development (Canada) Inc.
- AyalaLand Real Estate Investments Inc. (Canada)
- Blue Horizons Holdings PTE, Ltd (Singapore)
- Regent Time International, Limited (Regent Time) (British Virgin Islands)
- Regent Wise Investments Limited (Regent Wise) (Hongkong company)
- Darong Agricultural Development Corporation (DADC)
- Direct Power Services, Inc. (Direct Power)
- First Longfield Investments Limited (First Longfield) (Hongkong Company)
- Green Horizons Holdings Limited
- Horizon Wealth Holding Lmited (British Virgin Island Company)
- Philippine Integrated Energy Solutions, Inc. (PhilEnergy)
- Swift Aerodrome Services, Inc. (SASI)
- Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd.) (Malaysia) and subsidiaries

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7					

COMPANY NAME

AYALA LAND, INC. AND SUBSIDIARIES

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

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, if Applicable
AFS	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	7 908-3677	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
13,115	04/27	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Luisa D. Chiong	[redacted]	[redacted]	

CONTACT PERSON's ADDRESS

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati 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 the 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.

Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audit of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 36 to the consolidated financial statements.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of income for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

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Emphasis of Matter

We draw attention to Note 36 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Group and the impact of the application on the 2023 consolidated financial statements are discussed in Note 36.3. Our opinion is not modified in respect of this matter. Our opinion remains to be unqualified on the consolidated financial statements taken as a whole.

Other Matter

The consolidated financial statements of the Group as at December 31, 2022 and for the years ended December 31, 2022 and 2021 were audited by another firm of auditors whose report, dated February 21, 2023, expressed an unmodified opinion on those statements.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Real estate revenue recognition based on PoC as a measure of progress Refer to Note 35.2 to the consolidated financial statements for the discussion on critical accounting estimates and assumptions. The real estate revenue for the year ended December 31, 2023 amounts to P92.3 billion, which accounts for approximately 63% of the consolidated total revenue. It is therefore material to the consolidated financial statements. Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, *Revenue from contracts with customers*, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2018-12. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical completion of the project. Hence, real estate revenue recognition requires significant judgment and estimation.	We addressed the matter by understanding and evaluating the process employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows: • Evaluated the design and tested the operating effectiveness of key controls surrounding the project budgeting, project costing and project milestone measurement activities. Further, we performed reasonableness testing of key inputs and assumptions used in the project budgeting and project costing activities, through site visits and inspection of bill of quantity and other relevant supporting documents. • Agreed the milestone percentage per project by inspecting the underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Performed test of details on incurred project costs through corroboration with supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Performed mathematical accuracy check of PoC applied to each project and individually sold units and verified that the PoC is accurately used in the calculation of the Group's real estate revenue.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's 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 audit 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 audit, 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 of the consolidated financial statements in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 36 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.

Auditor's 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 auditor's 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 PSAs 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 PSAs, 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 auditor's 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 auditor's 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 accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 36 to the consolidated financial statements.

- 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 12, 2024, Makati City
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 20, 2024

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited the consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 20, 2024. The supplementary information shown in the Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Parent Company belongs, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Roderick M. Danao
Partner
[redacted]

Makati City
February 20, 2024

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Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its Subsidiaries (the "Group") as at and for the year ended December 31, 2023, and have issued our report thereon dated February 20, 2024. 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 (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.

Roderick M. Danao
Partner
[redacted]

Makati City
February 20, 2024

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Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	17,066,330	11,885,329
Short-term investments	3	333,610	330,500
Financial assets at fair value through profit or loss (FVTPL)	4	419,802	291,989
Accounts and notes receivable, net	5	105,530,428	102,151,267
Inventories	6	209,316,511	180,348,474
Other current assets	7	80,290,824	64,849,846
Total current assets		412,957,505	359,857,405
Non-current assets			
Accounts and notes receivables, net of current portion	5	58,453,299	49,032,711
Financial assets at fair value through other comprehensive income (FVOCI)	8	1,121,969	1,033,481
Investments in associates and joint ventures	9	31,212,698	31,917,095
Right-of-use assets, net	31	11,808,541	12,418,841
Investment properties, net	10	241,061,619	245,525,507
Property and equipment, net	11	41,261,219	36,153,839
Deferred tax assets, net	21	15,345,133	13,889,287
Other non-current assets	12	33,410,499	29,826,354
Total non-current assets		433,674,977	419,797,115
Total assets		846,632,482	779,654,520

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

(continuation)

	Notes	2023	2022
Liabilities and Equity			
Current liabilities			
Short-term debt	14	16,905,106	6,547,272
Accounts and other payables	13	162,475,442	143,952,127
Income tax payable		586,605	845,073
Current portion of lease liabilities	31	1,108,553	710,160
Current portion of long-term debt	14	18,969,421	19,258,289
Deposits and other current liabilities	15	34,131,984	31,211,023
Total current liabilities		234,177,111	202,523,944
Non-current liabilities			
Long-term debt, net of current portion	14	222,379,734	210,233,290
Pension liabilities	24	2,769,457	1,871,186
Lease liabilities, net of current portion	31	17,414,070	17,992,406
Deferred tax liabilities, net	21	7,324,267	5,849,288
Deposits and other non-current liabilities	16	42,638,781	47,519,881
Total non-current liabilities		292,526,309	283,466,051
Total liabilities		526,703,420	485,989,995
Equity			
Equity attributable to equity holders of Ayala Land, Inc.			
Paid-in capital	17	98,115,042	97,636,864
Remeasurement (loss) gain on defined benefit plans		(481,670)	106,942
Fair value reserve of financial assets at FVOCI	8	(680,620)	(877,913)
Cumulative translation adjustments		(107,679)	437,996
Equity reserves	17	(2,589,586)	(6,506,845)
Treasury stock	17	(22,776,361)	(19,080,714)
Retained earnings		202,381,286	183,535,858
		273,860,412	255,252,188
Non-controlling interests	17	46,068,650	38,412,337
Total equity		319,929,062	293,664,525
Total liabilities and equity		846,632,482	779,654,520

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso, except earnings per share)

	Notes	2023	2022	2021
Revenue				
Real estate sales	18	140,141,723	116,356,382	96,144,850
Interest income from real estate sales	5, 18	5,359,526	6,694,930	6,801,012
Equity in net earnings of associates and joint ventures	9, 18	1,575,295	1,429,795	842,565
		147,076,544	124,481,107	103,788,427
Interest and investment income	19, 23	689,548	387,083	253,107
Other income	19	1,091,317	1,687,624	2,101,071
		1,780,865	2,074,707	2,354,178
		148,857,409	126,555,814	106,142,605
Costs and expenses				
Cost of real estate sales	20	87,138,671	75,628,711	64,641,519
General and administrative expenses	20	8,910,449	7,264,339	6,538,859
Interest and other financing charges	20	13,498,847	11,446,669	11,037,772
Other expenses	20	2,849,234	3,996,044	3,636,915
		112,397,201	98,335,763	85,855,065
Income before income tax		36,460,208	28,220,051	20,287,540
Provision for income tax				
Current tax expense		7,407,869	6,943,074	5,984,642
Deferred tax expense (benefit)		48,761	(1,247,276)	(1,356,465)
		7,456,630	5,695,798	4,628,177
Net income		29,003,578	22,524,253	15,659,363
Net income attributable to:				
Equity holders of Ayala Land, Inc.	25	24,507,581	18,617,234	12,228,148
Non-controlling interest		4,495,997	3,907,019	3,431,215
		29,003,578	22,524,253	15,659,363
Earnings Per Share				
Net income attributable to equity holders of Ayala Land, Inc.				
Basic and diluted	25	1.63	1.26	0.83

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Net income		29,003,578	22,524,253	15,659,363
Other comprehensive (loss) income				
Item that will be subsequently reclassified to profit or loss:				
Cumulative translation adjustment		(529,265)	229,224	265,284
Items that will not be subsequently reclassified to profit or loss:				
Changes in fair value reserve of financial assets at FVOCI	8	205,077	(16,905)	(97,378)
Remeasurement (loss) gain on defined benefit plan	24	(784,816)	186,961	1,099,585
Income tax effect		196,204	(46,740)	(274,896)
		(912,800)	352,540	992,595
Total comprehensive income		28,090,778	22,876,793	16,651,958
Total comprehensive income attributable to:				
Equity holders of Ayala Land, Inc.		23,570,587	18,936,821	13,049,676
Non-controlling interests		4,520,191	3,939,972	3,602,282
		28,090,778	22,876,793	16,651,958

The notes on pages 1 to 126 are an integral part of these consolidated financial statements

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Attributable to equity holders of Ayala Land, Inc.												
	Capital Stock (Note 17)	Additional Paid in Capital (Note 17)	Subscriptions Receivables	Appropriated Retained Earnings (Note 17)	Unappropriated Retained Earnings (Note 17)	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24)	Fair value reserve of financial assets at FVOCI (Note 8)	Cumulative Translation Adjustments (Note 17)	Equity Reserves (Note 17)	Treasury Stock (Note 17)	Total	Non-Controlling Interests	Total Equity
Balances at January 1, 2021	16,066,829	49,149,512	(2,262,756)	8,000,000	150,822,683	(818,101)	(748,220)	167,395	585,256	(1,260,780)	219,701,818	37,623,175	257,324,993
Comprehensive income													
Net income	-	-	-	-	14,221,177	-	-	-	-	-	14,221,177	3,431,215	17,652,392
Other comprehensive income	-	-	-	-	-	824,689	(97,378)	94,217	-	-	821,528	171,067	992,595
Total comprehensive income for the year	-	-	-	-	14,221,177	824,689	(97,378)	94,217	-	-	15,042,705	3,602,282	18,644,987
Appropriation of retained earnings	-	-	-	17,000,000	(17,000,000)	-	-	-	-	-	-	-	-
Cost of stock options	-	150,072	-	-	-	-	-	-	-	-	150,072	-	150,072
Collection of subscription receivable	-	-	324,725	-	-	-	-	-	-	-	324,725	-	324,725
Stock options exercised	11,389	335,219	(346,608)	-	-	-	-	-	-	-	-	-	-
Statutory merger	609,626	15,859,460	-	-	-	(39,867)	(35,297)	-	(276,774)	(13,976,965)	2,140,183	(2,140,183)	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(1,656,635)	(1,656,635)	-	(1,656,635)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	981,129	-	981,129	-	981,129
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	553,837	553,837
Cash dividends declared	-	-	-	-	(4,063,228)	-	-	-	-	-	(4,063,228)	(1,757,559)	(5,820,787)
Balances at December 31, 2021	**16,687,844**	**65,494,263**	**(2,284,639)**	**25,000,000**	**143,980,632**	**(33,279)**	**(880,895)**	**261,612**	**1,289,611**	**(16,894,380)**	**232,620,769**	**37,881,552**	**270,502,321**
Comprehensive income													
Net income	-	-	-	-	18,617,234	-	-	-	-	-	18,617,234	3,907,019	22,524,253
Other comprehensive income	-	-	-	-	-	140,221	2,982	176,384	-	-	319,587	32,953	352,540
Total comprehensive income for the year	-	-	-	-	18,617,234	140,221	2,982	176,384	-	-	18,936,821	3,939,972	22,876,793
Cost of stock options	-	78,860	-	-	-	-	-	-	-	-	78,860	-	78,860
Collection of subscription receivable	-	-	200,365	-	-	-	-	-	-	-	200,365	-	200,365
Stock options exercised	14,172	451,829	(391,994)	-	-	-	-	-	-	-	74,007	-	74,007
Stock issuance for properties	75,046	4,112,495	-	-	-	-	-	-	-	-	4,187,541	-	4,187,541
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(2,186,334)	(2,186,334)	-	(2,186,334)
Acquisition of non-controlling interest	236,534	12,962,089	-	-	-	-	-	-	(7,796,456)	-	5,402,167	-	5,402,167
Net change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,755,347)	(1,755,347)
Cash dividends declared	-	-	-	-	(4,062,008)	-	-	-	-	-	(4,062,008)	(1,653,840)	(5,715,848)
Balances at December 31, 2022	**17,013,596**	**83,099,536**	**(2,476,268)**	**25,000,000**	**158,535,858**	**106,942**	**(877,913)**	**437,996**	**(6,506,845)**	**(19,080,714)**	**255,252,188**	**38,412,337**	**293,664,525**

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

(continuation)

	Attributable to equity holders of Ayala Land, Inc.												
	Capital Stock (Note 17)	Additional Paid in Capital (Note 17)	Subscriptions Receivables	Appropriated Retained Earnings (Note 17)	Unappropriated Retained Earnings (Note 17)	Remeasurement Gain (Loss) on Defined Benefit Plans (Note 24)	Fair value reserve of financial assets at FVOCI (Note 8)	Cumulative Translation Adjustments (Note 17)	Equity Reserves (Note 17)	Treasury Stock (Note 17)	Total	Non-Controlling Interests	Total Equity
Balances at January 1, 2023	17,013,596	83,099,536	(2,476,268)	25,000,000	158,535,858	106,942	(877,913)	437,996	(6,506,845)	(19,080,714)	255,252,188	38,412,337	293,664,525
Comprehensive income													
Net income	-	-	-	-	24,507,581	-	-	-	-	-	24,507,581	4,495,997	29,003,578
Other comprehensive (loss) income	-	-	-	-	-	(588,612)	197,293	(545,675)	-	-	(936,994)	24,194	(912,800)
Total comprehensive income for the year	-	-	-	-	24,507,581	(588,612)	197,293	(545,675)	-	-	23,570,587	4,520,191	28,090,778
Cost of stock options	-	149,456	-	-	-	-	-	-	-	-	149,456	-	149,456
Collection of subscription receivable	-	-	251,426	-	-	-	-	-	-	-	251,426	-	251,426
Stock options exercised	14,579	317,960	(272,020)	-	-	-	-	-	-	-	60,519	-	60,519
Collection of VPS conversion	-	16,777	-	-	-	-	-	-	-	-	16,777	-	16,777
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	(3,695,647)	(3,695,647)	-	(3,695,647)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	489,276	-	489,276	(31,511)	457,765
Net change in non-controlling interest	-	-	-	-	-	-	-	-	3,427,983	-	3,427,983	6,121,631	9,549,614
Cash dividends declared	-	-	-	-	(5,662,153)	-	-	-	-	-	(5,662,153)	(2,953,998)	(8,616,151)
Balances at December 31, 2023	**17,028,175**	**83,583,729**	**(2,496,862)**	**25,000,000**	**177,381,286**	**(481,670)**	**(680,620)**	**(107,679)**	**(2,589,586)**	**(22,776,361)**	**273,860,412**	**46,068,650**	**319,929,062**

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Income before income tax		36,460,208	28,220,051	20,287,540
Adjustments for:				
Interest and other financing charges	20	13,498,847	11,446,669	11,037,772
Depreciation and amortization	10,11,12	9,505,083	9,688,718	8,820,507
Dividends received from investees	9	915,983	589,221	321,617
Provision for impairment losses	20	595,646	253,738	539,692
Cost of share-based payments		149,456	78,860	150,072
Unrealized (gain) loss on financial assets at fair value through profit or loss		(108,589)	333,413	(99,372)
Equity in net earnings of associates and joint ventures	9	(1,575,295)	(1,429,795)	(842,565)
Gain on sale of investment in associates and jointly controlled entities	9	-	-	(807,618)
Interest income		(6,049,074)	(7,082,013)	(7,054,119)
Operating income before working capital changes		53,392,265	42,098,862	32,353,526
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts and notes receivable - trade		(5,054,003)	(2,046,107)	251,492
Inventories	6	(18,291,371)	(15,136,166)	(1,459,729)
Other current assets	7	(15,576,013)	509,713	(7,279,935)
Increase (decrease) in:				
Accounts and other payables		17,129,876	14,018,427	(7,690,011)
Deposits and other current liabilities	15	2,922,441	(3,542,142)	2,154,067
Pension liabilities	24	309,659	(92,328)	(92,362)
Cash generated from operations		34,832,854	35,810,259	18,237,048
Interest received		6,016,868	6,638,191	7,008,224
Interest paid		(11,793,508)	(9,495,457)	(10,385,580)
Income tax paid		(7,695,965)	(6,604,639)	(6,933,615)
Net cash from operating activities		21,360,249	26,348,354	7,926,077
Cash flows from investing activities				
Proceeds from:				
Sale/redemption of short-term investments		327,150	-	41,160
Sale/redemption of financial assets at FVTPL		3,568,193	4,065,795	1,168,987
Sale of investments in FVOCI	8	42,894	16,371	-
Disposal of property and equipment	11	1,598,122	1,390,786	483,360
Disposal of investment properties	10	1,080,985	764,475	294,149
Disposal of investments in associates and jointly controlled entities		52,935	-	807,618
Additions to:				
Short-term investments	3	(3,617)	-	(8,680)
Financial assets at FVTPL	4	(3,604,552)	(4,179,683)	(805,248)
Financial assets at FVOCI	8	(2,124)	-	-
Investments in associates and joint ventures	9	(1,920,000)	(2,705,023)	(778,748)
Investment properties	10	(19,634,549)	(15,587,700)	(22,030,868)
Property and equipment	11	(1,819,873)	(4,424,285)	(3,215,492)
Net (increase) decrease in:				
Accounts and notes receivables - non-trade	5	(9,427,421)	(5,210,278)	(12,981)
Other non-current assets	12	(444,331)	2,944,192	(2,171,784)
Net cash used in investing activities		(30,186,188)	(22,925,350)	(26,228,527)

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in Philippine Peso)

(continuation)

	Notes	2023	2022	2021
Cash flows from financing activities				
Proceeds from:				
Short and long-term debt	14	125,434,426	162,816,824	191,282,758
Capital stock subscriptions	17	328,722	274,373	324,724
Payments of short and long-term debt	14	(103,062,150)	(149,899,033)	(180,536,836)
Payments of principal portion of lease liabilities	31	(2,065,425)	(1,316,469)	(1,432,361)
(Decrease) increase in deposits and other non-current liabilities		(4,451,799)	(12,584,594)	10,695,432
Acquisition of non-controlling interest	17	6,114,435	1,675,369	1,534,967
Increase in equity reserves		3,917,259	2,004,323	-
Acquisition of treasury shares	17	(3,695,647)	(2,186,334)	(1,656,635)
Dividends paid to non-controlling interests		(2,953,998)	(1,653,840)	(1,324,396)
Dividends paid to equity holders of Ayala Land, Inc.	17	(5,679,961)	(4,667,960)	(4,051,013)
Net cash from (used in) financing activities		13,885,862	(5,537,341)	14,836,640
Net increase (decrease) in cash and cash equivalents		5,059,923	(2,114,337)	(3,465,810)
CASH AND CASH EQUIVALENTS				
At January 1		11,885,329	13,971,437	17,037,347
Effect of exchange rate changes on cash and cash equivalents		121,078	28,229	399,900
At December 31	2	17,066,330	11,885,329	13,971,437
Non-cash investing and financing activities	33			

The notes on pages 1 to 126 are an integral part of these consolidated financial statements.

Ayala Land, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
As at and for the year ended December 31, 2023
(With comparative figures and notes as at December 31, 2022 and
for the years ended December 31, 2022 and 2021)
(In the notes, all amounts are shown in thousands of Philippine Pesos unless otherwise stated)

1 General information

Corporate information

Ayala Land, Inc. (the "Parent Company", the "Company" or "ALI") is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. Its immediate Parent Company is Ayala Corporation (AC). AC is a publicly listed company which is 47.86%-owned by Mermac, Inc. and the rest by the public as at December 31, 2023. The Parent Company's registered office and principal place of business is at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company and its Subsidiaries (the "Group") are incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Group or of other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resorts operations.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign subsidiaries:

	2023*	2022*
Real Estate:		
Alveo Land Corporation (Alveo)	100%	100%
Serendra, Inc.	39	39
Solinea, Inc. (Solinea)	65	65
BGSouth Properties, Inc. (BGS/BG South)	50	50
Portico Land Corp. (Portico)	60	60
Serendra, Inc.	28	28
Amorsedia Development Corporation (ADC)	100	100
OLC Development Corporation and Subsidiary	100	100
HLC Development Corporation	100	100
Allysonia International Ltd.	100	100
Avida Land Corporation (Avida)	100	100
Amicassa Process Solutions, Inc.	100	100
Avencosouth Corp.	70	70
BGNorth Properties, Inc. (BGN/BG North)	50	50
Buklod Bahayan Realty and Development Corp.	-	100
Avida Sales Corp.	-	100
Amaia Land Co. (Amaia)	100	100
Amaia Southern Properties, Inc. (ASPI)	65	65
AyalaLand Premier, Inc.	100	100
AKL Properties, Inc.	50	-
Ayala Land International Sales, Inc. (ALISI)	100	100
Ayala Land International Marketing, Inc. (AIMI)	100	100
Ayala Land International (Singapore) Pte. Ltd	100	100
Ayala Land International Marketing (Hong Kong) Ltd	100	100
Ayala Land International Marketing, SRL (ALIM SRL)	100	100
Ayala Land International Marketing London	100	100
Ayala Land Sales, Inc.	-	100
Southportal Properties, Inc. (Southportal)	100	100
Buendia Landholdings, Inc.	100	100

	2023*	2022*
Crimson Field Enterprises, Inc.	100	100
Crans Montana Holdings, Inc.	100	100
Ecoholdings Company, Inc. (ECI)	100	100
NorthBeacon Commercial Corporation (NBCC)	100	100
Red Creek Properties, Inc.	100	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100
North Eastern Commercial Corp. (NECC)	100	100
Westview Commercial Ventures Corp. (Westview)	100	100
North Ventures Commercial Corporation	100	100
Hillsford Property Corporation (Hillsford)	100	100
Primavera Towncentre, Inc. (PTI)	100	100
Summerhill Commercial Ventures Corporation (Summerhill)	100	100
Sunnyfield E-Office Corporation (Sunnyfield)	100	100
Subic Bay Town Centre, Inc. (SBTCI)	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
AyalaLand Real Estate Investments Inc. (Canada)	100	100
AyalaLand Advisory Broadway Inc. (Canada)	100	100
AyalaLand Development (Canada) Inc.	100	100
Blue Horizons Holdings PTE, Ltd (Singapore)	100	100
Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd. (Malaysia)	66	66
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100
Arvo Commercial Corporation (Arvo)	100	100
BellaVita Land Corporation (BellaVita)	100	100
Nuevo Centro, Inc. (Nuevo Centro)	54	54
Alviera Country Club, Inc. (Alviera)	50	50
Cavite Commercial Town Center, Inc. (CCTCI)	100	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)	66	66
AyalaLand Offices, Inc. (ALO)	100	100
First Gateway Real Estate Corp.	100	100
Glensworth Development, Inc. (Glensworth)	100	100
UP North Property Holdings, Inc.	100	100
ALO Prime Realty Corporation	100	100
Makati Cornerstone Leasing Corp. (MCLC)	100	100
Capitol Central Commercial Ventures Corp.	100	100
Bay City Commercial Venture Corp. (BCCVC)	100	100
Aurora Properties Incorporated	81	81
Soltea Commercial Corp.	16	16
Vesta Property Holdings, Inc. (VPHI)	88	84
Altaraza Prime Realty Corporation	100	100
Altaraza Development Corporation	51	51
Prow Holdings, Inc.	55	55
Station Square East Commercial Corporation (SSECC)	69	69
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	100	100
Accendo Commercial Corp. (Accendo)	67	67
Avencosouth Corp.	20	20
Aviana Development Corporation	7	7
Aviana Development Corporation	50	50
Cagayan de Oro Gateway Corp. (CDOGC)	70	70
Ceci Realty, Inc. (Ceci)	60	60
Soltea Commercial Corp.	12	12
Soltea Commercial Corp.	60	60
CMPI Holdings, Inc.	60	60
ALI-CII Development Corporation (ALI-CII)	50	50
Roxas Land Corporation (RLC)	50	50
Adauge Commercial Corporation (Adauge)	60	60
AyalaLand Estates, Inc	100	100
Prima Gaedi Development Corp	100	100
Redheap Holdings Inc.	100	100
Rookwood Properties, Inc.	100	100
Wedgemore Property Inc	100	100
Javantiger, Inc.	100	100
Ayalaland MetroNorth, Inc. (AMNI)	100	100
Verde Golf Development Corp.	100	100

(forward)

	2023*	2022*
North Triangle Depot Commercial Corporation (NTDCC)	73	73
Ayalaland-Tagle Properties, Inc.	55	55
BGWest Properties, Inc. (BGW/BG West)	50	50
Lagdigan Land Corp. (Lagdigan)	60	60
Central Bloc Hotel Ventures, Inc.	100	100
Cebu Leisure Company, Inc.	100	100
CBP Theatre Management Inc.	100	100
Taft Punta Engaño Property Inc. (TPEPI)	55	55
Cebu Insular Hotel Company, Inc. (CIHCI)	37	37
Solinea, Inc.	35	35
Amaia Southern Properties, Inc. (ASPI)	35	35
Alabang Commercial Corporation (ACC)	50	50
South Innovative Theater Management (SITMI)	50	50
Ayalaland Malls Inc. (formerly ALI Commercial Center, Inc.) (ALMI)	100	100
AyalaLand Malls Vismin, Inc.	100	100
Kitrino Koudini Holdings Inc.	100	-
South Ralston Properties, Inc.	100	-
AyalaLand Logistics Holdings Corp. (ALLHC) (formerly Prime Orion Philippines, Inc.)	71	71
A-Flow Land I Corp.	43	43
Orion Solutions, Inc.	71	71
Orion I Holdings Philippines, Inc.	71	71
Orion Maxis, Inc.	71	71
Orion Land, Inc. and Subsidiaries	71	71
LCI Commercial Ventures, Inc.	71	71
Laguna Technopark, Inc. and Subsidiary	71	71
Unity Realty & Development Corp. (URDC)	71	71
FLT Prime Insurance Corporation	56	56
Ayalaland Malls Synergies, Inc.	100	100
Ayala Malls Zing (AMZING), Inc.	100	100
Construction:		
Makati Development Corporation (MDC)	100	100
MDC Subic, Inc.	100	100
MDC Build Plus, Inc.	100	100
MDC Conqrete, Inc. (MCI)	100	100
MDC Equipment Solutions, Inc. (MESI)	100	100
MDBI Construction Corp.	67	67
Hotels and Resorts:		
Ayala Hotels, Inc. (AHI)	100	100
AyalaLand Hotels and Resorts Corporation (AHRC)	100	100
ALI Makati Hotel & Residences, Inc.	80	80
ALI Makati Hotel Property, Inc.	80	80
Ten Knots Phils., Inc. (TKPI)	40	40
Ten Knots Development, Corp. (TKDC)	40	40
Regent Horizons Conservation Company, Inc.	100	100
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Cebu Insular Hotel Company, Inc. (CIHCI)	63	63
Bonifacio Hotel Ventures, Inc.	100	100
Southcrest Hotel Ventures, Inc.	67	67
Northgate Hotel Ventures, Inc.	70	70
North Triangle Hotel Ventures, Inc.	100	100
Ecosouth Hotel Ventures, Inc.	100	100
Sentera Hotel Ventures, Inc.	100	100
Econorth Resorts Ventures, Inc.	100	100
ALI Triangle Hotel Ventures, Inc.	100	100
Circuit Makati Hotel Ventures, Inc.	100	100
Capitol Central Hotel Ventures, Inc.	100	100
Arca South Hotel Ventures, Inc.	100	100
Sicogon Town Hotel, Inc.	100	100

(forward)

	2023*	2022*
Bay Area Hotel Ventures, Inc.	100	100
Makati North Hotel Ventures, Inc. (MNHVI)	100	100
One Makati Hotel Ventures, Inc. (OMHVI)	100	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	77	77
Asiatown Hotel Ventures, Inc.	100	100
Seda College, Inc. (formerly One Makati Residential Ventures, Inc.)	100	100
ALI Makati Hotels & Residences, Inc.	20	20
ALI Makati Hotel Property, Inc.	20	20
Ten Knots Phils., Inc. (TKPI)	60	60
Bacuit Bay Development Corporation	60	60
Lio Resort Ventures, Inc.	60	60
North Liberty Resort Ventures, Inc.	60	60
Turista.ph (formerly Paragua Eco-Resort Ventures Inc.)	60	60
Lio Tourism Estate Management Corporation	60	60
Ten Knots Development, Corp. (TKDC)	60	60
Chirica Resorts Corp.	60	60
Kingfisher Capital Resources Corp.	60	60
Pangulasian Island Resort Corporation	60	60
Integrated Eco-Resort Inc.	100	100
Sicogon Island Tourism Estate Corp.	5	-
Property Management:		
Ayala Property Management Corporation (APMC)	100	100
Prime Support Services, Inc.	100	100
Ayala Theatres Management, Inc. (ATMI)	100	100
DirectPower Services, Inc. (DirectPower)	100	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100
Entertainment:		
Five Star Cinema, Inc.	100	100
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50
Others		
Darong Agricultural Development Corporation (DADC)	100	100
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100
Green Horizons Holdings Limited and Subsidiary	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
AyalaLand Club Management, Inc.	-	100
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	100	100
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift)	100	100
Swift Aerodrome Services, Inc. (SASI)	100	100
Arca South Integrated Terminal, Inc. (ASITI)	100	100
Whiteknight Holdings, Inc.	100	100
Ayalaland Medical Facilities Leasing, Inc.	100	100
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	73	73
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	76	76

**Represents the Group's effective ownership*

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

The Parent Company, through its 50.0% effective ownership and by virtue of a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP and AKL, a newly consolidated entity. Accordingly, the accounts of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP and AKL are consolidated to the accounts of the Parent Company (Note 36).

The following were the changes in the group structure during 2023:

a. On March 29, 2023, ALI sold 205,000,000 shares of AREIT, Inc. (AREIT) at a transaction price of P32.10 per share, equivalent to P6.58 billion, with an impact to equity reserves amounting to P4.41 billion in relation to its P22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holding in AREIT was reduced from 66.0% to 54.4%.

b. On September 20, 2023, ALI, ALMI, NBCC and AREIT received the Securities and Exchange Commission's (SEC) approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of P22.5 billion in exchange for 607,559,380 primary common shares of AREIT, pursuant to the Deed of Exchange executed on June 2, 2023. Consequently, ALI's holding in AREIT increased to 66.0%.

c. During the year, the following mergers have been completed:

    - The merger of Avida and its subsidiaries, namely Buklod Bahayan Realty and Development Corp. and Avida Sales Corp. (collectively referred to as the "Companies"), was approved by the SEC on April 20, 2023 with Avida as the surviving entity. Consequently, the companies' operations and its assets and liabilities have been absorbed by Avida effective May 1, 2023.

    - On October 17, 2023, the SEC approved the merger of Ayala Land Premier, Inc. (ALP), Ayala Land Sales, Inc. (ALSI) and Ayala Club Management Inc. (ACMI) where ALP is the surviving entity.

d. The Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% in July 2023. The acquisition involved entities under common control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves, as a result of this transaction, amounted to P351.13 million in 2023.

e. On August 18, 2023, the Parent Company purchased 100,000 common shares of South Ralston for a total consideration of P0.10 million which is equivalent to 100% stake in the entity. This transaction was accounted as acquisition of asset.

f. On September 18, 2023, ALMI, a subsidiary, acquired 5,000 common shares of Kitrino Koudouni Holdings, Inc. for a total consideration of P0.05 million, which is equivalent to 100% stake in the entity. This transaction was accounted as acquisition of asset.

g. On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves amounted to P132.15 million.

h. The Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL Properties, Inc. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Group beginning 2023. The Group reclassified the amount from investment in joint ventures to investment in subsidiaries.

Approval and authorization for issuance of consolidated financial statements

The consolidated financial statements of the Group have been approved and authorized for issue by the Board of Directors (BOD) on February 20, 2024.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2023	2022
Cash on hand	38,699	67,273
Cash in banks	10,615,507	10,227,350
Cash equivalents	6,412,124	1,590,706
	17,066,330	11,885,329

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

There is no restriction on the Group's cash and cash equivalents balances as at December 31, 2023 and 2022.

3 Short-term investments

Short-term investments consist of money market placements made for varying periods of more than three months and up to one year and earn interest at the respective short-term investment rates.

4 Financial assets at fair value through profit or loss (FVTPL)

The account as at December 31 consists of:

	2023	2022
Investment in Unit Investment Trust Funds (UITFs)	228,674	84,793
Investment in ARCH Capital Fund	191,128	207,196
	419,802	291,989

The Group's investment in UITFs consists of investments in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds") which aim to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

The Group's investments in UITFs are maintained with Bank of the Philippine Islands, a related party (Note 23).

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the Group takes the view that these are held for trading and it is a portfolio of identified property funds invested and managed by professional managers.

5 Accounts and notes receivable

The account as at December 31 consists of:

	2023	2022
Trade receivables from:		
Residential, commercial and office development	112,185,536	101,797,458
Shopping centers	5,033,715	6,315,550
Construction contracts	4,039,336	2,826,924
Corporate business	3,775,841	3,676,026
Management fees	187,566	231,510
Others	4,503,181	5,791,638
Advances to other companies	18,359,495	15,858,263
Accrued receivables	11,096,749	9,370,342
Receivables from related parties	6,537,813	6,927,883
Receivables from employees	1,048,211	927,787
	166,767,443	153,723,381
Allowance for impairment losses	(2,783,716)	(2,539,403)
	163,983,727	151,183,978
Less: Non-current portion	(58,453,299)	(49,032,711)
Current portion of accounts and notes receivable	105,530,428	102,151,267

The classes of trade receivables of the Group are as follows:

- Residential, commercial and office development consist of receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units; sale of commercial lots; sale of office units; and leisure community developments;
- Shopping centers consist of lease receivables from retail spaces;
- Construction contracts consist of receivables from third party construction projects;
- Corporate business consists of lease receivables from office and factory buildings and receivables from sale of industrial lots;
- Management fees consist of receivables from facilities management services; and
- Others consist of receivables from hotel operations and other support services.

Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 1.00% to 13.50%. Titles to real estate properties are transferred to buyers once full payment has been made.

Receivables from shopping centers, construction contracts and management fees are due within 30 days upon billing.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from hotel operations and other support services included under other trade receivables are normally due within 30 to 90 days upon billing.

Advances to other companies mainly comprise of advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The advances are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

Advances to other companies also include receivables from MRT Development Corporation (MRTDC) shareholders which pertain to interest-bearing advances made by NTDCC to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. As at December 31, 2023, receivables including interest from MRTDC shareholders amounted to P309.5 million (2022 - P308.6 million).

On December 17, 2014, NTDCC and MRTDC shareholders executed a “funding and repayment agreement” wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro-rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from the Group.

Set off shall be effective as at the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

Accrued receivables and receivables from related parties are due on demand.

Receivables from employees pertain to housing, car, salary and other loans granted to the Group’s employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

As at December 31, 2023, receivables amounting to P2,783.7 million (2022 - P2,539.4 million) were impaired and fully provided for.

Movements in the allowance for impairment losses follow:

	Trade							
	Residential and Office Development	Shopping Centers	Construction Contracts	Corporate Business	Management Fees	Others	Advances to Other Companies	Total
At January 1, 2022	62,314	1,074,658	152,231	633,108	16,630	221,488	133,725	2,294,154
Provision during the year (Note 20)	2,188	146,520	3,466	37,005	-	8,276	56,283	253,738
Accounts written-off	(410)	(3,761)	-	-	-	(4,318)	-	(8,489)
At December 31, 2022	64,092	1,217,417	155,697	670,113	16,630	225,446	190,008	2,539,403
Provision during the year (Note 20)	46,803	65,210	-	262,887	-	103,434	-	478,334
Reversal	-	(27,324)	(68,695)	-	(5,889)	(47,391)	-	(149,299)
Accounts written-off	(2,386)	-	-	-	(3,606)	(78,730)	-	(84,722)
At December 31, 2023	108,509	1,255,303	87,002	933,000	7,135	202,759	190,008	2,783,716

In 2023, reversal of allowance for impairment losses representing recoveries of previously impaired accounts amounting to P149.30 million is recognized within other income in the consolidated statement of income (2022 - nil).

As at December 31, 2023, nominal amounts of trade receivables from residential, commercial and office development totaling P111,181 million (2022 - P101,665 million) were recorded initially at fair value. The fair values of the receivables were obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Movements in the unamortized discount of the Group's receivables follow:

	Note	2023	2022
At January 1		5,030,125	8,447,356
Additions during the year		4,458,289	3,277,699
Accretion for the year	18	(5,359,526)	(6,694,930)
At December 31		4,128,888	5,030,125

In 2023, the Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P45.0 million (2022 - nil). The transactions were without recourse and did not result in any gain or loss (Note 23).

In 2023, the Group sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party (Note 23), amounting to P15,110.4 million (2022 - P15,270.2 million) and were sold at a discount with total proceeds of P13,303.6 million (2022 - P12,366.1 million). The Group recognized loss on sale, presented as financial expenses and other charges within other expenses, amounting to P1,806.8 million (2022 - P2,904.1 million) (Note 20).

6 Inventories

The account as at December 31 consists of:

	2023	2022
Real estate - at cost		
Residential and condominium units	104,852,762	98,094,649
Residential and commercial lots	102,006,925	80,333,348
Offices - at cost	2,456,824	1,920,477
	209,316,511	180,348,474

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and Condominium units	Offices	Total
At January 1, 2022		58,590,787	87,509,406	2,056,532	148,156,725
Land acquired during the year		2,312,910	2,565,329	-	4,878,239
Construction/development costs incurred		11,857,664	35,642,819	549,044	48,049,527
Disposals (recognized as cost of real estate sales)	20	(9,302,984)	(27,622,905)	(685,099)	(37,610,988)
Transfers from investment properties	10	16,874,971	-	-	16,874,971
At December 31, 2022		80,333,348	98,094,649	1,920,477	180,348,474
Land acquired during the year		1,199,505	2,463,675	-	3,663,180
Construction/development costs incurred		34,152,455	26,025,306	1,022,282	61,200,043
Disposals (recognized as cost of real estate sales)	20	(23,080,092)	(21,730,868)	(485,935)	(45,296,895)
Transfers from investment properties	10	9,401,709	-	-	9,401,709
At December 31, 2023		102,006,925	104,852,762	2,456,824	209,316,511

As at December 31, 2023 and 2022, the Group has no purchase commitments, liens and encumbrances pertaining to its inventories.

7 Other current assets

The account as at December 31 consists of:

	2023	2022
Advances to contractors and suppliers	27,585,010	17,104,282
Prepaid expenses	20,824,812	19,402,131
Input value-added tax (VAT)	13,537,622	12,413,545
Creditable withholding taxes	12,220,825	9,528,091
Materials, parts and supplies	1,505,046	1,444,083
Others	4,617,509	4,957,714
	80,290,824	64,849,846

Advances to contractors and suppliers pertain to prepayments for the construction of inventories. These are recouped as application of payment to contractors and suppliers, which are expected to occur within 12 months.

Prepaid expenses consist of prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance.

In 2023, the cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to P3,443.8 million (2022 - P3,302.0 million). If a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract specific key performance indicators that could trigger variable consideration, or service credits.

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

Creditable withholding taxes are to be applied against income tax payable.

Materials, parts and supplies are expected to be used in the construction and maintenance of projects.

Others include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities.

8 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	2023	2022
Shares of stock:		
Quoted	759,308	769,903
Unquoted	1,043,281	1,141,491
	1,802,589	1,911,394
Net unrealized loss	(680,620)	(877,913)
	1,121,969	1,033,481

Investments in quoted shares of stock include shares held in clubs wherein the Group does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Group will continue to hold as part of the infrastructure that it provides to its real estate projects.

In 2023, the Group made an additional investment in FVOCI amounting to P2.1 million (2022 - nil) and disposed equity securities amounting to P42.9 million (2022 - P16.4 million) and recorded a gain of P6.5 million (2022 - P1.3 million) from the disposals.

Movements in the fair value reserve of financial assets at FVOCI follow:

	2023	2022
At January 1	(877,913)	(880,895)
Fair value changes during the year	203,828	2,982
Derecognition of unrealized gain due to redemption of shares	(6,535)	-
At December	(680,620)	(877,913)

9 Investment in associates and joint ventures

The account as at December 31 consists of:

	Note	2023	2022
Investment in stocks - cost			
At January 1		25,651,600	22,946,577
Additions		1,920,000	2,705,023
Disposals		(52,935)	-
Transfer to investment in subsidiary		(3,083,523)	-
At December 31		24,435,142	25,651,600
Accumulated equity in net earnings			
At January 1		5,921,822	5,081,248
Equity in net earnings	18	1,575,295	1,429,795
Dividends received		(915,983)	(589,221)
Transfer to investment in subsidiary		(131,941)	-
At December 31		6,449,193	5,921,822
Total		30,884,335	31,573,422
Equity share in cumulative translation adjustment		328,363	343,673
		31,212,698	31,917,095

The equity share in cumulative translation adjustments represents exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Details of the Group's investments in associates and joint ventures and the related effective percentages of ownership are shown below:

	Percentage of Ownership		Carrying amounts	
	2023	2022	2023	2022
Joint ventures:				
ALI-ETON Property Development Corporation (ALI ETON)	50%	50%	9,652,505	7,616,202
Emerging City Holdings, Inc. (ECHI)	50%	50%	4,190,077	3,999,608
Berkshires Holdings, Inc. (BHI)	50%	50%	2,052,670	1,970,587
Cebu District Property Enterprise, Inc. (CDPEI)	50%	50%	1,704,003	1,735,065
Alveo-Federal Land Communities, Inc.	50%	50%	539,381	947,037
AyaGold Retailers, Inc. (AyaGold)	50%	50%	135,552	141,605
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50%	50%	26,462	26,462
AKL Properties, Inc. (AKL)*	50%	50%	-	3,230,774
A-FLOW Properties I Corp	36%	36%	177,001	181,145
BYMCW, Inc.	30%	30%	59,100	60,607
			18,536,751	19,909,092
Associates:				
Ortigas Land Corporation (OLC)	21%	21%	10,143,892	9,525,402
Bonifacio Land Corp. (BLC)	10%	10%	1,527,981	1,451,942
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49%	49%	804,166	794,185
Tianjin Eco-City Ayala Land Development Co., Ltd. (Tianjin Eco-City)	40%	40%	149,477	199,259
Lagoon Development Corporation (LDC)	30%	30%	50,431	37,215
			12,675,947	12,008,003
			31,212,698	31,917,095

**The Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).*

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of the total consolidated net assets of the Group as at reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Group. The financial information of the Parent Company's significant associates and joint ventures with material interest follows:

The financial information of the associates with material interest:

OLC

ALI has a 21% stake in OLC that was purchased from existing OLC shareholders. OLC owns 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Set out below is the summarized financial information for OLC:

	2023	2022
Current assets	32,554,643	25,207,970
Non-current assets	28,827,055	23,705,727
Current liabilities	(23,147,183)	(12,793,028)
Non-current liabilities	(21,253,275)	(22,068,593)
Equity	16,981,240	14,052,076
Proportion of Group's ownership	21.0%	21.1%

	2023	2022
Group's share in identifiable net assets	3,566,060	2,964,988
Carrying amount of the investment	(10,143,892)	(9,525,402)
Fair value adjustments	(6,577,832)	(6,560,414)
Negative goodwill	(148,046)	(148,046)
Dividends received	77,592	71,447

As at December 31, 2023, net assets attributable to the equity holders of OLC amounted to P16,981.2 million (2022 - P14,052.0 million).

	2023	2022
Revenue	12,769,959	11,187,455
Cost and expenses	(9,529,626)	(8,498,323)
Net income (continuing operations)	3,240,333	2,689,132
Group's share in net income for the year	680,470	560,924
Total comprehensive income	2,553,524	2,671,067
Group's share in total comprehensive income for the year	536,240	560,924

BLC

The Group has a 10% interest in BLC, which is involved in the purchase, subscription or otherwise disposal of real and personal properties. BLC is a private company incorporated on October 20, 1994. Its registered office and principal place of business is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2023	2022
Current assets	12,196,122	10,493,988
Non-current assets	34,509,206	32,427,255
Current liabilities	(2,976,354)	(2,439,245)
Non-current liabilities	(9,187,034)	(7,723,742)
Equity	34,541,940	32,758,256
Less: Non-controlling interest	(15,513,945)	(14,693,397)
Equity attributable to Parent Company	19,027,995	18,064,859
Proportion of Group's ownership	10.1%	10.1%
Group's share in identifiable net assets	1,921,828	1,824,551
Carrying amount of the investment	1,527,981	1,451,942
Fair value adjustments	(393,847)	(372,609)
Negative goodwill	(393,847)	(372,609)
Dividends received	84,877	66,689

As at December 31, 2023, net assets attributable to the equity holders of BLC amounted P19,028.0 million (2022 - P18,064.9 million).

	2023	2022
Revenue	6,969,474	5,068,151
Cost and expenses	(3,587,994)	(2,875,984)
Net income (continuing operations)	3,381,480	2,192,167
Net income attributable to non-controlling interest	1,593,209	1,029,723
Net income attributable to Parent Company	1,788,271	1,162,444
Group's share in net income for the year	180,615	117,407
Total comprehensive income	1,788,271	1,162,444
Group's share in total comprehensive income for the year	180,615	117,407

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City and LDC) follows:

	2023	2022
Carrying amount	1,004,074	1,030,659
Share in net income from continuing operations	26,739	44,455
Share in total comprehensive income	26,739	44,455
Dividends received	53,323	9,000

The financial information of the joint ventures with material interest:

ALI Eton

	2023	2022
Current assets	22,043,118	20,526,458
Non-current assets	4,289,259	4,377,413
Current liabilities	(6,426,059)	(8,420,911)
Non-current liabilities	(371,951)	(922,411)
Equity	19,534,367	15,560,549
Proportion of Group's ownership	50.0%	50.0%
Group's share in identifiable net assets	9,767,184	7,780,275
Carrying amount of the investment	9,652,505	7,616,202

As at December 31, 2023, net assets attributable to the equity holders of ALI Eton amounted to P19,534.4 million (2022 - P15,560.5 million).

	2023	2022
Revenue	3,617,321	1,974,714
Cost and expenses	(3,077,696)	(1,721,039)
Net income (continuing operations)	539,625	253,675
Group's share in net income for the year	269,813	126,837
Total comprehensive income attributable to equity holders of the Parent Company	539,625	253,675
Group's share in total comprehensive income for the year	269,813	126,837

ECHI

	2023	2022
Current assets	12,240,523	10,551,614
Non-current assets	34,509,206	32,427,265
Current liabilities	(3,305,063)	(2,767,955)
Non-current liabilities	(9,187,034)	(7,723,742)
Equity	34,257,632	32,487,182
Less: Non-controlling interest	25,219,280	23,923,304
Equity attributable to Parent Company	9,038,352	8,563,878
Proportion of Group's ownership	50.0%	50%
Group's share in identifiable net assets	4,519,176	4,281,939
Carrying amount of the investment	4,190,077	3,999,608
Dividends received	220,000	170,750

As at December 31, 2023, net assets attributable to the equity holders of ECHI amounted to P9,038.4 million (2022 - P8,563.8 million).

	2023	2022
Revenue	6,971,791	5,070,254
Cost and expenses	(3,595,568)	(2,883,590)
Net income (continuing operations)	3,376,223	2,186,664
Net loss attributable to non-controlling interest	(2,455,573)	(1,590,007)
Net income attributable to Parent Company	920,650	596,657
Group's share in net income for the year	460,325	298,329
Total comprehensive income attributable to equity holders of the Parent Company	922,112	597,171
Group's share in total comprehensive income for the year	461,056	298,586

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI, Alveo-Federal, AyaGold,SIAL Specialty, AKL*, A-Flow and BYMCW) is as follows:

	2023	2022
Carrying amount	4,694,169	8,112,137
Share in net income from continuing operations	132,130	293,772
Share in total comprehensive income	132,130	293,772
Dividends received	447,535	73,185

**The financial information of AKL is only presented in 2022 as investment in joint venture as the Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).*

The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI

As at December 31, 2023 and 2022, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time aggregating 10.1% are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

1. The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and Neo Oracle Holdings, Inc., pursuant to which, Larouge extended Neo Oracle Holdings, Inc. a loan in the principal amount of US$90.0 million, together with all the rights, title and interests of Larouge in the pledge constituted 50.4% of the outstanding shares in BLC. The consideration paid by the Company and EHI for such assignment was approximately US$90.0 million, subject in part to foreign exchange adjustment.

2. The assignment to the Parent Company and EHI, acting in this instance through the joint venture corporation, Columbus Holdings, Inc. (Columbus), of the controlling interest in BLC represents 50.4% of BLC's outstanding capital stock. This assignment was effected by Neo Oracle Holdings, Inc. under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of P655.0 million together with its underlying security in the form of shares in Fort Bonifacio Development Corporation (FBDC) representing 5.6% of its outstanding capital stock.

The Agreement, as amended, also provides for the constitution of a pledge over 5.0% of BLC's unencumbered shares as security for contingent liabilities and breach of representation and warranties. The pledge or lien over the 5.0% BLC shares shall continue to subsist until the third anniversary of the closing date.

The Parent Company and EHI jointly hold the 50.4% equity interest in BLC through ECHI and BHI. The Parent Company and EHI assigned the notes receivable from Neo Oracle Holdings, Inc. to ECHI and BHI, which acquired the shares of stock of Columbus. Columbus directly owns the 50.4% interest in BLC. BLC owns 55.0% interest in FBDC, the primary developer of certain areas in Fort Bonifacio Global City for residential, commercial and business development. Columbus accounted for the acquisition of the 50.4% interest in BLC using the purchase method.

Subsequent to this, the Parent Company and EHI acquired additional shares of BLC through a combination of direct acquisition and through its associates at varying dates.

On July 31, 2008, the Group acquired, through the Parent Company, Regent Time and Columbus, additional 4,360,178 shares of BLC from FBDC amounting to P689.0 million, equivalent to 7.7% ownership in BLC. In January and October 2009, a total of 2,295,207 BLC shares were acquired from Development Bank of the Philippines and MPC, pertaining to the pledged shares, through Columbus amounting to P362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.4% and unchanged thereafter.

Investment in Rize-Ayalaland

Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.

Investment in Tianjin Eco-City

Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the laws of the People's Republic of China to operate for 50 years until 2060. The agreement was entered into to develop a 19-tower residential complex in China, marking its initially foray into the growing China market. Its principal activities include property development rental, management property and parking lot management.

Investment in A-Flow Properties I Corp

On October 4, 2022, ALLHC entered into joint venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (FLOW PropCo)., a joint venture that will engage in the business of providing data center, co-location and other related services, including both space and power, to various entities such as hyperscalers and domestic enterprises, and will acquire and/or construct data center.

Investment in BYMCW, Inc.

On August 2, 2017, Bouygues Travaux Publics Philippines Inc. (BYTPPI) incorporated BYMCW Inc. (BYMCW) to engage in general building and contracting business. BYMCW's registered office address is at 2nd floor, Welfare Building, LRTA Compound, Aurora Blvd., Barangay 189, Pasay City, Metro Manila.

Investment in ALI-ETON Property Development Corporation

ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between ALI and LT Group, Inc. ALI and LT Group, Inc. entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

In 2023, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to P1,920 million each (2022 - P2,405.0 million).

Investment in Cebu District Property Enterprise, Inc.

Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 venture between the Company and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4-hectare property in Subangdaku, Mandaue. In 2021, the Group made additional equity infusions to CDPEI amounting to P217.0 million.

Investment in Alveo-Federal Land Communities, Inc.

Alveo Land Corp. signed a Joint Venture Agreement (JVA) with Federal Land, Inc. last April 29, 2015 for equal ownership over AFLCI. The JV is for the development of Venido and Aveia projects located in Laguna near Nuvali.

Investment in AyaGold Retailers, Inc.

AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Company, Inc.) and ALI Capital Corp. (a wholly-owned subsidiary of the Company and the holding company for its retail-related initiatives), was incorporated on October 2, 2013. It is organized primarily to finance, build and operate mid-market supermarkets for some of Company's new integrated and mixed-use developments. The mid-market supermarkets will be carried under a new brand to be jointly developed by both ALI Capital Corp. and EEI. The partnership with EEI will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

Investment in SIAL Specialty

SIAL Specialty was incorporated on September 27, 2012 as a joint venture between ALI Capital Corp. and Store Specialist, Inc. (SSI). ALI Capital Corp. is a wholly-owned subsidiary of the Parent Company. SSI is one of the largest specialty retail companies in the Philippines with the exclusive distribution rights to a variety of brands from around the world.

The partnership, which combines ALI Capital Corp.'s expertise in developing mixed-use developments and SSI's proven track record in retail, is aimed at pursuing retail solutions to address the growing and changing lifestyle needs of the market.

SIAL Specialty was organized primarily for the investment and operation of mid-market department stores and to pursue other investment opportunities in the Philippine retail sector.

On March 28, 2023, SEC approved the application to shorten the corporate life of SIAL Specialty up to June 30, 2024.

Investment in AKL Properties Inc.

The Parent Company's investments in AKL is a 50:50 venture between Ayala Land, Inc. and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

In 2023, the Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Group. The Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023 (Note 1).

10 Investment properties, net

The account as at December 31 consists of:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2022		74,543,473	135,599,847	77,270,287	287,413,607
Additions		7,173,643	8,930,029	3,793,406	19,897,078
Disposals		(764,475)	(3,227,683)	-	(3,992,158)
Transfers	6, 11	(11,754,536)	14,197,110	(13,805,554)	(11,362,980)
At December 31, 2022		69,198,105	155,499,303	67,258,139	291,955,547
Additions		6,698,242	5,851,111	3,220,622	15,769,975
Disposals		(738,648)	(831,255)	-	(1,569,903)
Transfers	6, 11	(15,217,749)	8,734,644	(6,328,729)	(12,811,834)
At December 31, 2023		59,939,950	169,253,803	64,150,032	293,343,785
Accumulated depreciation					
At January 1, 2022		-	43,507,379	-	43,507,379
Depreciation	20	-	5,642,851	-	5,642,851
Disposals		-	(3,228,786)	-	(3,228,786)
At December 31, 2022		-	45,921,444	-	45,921,444
Depreciation	20	-	5,669,598	-	5,669,598
Disposals		-	(488,916)	-	(488,916)
Transfers	11	-	671,444	-	671,444
At December 31, 2023		-	51,773,570	-	51,773,570
Accumulated impairment losses					
December 31, 2022	20	160,378	348,218	-	508,596
December 31, 2023		160,378	348,218	-	508,596
Net book value					
December 31, 2022		69,037,727	109,229,641	67,258,139	245,525,507
December 31, 2023		59,779,572	117,132,015	64,150,032	241,061,619

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction-in-progress pertain to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties as at December 31, 2023 amounted to P658,425.3 million (2022 - P483,640.6 million).

The Group capitalized borrowing costs for investment properties under construction. In 2023, interest capitalized amounted to P683.1 million (2022 - P783.22 million). The capitalization rates are 4.5% to 6.0% (2022 - P3.84% to 4.17%) (Note 14).

In 2023, consolidated rental income from investment properties amounted to P32,896.2 million (2022 - P27,196.5 million and 2021 - P 17,797.7 million) (Note 18). For the year ended December 31, 2023, the consolidated direct operating expenses arising from the investment properties amounted to P10,118.96 million (2022 - P8,884.7 million and 2021 - P7,663.1 million) (Note 20).

For the year ended December 31, 2023, depreciation expense pertaining to investment properties amounted to P5,669.60 million (2022 - P5,642.9 million and 2021 - P3,645.3 million) (Note 20).

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancement, other than those already reflected or disclosed in the consolidated financial statements.

Certain short-term and long-term debt are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. As at December 31, 2023, net book value of these investment properties amounted to P3,154.5 million (2022 - P2,974.7) (Note 14).

For the capital commitments, please refer to Note 27.

11 Property and equipment, net

The account as at December 31 consists of:

	Notes	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
Cost							
At January 1, 2022		18,417,909	13,824,961	9,390,543	3,495,419	25,218,185	70,347,017
Additions		2,649,776	671,455	853,301	238,811	124,711	4,538,054
Disposals		(1,222,348)	(482,715)	(140,454)	(92,106)	-	(1,937,623)
Transfers	10	(5,597,249)	86,034	(778)	-	-	(5,511,993)
At December 31, 2022		14,248,088	14,099,735	10,102,612	3,642,124	25,342,896	67,435,455
At January 1, 2023							
Additions		856,253	1,519,063	1,212,661	871,384	1,232,393	5,691,754
Disposals		(264,780)	(512,673)	(274,539)	(16,845)	(1,539,616)	(2,608,453)
Transfers	10	3,223,868	-	175,296	10,961	-	3,410,125
At December 31, 2023		18,063,429	15,106,125	11,216,030	4,507,624	25,035,673	73,928,881
Accumulated depreciation and amortization							
At January 1, 2022		7,651,424	10,188,003	5,072,260	1,658,590	3,998,388	28,568,665
Depreciation and amortization	20	790,928	792,055	358,035	443,202	844,904	3,229,124
Disposals		(49,536)	(47,245)	(165,019)	(254,373)	-	(516,173)
At December 31, 2022		8,392,816	10,932,813	5,265,276	1,847,419	4,843,292	31,281,616
At January 1, 2023							
Depreciation and amortization	20	736,456	750,001	559,352	275,238	746,775	3,067,822
Disposals		(115,576)	(436,643)	(311,367)	(14,115)	(132,631)	(1,010,332)
Transfers	10	(713,741)	(12,054)	56,350	(1,999)	-	(671,444)
At December 31, 2023		8,299,955	11,234,117	5,569,611	2,106,543	5,457,436	32,667,662
Net book value							
December 31, 2022		5,855,272	3,166,922	4,837,336	1,794,705	20,499,604	36,153,839
December 31, 2023		9,763,474	3,872,008	5,646,419	2,401,081	19,578,237	41,261,219

For the year ended December 31, 2023, the depreciation and amortization of property and equipment (included under various accounts in the consolidated statement of income) amounted to P3,067.8 million (2022 - P3,229.1 million and 2021 - P4,443.8 million). No interest was capitalized in 2023, 2022 and 2021 (Note 14).

As at December 31, 2023, the Group has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for hotel buildings in the course of construction amounted to P923.4 million (2022 - P952.8 million) and are included in property and equipment. In 2023, the total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to P1,242 million (2022 - P685.78 million).

The Group performed impairment testing on its hotel property and equipment, with a carrying value of P19,578.2 million as at December 31, 2023 (2022 - P20,499.6 million), by assessing its recoverable amount through estimation of its value-in-use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment.

12 Other non-current assets

The account as at December 31 consists of:

	2023	2022
Prepaid expenses	16,744,120	13,478,639
Advances to contractors and suppliers	8,508,364	9,256,936
Leasehold rights	3,226,493	3,293,472
Deposits - others	2,839,321	2,142,815
Deferred input VAT	1,240,951	1,114,468
Net pension assets	352,313	52,529
Development rights	37,678	37,678
Others	461,259	449,817
	33,410,499	29,826,354

Prepaid expenses consist of project costs incurred for unlaunched projects of the Group, advance rental payments and non-current prepaid management fees. This also includes the non-current portion of cost to obtain contracts which includes prepaid commissions and advances to brokers, which amounted to P856.82 million in 2023 (2022 - P766.36 million).

Advances to contractors and suppliers represent prepayments for the construction of investment properties and property and equipment.

Leasehold rights mainly consist of the following:

- Through the acquisition of ALLHC, ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) which amounted to P2,711.86 million as at December 31, 2023 (2022 - P2,750.17 million) (Note 31).
- TKPI's leasehold rights pertains to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029 which amounted to P40.5 million as at December 31, 2023 (2022 - P46.73 million).
- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center which amounted to P471.2 million as at December 31, 2023 (2022 - P491.2 million).

Movements in leasehold rights follow:

	2023	2022
At January 1	3,293,473	3,398,659
Additions	-	1,179
Amortizations	(66,980)	(106,365)
At December 31	3,226,493	3,293,473

Deposits - others pertain to various utility deposits and security deposits for leases.

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

Development rights pertain to the saleable and non-saleable development rights acquired by the Parent Company. The non-saleable portion is allocated to the gross floor area of a structure in a particular lot that can be developed in the future. The amortization of development rights is capitalized as additional cost of the structure once the development commences.

Others pertain to prepayments for expenses that are amortized for more than one year.

13 Accounts and other payables

The account as at December 31 consists of:

	Note	2023	2022
Accounts payable		112,906,119	95,187,175
Taxes payable		22,798,500	20,536,540
Liability for purchased land		7,508,478	8,136,983
Accrued salaries and employee benefits		4,575,640	6,269,161
Retentions payable		4,109,606	4,937,454
Interest payable		2,204,982	2,104,183
Accrued utilities		1,870,260	465,642
Accrued professional and management fees		1,381,895	1,479,837
Accrued advertising and promotions		927,854	925,552
Payable to related parties	23	714,068	630,525
Accrued repairs and maintenance		454,402	689,554
Dividends payable		63,222	81,030
Accrued rentals		9,959	88,639
Other accrued expenses		2,950,457	2,419,852
		162,475,442	143,952,127

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30 to 60 days.

Taxes payable pertain to the Group’s output VAT, expanded withholding tax, capital gains tax and fringe benefit tax payable.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired. These are normally payable in quarterly or annual installment payments, or upon demand.

Retentions payable pertain to the amount withheld by the Group on contractor’s billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as security from the contractor should there be defects in the project.

Other accrued expenses consist mainly of accruals from commissions, royalty, transportation, and travel, janitorial and security, postal and communication and other expenses.

The Group entered into and designated interest rate swaps as cashflow hedge instruments from interest-bearing loans at floating rate with notional value of MYR227.6 million as at December 31, 2023 and 2022. The fair value of the interest rate swap is estimated using valuation techniques with observable inputs, which uses present value calculations and incorporate various input including interest rate curves. As at December 31, 2023, the fair value of the derivative amounted to P55.6 million liability (2022 - P221.0 million liability), which is recognized as part of other accrued expenses.

14 Short-term and long-term debts

As at December 31, 2023, the short-term debt amounting to P16,905.1 million (2022 - P6,547.3 million) represents both Peso and foreign currency-denominated bank loans. Philippine Peso-denominated short-term bank loans have a weighted average cost of 6.00% per annum in 2023 (2022 - 2.58%).

In compliance with Bangko Sentral ng Pilipinas (BSP) rules on directors, officers, stockholders and related interests, certain long-term debt with a carrying value of P2,225.3 million as at December 31, 2023 (2022 - P4,623.2 million) are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the property amounted to P3,154.5 million as at December 31, 2023 (2022 - P2,974.8 million), which is accounted as part of the "Investment properties" account (Note 10).

Long-term debt consists of:

	2023	2022
Parent Company:		
Bonds:		
Due 2023	-	7,000,000
Due 2024	15,000,000	15,000,000
Due 2025	23,250,000	23,250,000
Due 2026	16,000,000	16,000,000
Due 2027	15,000,000	15,000,000
Due 2028	22,075,000	22,000,000
Due 2029	14,000,000	14,000,000
Due 2031	3,000,000	3,000,000
Due 2033	6,925,000	2,000,000
Philippine Peso - denominated long-term loans	80,148,000	68,244,727
US Dollar - denominated long-term loans	3,045,350	3,066,525
Fixed rate corporate notes (FXCNs)	-	4,500,000
	198,443,350	193,061,252
Subsidiaries:		
Bank loans - Philippine-Peso denominated	42,354,825	34,338,748
Bank loans - Malaysian-Ringgit denominated	1,879,516	442,470
Bonds	-	3,000,000
	44,234,341	37,781,218
	242,677,691	230,842,470
Less: Unamortized transaction costs	1,328,536	1,350,891
	241,349,155	229,491,579
Less: Current portion of long-term debt	18,969,421	19,258,289
Non-current portion of long-term debt	222,379,734	210,233,290

Parent Company

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest Rate	Principal Amount	Carrying Value 2023	Carrying Value 2022	Features
2013	20	6.00%	2,000,000	1,988,434	1,987,589	Fixed rate bond due 2033
2016	7	3.89%	7,000,000	-	6,976,738	Fixed rate bond due 2023
2016	10	4.85%	8,000,000	7,978,689	7,970,112	Fixed rate bond due 2026
2016	9.5	4.75%	7,000,000	6,984,429	6,990,957	Fixed rate bond due 2025
2017	10	5.26%	7,000,000	6,986,234	6,982,556	Fixed rate bond due 2027
2018	10	5.92%	10,000,000	-	9,927,761	Fixed rate bond due 2028
2019	7	6.37%	8,000,000	7,962,227	7,947,809	Fixed rate bond due 2026
2019	5	4.76%	3,000,000	2,993,838	2,985,944	Fixed rate bond due 2024
2019	7.3	4.99%	1,000,000	976,665	969,971	Fixed rate bond due 2027
2020	5	3.86%	6,250,000	6,222,200	6,207,139	Fixed rate bond due 2025
2021	4	3.63%	10,000,000	9,959,900	9,931,347	Fixed rate bond due 2025
2021	10	4.08%	3,000,000	2,981,600	2,979,655	Fixed rate bond due 2031
2022	6	5.81%	12,000,000	11,931,740	11,918,358	Fixed rate bond due 2028
2022	2	4.40%	12,000,000	11,964,602	11,897,140	Fixed rate bond due 2024
2022	5	6.21%	7,000,000	6,942,199	6,927,960	Fixed rate bond due 2027
2022	7	6.80%	14,000,000	13,870,012	13,851,289	Fixed rate bond due 2029
2023	5	6.03%	10,075,000	9,961,324	-	Fixed rate bond due 2028
2023	10	6.29%	4,925,000	4,866,279	-	Fixed rate bond due 2033
Total				114,570,372	116,452,325	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2023 and 2022 bond issuances "PRS Aaa" with a stable outlook and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings' rating scale for long-term issuances, indicating that the obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Bonds

Philippine Peso 20-year Bonds due 2033

In October 2013, the Parent Company issued a P2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. The Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 7-year and 10-year Bonds due 2026

In March 2016, the Parent Company issued and listed on the PDEx a total of P8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. This is the first tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. In May 2019, the Parent Company issued and listed on the PDEx P8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.37% p.a. The Bonds, the first tranche of Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025

In April 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2023

In October 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million fixed rate bonds due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on March 8, 2016 (the “2016 Program”). The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027

In May 2017, the Parent Company issued its P7,000.0 million fixed rate bond due 2027 at a rate equivalent to 5.26% p.a. The Bonds, the fourth tranche of the Parent Company's 2016 Program, were listed on the PDEx and were rated PRS Aaa with a Stable Outlook by PhilRatings. In November 2019, the Parent Company issued a P1,000.0 million fixed rate bond due 2027 at a rate equivalent to 4.99% p.a. The Bonds, the third tranche of bonds issued under the Parent Company’s 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028

In April 2018, the Parent Company issued and listed on the PDEx a total of P10,000.0 million fixed rate bonds due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on April 27, 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% p.a. or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the of debt securities issued under the Parent Company's 2016 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024

In September 2019, the Parent Company issued and listed on the PDEx its P3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2019 Program and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, the Parent Company issued and listed on the PDEx its P6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025

In May 2021, the Parent Company issued and listed on the PDEx its P10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031

In October 2021, the Parent Company issued a total of P3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on October 26, 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of P2,750.0 million issued as the first tranche of Parent Company's 2021 Program while P250.0 million representing the seventh tranche of debt securities were issued under the Company’s 2019 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. The Parent Company exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028

In May 2022, the Parent Company issued a total of P12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.81% p.a. The offering is composed of P9,500.0 million as the second tranche of debt securities issued under the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program") while P2,500.0 million represent the eighth and final tranche of debt securities that were issued under the 2019 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 2-Year, 5-Year and 7-year Bonds due 2024, 2027 and 2029

In July 2022, the Parent Company issued a total of P33,000 million fixed rate bonds, broken down into P12,000.0 million bonds due 2024 at a rate equivalent to 4.40% p.a., P7,000.0 million bonds due 2027 at a rate equivalent to 6.21% p.a. and a P14,000.0 million bond due 2029 at a rate equivalent to 6.80% p.a. The offering is the third tranche of debt securities issued under the Parent Company's 2021 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 10-year Bonds due 2028 and 2033

In June 2023, the Parent Company issued a total of P15,000 million fixed rate bonds, broken down into P10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and P4,925.0 million bond due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of P4,750.0 million issued as the fourth and final tranche of the Parent Company's 2021 Program while P10,250.0 million representing the first tranche of debt securities issued under the Company's 2023 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso - denominated Long-term Loans

In August to September 2015, the Parent Company assumed an aggregate of P15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.50% to 4.70% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriceable quarterly. The loan was prepaid in December 2018. In August 2022, coinciding with the repricing date of the Parent Company's P10,000.0 million 10.5-year long-term facility, the Company executed a Deed of Assignment with a domestic bank. The Parent Company assigned the remaining balance of the loan amounting to P7,872.0 million to Avida Land, Corp. (P4,086.0 million), Alveo Land, Corp. (P2,880.0 million) and Accendo Commercial, Corp. (P906.0 million) (collectively the "Assigned Loan"). The Assigned Loan carries a floating rate applicable for the remaining 3.5 years of the long -term facility. As at December 31, 2023, the remaining balance of the assumed long-term facilities amounted to nil (2022 - 1,903.6 million). This was fully paid upon its maturity in the first quarter of 2023.

In March 2017, the Parent Company executed a P10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial P5,000.0 million. The balance of P5,000.0 million was drawn in April 2017. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. As at December 31, 2023, the remaining balance of long-term facility amounted to P8,875.0 million (2022 - P9,175.0 million).

In March 2018, the Parent Company executed a P5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount. As at December 31, 2023, the remaining balance of long-term facility amounted to P4,712.5 million (2022 - P4,762.5 million).

In January 2020, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.50% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a P10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.0% p.a. for the first 7 years. Both loans will be repriced on the 5th and 7th anniversary. As at December 31, 2023, the remaining balance of the loans amount to P4,912.5 million (2022 - P4,962.5 million) and P9,376.0 million (2022 - P9,584.0 million), respectively.

In 2021, the Company originated a total of P37,000 million in long-term financing with various domestic banks. In July 2021, the Company availed a P10,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. In August 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. Another P4,900.0 million 6-year long- term facility was drawn in October 2021 at an interest rate of 3.78% p.a. for the initial 3 years. In October 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a P5,000.0 million 9-year long-term facility which carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In December 2021, the Company executed a P7,100.0 million 8-year long-term facility which carries a fixed interest rate of 3.87% p.a. for the initial 3 years. As at December 31, 2023 and 2022, the outstanding balance of the loans amount to P37,000 million.

On December 16, 2021, the SEC approved and made effective the merger of Cebu Holdings, Inc. (CHI), Asian-I Office Properties (AiO), Arca South Commercial Ventures Corp. (ASCVC) and Central Bloc Developers, Inc. (CBDI) with and into ALI, with ALI as the surviving entity (the “Merger”). ALI became the surviving entity in the Merger and thus, shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CDBI (the “Absorbed Corporations”), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations were taken and deemed transferred to ALI without further act or deed. With that, the Parent Company assumed an aggregate of P914.1 million long-term facilities of AiO from a domestic bank. As at December 31, 2023, the remaining balance of long-term facilities amounted to P272.0 million (2022 - P857.1 million).

In 2023, the Company originated a total of P15,000 million 10-year long-term financing with various domestic banks. The loans carry a floating interest rate and contain a one-time option to shift from a floating rate to a fixed rate available for one or two years from initial availment. In April 2023, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 2.75% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. In October 2023, the Company executed a P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 70 bps, and (ii) BSP Overnight Reverse Repurchase Agreement Rate, with one time option to convert all or a portion of Fixed to Floating or vice versa. In November 2023, the Company executed another P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 5.25% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. As at December 31, 2023, the remaining balance of the long-term facilities amount to P15,000 million (2022 - nil).

As at December 31, 2023, the remaining aggregate balance of the Philippine Peso-denominated long-term loans amounted to P80,148 million (2022 - P68,244.7 million).

US Dollar-denominated Long-term Loans

In November 2019, the Parent Company executed and had simultaneously drawn a US$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriceable quarterly. All proceeds were lent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date. The Parent Company initiated a partial payment of US$70.0 million in November 2022.

The remaining US$55.0 million was repriced in 2022 by transitioning out of the LIBOR-based dollar loan pricing ahead of its cessation on June 30, 2023 by shifting to a two-year US$ fixed rate of 3.95% (net of 10% onshore tax).

As at December 31, 2023, the remaining aggregate balance of US Dollar-denominated long term loans amounted to P3,045.4 million (2022 - P3,066.5 million).

Fixed rate corporate notes (FXCNs)

Philippine Peso 10-year and 3-month Notes due 2023
In December 2012, the Parent Company executed a P5,000.0 million committed Corporate Note facility with a local bank, of which an initial P3,500.0 million was drawn in 2012. The balance of P1,500.0 million was subsequently drawn in January 2013. The notes bear a fixed interest rate of 4.50% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. As at December 31, 2023, the remaining balance of the notes amounted to nil (2022 - P4,500.0 million). The notes were fully paid upon maturity on March 10, 2023.

Subsidiaries

The subsidiaries' loans will mature on various dates up to 2032. Philippine Peso-denominated loans bear various floating interest rates at 45 bps to 90 bps spread over the benchmark 90-day PHP BVAL Reference Rate (previously PDST-R2) and/or fixed interest rates ranging from 3.27% to 4.83% p.a. Certain loans which are subject to floating interest rates are subject to floor floating interest rates equivalent to (i) Overnight Reverse Repurchase Agreement Rate of the Bangko Sentral ng Pilipinas (BSP ORRP) or (ii) 95.0% or par of the BSP ORRP or (ii) the BSP ORRP plus a spread of 10 bps to 75 bps p.a. or (iii) the average of the BSP ORRP and Term Deposit Facility with a term close to the 90-day interest period.

In 2023, the subsidiaries made a total bank loan availment of P9,725.0 million (2022 - P15,455.0 million). As at December 31, 2023, the subsidiaries paid a total bank loan of P4,664.4 million (2022 - P2,835.5 million). The total outstanding balance of the subsidiaries' loans as at December 31, 2023 amounted to P44,234.3 million (2022 - P34,781.2 million).

Philippine Peso 3.0 Billion Fixed Rate Bonds due 2023

In December 2021, AREIT issued a total of P3,000.0 million bonds due 2023 at a fixed rate equivalent to 3.04% p.a. The Bonds represent the first tranche of debt securities issued under its P15,000.0 million Debt Securities Program registered with the SEC and listed on the PDEx. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings, indicating that the obligor's capacity to meet its financial commitment on the obligation is extremely strong. It was fully paid on the maturity date.

The loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as at December 31, 2023 and 2022.

In 2023, the interest capitalized amounted to P683.10 million (2022 - P783.22 million and 2021 - P560.14 million). The capitalization rates are 4.5% to 6.0% in 2023 (2022 - 2.04 to 4.50% and 2021 - 2.14% to 3.44%) (Note 6 and 10).

In 2023, transaction costs capitalized amounted to P371.2 million (2022 - P497.5 million and 2021 - P500.0 million). In 2023, amortization amounted to P393.6 million (2022 - P292.35 million and 2021 - P472.07 million) and included under "Interest and other financing charges" (Note 20).

The Group is required to maintain a debt-to-equity ratio not exceeding 3:1. The Group has complied with the debt covenant as at December 31, 2023 and 2022 (Note 27.2).

15 Deposits and other current liabilities

This account as at December 31 consists of:

	2023	2022
Current portion of customers' deposits	29,988,271	26,688,566
Security deposits	3,065,471	3,197,804
Others	1,078,242	1,324,653
	34,131,984	31,211,023

Customers' deposits consist of collections from real estate customers who have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivable based on percentage of completion.

In 2023, the amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to P20,873.4 million (2022 - P16,779.9 million and 2021 - P30,239.3 million).

Security deposits are equivalent to three to six months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. These will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Other current liabilities mainly pertain to accrued project costs and unearned income.

16 Deposits and other non-current liabilities

This account consists of:

	2023	2022
Deposits	14,745,702	16,970,031
Customers' deposits, net of current portion	9,289,576	9,751,887
Liability for purchased land	7,043,929	10,185,888
Retentions payable	4,905,747	3,331,070
Contractors' payable	4,629,579	5,479,129
Deferred output VAT	768,641	856,698
Subscriptions payable	507,550	728,633
Other liabilities	748,057	216,545
	42,638,781	47,519,881

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three to six months' rent of long-term tenants with non-cancellable leases. These will be refunded to the lessees at the end of the lease term or applied to the last months' rentals on the related contracts. Deferred credits which are also recognized under "Deposits" account pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Group for the processing of title are charged to this account.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

Liability for purchased land pertains to the non-current portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three or five years.

Retentions payable pertain to the amount withheld by the Group on contractors' billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as security from the contractors when there are claims for defects in projects requiring rework.

Contractors' payable represent accrued costs incurred for property development that are not yet billed.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

The Group's subscription payable pertains to ALLHC's investment in Cyber Bay.

On April 25, 1995, Central Bay, a wholly owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project (the Project) consisting of three partially reclaimed and substantially eroded islands (the Three Islands) along Emilio Aguinaldo Boulevard in Parañaque and Las Piñas, Metro Manila with a combined total area of 157.8 hectares, another area of 242.2 hectares contiguous to the Three Islands and, at Central Bay's option as approved by the PRA, an additional 350 hectares more or less to regularize the configuration of the reclaimed area.

On March 30, 1999, the PRA and Central Bay executed an Amended Joint Venture Agreement (AJVA) to enhance the Philippine Government's share and benefits from the Project which was approved by the Office of the President of the Philippines on May 28, 1999.

On July 9, 2002, the Supreme Court (SC) (in the case entitled "Francisco Chavez vs. Amari Coastal Bay and Reclamation Corp.") issued a ruling declaring the AJVA null and void. Accordingly, PRA and Central Bay were permanently enjoined from implementing the AJVA.

On July 26, 2002, Central Bay filed a Motion for Reconsideration (MR) of said SC decision. On May 6, 2003, the SC En Banc denied with finality Central Bay's MR. On May 15, 2003, Central Bay filed a Motion for Leave to Admit Second MR. In an En Banc Resolution of the SC dated July 8, 2003, the SC resolved to admit the Second MR of Central Bay.

On November 11, 2003, the SC rendered a 7-7 split decision on Central Bay's Second MR. Because of the new issues raised in the SC's latest resolution that were never tried or heard in the case, Central Bay was constrained to file on December 5, 2003 a Motion for Re-deliberation of the SC's latest resolution which motion was denied with finality by the SC.

With the nullification of the AJVA, Central Bay has suspended all project operations. On August 10, 2007, in view of the failure by the PRA to comply with its obligations and representations under the AJVA, Cyber Bay and Central Bay have filed their claims for reimbursement of Project expenses in the amount of P10,200.0 million with the PRA. Cyber Bay and Central Bay provided the PRA with the summary and details of their claims on September 5, 2007. On July 15, 2008, Cyber Bay sent a follow-up letter to the PRA. The PRA, in its letter dated July 18, 2008, informed Cyber Bay that its claim is still being evaluated by the PRA.

A series of petitions and motion for reconsideration were filed by Central Bay. In a Decision dated April 5, 2022, the Supreme Court declared the Compromise Agreement between Central Bay Reclamation and Development Corporation (Central Bay) and the Philippine Reclamation Authority void ab initio for being contrary to the 1987 Constitution, Executive Order No. 292, Administrative Code of 1987, and the Government Auditing Code of the Philippines. Further, the Supreme Court disallowed Central Bay's money claims except for the amount of Seven Hundred Fourteen Million Nine Hundred Thirty-Seven Thousand Seven Hundred Ninety and 29/100 Pesos (Php714,937,790.29) representing advance payment for the reclamation and project development. Central Bay then filed a Motion for Reconsideration dated December 15, 2022.

In a Resolution dated February 7, 2023, the Supreme Court denied with finality Central Bay's Motion for Reconsideration dated December 15, 2022, and affirmed the Commission on Audit's (COA) Decision dated 23 May 2019 in COA CP Case No. 2010-350. In the Notice, it stated that Entry of Judgment will be made immediately.

As at December 31, 2023, the Group has unpaid subscription in Cyber Bay amounting to P481.7 million (2022 - P481.7 million).

Other liabilities include non-trade payables, accrued payables and warranty payables.

17 Equity

The details of the number of shares follow:

	2023			
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,595,195	1,306,649	15,595,195
Subscribed	-	126,331	-	126,331
	13,066,495	15,721,526	1,306,649	15,721,526

**Out of the total issued shares (in absolute number), 779,349,914 common shares at P1.00 par value and 623,999,728 preferred shares at P0.10 par value or aggregate of P841.75 million pertain to Treasury shares at December 31, 2023*

	2022			
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,580,699	1,306,649	15,580,699
Subscribed	-	126,248	-	126,248
	13,066,495	15,706,947	1,306,649	15,706,947

**Out of the total issued shares (in absolute number), 642,283,806 common shares at P1.00 par value and 623,970,536 preferred shares at P0.10 par value or aggregate of P704.68 million pertain to Treasury shares, as at December 31, 2022.*

	2021			
	Number of Shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000	20,000,000	1,500,000	20,000,000
Issued*	13,066,495	15,257,294	1,306,649	15,257,294
Subscribed	-	123,901	-	123,901
	13,066,495	15,381,195	1,306,649	15,381,195

***Out of the total issued shares (in absolute number), 570,069,282 common shares at P1.00 par value or P570.07 million pertain to Treasury shares as of December 31, 2021.*

The movement in the Parent Company's treasury shares follows:

	2023		2022		2021	
	Shares (in absolute number)	Amount (in millions)	Shares (in absolute number)	Amount (in millions)	Shares (in absolute number)	Amount (in millions)
Common						
At January 1	642,283,806	19,017.81	570,069,282	16,894.40	29,785	1,260.80
Additions	137,066,108	3,695.65	72,214,524	2,123.41	570,039,497	15,633.60
At December 31	779,349,914	22,713.46	642,283,806	19,017.81	570,069,282	16,894.40
Preferred						
At January 1	623,970,536	62.90	-	-	-	-
Additions	29,192	0.03	623,970,536	62.90	-	-
At December 31	623,999,728	62.93	623,970,536	62.90	-	-
	1,403,349,642	22,776.39	1,266,254,342	19,080.71	570,069,282	16,894.40

Preferred Shares (P0.10 par value per share)

The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, non-cumulative; (c) non-participating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that non-voting shares do not count as equity when computing for a Parent Company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of P0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by P1,300.0 million creating new voting preferred shares and a stock rights offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges: (a) voting; (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and, (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by P1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On June 24, 2022, 623,392,160 Voting Preferred Shares (VPS) were redeemed. The remaining number of outstanding VPS is 12,443,102,599. All of the redeemed VPS will be retired subject to the final approval of the SEC.

As at December 31, 2023, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2022 - P1,244 million and 2021 - P1,307 million) at P0.10 par value.

Common Shares (P1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The roll forward analysis of the common shares follows:

	Number of Shares		Amount	
	2023	2022	2023	2022
Issued capital stock*				
At beginning of year	15,580,699	15,257,294	15,580,699	15,257,294
Issued shares	14,496	323,405	14,496	323,405
At end of year	15,595,195	15,580,699	15,595,195	15,580,699
Subscribed capital stock				
At beginning of year	126,248	123,901	126,248	123,901
Issued shares	(14,496)	(11,825)	(14,496)	(11,825)
Additional subscriptions	14,579	14,172	14,579	14,172
At end of year	126,331	126,248	126,331	126,248
	15,721,526	15,706,947	15,721,526	15,706,947

**Out of the total issued shares (in absolute number), 779,349,914 shares or P779,350 million as at December 31 2023 and 642,283,806 shares or P642,284 million as at December 31, 2022 pertain to Treasury shares.*

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2023***	Number of holders of securities as of 2022***
Class B shares	800,000,000	Par Value - P1.00/ Issue Price P26.00	April 18, 1991	13,115	13,181
Class B shares	400,000,000	Par Value - P1.00*	July 6, 1992		
Class A shares	900,000,000	Par Value - P1.00**	July 5, 1993		
Class B shares	600,000,000	Par Value - P1.00**	July 5, 1993		

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997.
**Increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000.00*
***Increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*
****In absolute number*

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of P33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of P16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P194.0 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P162.4 million.

On July 10, 2012, the Parent Company's Executive Committee approved the placement of 680 million listed common shares of stock with par value of P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of P13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to P200.0 million.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of P1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2023, the Parent Company has 13,115 existing shareholders (2022 - 13,181 existing shareholders).

Treasury shares

In 2023, ALI purchased a total of 137,066,108 common shares at an average price of P26.96 per share for a total consideration of P3,695.6 million.

Under its buyback program in 2022, ALI purchased a total of 71,214,524 common shares at an average price of P27.95 per share for a total consideration of P2,124.0 million and 623,970,536 preferred shares at an average price of P0.10 per share for a total consideration of P62.9 million which aggregated to P2,186.9 million.

In April and December 2021, ALI purchased a total of 48,976,900 common shares at an average price of P33.90 per share for a total consideration of P1,656.6 million under its share buyback program.

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger were acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares were issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares were issued to ALI itself and were treated as treasury shares with a total consideration of P13,977.0 million.

On February 28, March 11, March 12, and March 16, 2020, ALI purchased a total of 4,412,000 common shares at an average price of P35.67 per share for a total consideration of P156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company's current share buyback program bringing the available balance to P26.1 billion. The program has been implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation in its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 million.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at P30.50 per share resulting in additional paid-in capital of P1,601.6 million.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained earnings

In 2023, the BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of P0.38 per share (2022 - P0.28 per share and 2021 - P0.28 per share) to all issued and outstanding common and preferred shares.

On February 21, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1495 per outstanding common share. The cash dividends were paid on March 23, 2023, to stockholders of common shares as of record date of March 7, 2023.

On May 30, 2023, the Board of Directors approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of P0.006 per share. The dividends were paid on June 27, 2023 to stockholders of voting preferred shares as of record date of June 13, 2023.

On October 25, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.2231 per outstanding common share. The cash dividends were paid on November 24, 2023, to stockholders of common shares as of record date of November 13, 2023.

On February 24, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.1352 per outstanding common share. The cash dividends were paid on March 25, 2022 to stockholders of common shares as of record date of November 11, 2022.

On October 21, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.1355 per outstanding common share. The cash dividends were paid on November 18, 2022 to stockholders of common shares as at record date of March 8, 2022.

On May 31, 2022, the BOD during its meeting approved the declaration of cash dividends of P0.0047 per outstanding common share. The cash dividends were paid on June 24, 2022 to stockholders of common shares as at record date of June 9, 2022.

On February 23, 2021, the BOD during its meeting approved the declaration of cash dividends of P0.14 per outstanding common share. The cash dividends were paid on March 25, 2021 to stockholders of common shares as at record date of March 10, 2021.

On October 19, 2021, the BOD during its meeting approved the declaration of cash dividends of P0.14 per outstanding common share. The cash dividends were paid on November 18, 2021 to stockholders of common shares as at record date of November 3, 2021.

In 2023, total dividends for common shares declared amounted to P5,583.4 million (2022 - P4,000.0 million and 2021 - P4,001.2 million). Total dividends for preferred shares declared for 2023 amounted to P78.7 (2022 and 2021 amounted to P62.0 million each year).

On May 27, 2021, the Board of Directors during its meeting approved the declaration of cash dividends of P0.0047 per outstanding preferred share. The cash dividends were paid on June 25, 2021 to stockholders of preferred shares as of record date of June 10, 2021.

As at December 31, 2023, 2022 and 2021, retained earnings of P25,000.0 million are appropriated for future expansion. The increase of P17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 20k sqm Gross Leasable Area (GLA), 2 BPO towers with 31k sqm GLA and a 265-room hotel with total estimated cost of P11 billion, for completion phase by 2024-2027.

b) Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the Board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, three office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at P5 billion, for completion beyond 2026.

c) Vermosa, which is a700-hectare estate located south of Ayala Alabang. It is a mixed-use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the Board on May 19, 2017. Estimated cost for this project is at P2.5 billion, for completion in phases by 2022-2024.

d) Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2024-2026.

Retained earnings also include undistributed net earnings amounting to P121,264.74 million as at December 31, 2023 (2022 - P108,047.70), representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees. In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as at December 31, 2023 amounted to P62.24 billion (2022 - P55.36 billion).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Cumulative Translation Adjustment

The cumulative translation adjustments represent exchange differences arising from the translation of financial statements of the foreign operations, whose functional currency is other than Philippine Peso.

Equity Reserves

On March 29, 2023, ALI sold 205,000,000 shares of AREIT at a transaction price of P32.10 per share, equivalent to P6.58 billion with an increase to equity reserves amounting to P4,406.5 million, in relation to its P22.5 billion property-for-share swap transaction with AREIT.

The Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 36). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. The impact to equity reserves is a decrease of P357.13 million in 2023.

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves is a decrease of P132.15 million.

The resulting equity reserve from 2023 transactions amounted to P3,917.2 million.

On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac, Inc. (Mermac). Under the transaction, AC will subscribe to 309,597,711 primary common shares for assets valued at P17,275.55 million, and Mermac will subscribe to 1,982,289 primary common shares for assets worth P110.61 million, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion.

The primary common shares issued by ALI to AC and Mermac came from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of ALI.

On December 29, 2022, the property-for-share swap has been approved by the SEC. As a result, ALI received 258,023,645 common share of Ayala Hotels Inc. (AHI) representing 50% ownership of the entity. This transaction was regarded as acquisition involving common control with an impact to equity reserves amounting to P9,800.78 million in 2022.

ALI acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition involved entities under control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

On April 27, 2022, ALI sold 87,370,000 shares of AREIT at a transaction price of P39.70 per share, equivalent to P3.47 billion (exclusive of fees and taxes). ALI's net equity reserve from the sale of AREIT shares aggregated to a decrease of P2.53 billion out of the P3.40 billion net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT.

On May 19, 2022, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT to ALI, at an issue price of P44.65 per share in exchange for identified properties valued at P11,257.89 million. This was approved by the SEC on December 29, 2022.

On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT.

The resulting equity reserve from 2022 transactions amounted to P7,796.5 million.

On December 16, 2021, the SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). ALI shall possess all the rights, privileges, and immunities of mentioned entities (the "Absorbed Corporations"), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. The impact of merger is a decrease to equity reserve amounting to P276.8 million.

On October 8, 2021, ALI and AREIT received the approval from the SEC of the property-for-share swap, specifically the subscription of ALI and its subsidiaries namely, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, under the Deed of Exchange dated June 8, 2021. This resulted in ALI's increased interest in AREIT from 54% to 66%. The impact to equity reserve amounted to P981.1 million.

The resulting equity reserve from 2021 transactions amounted to P704.4 million.

Non-controlling interest

The Parent Company considers a subsidiary as having a material NCI if its net assets exceed 5% of the total consolidated net assets of the Group as at reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI follows:

AREIT

AREIT was incorporated on September 4, 2006. As at December 31, 2023, it is 43% owned by ALI (2022 - 54.88%), 4% owned by ALO (2022 - 5.47%), 3% owned by GDI, 2% owned by WCVC (2022 - 2.13%), 12% owned by ALMI (2022 - nil), 2% owned by NBCC (2022 - nil) and 34% (2022 - 33.9%) by the public after being listed in the Philippine Stock Exchange (PSE) on August 13, 2020.

It was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

The related balances for the years ended December 31 follows:

	2023	2022
Proportion of equity interests held by non-controlling interests	34.0%	34.0%
Accumulated balances of material non-controlling interests	7,039,983	5,563,707
Net income allocated to material non-controlling interests	1,023,641	763,912
Comprehensive income allocated to material non-controlling interests	1,023,641	763,912

The summarized financial information of AREIT as at and for the years ended December 31, 2023 and 2022 are provided below. This information is based on amounts before inter-company eliminations.

	December 31, 2023	December 31, 2022
Statement of financial position		
Current assets	5,357,019	2,137,763
Non-current assets	87,915,273	65,548,226
Current liabilities	(5,926,645)	(5,019,325)
Non-current liabilities	(3,935,810)	(2,593,774)
Total equity	83,409,837	60,072,890
Attributable to:		
Equity holders of AREIT	83,409,837	60,072,890
Non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of comprehensive income		
Revenue	7,140,336	5,072,846
Cost and expenses	2,100,959	2,185,159
Income before income tax	5,039,377	2,887,687
Provision for income tax	(1,067)	(124)
Income from operations	5,038,310	2,887,563
Other comprehensive income	-	-
Total comprehensive income	5,038,310	2,887,563
Attributable to:		
Equity holders of AREIT	5,038,310	2,887,563
Non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of cash flows		
Operating activities	6,545,044	3,833,174
Investing activities	(2,038,849)	(263,046)
Financing activities	(4,527,190)	(3,599,385)
Net decrease in cash and cash equivalents	(20,995)	(29,257)

The fair value of the investment in AREIT amounted to P52,266 million as at December 31, 2023 (2022 - P41,145.1 million).

ALLHC and Subsidiaries

ALLHC was incorporated in the Republic of the Philippines. It is engaged in real estate and property development, manufacturing and retailing/distribution, non-life insurance and other allied services, organized under a number of intermediate holding companies. The Company wholly owns Tutuban Properties, Inc., which holds the lease and development rights over Tutuban Center in downtown Divisoria.

	2023	2022
Proportion of equity interests held by non-controlling interests	28.5%	28.5%
Accumulated balances of material non-controlling interests	4,199,052	4,008,230
Net income allocated to material non-controlling interests	190,822	261,064
Comprehensive income allocated to material non-controlling interests	190,822	261,064

The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations:

	December 31, 2023	December 31, 2022
Statement of financial position		
Current assets	10,624,856	7,538,773
Non-current assets	17,861,463	20,031,125
Current liabilities	(9,028,381)	(7,242,901)
Non-current liabilities	(5,551,520)	(5,874,649)
Total equity	13,906,418	14,452,348
Attributable to:		
Equity holders of ALLHC	13,635,607	14,425,627
Non-controlling interests	270,811	26,721
Dividends paid to non-controlling interests	-	-

	For the years ended December 31	
	2023	2022
Statement of comprehensive income		
Revenue	3,499,326	4,184,753
Cost and expenses	(2,765,088)	(2,979,222)
Income before income tax	734,238	1,205,531
Provision for income tax	(99,144)	(198,285)
Income from operations	635,094	1,007,246
Other comprehensive loss	41,459	(6,222)
Total comprehensive income	676,553	1,001,024
Attributable to:		
Equity holders of ALLHC	624,208	1,009,118
Non-controlling interests	10,885	(8,095)
Statement of cash flows		
Operating activities	(851,219)	750,548
Investing activities	(1,741,259)	(3,198,568)
Financing activities	2,355,668	2,811,365
Net (decrease) increase in cash and cash equivalents	(236,810)	363,345

The fair value of the investment in ALLHC amounted to P7,968.9 million as at December 31, 2023 (2022 - P13,267.3 million).

18 Revenue

This account for the years ended December 31 consists of:

	Notes	2023	2022	2021
Revenue from contracts with customers				
Residential development		92,337,260	81,244,149	75,939,410
Hotels and resorts		8,780,374	6,194,072	2,833,075
Construction		6,595,611	4,235,503	3,909,051
Others		4,891,792	4,181,058	2,466,666
Rental income	10	32,896,212	27,196,530	17,797,660
Equity in net earnings of associates and joint venture		1,575,295	1,429,795	842,565
Total revenue		147,076,544	124,481,107	103,788,427

Others are mainly composed of property management facilities of the Group and third-party projects.

The Group's disaggregation of each source of revenue from contracts with customers for the years ended December 31 are presented below:

Residential development

	2023	2022	2021
Type of product			
Middle income housing	32,204,567	23,539,723	24,101,342
Core-mid	25,990,604	19,831,937	19,789,427
Condominium	24,297,144	25,218,522	23,733,274
Lot only	9,844,945	12,653,967	8,315,367
	92,337,260	81,244,149	75,939,410

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2023	2022	2021
Type of product			
Rooms	5,086,501	3,464,771	1,581,171
Food and beverage	2,727,063	1,933,309	816,326
Others	484,620	453,477	213,465
Other operated department	482,190	342,515	222,113
	8,780,374	6,194,072	2,833,075

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts or serviced apartments.

During 2022 and 2021, in view of the continuing community quarantines and restricted travel, the Group's hotels and resorts segment continues to be adversely affected by the lower number of guests and reduced room rates, both of which have significantly impacted the revenues reported under this segment. Also, many restaurants remain closed or allowed limited operations which impacted the food and beverage revenues of the segment.

In 2023, the Group's hotel and resorts properties posted significant improvements in revenues from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests' spending. In addition, a number of restaurants and food outlets have reopened and operated, improving the food and beverage revenues.

Construction

The Group's construction revenue pertains to transactions with related parties such as joint ventures and associates.

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions) for the years ended December 31:

	2023					
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	79,545	7,433	6,596	8,780	4,892	107,246
Interest	5,360	-	-	-	-	5,360
Total revenue from contracts with customers	84,905	7,433	6,596	8,780	4,892	112,606

	2022					
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	71,792	2,757	4,236	6,194	4,181	89,160
Interest	6,695	-	-	-	-	6,695
Total revenue from contracts with customers	78,487	2,757	4,236	6,194	4,181	95,855

	2021					
	Residential development	International	Construction	Hotels and resorts	Property management and others	Total
Sales to external customers	65,260	3,878	3,909	2,833	2,467	78,347
Interest	6,801	-	-	-	-	6,801
Total revenue from contracts with customers	72,061	3,878	3,909	2,833	2,467	85,148

19 Interest and investment income; Other income

Interest and investment income for the years ended December 31 consists of:

	2023	2022	2021
Interest income from short term investments	342,441	58,938	-
Interest income from advances to officers/employees and other companies	152,217	187,668	46,546
Interest income from banks	121,945	85,121	79,765
Gain on sale of equipment and other properties	-	-	106,051
Others	72,945	55,356	20,745
	689,548	387,083	253,107

Other income for the years ended December 31 consists of:

	2023	2022	2021
Marketing and management fees	508,244	693,144	528,345
Others, net	583,073	994,480	1,572,726
	1,091,317	1,687,624	2,101,071

Others, net mainly pertain to reversal of allowance for impairment losses, forfeitures of deposits and penalties.

20 Cost and expenses and other charges

(a) Cost of real estate sales

The account for the years ended December 31 consists of:

	Note	2023	2022	2021
Cost of real estate sales	6	45,296,895	37,610,988	38,883,964
Depreciation and amortization		7,779,126	7,880,751	7,162,971
Hotels and resorts operations		7,106,025	5,399,588	1,907,908
Manpower costs of real estate sales		7,499,364	5,208,820	2,654,700
Marketing and management fees		1,835,940	860,521	95,753
Rental		1,616,214	305,465	260,548
Materials and overhead		1,239,974	258,066	54,636
Direct operating expenses:				
Taxes and licenses		4,247,232	4,109,408	3,663,470
Repairs and maintenance		3,151,083	2,749,054	2,643,460
Commission		2,588,564	2,720,178	2,414,648
Light and water		1,460,553	4,364,283	2,701,440
Insurance		385,258	298,804	232,980
Professional fees		260,963	225,795	280,323
Transportation and travel		221,671	195,121	137,865
Entertainment, amusement and recreation		64,854	42,494	28,166
Others		2,384,955	3,399,375	1,518,687
		87,138,671	75,628,711	64,641,519

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	2023	2022	2021
Manpower costs	4,764,329	3,876,043	3,717,324
Depreciation and amortization	934,691	951,210	770,666
Taxes and licenses	809,481	658,149	561,136
Professional fees	536,652	473,277	484,133
Repairs and maintenance	522,475	406,659	382,734
Utilities	276,177	239,435	64,717
Security and janitorial	162,717	126,827	116,821
Advertising	104,459	70,264	53,271
Rent	90,245	99,951	-
Dues and fees	85,027	62,811	199,639
Transport and travel	74,288	80,573	45,038
Supplies	50,395	57,238	42,937
Training and seminars	43,080	24,207	11,635
Insurance	40,974	85,857	34,998
Entertainment, amusement and recreation	37,087	27,105	12,607
Donations and contribution	17,531	15,212	38,624
Others	360,841	9,521	2,579
	8,910,449	7,264,339	6,538,859

Manpower costs for the years ended December 31 included in the consolidated statement of income follows:

	2023	2022	2021
Real estate costs and expenses			
Cost of real estate sales	7,499,364	5,208,820	2,654,700
Hotels and resorts operations	323,477	222,014	178,732
General and administrative expenses	4,764,329	3,876,043	3,717,324
	12,587,170	9,306,877	6,550,756

Depreciation and amortization expense for the years ended December 31 included in the consolidated statement of income follows:

	2023	2022	2021
Real estate costs and expenses			
Cost of real estate sales	7,779,126	7,880,751	7,162,971
Hotels and resorts operations	791,267	856,768	886,870
General and administrative expenses	934,691	951,210	770,666
	9,505,084	9,688,729	8,820,507

(c) Interest and other financing charges

The account for the years ended December 31 consists of:

	Note	2023	2022	2021
Interest expense on:				
Long-term debt		10,608,421	9,198,060	8,778,056
Lease liabilities	31	1,489,221	1,439,756	1,409,177
Short-term debt		981,613	383,094	391,435
Other financing charges		419,592	425,759	459,104
		13,498,847	11,446,669	11,037,772

(d) Other expenses

The account for the years ended December 31 consists of:

	Notes	2023	2022	2021
Financial expenses and other charges		2,253,588	3,742,306	3,097,223
Net provision for impairment losses on:				
Receivables	5	478,334	253,738	359,129
Other assets		117,312	-	-
Investment properties	10	-	-	180,563
		2,849,234	3,996,044	3,636,915

21 Income tax

(a) Deferred tax assets, net

The account for the years ended December 31 consists of:

	2023	2022
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	7,852,007	7,922,784
Lease liabilities	4,469,166	4,088,076
Accrued expenses	3,779,561	1,669,844
Net operating loss carryover (NOLCO)	1,651,180	1,295,590
Allowance for probable losses	668,228	355,047
Retirement benefits	117,925	285,623
Unrealized foreign exchange losses	63,892	521,998
Others	680,433	1,172,398
	19,282,392	17,311,360
Deferred tax liabilities on:		
Right-of-use assets	(2,844,490)	(1,974,313)
Capitalized interest and other expenses	(167,010)	(736,613)
Prepaid expenses	(69,477)	(15,460)
Unrealized foreign exchange gains	(38,284)	(100,216)
Others	(817,998)	(595,471)
	(3,937,259)	(3,422,073)
	15,345,133	13,889,287

(b) Deferred tax liabilities, net

The account for the years ended December 31 consists of:

	2023	2022
Deferred tax assets on:		
Lease liabilities	161,489	13,359
NOLCO	96,128	337,908
Accrued expense	65,457	61,331
Retirement benefits	37,070	45,125
Allowance for probable losses	27,701	11,990
Unrealized foreign exchange loss	294	-
Others	474,206	58,656
	862,345	528,369
Deferred tax liabilities on:		
Difference between tax and book basis of accounting for real estate transactions	(7,230,239)	(1,771,278)
Unrealized foreign exchange gain	(64,187)	(128,854)
Right-of-use assets	(107,645)	(32,785)
Capitalized interest and other expenses	(3,766)	(6,448)
Fair value adjustment arising from business combination	-	(3,445,212)
Others	(780,775)	(993,080)
	(8,186,612)	(6,377,657)
	(7,324,267)	(5,849,288)

As at December 31, 2023 and 2022, deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

Certain subsidiaries of the Parent Company have NOLCO amounting to P1,671 million (2022 - P2,052 million), and MCIT amounting to P106 million as at December 31, 2023 (2022 - P32.8 million). Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. As at December 31, 2023, total unrecognized NOLCO amounted to P646.3 million (2022 - P349.9 million). As at December 31, 2023, total unrecognized MCIT amounted to P20.2 million (2022 - P0.75 million). The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

The Group has incurred NOLCO in the taxable years 2023 and 2022 which can be claimed as deduction from the regular income tax over a period of three years and NOLCO in the taxable years 2021 and 2020 which can be claimed as deduction from the regular income tax over a period of five years as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2023	1,671,085	-	1,671,085	2026
2022	2,052,441	140,109	1,912,332	2025
2021	2,039,719	771,544	1,268,175	2026
2020	3,105,402	2,115,757	989,645	2025
	8,868,647	3,027,410	5,841,237	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2023	106,089	-	106,089	2026
2022	32,844	337	32,507	2025
2021	13,409	9,668	3,741	2024
2020	6,992	6,992	-	2023
	159,334	16,997	142,337	

The reconciliation (in %) between the statutory and the effective income tax rates follows:

	2023	2022
Statutory income tax rate	25.00	25.00
Tax effect of:		
Equity in net earnings of associates and joint ventures	(4.32)	(5.07)
Income under tax holiday and other non-taxable income	(0.56)	0.76
Interest income and capital gains taxed at lower rate	(0.33)	(1.87)
Others, net	0.66	1.36
Effective income tax rate	20.45	20.18

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to P196.2 million in 2023 (2022 - P330.7 million).

Board of Investments (BOI) Incentives

The Board of Investments issued certificates of registrations to the following companies in accordance with the existing Omnibus Investment Code. The projects have been granted an Income Tax Holiday (ITH) for a fixed period from the date of registration or actual start of operations, whichever is earlier.

	Registration Date	Project Location	ITH Start	ITH Period
Bonifacio Hotel Ventures, Inc.	January 11, 2012	Seda BGC	June 1, 2018	6 years
Econorth Resort Ventures Inc.	November 21, 2017	Seda Lio	March 1, 2018	5 years
Capitol Central Hotel Ventures, Inc.	September 8, 2017	Seda Capitol Central	January 1, 2018	4 years
Amaia Land Corp	July 18, 2018	Amaia Scapes Bulacan Sector 3B	July 1, 2018	3 years
Bonifacio Hotel Ventures, Inc.	May 22, 2019	Seda BGC Expansion	May 1, 2019	3 years
Makati North Hotel Ventures, Inc.	August 16, 2019	Seda Residences Makati	August 1, 2019	4 years
Central Bloc Hotel Ventures, Inc.	June 16, 2020	Seda Central Bloc Cebu	January 1, 2021	4 years
Amaia Land Corp	October 31, 2019	Amaia Scapes Rizal	October 1, 2019	4 years
MDC Conqrete, Inc.	October 5, 2020	PBU and WallQrete	January 1, 2021	3 years
Ayala Land Inc.	December 2019	Cresendo Industrial Park	January 1, 2020	4 years

22 Acquisition of non-controlling interests

Vesta Property Holdings Inc.

In July 2023, the Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 1). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves, as a result of this transaction, amounted to P351.13 million in 2023.

The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022.

The acquisition involved entities under common control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

Sicogon Island Tourism Estate (SITE) Corp.

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp., for a total consideration of P203.58 million from the existing investor and this is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under common control (Note 1). As a result, the impact to equity reserves amounted to P132.15 million.

Ayala Hotels, Inc. (AHI)

On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac. Under the transaction, AC subscribed to 309,597,711 primary common shares for assets valued at P17,275.55 million, and Mermac subscribed to 1,982,289 primary common shares for assets worth P110.61 million, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion. The total assets included 258,023,645 common shares of AHI and 714,116 common shares of DADC representing 50% and 100% stake of the companies, respectively.

The primary common shares issued by ALI to AC and Mermac came from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of ALI.

On December 29, 2022, the SEC approved the transaction which resulted in additional 50% stake in AHI through acquisition involving common control with impact to equity reserves amounting to P9,800.78 million and a 100% holdings in DADC which was regarded as an asset acquisition.

23 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

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

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except if otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties. The Group has an active intercompany lending program and intercompany receivables are short-term. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

(a) Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

Cash and cash equivalents earn interest from 1.75% to 6.00% per annum for Philippine Peso-denominated and 2.00% to 4.63% per annum for USD-denominated investments. Investment in FVTPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned from investments placed with BPI amounted to P72.79 million for the year ended December 31, 2023 (2022 - P30.99 million; 2021 - P12.30 million).

Short-term debts are secured Peso denominated bank loans with interest rate ranging from 5.6% to 7.3% while long-term debts bear fixed rates ranging from 4.5% to 6.9% and floating rates ranging from 6.3% to 6.8% per annum with remaining terms ranging from less than a year to five years. Interest expense incurred on borrowings from BPI amounted to P274.3 million for the year ended December 31, 2023 (2022 - P220.7 million; 2021 - P451.2 million).

As at December 31, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2023	2022
Cash in bank	4,673,399	6,074,938
Cash equivalents	999,294	357,929
Marketable securities	206,772	66,444
Short-term debt	8,800,000	1,636,000
Long-term debt	2,225,325	4,623,237

As at December 31, the fair value of the Group's financial assets at FVTPL and the Funds' Net Asset Value (NAV) follow (amounts are presented in millions):

2023	Fair Value	Funds' NAV	Duration
BPI Money Market Fund	63	34,804	124 days
BPI USD Short Term Fund	166	31,607	120 days

2022	Fair Value	Funds' NAV	Duration
BPI Money Market Fund	80	38,946	124 days
BPI USD Short Term Fund	5	33,852	120 days

(b) Outstanding balances with Parent Company, associates and other related parties

Receivables from/payables to other related parties pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. Payables to related parties consist of expenses incurred on utilities, professional services and other miscellaneous services as well as purchases of vehicles. These are generally trade-related, non-interest bearing and settled within one year.

Outstanding balances from/to related parties follow:

As at December 31, 2023

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	85,127	-	85,127	151,401	-	151,401
Associates	5,010,288	-	5,010,288	376,387	-	376,387
Other related parties:						
Globe Telecom (Globe)	234,460	-	234,460	9,648	-	9,648
Bank of the Philippine Islands	557,321	-	557,321	32,252	-	32,252
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	137,942	-	137,942	42,735	-	42,735
Manila Water Company Inc.	231,022	-	231,022	32,189	-	32,189
Others	238,731	-	238,731	69,456	-	69,456
	1,442,398	-	1,442,398	186,280	-	186,280
	6,537,813	-	6,537,813	714,068	-	714,068

As at December 31, 2022

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	90,805	-	90,805	151,143	-	151,143
Associates	5,444,563	-	5,444,563	321,912	-	321,912
Other related parties:						
Globe Telecom (Globe)	213,324	-	213,324	10,800	-	10,800
Bank of the Philippine Islands	389,057	-	389,057	18,193	-	18,193
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	345,760	-	345,760	20,814	-	20,814
Manila Water Company Inc.	223,075	-	223,075	29,861	-	29,861
Others	178,377	-	178,377	77,802	-	77,802
	1,392,515	-	1,392,515	157,470	-	157,470
	6,927,883	-	6,927,883	630,525	-	630,525

(c) Revenues and expenses from related parties

The revenue from Parent Company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and are assessed for impairment on an annual basis. There are no impairment needed to be recognized on these related receivables as at December 31, 2023 and 2022. Transactions are settled within one year.

Revenues from related parties as at December 31 follow:

	2023	2022	2021
Ayala Corporation	182,235	7,727	4,208
Associates	3,537,610	2,254,914	2,660,806
Other related parties			
Bank of the Philippine Islands	1,129,467	764,546	493,893
Manila Water Philippine Ventures, Inc.	122,578	170,445	134,767
Globe Telecom, Inc.	104,235	103,011	99,099
Innove Communications	9,953	10,671	7,673
Manila Water Company, Inc. (MWCI)	172,530	722,225	619,288
Laguna AAA Waterworks Corp. (LAWC)	1,500	1,500	1,500
Michigan Holdings, Inc.	1,202	1,203	1,203
Others	232,752	87,685	76,144
	1,774,217	1,861,286	1,433,567
Total	5,494,062	4,123,927	4,098,581

Expenses from related parties for the years ended December 31 follow:

	2023	2022	2021
Ayala Corporation	14,330	9,913	10,432
Associates	198,592	193,082	298,823
Other related parties			
Manila Water Company, Inc.	431,531	261,417	204,324
Bank of the Philippine Islands	261,478	208,570	299,693
Innove Communications, Inc.	105,417	102,283	124,233
AG Counselors Corp.	27,213	58,823	41,247
Globe Telecom, Inc.	82,951	43,812	71,291
Manila Water Philippine Ventures, Inc.	367,350	299,329	187,534
Others	462,232	867,662	1,114,088
	1,738,172	1,841,896	2,042,410
Total	1,951,094	2,044,891	2,351,665

The following describe the nature of the material transactions of the Group with related parties as at December 31, 2023 and 2022:

- On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., for the waterworks of ALI's projects nationwide. The MOA was signed by ALI and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Revenue and expense in 2023 amounted to P122.6 million and P367.3 million, respectively (2022 - P170.4 million and P299.3 million, respectively; 2021 - P134.8 million and P187.5 million, respectively).

- Revenue from Manila Water Company, Inc. (MWCI) primarily pertains to MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo. The project started on March 1, 2021 and was completed on June 1, 2023.

- Certain credit facilities with BPI with a total carrying value of P2,225.3 million as at December 31, 2023 (2022 - P4,623.2 million) are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.

- In October 2012 and July 2013, BG South, a subsidiary of Alveo, entered into a contract with FBDC for the purchase of land in Bonifacio Global City. In 2023, there were no land cost recognized in profit or loss (2022 - P117.4 million and 2021 - P210.6 million).

- On May 20, 2013, DirectPower and its customers, which are all within the Ayala Group, entered into a Retail Electricity Supply contract wherein DirectPower agreed to supply electricity at a specific rate pursuant to the provisions and implementing rules and regulations of R.A. No. 9136 or the Electric Power Industry Reform Acts of 2001. Among the customers of Direct Power are FBDC, LDC, BPI, San Lazaro BPO Complex and 6750 Ayala Ave and Manila Water Phils.

- The Group sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, amounting to P5,423.6 million in 2023 (2022 - nil). Proceeds of receivables sold to BPI amounted to P4,480.4 million in 2023 (2022 - nil). The Group recognized loss on sale (under "Other charges") amounting to P943.2 million in 2023 (2022 - nil and 2021 - P1,648.1 million).

- The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P45.0 million in 2023 (2022 - nil) (Note 5).

- Revenue from Globe pertains to development management fee and for lease of spaces.

(d) Remuneration of key management personnel (KMP)

Key management personnel of the Group include all officers with position of vice president and up. Compensation of key management personnel amounted to P220.0 million in 2023 (2022 - P199.5 million and 2021 - P179.0 million).

Compensation of key management personnel by benefit type for the years ended December 31 follows:

	2023	2022	2021
Short-term employee benefits	201,610	183,969	163,513
Post-employment benefits	18,431	15,497	15,497
	220,041	199,466	179,010

The Related Party Transaction Review Committee approves all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

24 Retirement plans

The Group has funded, non-contributory tax-qualified defined benefit type of retirement plans (the Plan) covering substantially all of their employees. The benefits are based on a defined benefit formula.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. The target funded status is within the range of 80% to 100%.

The Group's fund is in the form of a trust funds being maintained by the trustee bank, BPI Asset Management and Trust Corporation (collectively the "Retirement Fund"). The primary objective of the Retirement Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of expense for the years ended December 31 (included in manpower costs under "General and administrative expenses") in the consolidated statement of income follows:

	2023	2022	2021
Current service cost	421,809	410,726	484,161
Past service cost	16,612	20,192	(27,986)
Settlement gains	(1,334)	(4,431)	(11,213)
Net interest cost on benefit obligation	127,764	107,590	124,910
Total pension expense	564,851	534,077	569,872

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement (loss) gain on defined benefit plans") in the consolidated statement of financial position follow:

	2023	2022	2021
(Loss) return on plan assets (excluding amount included in net interest)	(71,182)	12,195	(29,028)
Remeasurement (losses) gains due to:			
Liability experience	(107,816)	106,793	709,847
Liability assumption changes - demographic	(5,166)	(108,921)	-
Liability assumption changes - economic	(600,652)	176,894	418,766
Remeasurements in other comprehensive (loss) income	(784,816)	186,961	1,099,585

As at December 31, the funded status and amounts recognized in the consolidated statement of financial position for the retirement plans are as follows:

	2023	2022
Defined benefit obligations	4,254,616	3,581,087
Plan assets	(1,837,381)	(2,068,413)
Defined benefit obligations	2,417,235	1,512,674

As at December 31, 2023, pension assets (included under “Other non-current assets”) amounted to P352.1 million (2022 - P52.5 million) and pension liabilities amounted to P2,769.5 million (2022 - P1,871.2 million).

Changes in net defined benefit liability of funded plans in 2023 are as follow:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	3,581,087	(2,068,413)	1,512,674
Net benefit cost in consolidated statement of income			
Current service cost	421,809	-	421,809
Past service cost, net of settlement gain	15,278	-	15,278
Net interest	127,764	-	127,764
	564,851	-	564,851
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	107,816	-	107,816
Remeasurement loss due to liability assumption changes - demographic	5,166	-	5,166
Remeasurement loss due to liability assumption changes - economic	600,652	-	600,652
Return on plan assets*	-	71,182	71,182
Net remeasurement loss	713,634	71,182	784,816
Benefits paid	(604,956)	704,636	99,680
Contribution by employer	-	(549,651)	(549,651)
Transfer in	-	4,865	4,865
At December 31, 2023	4,254,616	(1,837,381)	2,417,235

*Excluding amount included in net interest

Changes in net defined benefit liability of funded plans in 2022 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	4,280,435	(2,187,661)	2,092,774
Net benefit cost in consolidated statement of income			
Current service cost	410,726	-	410,726
Past service cost, net of settlement gain	15,761	-	15,761
Net interest	179,848	(72,258)	107,590
	606,335	(72,258)	534,077
Remeasurements in other comprehensive income:			
Remeasurement gain due to liability experience	84,657	22,136	106,793
Remeasurement gain due to liability assumption changes - demographic	(100,616)	(8,305)	(108,921)
Remeasurement gain due to liability assumption changes - economic	(152,878)	329,772	176,894
Net remeasurement loss	(168,837)	343,603	174,766
Benefits paid	(416,320)	210,374	(205,946)
Return on plan assets*	(49,034)	61,228	12,194
Contribution by employer	(678,974)	(420,747)	(1,099,721)
Transfer in (out)	7,482	(2,952)	4,530
At December 31, 2022	3,581,087	(2,068,413)	1,512,674

*Excluding amount included in net interest

The movements in the present value of the defined benefit obligations for the years ended December 31 follow:

	2023	2022	2021
At January 1	3,581,087	4,280,435	5,094,096
Current service cost	421,809	410,726	484,161
Past service cost	16,612	20,192	(27,986)
Settlement gain	(1,334)	(4,431)	(11,213)
Net interest cost on benefit obligation	127,764	179,848	124,910
Benefits paid	(604,956)	(416,320)	(159,567)
Contribution by employer	-	(678,974)	-
Transfers	-	7,482	3,313
Return on plan assets		(49,034)	
Remeasurement (gains) losses on obligations arising from:			
Experience adjustments	107,816	84,657	(709,847)
Demographic adjustment	5,166	(100,616)	-
Economic adjustments	600,652	(152,878)	(418,766)
At December 31	4,254,616	3,581,087	4,379,101

The movements in the fair value of plan assets for the years ended December 31 follow:

	2023	2022	2021
At January 1	2,068,413	2,187,661	2,085,519
Net interest	-	72,258	88,282
Benefits paid	(704,636)	(210,374)	(186,948)
Return on plan assets	(71,182)	(61,228)	(29,028)
Contribution by employer	549,651	420,747	229,836
Transfers	(4,865)	2,952	-
Remeasurement (gains) losses on obligations arising from:			
Experience adjustments	-	(22,136)	-
Demographic adjustment	-	8,305	-
Economic adjustments	-	(329,772)	-
At December 31	1,837,381	2,068,413	2,187,661

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

As at December 31, the fair value of plan assets by each class are as follows:

	2023	2022
Cash and cash equivalents	11,485	55,100
Equity investments		
Property	314,771	284,836
Holding firms	239,516	201,763
Unit Investment Trust Funds	184,743	373,006
Services	9,628	36,704
Financials	7,928	34,272
Industrials	4,525	7,171
Mutual funds	2,266	3,885
	774,862	996,737
Debt investments		
Government securities	540,059	294,914
AAA rated debt securities	152,593	544,674
Unit Investment Trust Funds	60,826	144,204
Mutual funds	-	27,341
Unrated debt securities	309,041	60,543
	1,062,519	1,071,676
	1,837,381	2,068,413

The plan asset's investments are appropriately diversified to control overall risk and exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Group expects to make contributions of P312.1 million to its retirement fund in 2024.

The allocation of the fair value of plan assets as at December 31 follows:

	2023	2022
Investments in debt securities	45.48%	52.17%
Investments in equity securities	38.50%	29.56%
Others	16.02%	18.27%

Funds invested in debt securities include government securities, corporate notes and bonds and money market placements. Investments in equity securities consist of investments in PSE listed stocks and unit investment trust funds. Others were in the form of cash and cash equivalents.

The Group's transactions with the funds mainly pertain to contributions, benefit payments and settlements.

As at December 31, 2023 and 2022, the carrying amount of plan assets approximates its fair value.

The plan assets include shares of stock of the Parent Company with fair value amounting to P90.50 million as at December 31, 2023 (2022 - P50.85 million). The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company amounting to P72.33 million as at December 31, 2023 (2022 - P11.56 million). As at December 31, 2023, the loss of the fund arising from investment in debt and equity securities of the Parent Company is P5.8 million (2022 - P0.89 million gain).

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2023	2022
Discount rates	6.06% to 7.71%	4.94 to 7.65%
Future salary increases	5.00% to 10.00%	4.00 to 9.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2023		2022	
	Effect on Defined benefit obligation Increase (decrease)			
Change in basis points	+ 100 basis points	- 100 basis points	+ 100 basis points	- 100 basis points
Discount rate	(381,651)	525,892	(251,501)	325,793
Salary increase rate	490,081	(362,272)	309,550	(245,352)

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

Year ending:	2023	2022
One year and less	149,382	392,219
More than 1 years to 5 years	1,013,566	623,555
More than 5 years to 10 years	3,439,559	2,475,139
More than 10 years to 15 years	27,416,499	17,626,358
More than 15 years to 20 years	3,396,329	2,017,630
More than 20 years	15,844,264	14,661,951

The weighted average duration of the defined benefit obligation is 5 to 29 years in 2023 (2022 - 12 to 22 years).

25 Earnings per share

The following table presents information necessary to compute EPS (amounts in thousands, except EPS):

EPS on net income attributable to equity holders of Ayala Land, Inc. are as follows:

	2023	2022	2021
Net income attributable to equity holders of Ayala Land, Inc.	24,507,581	18,617,234	12,228,148
Less: Dividends on preferred stock	(78,744)	(62,038)	(62,038)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	24,428,837	18,555,196	12,166,110
Weighted average number of common shares for basic EPS	14,977,735	14,777,782	14,724,716
Add: Dilutive shares arising from stock options	8,031	5,582	2,143
Adjusted weighted average number of common shares for diluted EPS	14,985,766	14,783,364	14,726,859
Basic and diluted EPS	1.63	1.26	0.83

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an anti-dilutive effect on the computation of diluted EPS.

26 Stock options and ownership plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

Employee Stock Option Plan (ESOP)

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given three (3) years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

The Parent Company has no ESOP grant and availment during 2023, 2022 and 2021.

Employee Stock Ownership Plan (ESOWN)

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2023	WAEP	2022	WAEP
At January 1	-	-	-	-
Granted	20,741,692	-	17,349,169	-
Subscribed	(14,579,090)	24.68	(14,170,576)	30
Availment	859,789	-	1,067,483	-
Cancelled	(7,022,391)	-	(4,246,076)	-
At December 31	-	-	-	

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	March 31 2023	March 31 2022	March 15 2021	August 17 2020	March 21 2019	March 28 2018	March 01 2017	April 05 2016	March 20 2015
Number of unsubscribed shares	-	-	-	-	-	-	-	181,304	-
Fair value of each option (BTM)	-	-	-	-	-	-	8	14	16
Fair value of each option (BSM)	9	13	9	9	17	13	-	18	21
Weighted average share price	29	36	39	33	45	41	40	36	37
Exercise price	25	30	33	28	44	45	36	26	30
Expected volatility	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%
Dividend yield	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%
Interest rate	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%

Total expense (included under "General and administrative expenses") recognized in 2023 in the consolidated statement of income arising from share-based payments amounted to P149.45 million (2022 - P152.87 million; 2021 - P150.07 million) (Note 20).

ALLHC

ALLHC introduced the Plan wherein grantees (employees within the ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. To subscribe, the grantee must be an employee, officer or director of ALLHC as at June 30, 2015. In case the grantee resigns, unsubscribed shares are cancelled and returned to the plan pool, while the subscription payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares.

The BOD of ALLHC approved the allocation of 32 million shares (first tranche) for ESOWN plan which will be taken from the remaining unissued shares (with grant date in 2016) and the increase in authorized stock of ALLHC, which was approved by the SEC in July 2016. In 2017, notice of grant for the 218 million shares (second tranche of ESOWN plan) was issued to employees for the right to subscribe to the common shares of ALLHC at P1.68 per share which were fully availed as at December 31, 2018. In 2023 and 2022, ALLHC has no ESOWN grant.

27 Financial risk and capital management

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

27.1 Financial risk management

27.1.1. Credit risk management

Credit risk

Credit risk is a risk that a counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Group's credit risks are primarily attributable to installments receivable, rental receivables, and other financial assets. To manage credit risk, the Group maintains defined credit policies and monitors its exposure to credit risk on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements.

Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of the buyers. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short term investments, financial assets at FVTPL and financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group has an active intercompany lending program and intercompany receivable that are short term. To minimize credit exposures, the Group assesses the financial capacity of the affiliated entities and operating cash flows.

The Group's maximum exposure to credit risk as at December 31, 2023 and 2022 is equal to the carrying values of its financial assets.

The table below shows the credit quality of the Company's financial assets as at December 31:

	2023							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	17,027,631	-	-	-	17,027,631	-	-	17,027,631
Short-term investments	333,610	-	-	-	333,610	-	-	333,610
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	82,463,605	7,317,861	2,777,013	-	92,558,479	19,518,548	108,509	112,185,536
Shopping centers	1,200,732	625,542	493,318	-	2,319,592	1,458,820	1,255,303	5,033,715
Construction contracts	972,084	19,011	-	-	991,095	2,961,239	87,002	4,039,336
Corporate business	1,489,156	21,202	20,500	-	1,530,858	1,311,983	933,000	3,775,841
Management fees	66,568	-	-	-	66,568	113,863	7,135	187,566
Others	3,350,387	-	533,249	-	3,883,636	416,786	202,759	4,503,181
Advances to other companies	10,218,792	35,987	730,554	-	10,985,333	7,184,154	190,008	18,359,495
Accrued receivables	8,882,484	2,914	392,993	-	9,278,391	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	6,537,813	-	-	6,537,813
Receivable from employees	709,458	150	846	-	710,454	337,757	-	1,048,211
	133,252,320	8,022,667	4,948,473	-	146,223,460	35,121,508	2,783,716	184,128,684

	2022							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	11,818,056	-	-	-	11,818,056	-	-	11,818,056
Short-term investments	330,500	-	-	-	330,500	-	-	330,500
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	72,403,724	5,493,083	3,310,970	-	81,207,777	20,525,589	64,092	101,797,458
Shopping centers	2,092,054	688,530	675,920	-	3,456,504	1,641,629	1,217,417	6,315,550
Construction contracts	841,177	57,881	13,249	-	912,307	1,758,920	155,697	2,826,924
Corporate business	1,369,710	503,095	6,959	-	1,879,764	1,126,149	670,113	3,676,026
Management fees	97,585	-	-	-	97,585	117,295	16,630	231,510
Others	4,639,176	178,530	175,979	-	4,993,685	572,507	225,446	5,791,638
Advances to other companies	6,743,814	40,054	1,364,875	-	8,148,743	7,519,512	190,008	15,858,263
Accrued receivables	6,810,233	1,093	470,278	-	7,281,604	2,088,738	-	9,370,342
Related parties	4,207,106	173,844	2,546,933	-	6,927,883		-	6,927,883
Receivable from employees	724,804	20,925	27,137	-	772,866	154,921	-	927,787
	112,077,939	7,157,035	8,592,300	-	127,827,274	35,505,260	2,539,403	165,871,937

As at December 31, the analysis of past due but not impaired accounts and notes receivables presented per class follow:

2023	Neither past due nor Impaired	Past due but not impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	92,558,479	6,368,761	1,074,654	328,386	5,514,367	6,232,380	19,518,548	108,509	112,185,536
Shopping centers	2,319,592	181,947	156,016	153,425	119,099	848,333	1,458,820	1,255,303	5,033,715
Corporate business	1,530,858	-	112,659	27,031	25,686	1,146,607	1,311,983	933,000	3,775,841
Construction contracts	991,095	1,615,128	231,898	128,277	203,817	782,119	2,961,239	87,002	4,039,336
Management fees	66,568	-	21,850	16,788	30,814	44,411	113,863	7,135	187,566
Others	3,883,636	9,302	1,684	333,635	7,057	65,108	416,786	202,759	4,503,181
Advances to other companies	10,985,333	42,568	16,308	39,189	165,522	6,920,567	7,184,154	190,008	18,359,495
Accrued receivables	9,278,391	249,326	69,384	47,686	87,677	1,364,285	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	-	-	-	-	6,537,813
Receivables from employees	710,454	210,524	8,298	7,396	2,406	109,133	337,757	-	1,048,211
Total	128,862,219	8,677,556	1,692,751	1,081,813	6,156,445	17,512,943	35,121,508	2,783,716	166,767,443

2022	Neither past due nor impaired	Past due but not impaired <30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	81,207,777	5,045,060	1,734,959	1,697,084	2,825,851	9,222,635	20,525,589	64,092	101,797,458
Shopping centers	3,456,504	214,593	276,044	126,431	376,215	648,346	1,641,629	1,217,417	6,315,550
Construction contracts	912,307	799,310	278,208	225,769	173,619	282,014	1,758,920	155,697	2,826,924
Corporate business	1,879,764	30,810	510,631	14,382	94,852	475,474	1,126,149	670,113	3,676,026
Management fees	97,585	-	41,215	21,708	21,870	32,502	117,295	16,630	231,510
Others	4,993,685	343,315	62,862	9,580	53,855	102,895	572,507	225,446	5,791,638
Advances to other companies	8,148,743	139,602	1,752	17,516	425,156	6,935,486	7,519,512	190,008	15,858,263
Accrued receivables	7,281,604	276,212	-	12,729	46,845	1,752,952	2,088,738	-	9,370,342
Related parties	6,927,883	-	-	-	-	-	-	-	6,927,883
Receivables from employees	772,866	13,223	11,854	12,742	4,088	113,014	154,921	-	927,787
Total	115,678,718	6,862,125	2,917,525	2,137,941	4,022,351	19,565,318	35,505,260	2,539,403	153,723,381

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and short-term investments - based on the nature of the counterparty and the Group's internal rating system.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate is based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Intercompany receivables are also evaluated for impairment. The security deposits and advance rental from tenants are considered in the calculation of impairment as recoveries.

As at December 31, 2023, the exposure at default amounted to P23,669.3 million (2022 - P23,587.7 million). The average expected credit loss rate (over total receivables) is 1.70% resulting in the ECL of P 2,783.7 million (2022 - 1.67%; P2,539.4 million) (Note 5).

27.1.2. Liquidity risk management

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that makes it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at a loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit line

The Group has a total short term credit line up to P119.0 billion with various local banks, of which P60.0 billion remain undrawn as at December 31, 2023 (2022 - P110.8 billion, P70.3 billion undrawn).

The table below summarizes the maturity profile of the Group's financial instruments at December 31 based on contractual undiscounted payments:

2023					
	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	17,066,330	-	-		17,066,330
Short-term investments	-	-	-	333,610	333,610
Financial assets at FVTPL	-	-	-	419,802	419,802
Accounts and notes receivable	168,112,615	-	-		168,112,615
Total undiscounted financial assets	185,178,945	-	-	753,412	185,932,357
Financial liabilities					
Accounts and other payables*	100,114,121	-	-	-	100,114,121
Short-term debt	16,905,106	-	-	-	16,905,106
Long- term debt	18,969,421	105,341,624	118,366,646	-	242,677,691
Deposits and other current liabilities	34,131,984	-	-	-	34,131,984
Deposits and other non-current liabilities**	-	41,870,140	-	-	41,870,140
Total undiscounted financial liabilities	170,120,632	147,211,764	118,366,646	-	435,699,042
Net liquidity position	15,058,313	(147,211,764)	(118,366,646)	753,412	(249,766,685)

2022					
	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	11,885,329	-	-	-	11,885,329
Short-term investments	-	-	-	330,500	330,500
Financial assets at FVTPL	-	-	-	291,989	291,989
Accounts and notes receivable	107,181,392	-	-	-	107,181,392
Total undiscounted financial assets	119,066,721	-	-	622,489	119,689,210
Financial liabilities					
Accounts and other payables*	143,952,127	-	-	-	143,952,127
Short-term debt	6,574,272	-	-	-	6,574,272
Long- term debt	19,258,289	95,613,291	114,620,000	-	229,491,580
Deposits and other current liabilities	31,211,023	-	-	-	31,211,023
Deposits and other non-current liabilities**	-	47,519,881	-	-	47,519,881
Total undiscounted financial liabilities	200,995,711	143,133,172	114,620,000	-	458,748,883
Net liquidity position	(81,928,990)	(143,133,172)	(114,620,000)	622,489	(339,059,673)

**Excludes payable to government agencies*
***Excludes deferred output vat*

Cash and cash equivalents, short-term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profiles of these financial assets shown on the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as at December 31, 2023 and 2022.

27.1.3. Market risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by lever on its premier credit rating and increasing the fixed interest component of its debt portfolio.

As at December 31, 2023, the Company's ratio of fixed to floating rate debt stood at around 77:23 (2022 - 90:10).

The following table demonstrates the sensitivity of the Group's income before income tax to a reasonably possible change in interest rates as at December 31, with all variables held constant:

	2023	2022
Changes in floating rate borrowings	Increase (decrease) on income before income tax	
+ 100 basis points increase	(591,321)	(243,172)
- 100 basis points increase	591,321	243,172

The assumed change in rate is based on the currently observable market environment.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values as at December 31 are shown in the following table (in thousands):

	2023						
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	17,027,631	17,027,631	-	-	17,027,631
Short- term investments	Fixed cut-of at the date of investment or revaluation	Various	333,610	333,610	-	-	333,610
Receivables from employees	Fixed at the date of sale	Date of sale	1,048,211	772,292	275,919	-	1,048,211
			18,409,452	18,133,533	275,919	-	18,409,452
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	7,005,000	7,005,000	-	-	7,005,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	20 years	2,000,000	-	-	1,988,434	1,988,434
Peso	Fixed at 4.75% to 4.85%	9.5 and 10 years	15,000,000	-	14,963,119	-	14,963,119
Peso	Fixed at 5.2624%	10 years	7,000,000	-	6,986,235	-	6,986,235
US Dollars	Fixed at 4.3889%	5 years	3,045,350	3,045,350	-	-	3,045,350
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000	2,993,838	8,938,892	-	11,932,730
Peso	Fixed at 3.862%	5 years	6,250,000	-	6,222,200	-	6,222,200
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000	-	9,959,900	2,981,600	12,941,500
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000	11,964,602	18,873,939	13,870,013	44,708,554
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000	-	9,961,324	4,866,279	14,827,603
Peso	Fixed at 3.75% to 6.5312%	6 to 10 years	64,876,000	475,175	20,010,500	44,057,823	64,543,498
Floating-Peso	Variable	3 months	15,272,000	16,836	779,596	14,365,268	15,161,700
Subsidiaries							
Short-term debt							
Peso	Variable	Monthly	9,900,106	9,900,106	-	-	9,900,106
Long-term debt							
Fixed							
Peso	Fixed at 4.0% to 6.7967%	5 to 10 years	17,279,313	170,279	1,950,385	14,820,489	16,941,153
Floating-Peso	Variable	3 months	26,955,028	303,341	10,366,632	16,417,106	27,087,079
			259,582,797	35,874,527	109,012,722	113,367,012	258,254,261

	2022						
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	11,558,329	11,885,329	-	-	11,885,329
Short- term investments	Fixed cut-of at the date of investment or revaluation	Various	330,500	330,500	-	-	330,500
Receivables from employees		Various	927,787	772,866	154,921	-	927,787
			12,816,616	12,988,695	154,921	-	13,143,616
Parent Company							
Short-term debt							
Floating-Peso	Variable	Monthly	688,000	688,000	-	-	688,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	10 years	2,000,000	-	-	1,666,347	1,666,347
Peso	Fixed at 6.0%	20 years	22,000,000	6,865,033	13,846,461	-	20,711,494
Peso	Fixed at 4.5000%	7 years	7,000,000	-	6,343,553	-	6,343,553
Peso	Fixed at 3.892 to 4. 85%	7, 9.5 and 10 years	72,455,727	62,494,696	11,313,724	20,214,935	94,023,355
Peso	Fixed at 5.2624%	10 years	10,000,000	-	-	9,162,218	9,162,218
Peso	Fixed at 3.75% to 4.95%	Up to 10.5 years	6,250,000	-	5,680,329	-	5,680,329
Peso	Fixed at 5.920%	10 years	12,000,000	-	11,481,913	-	11,481,913
Peso	Fixed at 3.1764% to 3.187%	5 years	45,000,000	-	24,060,520	13,188,640	37,249,160
Peso	Fixed at 4.76% to 6.37%	5, 7 and 7.25 years	3,000,000	-	9,182,310	2,230,628	11,412,938
Peso	Fixed at 3.00% to 3.86%	2 and 5 years				-	-
Peso	Fixed at 3.63% to 4.08%	4 and 10 years	289,000	25,187	227,844	-	253,031
Floating-Peso	Variable	3 months	5,859,271	5,859,271	-	-	5,859,271
Subsidiaries							
Short-term debt							
Peso	Variable	Monthly	20,300,250	3,937,785	3,527,142	9,047,038	16,511,965
Long-term debt							
Fixed							
Peso	Fixed at 4.0% to 6.7967%	5 to 10 years	17,480,968	1,937,112	9,157,146	3,901,020	14,995,278
Floating-Peso	Variable	3 months					
			224,323,216	81,807,084	94,820,942	59,410,826	236,038,852

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The financial instruments and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso.

	December 31, 2023		December 31, 2022	
	US Dollar	MYR ringgit	US Dollar	MYR ringgit
Foreign currency placements	26.30 million	573.73 million	33.06 million	666.47 million
Foreign currency debt	65.80 million	844.18 million	67.90 million	490.78 million

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their Peso equivalents:

	2023			2022		
Net foreign currency denominated	US Dollar	MYR ringgit	Php Equivalent	US Dollar	MYR ringgit	Php Equivalent
Financial assets						
Cash and cash equivalents	6,138	142,927	2,163,601	5,491	405,201	1,010,733
Short-term investments	-	-	-	-	-	-
Accounts and notes receivable, net	16,370	365,066	5,315,288	24,163	175,457	3,587,493
Other current assets	3,410	58,537	890,277	3,027	84,903	1,234,780
Other non-current assets	380	7,195	104,480	380	908	29,191
Total	26,298	573,725	8,473,646	33,061	666,469	5,862,197
Financial liabilities						
Accounts and other payables	5,285	572,731	7,188,381	8,631	422,676	5,791,517
Other current liabilities	1,725	-	87,775	690	-	35,019
Short-term debt	-	129,980	1,567,106	-	31,050	391,521
Long- term debt	55,000	141,473	4,751,021	55,000	35,091	3,508,995
Other non-current liabilities	3,792	-	194,929	3,578	1,961	209,400
Total	65,802	844,184	13,789,212	67,899	490,778	9,936,452
Net foreign currency denominated financial instruments	(39,504)	(270,459)	(5,315,566)	(34,838)	175,691	(4,074,255)

In translating the foreign currency-denominated monetary assets in Peso amounts as at December 31, 2023, the Philippine Peso - US Dollar exchange rates and the Philippine Peso - Malaysian ringgit exchange rate used were P55.37 to US$1 (2022 - P55.76 to US$1.00) and P12.07 to MYR1.00 (2022 - P12.61 to MYR1.00), respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso - US dollar exchange rate and Philippine peso - Malaysian ringgit exchange rate, with all variables held constant, on the Group's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Effect on income before income tax	
	Increase (decrease)	
Change in exchange rate	2023	2022
USD		
+ 100 basis points	(21,873)	(19,426)
- 100 basis points	21,873	19,426
MYR		
+ 100 basis points	(32,644)	22,155
- 100 basis points	32,644	(22,155)

Equity price risk

Quoted financial assets at FVOCI are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, and domestic inflation rates, the changes in price reflect how market participants view the developments.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As at December 31, 2023 and 2022, the impact on net income and equity as a result of 100 basis points decrease (increase) in interest rates is as follows:

	2023		2022	
	Net income and Equity	Duration	Net income and Equity	Duration
BPI UITF Money Market	+/- P0.63 million	0.15 year	+/- P0.20 million	0.34 year
BPI UITF USD Short Term	+/- P2.45 million	0.26 year	+/- P0.02 million	0.33 year

27.1.4 Fair value information

Financial Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized:

		2023		2022	
	Note	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at FVTPL	4	419,802	419,802	291,989	291,989
Financial assets at FVOCI	8				
Unquoted equity securities		627,181	627,181	440,811	440,811
Quoted equity securities		372,064	372,064	522,807	522,807
		1,419,047	1,419,047	1,255,607	1,255,607
Financial assets at amortized cost					
Cash and cash equivalents	2	17,066,330	17,066,330	11,885,329	11,885,329
Short-term investments	3	333,610	333,610	330,500	330,500
Non-current trade residential, commercial and office development	5	57,090,311	56,344,737	48,400,251	50,628,112
Receivable from employees	5	1,048,211	1,007,201	927,787	927,787
Accounts and notes receivables	5	105,530,428	105,530,428	102,151,267	102,151,267
Other current assets	7	80,290,824	80,290,824	64,849,846	64,849,846
		261,359,714	260,573,130	228,544,980	230,772,841
Other financial liabilities					
Short-term debt	14	16,905,106	16,905,106	6,547,271	6,547,271
Accounts and other payables	13	162,475,441	162,475,441	144,662,288	144,662,288
Lease liabilities	31	18,522,623	18,522,623	17,992,406	17,992,406
Long-term debt	14	241,349,155	219,856,402	229,491,580	229,141,647
Deposits and other liabilities	15,16	76,002,124	76,002,124	100,362,989	100,362,989
		515,254,449	493,761,696	499,056,534	498,706,601

**Excluding deferred output VAT*

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, short-term investments and current receivables, accounts and other payables and short-term debt - Carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in funds. Fair value of the funds is based on net asset values as at reporting date.

Financial assets at FVOCI quoted equity securities - fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities - fair values are based on the latest selling price available.

Liabilities - The fair value of non-current unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates (IBR) for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 5.1% to 11.5% as at December 31, 2023 (2022 - 2.70% to 7.40). The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Non-current accounts and notes receivables - The fair values of residential, commercial and office development accounts and notes receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments.

	Discount rates
December 31, 2023	5.1% to 11.5%
December 31, 2022	2.70% to 7.40%

The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

As at December 31, 2023, the Investment in Arch Capital Fund amounting to P191.1 million (2022 - P207.2 million) was classified under Level 3 (Note 4).

Investments in Unit Investment Trust Fund (UITF) amounting to P228.7 million as at December 31, 2023 were classified under Level 2 (2022 - P84.8 million) (Note 4).

As at December 31, 2023, the quoted FVOCI financial assets amounting to P416.2 million (2022 - P573.0 million) were classified under Level 1 (Note 8).

Unquoted FVOCI financial assets amounting to P660.7 million as at December 31, 2023 were classified under Level 3 (2022 - P440.8 million) (Note 8).

There have been no reclassifications to and from Level 1, Level 2 and Level 3 categories in 2023 and 2022 for financial assets at FVTPL and FVOCI.

Investment properties

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following tables provide the fair value hierarchy of the Group's investment properties as at December 31:

	2023			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Land properties	-	-	364,702,719	364,702,719
Retail properties	-	-	116,522,159	116,522,159
Office properties	-	-	177,200,377	177,200,377
Hospital properties	-	-	-	-
	-	-	658,425,255	658,425,255

	2022			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Land properties	-	-	241,486,227	241,486,227
Retail properties	-	-	83,890,525	83,890,525
Office properties	-	-	157,471,235	157,471,235
Hospital properties	-	-	792,637	792,637
	-	-	483,640,624	483,640,624

The values of the land were arrived using the Market Data Approach which provides an indication of value by comparing the subject asset with identical or similar assets for which the price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per square meter (sqm), the higher the fair value.

The values of the buildings (retail, office, hospital) were arrived using the Income Approach which provides an indication of value by converting future cash flow to a single current value. Under this approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

The significant unobservable inputs to valuation of investment properties ranges from P3,780 to P403,047 per sqm.

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date.

There has been no transfer between levels of fair value hierarchy in 2023 and 2022.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, short-term investments, financial assets at FVTPL, FVOCI quoted and unquoted equity securities, bonds payable, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies in 2023 and 2022.

The fair value hierarchy of the Group's financial instruments which are measured at fair value as at December 31 is as follows:

	2023			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	228,674	-	228,674
Investment in ARCH				
Capital Fund	-	-	191,128	191,128
	-	228,674	191,128	419,802
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	421,880	-	-	421,880
Retail	1,457	-	-	1,457
Real estate	14,598	-	-	14,598
Utilities and energy	18,554	-	-	18,554
Financial asset management	539	-	-	539
Telecommunications	3,453	-	-	3,453
Unquoted				
Tourism and leisure	-	2,800	528,616	531,416
Financial asset management	-	-	27,755	27,755
Utilities and energy	-	-	37,497	37,497
Real estate	-	-	7,468	7,468
Retail	-	-	53,042	53,042
Telecommunication	-	-	4,310	4,310
	460,481	2,800	658,687	1,121,969
	460,481	231,474	849,815	1,541,771

	2022			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total Fair Value
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	84,793	-	84,793
Investment in ARCH				
Capital Fund	-	-	207,196	207,196
	-	84,793	207,196	291,989
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	325,181	-	-	325,181
Retail	1,993	-	-	1,993
Real estate	29,552	-	-	29,552
Utilities and energy	13,984	-	-	13,984
Financial asset management	55,666	-	-	55,666
Telecommunications	3,556	-	-	3,556
Unquoted				
Tourism and leisure	-	-	483,613	483,613
Financial asset management	-	-	1,676	1,676
Utilities and energy	-	-	42,851	42,851
Real estate	-	-	22,361	22,361
Retail	-	-	55,042	55,042
Telecommunication	-	-	6	6
	429,932	-	605,549	1,035,481
	429,932	84,793	812,745	1,327,470

Reconciliation of fair value measurement of Investment in UITF as at December 31 is shown below:

	Notes	2023	2022
At January 1		84,793	407,025
Redemptions		(3,470,828)	(4,052,417)
Additions		3,604,552	4,179,683
Unrealized gains (loss) included in Other income	19	27,292	(260,209)
Reclassification to escrow account included under Other current assets	7	(17,135)	(189,289)
At December 31		228,674	84,793

Reconciliation of fair value measurement of Investment in ARCH Fund as at December 31 is shown below:

	2023	2022
At January 1	207,196	293,778
Net redemptions	(97,365)	(13,378)
Unrealized gain (loss) included in Other income	81,297	(73,204)
At December 31	191,128	207,196

The fair value of the investment in UITF is based on net asset values as at reporting date.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund valuation, the value is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

27.2 Capital management

The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks. The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As at December 31, the Group had the following ratios:

	2023	2022
Debt-to-equity	0.81:1	0.80:1
Net debt to equity	0.75:1	0.76:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and financial assets at FVTPL. Equity, which the Group considers as capital, pertains to the total equity. The Group excludes the "Fair value reserve of financial assets at FVOCI" attributable to the equity holders of the Company in computing the debt-to-equity ratio.

The Group is subject to externally imposed capital requirements due to loan covenants (Note 14). No changes were made in the objectives, policies or process on capital during the years ended December 31, 2023 and 2022.

Financial risk assessment

The Group's financial condition and operating results would not be materially affected by the current changes in interest, currency, credit, liquidity and market conditions.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. As at December 31, 2023, the Group's ratio of fixed to floating rate debt stood at 77:23 (2022 - and 90:10). As a result, any adverse movement in interest rates is mitigated.

As at December 31, 2023, the exposure to foreign currency holdings is at MYR270.5 million and US39.5 million (2022 - MYR175.6 million and US$34.8 million).

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Group's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Liquidity risk is addressed with long term funding already locked in, while funds are placed on cash equivalents, short term investment and financial assets at FVTPL.

28 Segment information

The industry segments where the Group and its associates and joint ventures operate follows:

- Property developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Company's share in properties made available to subsidiaries for development.
- International - development and sale of residential lots and units in Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd. (Malaysia)
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities, gas stations and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management and others - facilities management of the Group and third-party projects

Assets, liabilities, revenues and expenses of the Strategic Landbank Management Visayas-Mindanao segment were reallocated to other business segments namely shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2023, 2022 and 2021, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Business segments

The following tables regarding business segments present assets and liabilities as at December 31 and revenue and profit information for each of the three years in the period ended December 31 (in millions):

As at December 31, 2023

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	79,545	7,433	-	-	8,780	6,596	4,892	-	-	107,246
Interest income from real estate sales	5,360	-	-	-	-	-	-	-	-	5,360
Rental revenue	-	-	21,088	11,808	-	-	-	-		32,896
Intersegment sales	-	-	-	-	-	40,606	-	-	(40,606)	-
Earnings of associates and joint ventures	1,570	-	13	-	-	(2)	(6)	-	-	1,575
Total revenue	86,475	7,433	21,101	11,808	8,780	47,200	4,886	-	(40,606)	147,077
Real estate costs and expenses	57,661	5,296	8,437	3,385	7,877	44,162	8,495	362	(39,626)	96,049
Gross margin (loss)	28,814	2,137	12,664	8,423	903	3,038	(3,609)	(362)	(980)	51,028
Interest and investment income										690
Other charges										(2,849)
Interest and other financing charges										(13,499)
Other income										1,091
Provision for income tax										(7,457)
Net income										29,004
Net income attributable to:										
Equity holders of Ayala Land, Inc.										24,508
Non- controlling interests										4,496
										29,004
Other Information										
Segment assets	653,142	21,528	230,133	195,918	56,849	48,080	14,281	95,422	(515,279)	800,074
Investment in associates and joint ventures	30,942	-	50	-	-	59	162	-	-	31,213
	684,084	21,528	230,183	195,918	56,849	48,139	14,443	95,422	(515,279)	831,287
Deferred tax assets	2,269	104	3,076	289	417	194	110	1,168	7,718	15,345
Total assets	686,353	21,632	233,259	196,207	57,266	48,333	14,553	96,590	(507,561)	846,632
Segment liabilities	252,342	10,384	95,794	32,008	22,311	35,784	7,335	210,420	(146,999)	519,379
Deferred tax liabilities	2,920	-	1,274	386	12	-	-	(1,099)	3,831	7,324
Total liabilities	255,262	10,384	97,068	32,394	22,323	35,784	7,335	209,321	(143,168)	526,703
Segment additions to:										
Property and equipment	967	-	1,494	17	2,589	597	317	12	-	5,993
Investment properties	4,302	-	12,876	21,287	2	76	-	-	-	38,543
Depreciation and amortization	621	169	4,417	2,481	852	276	436	254	-	9,506
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	164	1	25	377	30	-	-	-	-	597

As at December 31, 2022

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	71,792	2,757	-	-	6,194	4,236	4,181	-	-	89,160
Interest income from real estate sales	6,695	-	-	-	-	-	-	-	-	6,695
Rental revenue	-	-	16,075	11,121	-	-	-	-	-	27,196
Intersegment sales	-	-	-	-	-	38,257	-	-	(38,257)	-
Earnings of associates and joint ventures	1,419	-	10	-	-	6	(5)	-	-	1,430
Total revenue	79,906	2,757	16,085	11,121	6,194	42,499	4,176	-	(38,257)	124,481
Real estate costs and expenses	55,795	2,074	8,239	2,992	6,029	39,117	6,497	199	(38,049)	82,893
Gross margin (loss)	24,111	683	7,846	8,129	165	3,382	(2,321)	(199)	(208)	41,588
Interest and investment income										387
Other charges										(3,996)
Interest and other financing charges										(11,447)
Other income										1,688
Provision for income tax										(5,696)
Net income										22,524
Net income attributable to:										
Equity holders of Ayala Land, Inc.										18,617
Non- controlling interests										3,907
										22,524
Other Information										
Segment assets	589,589	17,440	215,705	155,712	54,615	44,480	13,557	102,294	(459,543)	733,849
Investment in associates and joint ventures	31,252	-	37	-	-	61	349	218	-	31,917
	620,841	17,440	215,742	155,712	54,615	44,541	13,906	102,512	(459,543)	765,766
Deferred tax assets	2,074	33	1,980	341	423	126	102	1,076	7,734	13,889
Total assets	622,915	17,473	217,722	156,053	55,038	44,667	14,008	103,588	(451,809)	779,655
Segment liabilities	236,536	6,421	94,346	25,122	20,916	33,705	7,724	195,016	(139,645)	480,141
Deferred tax liabilities	1,599	-	255	354	18	-	-	(229)	3,852	5,849
Total liabilities	238,135	6,421	94,601	25,476	20,934	33,705	7,724	194,787	(135,793)	485,990
Segment additions to:										
Property and equipment	141	50	1,484	74	351	440	1,406	478	-	4,424
Investment properties	7,773	655	18,529	3,149	-	26	2	4,543	-	34,677
Depreciation and amortization	542	162	4,420	2,340	920	552	504	249	-	9,689
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	56	-	158	62	1	-	3	1	-	281

As at December 31, 2021

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	65,260	3,878	-	-	2,833	3,909	2,467	-	-	78,347
Interest income from real estate sales	6,801	-	-	-	-	-	-	-	-	6,801
Rental revenue	-	-	7,925	9,872	-	-	-	-	-	17,797
Intersegment sales	-	-	-	-	-	36,578	-	-	(36,578)	-
Equity in earnings of associates and joint ventures	971	-	7	-	-	3	(16)	(122)	–	843
Total revenue	73,032	3,878	7,932	9,872	2,833	40,490	2,451	(122)	(36,578)	103,788
Real estate costs and expenses	49,401	2,896	5,204	2,803	4,095	39,062	2,736	229	(35,246)	71,180
Gross margin (loss)	23,631	982	2,728	7,069	(1,262)	1,428	(285)	(351)	(1,332)	32,608
Interest and investment income										253
Other charges										(3,637)
Interest and other financing charges										(11,038)
Other income										2,101
Provision for income tax										(4,628)
Net income										15,659
Net income attributable to:										
Equity holders of Ayala Land, Inc.										12,228
Non- controlling interests										3,431
										15,659
Other Information										
Segment assets	559,211	20,190	226,343	135,653	59,038	48,601	11,549	94,146	(450,625)	704,106
Investment in associates and joint ventures	28,194	-	45	-	-	55	172	-	-	28,466
	587,405	20,190	226,388	135,653	59,038	48,656	11,721	94,146	(450,625)	732,572
Deferred tax assets	1,901	163	1,732	389	436	114	183	1,299	6,675	12,890
Total assets	589,306	20,353	228,120	136,042	59,474	48,770	11,904	95,445	(443,950)	745,462
Segment liabilities	235,677	979	95,934	29,686	25,986	38,035	6,158	200,436	(164,449)	468,442
Deferred tax liabilities	2,619	0	177	225	4	0	(2)	(196)	3,693	6,520
Total liabilities	238,296	979	96,111	29,911	25,990	38,035	6,156	200,240	(160,756)	474,962
Segment additions to:										
Property and equipment	2,035	–	298	4	285	555	14	24	-	3,215
Investment properties	12,426	508	8,141	1,100	146	103	-	1,757	-	24,181
Depreciation and amortization	733	-	4,438	1,908	887	238	475	221	-	8,900
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	11	-	22	114	-	114	98	181	-	540

29 Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) serviced lot and house, and (iii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two to ten years with fixed monthly payment. The amount due for collection under the amortization schedule from each of the customer does not necessarily coincide with the progress of construction, which results in either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts

Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenues from banquets and other special events are recognized when the events take place.

Construction

Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) for the years ended December 31 are as follows:

	2023	2022	2021
Within one year	66,739,284	31,674,330	45,005,469
More than one year	59,864,314	29,307,910	55,587,158
	126,603,598	60,982,240	100,592,627

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

30 Registration with Philippine Economic Zone Authority (PEZA)

The following projects/properties were registered with PEZA:

Company	Property/Project	Date of Registration	Particular
Accendo Commercial Corp.	Abreeza Corporate Center	16-Dec-2013	Developer/operator
Ayala Land Inc.	Southpark Corporate Center	13-Dec-2017	Developer/operator
Ayala Land Inc.	Vertis North IT Park	6-Nov-2017	Developer/operator
Ayala Land Inc.	Ayala North Point Technohub	17-Dec-2010	Developer/operator
Ayala Land, Inc.	Asiatown IT Park E-Bloc	18-Dec-2007	Ecozone Facilities Enterprise
Ayala Land, Inc.	South Coast City Information Technology Park	22-Jun-2022	Developer/Operator
Ayala Land, Inc.	CBP IT Park	20-May-2010	Developer/Operator
Ayala Land, Inc.	CCTC IT Park	10-Oct-2001	Developer/Operator
Ayalaland Metro North, Inc.	UP Town Corporate Center	16-Jan-2017	Developer/operator
AyalaLand Offices, Inc.	Building K to P (UP Technohub)	25-May-2012	Ecozone Facilities Enterprise
Cagayan de Oro Gateway Corp.	Centrio Corporate Center	24-Feb-2016	Developer/operator
Ceci Realty, Inc.	Lakeside Evozone	14-Dec-2007	Developer/Operator
Central Block Developers, Inc.	Central Bloc 1 & 2	19-Jun-2017	Ecozone Facilities Enterprise
Ecozone Power Management Inc.	Alogis Artico 1	13-Dec-2021	As Ecozone Facilities Enterprise
Ecozone Power Management Inc.	Alogis Sto Tomas	21-Dec-2021	Domestic Market Enterprise
First Gateway Real Estate Corp.	TP Ayala/People Support Center	25-Sep-2007	Developer/Operator
Hillsford Property Corp.	Baguio Technohub	29-Jan-2009	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Cavite Technopark	13-Jul-2016	Ecozone Developer/Operator
Laguna Technopark, Inc.	Alviera Industrial Park, Phase 1	17-Nov-2017	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Laguna Technopark	17-Oct-1991	Ecozone Developer/Operator
North Eastern Commercial Corp.	30th Corporate Center	5-Jul-2017	As developer/operator
Nuevocentro, Inc.	Alviera Industrial Park	19-Jul-2016	Developer/Operator
Pangulasian Island Resort Corporation	Green Tourism Ecozone - Pangulasian	21-Mar-2016	Operator
Subic Bay Town Center Inc	Harbor Point Mall	9-Mar-2010	Developer/ Operator
Sunnyfield E-Office Corp.	Ilo-ilo Technohub	17-Dec-2010	Ecozone Developer/Operator
UP North Property Holdings Inc.	Building A to J (UP Technohub)	25-Sep-2007	Ecozone Facilities Enterprise
Westview Commercial Ventures Corp	BPO Technohub/The District North Point	17-Dec-2010	Information Technology Facilities Enterprise

31 Leases

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment properties portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under non-cancellable operating leases of the Group follows:

	2023	2022	2021
Within one year	14,225,222	3,498,321	5,591,888
After one year but not more than five years	40,592,506	12,422,006	15,982,405
More than five years	21,570,082	55,262,893	56,106,720
	76,387,810	71,183,220	77,681,013

In 2023, there were no rent concessions during the year (2022 - P2.36 billion and 2021 - P7.15 billion). These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payment and reported as reduction of lease income in 2023, 2022 and 2021 (Note 36).

Operating leases - Group as Lessee

The Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rental payable under non-cancellable operating leases of the Group follows:

	2023	2022	2021
Within one year	1,533,997	3,033,292	3,003,107
After one year but not more than five years	6,940,852	7,790,454	7,973,751
More than five years	56,491,798	49,234,687	53,597,269
	64,966,647	60,058,433	64,574,127

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2023 and 2022:

As at December 31, 2023

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	16,119,347	777,178	1,701,823	419,119	19,017,467
Additions	34,350	17,977	-	149,419	201,746
Adjustments	(277,478)	80,447	106,209	(76,229)	(167,051)
At December 31	15,876,219	875,602	1,808,032	492,309	19,052,162
Accumulated depreciation and amortization					
At January 1	4,644,277	745,721	885,261	323,367	6,598,626
Depreciation	483,116	36,905	143,635	37,027	700,683
Adjustments	(42,278)	(23,153)	-	(18,337)	(83,768)
Capitalized as investment property	-	-	27,994	86	28,080
At December 31	5,085,115	759,473	1,056,890	342,143	7,243,621
Net book value	10,791,104	116,129	751,142	150,166	11,808,541

As at December 31, 2022

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	14,684,025	731,053	1,701,823	385,169	17,502,070
Additions	1,435,322	46,125	-	33,950	1,515,397
At December 31	16,119,347	777,178	1,701,823	419,119	19,017,467
Accumulated depreciation and amortization					
At January 1	3,843,728	488,648	713,632	299,822	5,345,830
Depreciation	284,283	231,565	171,629	22,902	710,379
Adjustments	517,115	23,302	-	(1,674)	538,743
Capitalized as investment property	(849)	2,206	-	2,317	3,674
At December 31	4,644,277	745,721	885,261	323,367	6,598,626
Net book value	11,475,070	31,457	816,562	95,752	12,418,841

The roll forward analysis of lease liabilities follows:

	Note	2023	2022
At January 1		18,702,566	17,837,354
Additions		418,740	614,921
Accretion of interest expense	20	1,489,221	1,439,756
Capitalized interest		(11,793)	-
Foreign exchange (loss) gain		(10,686)	127,004
Payments		(2,065,425)	(1,316,469)
As at December 31		18,522,623	18,702,566
Less: Current portion of lease liabilities		1,108,553	710,160
Lease liabilities, net of current portion		17,414,070	17,992,406

The following are the amounts recognized in the consolidated statement of income:

	Note	2023	2022	2021
Depreciation expense of right-of-use assets		700,683	710,380	623,272
Accretion of interest expense on lease liabilities	20	1,489,221	1,439,756	1,409,177
Rent expense - short- term leases		1,416	556	9,426
Rent expense - variable lease payments		631,292	256,331	168,963
Foreign exchange (gain) loss		(10,686)	127,004	210
Total amounts recognized in the consolidated statement of income		2,811,926	2,534,027	2,211,048

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	2023		
	Fixed Payments	Variable Payments	Total
Fixed	1,420,958	-	1,420,958
Variable rent with minimum payment	29,028	9,820,596	9,849,624
Variable rent only	-	1,345,824	1,345,824
At December 31	1,449,986	11,166,420	12,616,406

	2022		
	Fixed Payments	Variable Payments	Total
Fixed	971,072,555	-	971,072,555
Variable rent with minimum payment	11,987,292	69,014,261	81,001,553
Variable rent only	-	2,851,096,952	2,851,096,952
At December 31	983,059,847	2,920,111,213	3,903,171,060

The significant leases entered into by the Group are as follows:

Parent Company

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to P100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027. The lessee shall pay lessor P50.53 million or 40% of lease upon execution of the contract and turnover of the premise while the remaining 60% amounting to P75.79 million shall be payable upon securing all necessary permits from Local Government of Quezon City but not later than six months from payment of preceding lease payment.

Bay City

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City, with an aggregate area of 92,317sqm. Parent Company signed a 45-year lease contract with an option to renew the lease for another term of 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The rent due to the Lessor shall be either the Minimum Guaranteed Rent or Percentage Rent (7% of Gross Rental Income), whichever is higher.

ALI also assigned the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014. The lessee shall pay the lessor (a) P100/sq meters subjects to annual escalation starting year 2020 ranging from P100/sq meter for the first 3 years, and subject to 25% escalation on the 4th year then 5% escalation from the 5th year to 17th year and finally 6% escalation from 18th to 45th year per square meter, or (b) rent equal to seven percent (7%) of the Gross Rental Income, whichever is higher. The lessee shall pay P100/sq meters for the Basement Right.

AMNI

On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the P4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to AMNI in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

Monthly rent is equal to the higher of either: (i) P215.65/sqm of the Gross Useable Area, subject to annual escalation at the rate of 5% (Minimum Guaranteed Rent); or (ii) Seventeen percent of the Gross Rental Income.

NTDCC

The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As at December 31, 2023, the DRP obligation amounted to P3,684.5 million (2022 - P3,722.9 million). Additionally, the total DRP obligation paid amounted to nil (2022 - P289.2 million)

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with Global-Estate Resort Inc (GERI) for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P294.4 million was paid at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent is P62.5 million.

During 2016, the Company entered into a non-cancellable land lease agreement with Anglo Philippine Holdings, DBH Inc. and Allante Realty & Development Corporation for the lease of an aggregate of 1,964.20 square meters, 687.47 square meters and 687.47 square meters, respectively, undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P120.5 million, P18.4 million and P18.4 million was paid to Anglo, DBH and Allante, respectively, at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent payable for both DBH and Allante is P3.9 million.

ALICAP

In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US$14.16 million.

AHRC

On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) P70 million per annum for the first 5 years (b) 5% of Gross Revenues or P70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or P70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of P73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. The Company has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys the Company to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or P350 per square meter for the 1st year, P375 per square meter for the 2nd year and P400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. The Company entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or P575 per square meter for the 1st year, P616.06 per square meter for the 2nd year and P657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC

On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014 until 2039. The fixed rent from 2014 to 2039 is P3.8 billion and variable rent is 2% of gross revenue.

SSECC

The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounted to P106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol

On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017. Lease payment is P2.47 million per month and shall be escalated every five years by ten percent (10%) of the then current rate of rent.

Arvo

On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of two years and lease payments shall commence thereafter. Lease payments shall be paid annually at P60.00 per sqm, subject to an annual escalation of 4%.

The Group performed impairment testing on its right-of-use assets with a carrying value of P1,365.5 million as at December 31, 2023 (2022 - P1,431.0 million), by assessing its recoverable amount through estimation of its value-in-use. Based on the impairment testing, there is no impairment loss on the Group's hotel and resorts' right-of-use assets as at December 31, 2023 and 2022 (Note 35).

32 Concession agreement with Department of Transportation (DOTr)

On January 26, 2016, the Group through ASITI entered into a Concession Agreement (CA) with the Department of Transportation (DOTr). The CA sets forth the rights and obligations of ASITI as concessionaire, including the construction and operation of the South Integrated Transport System Project (the Project) of DOTr. During the concession period, DOTr will monitor and review the performance of the concessionaire.

The concession will run for a period of 35 years from the start of the construction of the Project. Under the terms of the concession agreement, ASITI will design, engineer, construct, operate and maintain a mass transportation intermodal terminal at the outskirts of Metro Manila. The operation of the Project includes the collection and remittance of terminal fees to DOTr of the concessionaire during the concession period. In addition, ASITI will be permitted to develop and operate commercial leasing facilities.

Upon the start of the construction of the Project, DOTr will give ASITI the full, exclusive and uninterrupted use and possession of a 5.57 hectare property known as the Project Land. Ownership of the Project Land shall remain with DOTr at all times while the possession, custody and risk of loss or deterioration of the Project and commercial assets shall vest in the concessionaire during the concession period. ASITI shall transfer the Project and the related assets, free from any liens or encumbrances, to DOTr at the end of the concession period. ASITI will be entitled to annual payments from DOTr amounting to P277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As at December 31, 2023, construction of the Project has not yet commenced.

33 Notes to consolidated statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

2023

	Notes	January 1, 2023	Cash flows	Other changes	Foreign exchange movement	December 31, 2023
Short- term debt	14	6,547,272	10,357,835	-	-	16,905,107
Current portion of long-term debt	14	19,228,289	(288,868)	-	-	18,939,421
Long-term debt, net of current portion (a)	14	210,233,290	12,145,265	22,354	(21,175)	222,379,734
Dividends payable (b)	13	81,030	(5,679,961)	5,662,153	-	63,222
Lease liabilities (a)	31	18,702,566	(2,065,425)	1,885,482	-	18,522,623
Deposits and other non-current liabilities	16	47,519,881	(4,881,100)	-	-	42,638,781
Total liabilities from financing activities		302,312,328	9,587,746	7,569,989	(21,175)	319,448,888

Other changes pertain to:
(a) Interest expense
(b) Dividend declaration

2022

	Note	January 1, 2022	Cash flows	Other changes	Foreign exchange movement	December 31, 2022
Short- term debt	14	16,782,500	(10,235,228)	-	-	6,547,272
Current portion of long-term debt (a)	14	26,173,997	(26,173,997)	19,228,289	-	19,228,289
Long-term debt, net of current portion (a)	14	180,140,242	49,327,017	(19,433,435)	229,466	210,263,290
Dividends payable (b)	13	686,982	(4,667,960)	4,062,008	-	81,030
Lease liabilities (a)	31	17,837,354	(1,316,469)	2,891,842	-	19,412,727
Deposits and other non-current liabilities	16	60,735,602	(13,299,983)	-	-	47,435,619
Total liabilities from financing activities		302,356,677	(6,366,620)	6,748,704	229,466	302,968,227

Other changes pertain to:
(a) Interest expense
(b) Dividend declaration

2021

	Note	January 1, 2021	Cash flows	Other changes	Foreign exchange movement	December 31, 2021
Short- term debt	14	9,131,325	7,651,175	-	-	16,782,500
Current portion of long-term debt (a)	14	18,732,401	(18,732,401)	26,173,997	-	26,173,997
Long-term debt, net of current portion (a)	14	184,087,192	21,483,082	(25,829,931)	399,899	180,140,242
Dividends payable (b)	13	241,606	(5,375,409)	5,820,785	-	686,982
Lease liabilities (a)	31	17,755,843	(1,432,361)	1,513,872	-	17,837,354
Deposits and other non-current liabilities	16	50,040,170	10,695,432	-	-	60,735,602
Total liabilities from financing activities		279,988,537	14,289,518	7,678,723	399,899	302,356,677

Other changes pertain to:
(a) Interest expense
(b) Dividend declaration

The non-cash activities of the Group pertain to the following:

2023

- Transfer from investment properties to inventories amounting to P9,411 million
- Transfer from investment properties to property and equipment amounting to P4,072 million
- Transfer from inventory to property and equipment amounting to P9 million
- Capitalized interest amounted to P683.10million

2022

- Transfer from investment properties to inventories amounting to P16,875 million
- Transfer from property and equipment to investment properties amounting to P5,597.3 million
- Property for share swap transaction with AC and Mermac that resulted in acquisition of investment properties amounting to P4,785.39 million and inventories amounting to P78.06 million, in exchange for the issuance of capital stock and recognition of additional paid-in capital amounting P311.58 million and P17,074.58 million, respectively. This also involved the recognition of non-cash transactions such as equity reserves amounting to P9,800.78 million and non-controlling interest amounting to P3,397.84 million.
- Capitalized interest amounted to P783.22 million

2021

- Transfer from investment properties to inventories amounting to P4,062.9 million
- Transfer from property and equipment to investment properties amounting to P1.2 million
- Transfer from inventories to investment properties amounting to P4,106.9 million
- Transfer from inventories to property and equipment amounting P2.6 million
- Capitalized interest amounted to P574.1 million

34 Events after the reporting date

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

On January 17, 2024, AREIT completed the acquisition of the 153-room Seda Lio in Palawan from Ayala Land's wholly-owned subsidiary, Econorth Resort Ventures, Inc. for P1,192,000,000.

On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity.

On January 26, 2024, Ayala Land, and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181,000,000 common shares of AREIT at a transaction price of P31.10/share, equivalent to P5,629,100,000 (exclusive of fees and taxes), in relation to its property-for-share swap transaction with AREIT, with BPI Capital Corporation, UBS AG Singapore Branch, and CLSA Limited as Placement Agents. The transaction has been upsized by over 40%, anchored on high-quality long-only institutional investors. The proceeds from the block sale were settled on January 30, 2024, under the Placement Agreement.

On January 31, 2024, the SEC approved the merger of BGWest Properties, Inc. (BGW), BGNorth Properties, Inc. (BGN) and BGSouth Properties, Inc. (BGS) with BGW as the surviving entity.

On February 12, 2024, the shareholders of AREIT owning a majority of the outstanding capital stock, approved the issuance of 841,259,412 primary common shares to ALI and its subsidiaries, and Buendia Christiana Holdings Corp., a wholly-owned subsidiary of ACEN Corporation, at an issue price of P34.00/share, in exchange for four prime commercial buildings of ALI and a 276-hectare industrial land, with an aggregate value of P28,602,820,008.

On February 20, 2024, the Board of Directors of ALI approved the following:

a. The raising of up to Php50 billion in debt capital to partially finance general corporate requirements and refinance maturing debt through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or execution of bilateral term loans.

b. The declaration of a cash dividend of P0.2050 per outstanding common share payable on March 21, 2024 to stockholders of common shares as at record date of March 5, 2024. This reflects a 37% increase from the cash dividends declared in the first half of 2022 amounting to P0.1495.

c. The 2024 stock option program pursuant to our Employee Stock Ownership Plan (the "Plan") which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 18,542,878 common shares at a subscription price of P28.82 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading as of February 13, 2024, less a prescribed discount.

35 Critical accounting judgments and estimates

The preparation of the consolidated financial statements in conformity with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from such estimates.

35.1 Critical accounting judgments

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

Existence of a contract

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition, is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age 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.

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. 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 of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Distinction of land between real estate inventories, property and equipment and investment properties

The Group determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Group also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights

The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BG Entities (BGWest, BGNorth and BGSouth)
For the BG entities, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL and LAIP
ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL and LAIP.

Service concession agreement

The Group has made a judgment that the concession agreement with DOTr qualifies under Philippine Interpretation IFRIC 12, Service Concession Arrangements (Note 32). Management has assessed that DOTr controls and regulates the service, determines to whom this service will be provided and controls the price. In addition, management has also determined that the DOTr has the significant control over the residual interest of the Terminal at the end of the term. Management has also made a judgment that the Terminal and commercial assets (mall facilities) are physically separable and are capable of being operated independently.

Management has further assessed that said concession agreement qualifies under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial assets (i.e., the Annual Grantor Payment) for its construction, operating and maintenance services directly from DOTr.

Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements (Note 31).

Sale of real estate receivables

The Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g., Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options - Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Assessment on whether lease concessions granted constitute a lease modification

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Group applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

There are no rent concessions granted by the Group for the year ended December 31, 2023 (2022 - P2.36 billion).

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements. Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

35.2 Critical accounting estimates and assumptions

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

Revenue recognition on real estate projects

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the percentage of completion is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the percentage of completion is applied to the standard cost which is regularly reviewed and adjusted to actual cost. In view of the community quarantines and restricted mobility in 2022 and 2021, the progress of the Group's performance obligation was adversely affected which resulted in lower percentage of completion as compared to previous years. In 2023, the Group's percentage of completion posted improvement due to easing of health and travel restrictions.

Evaluation of NRV of real estate inventories

The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell.

In evaluating NRV, recent market conditions and current market prices have been considered. See Note 6 for the related balances.

Share-based payments

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Group (Note 26).

Estimating pension liabilities and other retirement benefits

The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 24 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations (Note 24).

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology (Note 27).

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 5 and 27.

Estimating the Incremental Borrowing Rate (IBR) for leases

The Group uses its IBR to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

As at December 31, 2023, the Group's lease liabilities amounted to P18,522.6 million (2022 - P18,702.6 million) (Note 31).

Evaluation of impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (i.e., property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the improving economy that was severely impacted by the pandemic and the government's easing travel and mobility restrictions (both domestic and international), the Group's hotels and resorts segment has registered positive growth in its revenues during the year. The hotel and resorts properties continue to post significant improvements in revenues and net income from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests spending. In addition, many restaurants and food outlets have reopened and operated, improving the food and beverage revenues of the segment. With a better economic outlook and market forecast, the segment is expected to continue its recovery in the future. Accordingly, there are no impairment indicators in 2023 and 2022 requiring the assessment of the recoverable amount of the property and equipment and right-of-use assets.

As at December 31, 2023, the carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to P19,578 million (2022 - P20,499.6 million) and P1,365.5 million (2022 - P1431.3 million). There is no impairment of investment properties in 2023 and 2022.

Useful lives of property and equipment and investment properties

The useful life of each item of the Group's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets.

In 2023 and 2022, there were no changes in the estimated useful lives of property and equipment.

36 Summary of material accounting policies

36.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic. The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The Group has availed the relief granted by the SEC under Memorandum Circular (MC) No. 34- 2020 which further extended the deferral of PIC Q&A 2018-12-D, assessment if the transaction price includes a significant financing component, until December 31, 2023.

SEC MC No. 4-2020, deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost), not applicable to the Group as is it is already in full compliance with the requirements of the IFRIC Agenda Decision.

The details and the impact of the adoption of the above financial reporting relief are discussed in Note 36.3 - Adoption of amended accounting standards and interpretation.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets FVTPL and financial assets at FVOCI and plan assets of retirement benefit obligation that have been measured at fair value.

The preparation of financial statements in conformity with PFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 35.

Functional and presentation currency

The consolidated financial statements of the Group are presented in Philippine Peso. All amounts are shown in thousands of Philippine Peso unless otherwise stated.

36.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2023 (with comparative figures as at December 31, 2022) and for the year ended December 31, 2023 (with comparative figures for the years ended December 31, 2022 and 2021).

The financial statements of the subsidiaries are prepared using the same reporting date and reporting period as those of the Parent Company, using consistent accounting policies.

Investees are fully consolidated from the date when control is transferred to the Group. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full in the consolidated financial statements.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity.

Non-controlling interests are net of any outstanding subscription receivable.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as equity reserves in the consolidated statement of changes in equity (Notes 1 and 17). If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

36.3 Adoption of amended accounting standards and interpretation

(a) Amendments to existing standards adopted by the Group effective January 1, 2023

The following amendments to existing standards have been adopted by the Group effective January 1, 2023:

- Amendments to PAS 1, '*Presentation of Financial Statements', and PFRS Practice Statement 2*

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, PFRS Practice Statement 2, *Making Materiality Judgements*, was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The adoption of these amendments resulted in changes in the accounting policies disclosed by the Group.

- Amendments to PAS 8, '*Definition of Accounting Estimates'*

  The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12*, 'Income Taxes'*

  The amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Group's consolidated financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Group

The following amendments to existing standards are not mandatory for December 31, 2023 reporting period and have not been early adopted by the Group:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

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

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

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- Amendments to PFRS 16*, 'Lease Liability in a Sale and Leaseback'*

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

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

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

  After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  The Group availed the SEC relief on the accounting for significant financing component in its 2023 consolidated financial statements. Had this provision been adopted, the Group would follow the allowed modified retrospective approach allowing it to only adjust the beginning balance of Retained earnings in 2023. The net income for the current period is not expected to materially change as it would only require allocation of transaction price from one revenue line item to another.

  The Group assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is not material to the 2023 consolidated financial statements. Upon the adoption in 2024, the adjustment on the beginning balance of Retained earnings approximates an increase of P393.0 million.

- PFRS 17, '*Insurance Contracts'*

  PFRS 17 was issued in May 2017 as replacement for PFRS 4, *Insurance Contracts*. PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the statement of income or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

  The IC, in coordination with Philippine Insurers and Reinsurers Association, is currently reviewing the impact of PFRS 17 across the entire industry and has established a project team to manage the implementation approach. The IC, considering the extension of IFRS 17 and the challenges of the COVID-19 pandemic to the insurance industry, has deferred the implementation of PFRS 17 to January 1, 2025, granting an additional two-year period from the date of effectivity proposed by the IASB.

  The new standard is not applicable to the Group since none of the entities within the Group has activities that are predominantly connected with insurance or issue insurance contracts.

The adoption of the above amendments is not expected to have a material impact on the consolidated financial statements of the Group.

36.4 Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when it is:

a. expected to be realized or intended to be sold or consumed in normal operating cycle;
b. held primarily for the purpose of trading;
c. expected to be realized within twelve (12) months after reporting date; or
d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is current when:

a. it is expected to be settled in the normal operating cycle;
b. it is held primarily for the purpose of trading;
c. it is due to be settled within 12 months after reporting date; or
d. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

36.5 Fair value measurement

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Group’s Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

36.6 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

36.7 Financial instruments

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognised on a trade date basis. Financial liabilities are recognized when cash is received by the Group.

(a) Financial assets

i. Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognised at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on *Revenue from contracts with customers*.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

The classification requirements for financial assets are described below:

a. Financial assets at amortized cost (debt instruments);
b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at fair value through profit or loss

ii. Subsequent measurement

(a) Financial assets at amortized cost

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

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

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Group accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognised over the life of the financial assets through the recognition of interest income.

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

When financial assets at amortized cost are disposed, these are assessed whether the Group is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (Note 5).

(b) Financial assets at FVOCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Group holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

The Group's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Group enter into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Group enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in profit or loss.

The Group's financial assets at FVTPL includes investments in UITF and ARCH Capital Fund.

iii. Impairment of financial assets

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes allowance for impairment loss based on lifetime ECL at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payments 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 which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

iv. Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

v. Derecognition

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

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

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

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

vi. Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (EIR) (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

(b) **Financial liabilities**

i. Initial recognition, classification and measurement

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized cost, net of directly attributable transaction costs. Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Group's financial liabilities include accounts and other payables (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities. The Group has no financial liabilities at FVTPL.

ii. Subsequent measurement

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

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

iii. Derecognition

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

iv. *Offsetting*

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

There is no offsetting of financial instruments as at December 31, 2023 and 2022.

36.8 Derivatives

The Group uses derivative financial instruments, such as non-deliverable forwards, cross currency swaps, interest rate swaps and principal only swaps contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

36.9 Concession receivable

The Group accounts for its concession arrangement with the DOTr under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial asset for its construction services from or at the direction of the grantor. Under the concession arrangement, the Group is awarded the right to build and operate an integrated transport terminal for Metro Manila and its adjacent provinces. The legal title to these assets shall be transferred to the government at the end of the concession period.

The concession financial receivable (shown as part of “Other Non-current Assets”) pertains to the fair value of the Annual Grantor Payment related to the operating and maintenance services and recovery of construction costs of the terminal facility. These are amortized using the effective interest rate over the life of the related concession.

In addition, the Group recognizes and measures construction revenues and costs in accordance with 'percentage of completion method'. Contract revenue and costs from construction works are recognized as "Construction revenue" and "Construction costs", respectively, in profit or loss in the period in which the work is performed.

36.10 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and estimated costs to sell.

Cost of inventories represents accumulated costs of the unsold units of the completed projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

Inventories are derecognized when they are sold or there are no future benefits to the Group. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

36.11 Materials, parts and supplies

Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

36.12 Investments in associates and joint ventures

Investments in associates and joint ventures (investee companies) are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as subsumed goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Unless otherwise, additional losses are not recognized when the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the investee companies, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

36.13 Interest in joint operation

Makati Development Corporation (MDC), a subsidiary of the Parent Company, has an interest in joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. MDC recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its financial statements.

The financial statements of the joint operation are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

36.14 Investment properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

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

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

As at December 31, 2023 and 2022, the Group engages independent valuation specialist to assess the fair value. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

36.15 Property and equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Machinery and construction equipment	5
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5
Hotel property and equipment	20-50

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

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

36.16 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Leasehold rights with finite lives are amortized using the straight-line method over the estimated useful life of 20 to 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income.

As at December 31, 2023 and 2022, intangible asset pertaining to leasehold right is included under "Other non-current assets" (Note 12).

36.17 Business combinations and goodwill

Business combinations are accounted for using the acquisition method which involves recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain. The Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

36.18 Combinations of entities under common control

Business combinations of entities under common control are accounted for using the pooling of interest method.

The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the current period presented and on retained earnings at the beginning of the current period presented are eliminated to the extent possible.

36.19 Asset acquisitions

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition (Note 17). The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

36.20 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired (e.g., investments in associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

Investments in associates and joint ventures

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

36.21 Pension cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

36.22 Long-term commitments and contingencies

Commitments

a. On December 8, 2017, ALI assigned to NTDCC development rights on certain portions of the North Triangle lot pads covered by a Deed of Assignment and Encroachment Settlement Agreement amounting to P631.2 million.

b. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Parent Company and CHI (together with the Parent Company collectively referred to as the "ALI Group"). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, the Parent Company has fully paid P4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commenced on February 18, 2020.

   As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

   The development is positioned to be "The Gateway and Epicenter of Growth in Central Visayas".

   It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

c. On August 11, 2015, the Group won the bid for the Integrated Transport System Project - South Terminal ("ITS South Project"). The Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57-hectare of the former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

d. On August 8, 1997, an "Assignment Agreement" was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

e. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2027, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US$5 million (P223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or on June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

f. On February 26, 2021, The Group entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively, to a 5-year loan with interest rate of 4% per annum.

g. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company, named ALI-ETON Property Development Corporation, was incorporated on May 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower.

On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

h. On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc, for the waterworks of Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31, 2021 to amend certain provisions. The original MOA and its amendments were signed by the Parent Company and its subsidiaries and affiliates including Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Total expenses amounted to P0.2 million. As a result of the merger of CHI into CPVDC and later on CHI to the Parent Company, the Parent Company assumes the rights and obligations of CHI and CPVDC.

Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material nor adverse effect on the Group's financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group's position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

36.23 Share-based payments

The Group has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 26.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as at grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 25).

ESOWN

The Parent Company has an ESOWN which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

36.24 Equity

When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the consolidated statement of financial position (Note 17).

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

36.25 Revenue from contract with customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 35.

Residential development revenue (part of real estate sales in the consolidated statement of income)

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

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

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the "customer's deposit" account in the liabilities section of the consolidated statement of financial position.

The impact of the significant financing component on the transaction price has not been considered since the Group availed of the relief granted by the SEC under Memorandum Circular No. 34 until December 31, 2023.

Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Construction revenue (part of real estate sales in the consolidated statement of income)

Revenue from fixed price construction contracts is recognized over time using the milestone-based revenue recognition which is in reference to the output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Rental income (part of real estate sales in the consolidated statement of income)

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (Note 4).

The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common use service area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

Other services

Revenue from other services is recognized at a point in time when services are rendered.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Group's right to receive the payment is established.

36.26 Cost recognition

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Cost of hotel operations (part of cost of real estate sales in the consolidated statement of income)

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

Construction costs (part of cost of real estate sales in the consolidated statement of income)

Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Customers' deposit

Customers' deposit is a contract liability which is the 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 a customer pays consideration before the Group transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Group which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

36.27 Costs to obtain contract

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

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

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

36.28 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Investment properties” and “Property and equipment” accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The Group capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

36.29 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful Life
Building	20-40
Aircraft	10
Others	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of non-financial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its IBR at the lease commencement date because the interest rate implicit in the lease is not readily determinable. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

36.30 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

36.31 Deferred tax

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

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

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

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

36.32 Foreign currency transactions

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The exchange differences arising on the translation are taken directly to a separate component of equity under “Cumulative translation adjustments” account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Group’s share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

36.33 Earnings per share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

36.34 Segment reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 28 to the consolidated financial statements.

36.35 Contingencies

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

36.36 Events after the reporting period

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

Ayala Land, Inc. and Subsidiaries

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Ayala Land, Inc. and Subsidiaries

Schedule A - Financial Assets

As at December 31, 2023

Name of Issuing entity and association of each issue	Number of share or principal amount of bonds and notes (in '000)	Amount in the statement of financial position (in '000)	Income received and accrued (in '000)
Loans and Receivables			
A. Cash in bank	**-**	**10,615,507**	**121,945**
BPI	-		
Peso	-	4,495,816	12,228
Foreign Currency	-	177,583	20
Other Banks	-		
Peso	-	3,990,580	84,546
Foreign Currency	-	1,951,528	25,151
B. Cash Equivalents 1/		**6,412,124**	**331,059**
BPI			
Special Savings Account	-	-	-
Time Deposits	-	999,294	51,495
Others	-	-	-
Other Banks	-	-	-
Special Savings Account	-	-	-
Time Deposits	-	5,412,830	279,564
Others	-	-	-
C. Loans and receivable		**163,983,727**	**5,648,259**
Trade	-	127,131,467	5,496,042
Advances to other companies	-	18,169,487	152,217
Accrued receivables	-	11,096,749	-
Related parties	-	6,537,813	-
Receivable from employees	-	1,048,211	-
D. Financial Assets at FVPL	**-**	**419,802**	**19,825**
Investment in UITF	-	228,674	11,382
Investment in Funds	-	191,128	8,443
E. Financial Assets at FVOCI	**-**	**1,121,969**	**-**
Quoted	2,744	461,211	**-**
Unquoted	343,831	660,758	**-**
TOTAL	**346,575**	**182,553,129**	**6,118,088**

1/ Cash equivalents are short term, highly liquid investments that are made for varying period of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at the respective short-term rates.

Ayala Land, Inc. and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Related Parties)
As at December 31, 2023

NAME AND DESIGNATION OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	AMOUNTS COLLECTED	AMOUNTS WRITTEN OFF	CURRENT	NON-CURRENT	BALANCE AT END OF PERIOD
Employees							
Notes Receivable	927,787,350	4,756,637,751	4,636,214,385	-	772,291,681	275,919,035	1,048,210,716

Ayala Land, Inc. and subsidiaries

Schedule C - Accounts receivable from related parties which are eliminated during the consolidation period

As of December 31, 2023

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by ALI Parent from related parties							
Accendo Commercial Corp	472,433,673	62,336,509	(385,264,819)	-	149,505,363	-	149,505,363
Adauge Commercial Corp.	4,436,505	7,784,548	(8,218,414)	-	4,002,639	-	4,002,639
AKL Properties Inc.	-	318,658,109	(319,013,619)	-	(355,510)	-	(355,510)
Alabang Commercial Corporation (Conso)	22,904,492	52,803,452	(51,154,529)	-	24,553,415	-	24,553,415
ALI Capital Corp. (Conso)	384,595,703	18,796,527	(256,865,170)	-	146,527,061	-	146,527,061
ALI Commercial Center, Inc. (Conso)	1,213,485,300	-	(1,213,485,300)	-	-	-	-
ALI-CII Development Corporation	7,856,285	10,105,277	(11,063,141)	-	6,898,422	-	6,898,422
ALO Prime Realty Corporation	5,891,378	1,648,810	-	-	7,540,188	-	7,540,188
Altaraza Development Corporation	801,159,387	8,600,703	(102,128,167)	-	707,631,922	-	707,631,922
Alveo Land Corporation (Conso)	4,490,192,856	1,612,077,495	-	-	6,102,270,351	-	6,102,270,351
Amaia Land Corporation (Conso)	1,933,728,418	72,058,740	(862,705,727)	-	1,143,081,430	-	1,143,081,430
Amorsedia Development Corporation (Conso)	528,101,073	10,067,850	(57,586,394)	-	480,582,529	-	480,582,529
Anvaya Cove Beach and Nature Club Inc	625	-	(625)	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	78,316,634	997,638	-	-	79,314,272	-	79,314,272
APRISA Business Process Solutions, Inc	1,085,699	252,986	-	-	1,338,685	-	1,338,685
Arca South Integrated Terminal, Inc	13,895,676	-	(20,317)	-	13,875,359	-	13,875,359
AREIT Fund Manager, Inc.	39,992,456	-	(23,672,028)	-	16,320,428	-	16,320,428
AREIT Property Managers, Inc.	362,294	67,200	-	-	429,494	-	429,494
AREIT, Inc.	983,654,342	557,407,374	-	-	1,541,061,716	-	1,541,061,716
Arvo Commercial Corporation	420,872,112	227,040,264	(518,549,282)	-	129,363,095	-	129,363,095
Aurora Properties, Inc.	71,820,403	122,570	-	-	71,942,973	-	71,942,973
Aviana Development Corporation	154,404,367	69,009,938	-	-	223,414,305	-	223,414,305
Avida Land Corporation (Conso)	3,976,979,036	338,671,645	-	-	4,315,650,681	-	4,315,650,681
Ayala Hotels Inc.	923,247,465	179,915,666	(539,410,912)	-	563,752,220	-	563,752,220
Ayala Land International Sales, Inc.(Conso)	157,412,291	7,395,717	-	-	164,808,009	-	164,808,009
Ayala Land Sales Inc.	68,100,842	-	(68,100,842)	-	-	-	-
Ayala Land-Tagle Property Inc.	-	-	-	-	-	-	-
Ayala Malls Zing Inc.	-	283,607	-	-	283,607	-	283,607
Ayala Property Management Corporation (Conso)	180,707,438	114,922,713	(172,433,774)	-	123,196,376	-	123,196,376
Ayala Theaters Management, Inc.	726,447	-	(11,112)	-	715,335	-	715,335
AyalaLand Club Management, Inc.	25,342,356	-	(25,342,356)	-	-	-	-
AyalaLand Estates Inc. (Conso)	4,649,947,076	277,290,933	(2,263,064,404)	-	2,664,173,605	-	2,664,173,605
AyalaLand Hotels and Resorts Corp. (Conso)	1,474,775,101	593,871,434	(1,376,535,029)	-	692,111,506	-	692,111,506
Ayalaland Logistics Holdings Corp. (Conso)	1,507,488,086	312,054,116	(771,557,591)	-	1,047,984,611	-	1,047,984,611
Ayalaland Malls Synergies, Inc.	43,642,251	333,734	-	-	43,975,986	-	43,975,986
AyalaLand Malls, Inc. (Conso)	31,425,456	-	(31,425,456)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	925,781,087	(88,387,626)	-	837,393,461	-	837,393,461
Ayalaland Medical Facilities Leasing Inc.	14,366,123	-	-	-	14,366,123	-	14,366,123
Ayalaland Metro North, Inc.	5,160,837	188,252	-	-	5,349,089	-	5,349,089
AyalaLand Offices, Inc. (Conso)	266,642,863	297,912,693	(240,503,700)	-	324,051,856	-	324,051,856
Ayalaland Premier, Inc.	21,596	91,815,018	-	-	91,836,614	-	91,836,614
Bay City Commercial Ventures Corp.	7,668,732,201	292,250,133	(529,876,078)	-	7,431,106,255	-	7,431,106,255
BellaVita Land Corp.	1,266,893,706	13,648,268	-	-	1,280,541,973	-	1,280,541,973
BG North Properties Inc.	-	13,222,672	-	-	13,222,672	-	13,222,672
BG South Properties, Inc.	-	28,464,743	-	-	28,464,743	-	28,464,743
BG West Properties, Inc	1,280,214,835	63,982,826	-	-	1,344,197,661	-	1,344,197,661
Buendia Landholdings, Inc.	-	67,200	-	-	67,200	-	67,200
Cagayan De Oro Gateway Corporation	166,871,933	31,596,715	(146,906,876)	-	51,561,771	-	51,561,771
Capitol Central Commercial Ventures Corp.	1,586,438,845	171,852,991	(202,399,064)	-	1,555,892,772	-	1,555,892,772
Cavite Commercial Towncenter Inc.	229,103,769	42,373,959	(130,685,531)	-	140,792,197	-	140,792,197
Cebu Leisure Co. Inc.	29,844,212	40,354,700	(23,805,279)	-	46,393,633	-	46,393,633

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
CECI Realty Corp.	262,656,962	(8,968,795)	(62,348,870)	-	191,339,298	-	191,339,298
Central Bloc Hotel Ventures	3,813,386	3,196,039	-	-	7,009,425	-	7,009,425
Crans Montana Property Holdings Corporation	72,618,198	283,175	(70,323,786)	-	2,577,588	-	2,577,588
Crimson Field Enterprises, Inc.	185,736,063	39,644	-	-	185,775,707	-	185,775,707
Direct Power Services Inc.	2,786,621	10,003,656	(12,002,745)	-	787,531	-	787,531
Ecoholdings Company, Inc.	702,706	-	-	-	702,706	-	702,706
First Longfield Investments Ltd.	64,753	-	-	-	64,753	-	64,753
FIVE STAR Cinema Inc.	65,093	1,528,054	(1,528,053)	-	65,094	-	65,094
Hillsford Property Corporation	139,237	-	(307,623)	-	(168,386)	-	(168,386)
Integrated Eco-Resort Inc.	179,862	67,200	-	-	247,062	-	247,062
Lagdigan Land Corporation	699,526	693,945	-	-	1,393,471	-	1,393,471
Leisure and Allied Industries Phils. Inc.	944,985	7,079,078	(2,941,156)	-	5,082,906	-	5,082,906
Makati Cornerstone Leasing Corp.	4,359,482,911	1,047,839,828	-	-	5,407,322,740	-	5,407,322,740
Makati Development Corporation (Conso)	221,569,951	472,037,129	(435,998,355)	-	257,608,724	-	257,608,724
North Eastern Commercial Corp.	641,358,566	315,891	-	-	641,674,458	-	641,674,458
North Triangle Depot Commercial Corp	94,176,380	260,871,107	(278,689,510)	-	76,357,976	-	76,357,976
North Ventures Commercial Corp.	74,127,546	12,546,825	-	-	86,674,371	-	86,674,371
NorthBeacon Commercial Corporation	16,845,515	-	(2,393,756)	-	14,451,759	-	14,451,759
Nuevocentro, Inc. (Conso)	2,357,658,780	9,959,480	(16,692,462)	-	2,350,925,797	-	2,350,925,797
Philippine Integrated Energy Solutions, Inc.	9,449,896	7,301,206	-	-	16,751,102	-	16,751,102
Primavera Towncentre, Inc.	137,321,727	11,135,225	(94,448,738)	-	54,008,214	-	54,008,214
Red Creek Properties, Inc.	171,594,697	20,063,019	(17,378,167)	-	174,279,549	-	174,279,549
Regent Time International Ltd.	148,839	-	(148,839)	-	-	-	-
Regent Time International, Limited	98,453,320	304,104	-	-	98,757,424	-	98,757,424
Regent Wise Investments Limited(Conso)	3,197,389,354	196,388,577	(185,813,527)	-	3,207,964,404	-	3,207,964,404
Roxas Land Corp.	10,427,727	3,224,292	(6,390,783)	-	7,261,236	-	7,261,236
Serendra Inc.	166,780,343	9,941,438	(551,785)	-	176,169,996	-	176,169,996
Soltea Commercial Corp.	137,320,474	29,576,974	(85,405,482)	-	81,491,966	-	81,491,966
Southportal Properties, Inc.	97,089,019	21,959,803	-	-	119,048,822	-	119,048,822
Station Square East Commercial Corp	48,127,737	81,155,518	(81,168,000)	-	48,115,255	-	48,115,255
Subic Bay Town Center Inc.	12,649,606	1,761,571	-	-	14,411,177	-	14,411,177
Summerhill Commercial Ventures Corp.	53,268,087	8,351,440	-	-	61,619,526	-	61,619,526
Sunnyfield E-Office Corp	13,387,712	84,756	-	-	13,472,468	-	13,472,468
Taft Punta Engaño Property, Inc.	181,499,670	5,509,275	(42,102,506)	-	144,906,439	-	144,906,439
Ten Knots Development Corporation(Conso)	22,834,742	12,088,610	(10,684,975)	-	24,238,377	-	24,238,377
Ten Knots Philippines, Inc.(Conso)	237,643,680	278,435,493	(429,779,335)	-	86,299,838	-	86,299,838
Verde Golf Development Corporation	94,614,092	-	-	-	94,614,092	-	94,614,092
Vesta Property Holdings Inc.	31,372,285	2,896,798	-	-	34,269,083	-	34,269,083
Westview Commercial Ventures Corp.	23,156,195	2,107,769	(2,488,133)	-	22,775,831	-	22,775,831
Whiteknight Holdings, Inc.	33,219,162	-	-	-	33,219,162	-	33,219,162
Subtotal	50,256,649,848	9,377,864,936	(12,259,759,748)	-	47,374,755,034	-	47,374,755,035
Amount Receivable by Makati Development Corporation from related parties							
Accendo Commercial Corp	428,828,161	379,601,611	(500,724,647)	-	307,705,125	-	307,705,125
Adauge Commercial Corp.	-	2,665,484	-	-	2,665,484	-	2,665,484
AKL Properties Inc.	-	219,256,777	-	-	219,256,777	-	219,256,777
ALI Capital Corp. (Conso)	115,374,897	134,502,900	(235,470,530)	-	14,407,267	-	14,407,267
ALI Commercial Center, Inc. (Conso)	185,845,434	-	(185,845,434)	-	-	-	-
Altaraza Development Corporation	8,468,017	41,952,008	-	-	50,420,025	-	50,420,025
Alveo Land Corporation (Conso)	4,182,355,609	1,207,454,045	(3,546,434,747)	-	1,843,374,907	-	1,843,374,907
Amaia Land Corporation (Conso)	988,262,764	557,804,208	(724,913,091)	-	821,153,881	-	821,153,881
Amorsedia Development Corporation (Conso)	154,218,829	44,266,958	(125,907,802)	-	72,577,985	-	72,577,985
Anvaya Cove Beach and Nature Club Inc	-	-	-	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	4,184,402	-	(2,199,863)	-	1,984,539	-	1,984,539
Arca South Integrated Terminal, Inc	-	-	-	-	-	-	-
AREIT, Inc.	2,019,459	-	-	-	2,019,459	-	2,019,459

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Arvo Commercial Corporation	319,012,367	262,085,758	(524,564,347)	-	56,533,777	-	56,533,777
Aurora Properties, Inc.	21,796,819	11,506,225	-	-	33,303,044	-	33,303,044
Aviana Development Corporation	535,711,009	-	(252,756,623)	-	282,954,386	-	282,954,386
Avida Land Corporation (Conso)	3,462,254,711	384,194,461	(2,378,262,644)	-	1,468,186,527	-	1,468,186,527
Ayala Hotels Inc.	867,630,170	(3)	(147,703,433)	-	719,926,733	-	719,926,733
Ayala Land Inc.	4,027,863,047	5,677,907,804	(6,134,288,234)	-	3,571,482,618	-	3,571,482,618
Ayala Land International Sales, Inc.(Conso)	2,713	-	(2,713)	-	-	-	-
Ayala Land-Tagle Property Inc.	22,608,010	-	(15,759,692)	-	6,848,318	-	6,848,318
Ayala Malls Zing Inc.	-	42,000,000	(41,719,955)	-	280,045	-	280,045
Ayala Property Management Corporation (Conso)	2,034,597	102,248	-	-	2,136,845	-	2,136,845
AyalaLand Estates Inc. (Conso)	318,719,554	246,493,270	(155,620,405)	-	409,592,419	-	409,592,419
AyalaLand Hotels and Resorts Corp. (Conso)	395,580,767	1,208,625,477	(1,364,508,826)	-	239,697,419	-	239,697,419
Ayalaland Logistics Holdings Corp. (Conso)	448,548,353	1,554,535,957	(1,457,903,504)	-	545,180,807	-	545,180,807
Ayalaland Malls Synergies, Inc.	1,469,109	-	-	-	1,469,109	-	1,469,109
AyalaLand Malls, Inc. (Conso)	-	332,836,045	(220,983,868)	-	111,852,177	-	111,852,177
Ayalaland Medical Facilities Leasing Inc.	2,455,101	-	-	-	2,455,101	-	2,455,101
Bay City Commercial Ventures Corp.	485,534,664	1,494,923,677	(1,971,657,500)	-	8,800,842	-	8,800,842
BellaVita Land Corp.	50,184,860	-	(5,184,113)	-	45,000,747	-	45,000,747
BG North Properties Inc.	-	11,624,350	-	-	11,624,350	-	11,624,350
BG South Properties, Inc.	-	533,043,635	-	-	533,043,635	-	533,043,635
BG West Properties, Inc	652,081,534	-	(293,806,966)	-	358,274,569	-	358,274,569
Cagayan De Oro Gateway Corporation	193,188,476	129,604,985	(253,386,104)	-	69,407,357	-	69,407,357
Capitol Central Commercial Ventures Corp.	43,996,591	384,235,071	(368,518,470)	-	59,713,192	-	59,713,192
Cavite Commercial Towncenter Inc.	397,876,447	101,038,066	(374,146,539)	-	124,767,974	-	124,767,974
CECI Realty Corp.	137,040,775	-	(37,763,424)	-	99,277,352	-	99,277,352
Central Bloc Hotel Ventures	-	-	-	-	-	-	-
Crans Montana Property Holdings Corporation	68,401,691	188,870,119	(254,628,218)	-	2,643,591	-	2,643,591
Direct Power Services Inc.	357,482	-	-	-	357,482	-	357,482
Lagdigan Land Corporation	17,677,723	7,044,985	(18,760,055)	-	5,962,653	-	5,962,653
Leisure and Allied Industries Phils. Inc.	-	100,332,806	(100,332,806)	-	-	-	-
Makati Cornerstone Leasing Corp.	1,247,133	2,211,821	-	-	3,458,954	-	3,458,954
Makati Development Corporation (Conso)	-	4,315,400,000	(4,315,349,600)	-	50,400	-	50,400
North Eastern Commercial Corp.	255,445	-	-	-	255,445	-	255,445
North Triangle Depot Commercial Corp	152,399,736	252,107,626	(321,452,719)	-	83,054,644	-	83,054,644
Nuevocentro, Inc. (Conso)	387,948,700	329,873,184	-	-	717,821,884	-	717,821,884
Philippine Integrated Energy Solutions, Inc.	297,959	-	-	-	297,959	-	297,959
Primavera Towncentre, Inc.	69,867,193	15,589,028	(75,533,702)	-	9,922,518	-	9,922,518
Red Creek Properties, Inc.	-	20,000,000	(20,000,000)	-	-	-	-
Roxas Land Corp.	12,045,049	-	(10,517,711)	-	1,527,338	-	1,527,338
Serendra Inc.	84,702,053	941,960	-	-	85,644,013	-	85,644,013
Soltea Commercial Corp.	32,080,272	105,475,801	(118,500,019)	-	19,056,054	-	19,056,054
Southportal Properties, Inc.	59,452,299	-	(40,562,661)	-	18,889,638	-	18,889,638
Station Square East Commercial Corp	-	-	-	-	-	-	-
Summerhill Commercial Ventures Corp.	6,533,257	-	(6,381,913)	-	151,344	-	151,344
Sunnyfield E-Office Corp	2,261,577	-	(2,034,158)	-	227,419	-	227,419
Taft Punta Engaño Property, Inc.	18,522,686	-	(2,019,060)	-	16,503,626	-	16,503,626
Ten Knots Development Corporation(Conso)	12,785,727	66,565,847	(66,183,197)	-	13,168,378	-	13,168,378
Ten Knots Philippines, Inc.(Conso)	40,002,872	249,211,903	(153,004,250)	-	136,210,524	-	136,210,524
Vesta Property Holdings Inc.	25,254,851	-	(18,437,749)	-	6,817,103	-	6,817,103
Westview Commercial Ventures Corp.	4,735	-	-	-	4,735	-	4,735
Subtotal	19,447,245,685	20,615,886,096	(26,843,731,288)	-	13,219,400,493	-	13,219,400,493
Conso Adjustments - Migrated Companies to ALI/ Old CoCodes							
Subtotal	73,462,388	-	(73,462,388)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Accendo Commercial Corp from related parties							
Accendo Commercial Corp	-	-	-	-	-	-	-
Adauge Commercial Corp.	20,788	-	-	-	20,788	-	20,788
Alabang Commercial Corporation (Conso)	6,865	-	-	-	6,865	-	6,865
ALI Capital Corp. (Conso)	31,397	-	-	-	31,397	-	31,397
ALI Commercial Center, Inc. (Conso)	98,160	-	(98,160)	-	-	-	-
Alveo Land Corporation (Conso)	1,606,109	2,144,723	(1,725,299)	-	2,025,533	-	2,025,533
Amaia Land Corporation (Conso)	19,556	-	-	-	19,556	-	19,556
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Aviana Development Corporation	2,129,949	752,547	-	-	2,882,496	-	2,882,496
Avida Land Corporation (Conso)	5,540,051	1,937,497	(356,116)	-	7,121,433	-	7,121,433
Ayala Land Inc.	14,275,587	701,384	(437,312)	-	14,539,659	-	14,539,659
Ayala Malls Zing Inc.	-	88,868	-	-	88,868	-	88,868
Ayala Property Management Corporation (Conso)	414,813	-	-	-	414,813	-	414,813
AyalaLand Estates Inc. (Conso)	19,556	4,887	-	-	24,443	-	24,443
AyalaLand Hotels and Resorts Corp. (Conso)	1,267,387	3,055,411	(3,091,691)	-	1,231,107	-	1,231,107
Ayalaland Logistics Holdings Corp. (Conso)	19,556	-	-	-	19,556	-	19,556
AyalaLand Malls, Inc. (Conso)	473,329	-	(473,329)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	7,343,088	(2,923,055)	-	4,420,033	-	4,420,033
Ayalaland Metro North, Inc.	800	-	-	-	800	-	800
AyalaLand Offices, Inc. (Conso)	19,556	-	-	-	19,556	-	19,556
Bay City Commercial Ventures Corp.	337,901	-	-	-	337,901	-	337,901
Cagayan De Oro Gateway Corporation	177,493	259,750	(231,932)	-	205,311	-	205,311
Capitol Central Commercial Ventures Corp.	44,191	-	(11,400)	-	32,791	-	32,791
Cebu Leisure Co. Inc.	5,080	224	(24)	-	5,280	-	5,280
Leisure and Allied Industries Phils. Inc.	165,226	2,431,159	(2,431,159)	-	165,226	-	165,226
Makati Development Corporation (Conso)	199,410	-	-	-	199,410	-	199,410
North Eastern Commercial Corp.	300	-	-	-	300	-	300
North Triangle Depot Commercial Corp	37,985	66,341	(65,741)	-	38,585	-	38,585
North Ventures Commercial Corp.	300	-	-	-	300	-	300
Philippine Integrated Energy Solutions, Inc.	361	-	-	-	361	-	361
Station Square East Commercial Corp	6,050	-	-	-	6,050	-	6,050
Ten Knots Development Corporation(Conso)	21,376	-	-	-	21,376	-	21,376
Ten Knots Philippines, Inc.(Conso)	2,818	-	-	-	2,818	-	2,818
Westview Commercial Ventures Corp.	22,002	-	-	-	22,002	-	22,002
Subtotal	26,963,952	18,785,879	(11,845,218)	-	33,904,614	-	33,904,614
Amount Receivable by Adauge Commercial Corp. from related parties							
Accendo Commercial Corp	-	2,509,564	-	-	2,509,564	-	2,509,564
ALI Capital Corp. (Conso)	11,058,331	2,698,493	-	-	13,756,824	-	13,756,824
ALI Commercial Center, Inc. (Conso)	6,206,143	-	(6,206,143)	-	-	-	-
Alveo Land Corporation (Conso)	-	1,448,503	-	-	1,448,503	-	1,448,503
Amaia Land Corporation (Conso)	8,656,265	54,787	(8,008,057)	-	702,995	-	702,995
Arvo Commercial Corporation	387,394	-	-	-	387,394	-	387,394
Avida Land Corporation (Conso)	2,025,990	4,744,754	(5,695,037)	-	1,075,707	-	1,075,707
Ayala Land Inc.	-	10,067,570	(8,562,659)	-	1,504,911	-	1,504,911
Ayala Property Management Corporation (Conso)	4,966	-	(4,966)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	29,482,122	11,829,335	(8,178,310)	-	33,133,147	-	33,133,147
Ayalaland Logistics Holdings Corp. (Conso)	31,287,480	2,086,963	(15,281,934)	-	18,092,510	-	18,092,510
AyalaLand Malls, Inc. (Conso)	21,194	-	(21,194)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	387,524	-	-	387,524	-	387,524
Ayalaland Metro North, Inc.	1,305	-	-	-	1,305	-	1,305
Bay City Commercial Ventures Corp.	5,521,670	8,732,292	-	-	14,253,962	-	14,253,962
Capitol Central Commercial Ventures Corp.	1,581	-	-	-	1,581	-	1,581
Direct Power Services Inc.	2,307	-	-	-	2,307	-	2,307
Soltea Commercial Corp.	4,165,589	8,116,180	(11,269,934)	-	1,011,835	-	1,011,835

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Sunnyfield E-Office Corp	533,392	-	-	-	533,392	-	533,392
Ten Knots Philippines, Inc.(Conso)	25,190	4,965,765	-	-	4,990,955	-	4,990,955
Subtotal	99,380,919	57,641,730	(63,228,234)	-	93,794,416	-	93,794,416
Amount Receivable by AKL Properties Inc. from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Alabang Commercial Corporation from related parties							
Accendo Commercial Corp	26,329,838	48,647,369	(74,956,798)	-	20,409	-	20,409
Alabang Commercial Corporation (Conso)	11,352,159	-	(1,648,299)	-	9,703,859	-	9,703,859
ALI Capital Corp. (Conso)	587,936	60,289,757	(29,923,790)	-	30,953,904	-	30,953,904
ALI Commercial Center, Inc. (Conso)	24,073,793	-	(24,073,793)	-	-	-	-
Alveo Land Corporation (Conso)	2,426,100	103,761,145	(35,011,815)	-	71,175,430	-	71,175,430
Amaia Land Corporation (Conso)	7,135,364	143,131,620	(149,533,226)	-	733,758	-	733,758
Amorsedia Development Corporation (Conso)	106,394	-	-	-	106,394	-	106,394
Arvo Commercial Corporation	37,047,522	15,931,402	-	-	52,978,924	-	52,978,924
Avida Land Corporation (Conso)	5,658,591	44,631,679	(49,660,085)	-	630,186	-	630,186
Ayala Land Inc.	33,442,760	600,277,181	(610,230,185)	-	23,489,756	-	23,489,756
Ayala Land Sales Inc.	159,239	-	(159,239)	-	-	-	-
Ayala Malls Zing Inc.	-	65,014	-	-	65,014	-	65,014
AyalaLand Estates Inc. (Conso)	-	4,632,367	(2,632,367)	-	2,000,000	-	2,000,000
AyalaLand Hotels and Resorts Corp. (Conso)	27,628,876	45,058,570	(21,321,331)	-	51,366,116	-	51,366,116
Ayalaland Logistics Holdings Corp. (Conso)	23,831,134	102,615,674	(88,584,051)	-	37,862,757	-	37,862,757
AyalaLand Malls, Inc. (Conso)	-	124,913,785	(103,637,891)	-	21,275,894	-	21,275,894
AyalaLand Offices, Inc. (Conso)	5,854,396	3,817,130	(1,413,052)	-	8,258,473	-	8,258,473
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	70,517,899	356,021,558	(308,943,380)	-	117,596,078	-	117,596,078
Cagayan De Oro Gateway Corporation	10,906	-	(10,006)	-	900	-	900
Capitol Central Commercial Ventures Corp.	18,178,722	7,553,158	(25,693,838)	-	38,042	-	38,042
Cavite Commercial Towncenter Inc.	1,167,604	71,692,849	-	-	72,860,453	-	72,860,453
Cebu Leisure Co. Inc.	23,705	-	-	-	23,705	-	23,705
Crans Montana Property Holdings Corporation	-	17,505,198	(17,505,198)	-	-	-	-
Direct Power Services Inc.	-	-	-	-	-	-	-
FIVE STAR Cinema Inc.	4,791,113	1,262,985	-	-	6,054,097	-	6,054,097
Leisure and Allied Industries Phils. Inc.	(435,709)	6,311,079	(7,721,104)	-	(1,845,733)	-	(1,845,733)
North Eastern Commercial Corp.	6,600	-	-	-	6,600	-	6,600
North Triangle Depot Commercial Corp	12,504,424	29,185,205	(44,957,315)	-	(3,267,686)	-	(3,267,686)
North Ventures Commercial Corp.	1,600	600	-	-	2,200	-	2,200
NorthBeacon Commercial Corporation	42,019	-	-	-	42,019	-	42,019
Philippine Integrated Energy Solutions, Inc.	-	-	-	-	-	-	-
Primavera Towncentre, Inc.	2,035,113	8,359,389	(2,086,402)	-	8,308,100	-	8,308,100
Red Creek Properties, Inc.	20,050,476	234,433	(20,284,910)	-	-	-	-
Serendra Inc.	136,338	-	(134,561)	-	1,777	-	1,777
Soltea Commercial Corp.	78,153	7,662,000	(2,687,256)	-	5,052,897	-	5,052,897
Station Square East Commercial Corp	93,720	280	-	-	94,000	-	94,000
Summerhill Commercial Ventures Corp.	900	-	-	-	900	-	900
Ten Knots Development Corporation(Conso)	-	2,156,369	-	-	2,156,369	-	2,156,369
Ten Knots Philippines, Inc.(Conso)	3,184,892	104,063,790	(104,767,089)	-	2,481,593	-	2,481,593
Subtotal	338,022,577	1,909,781,586	(1,727,576,981)	-	520,227,185	-	520,227,185
Amount Receivable by ALI Capital Corp. from related parties							
ALI Capital Corp. (Conso)	45,756,419	-	(44,125,923)	-	1,630,497	-	1,630,497
ALI Commercial Center, Inc. (Conso)	169,943	-	(169,943)	-	-	-	-
Alveo Land Corporation (Conso)	-	17,777,690	(17,777,690)	-	-	-	-
Amaia Land Corporation (Conso)	17,197,628	115,744	(17,165,741)	-	147,631	-	147,631
Amorsedia Development Corporation (Conso)	-	6,058,900	(6,058,900)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Arvo Commercial Corporation	11,244,883	182,789	(10,238,153)	-	1,189,519	-	1,189,519
Avida Land Corporation (Conso)	-	1,001,520	(12,832)	-	988,688	-	988,688
Ayala Land Inc.	67,073	26,606,212	(26,536,826)	-	136,459	-	136,459
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Malls Zing Inc.	-	-	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	136,061,995	12,115,080	(11,766,565)	-	136,410,511	-	136,410,511
Ayalaland Logistics Holdings Corp. (Conso)	-	7,159,429	(4,000,000)	-	3,159,429	-	3,159,429
AyalaLand Malls, Inc. (Conso)	-	169,943	-	-	169,943	-	169,943
Ayalaland Medical Facilities Leasing Inc.	225,225	-	-	-	225,225	-	225,225
Bay City Commercial Ventures Corp.	75,085,744	67,213,680	(43,065,000)	-	99,234,424	-	99,234,424
Direct Power Services Inc.	885,000	4,361	-	-	889,361	-	889,361
Makati Development Corporation (Conso)	25,893	13,849	-	-	39,742	-	39,742
North Triangle Depot Commercial Corp	-	21,602,070	(21,393,000)	-	209,070	-	209,070
Soltea Commercial Corp.	-	1,431,440	(1,431,440)	-	-	-	-
Subic Bay Town Center Inc.	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	1,813,783	604,677	-	-	2,418,460	-	2,418,460
Ten Knots Philippines, Inc.(Conso)	35,342,112	20,730,769	-	-	56,072,880	-	56,072,880
Whiteknight Holdings, Inc.	(708,680)	-	(1,144,717)	-	(1,853,397)	-	(1,853,397)
Subtotal	323,167,018	182,788,153	(204,886,730)	-	301,068,442	-	301,068,442
Amount Receivable by Subsidiaries to ALMI/ACCI from related parties							
Accendo Commercial Corp	2,658,018	60,969,145	(53,526,698)	-	10,100,465	-	10,100,465
Adauge Commercial Corp.	5,378	394,359	-	-	399,737	-	399,737
Alabang Commercial Corporation (Conso)	3,799,008	4,399,415	-	-	8,198,423	-	8,198,423
ALI Capital Corp. (Conso)	1,443,083	2,457,662	(2,929,003)	-	971,741	-	971,741
ALI Commercial Center, Inc. (Conso)	10,138,957	-	(10,138,957)	-	-	-	-
ALI-CII Development Corporation	94,147	16,841,839	-	-	16,935,986	-	16,935,986
Alveo Land Corporation (Conso)	10,761,766	85,203,053	(87,610,653)	-	8,354,166	-	8,354,166
Amaia Land Corporation (Conso)	489,215	-	-	-	489,215	-	489,215
Amorsedia Development Corporation (Conso)	-	5,051,462	(5,006,892)	-	44,570	-	44,570
Arca South Integrated Terminal, Inc	50,400	-	(50,400)	-	-	-	-
AREIT Fund Manager, Inc.	50,400	-	-	-	50,400	-	50,400
AREIT, Inc.	96,702	3,659,113,406	(3,559,757,971)	-	99,452,137	-	99,452,137
Arvo Commercial Corporation	3,340,136	35,435,382	(6,783,325)	-	31,992,193	-	31,992,193
Aviana Development Corporation	-	15,089,833	(10,012,031)	-	5,077,802	-	5,077,802
Avida Land Corporation (Conso)	6,943,340	41,570,814	(43,783,832)	-	4,730,323	-	4,730,323
Ayala Hotels Inc.	4,050	-	-	-	4,050	-	4,050
Ayala Land Inc.	34,038,619	779,045,627	(742,527,644)	-	70,556,602	-	70,556,602
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Land Sales Inc.	1,141	-	(1,141)	-	-	-	-
Ayala Malls Zing Inc.	-	1,264,932	-	-	1,264,932	-	1,264,932
Ayala Property Management Corporation (Conso)	29,912,674	1,983,763	(2,662,264)	-	29,234,173	-	29,234,173
Ayala Theaters Management, Inc.	2,973,607	1,778	-	-	2,975,385	-	2,975,385
AyalaLand Estates Inc. (Conso)	-	523,700	-	-	523,700	-	523,700
AyalaLand Hotels and Resorts Corp. (Conso)	3,111,039	40,234,467	(40,229,843)	-	3,115,662	-	3,115,662
Ayalaland Logistics Holdings Corp. (Conso)	441,793	97,033,491	(94,707,763)	-	2,767,521	-	2,767,521
Ayalaland Malls Synergies, Inc.	2,879,250	228,653	-	-	3,107,903	-	3,107,903
AyalaLand Malls, Inc. (Conso)	6,141,102	-	(6,141,102)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	13,883,628	-	-	13,883,628	-	13,883,628
Ayalaland Medical Facilities Leasing Inc.	4,082	-	-	-	4,082	-	4,082
Ayalaland Metro North, Inc.	183,626	23,853,102	(4,793,477)	-	19,243,251	-	19,243,251
AyalaLand Offices, Inc. (Conso)	-	33,195	-	-	33,195	-	33,195
Ayalaland Premier, Inc.	-	13,037,936	-	-	13,037,936	-	13,037,936
Bay City Commercial Ventures Corp.	126,725,258	234,591,140	(313,399,257)	-	47,917,141	-	47,917,141
BellaVita Land Corp.	24,600	-	-	-	24,600	-	24,600
BG West Properties, Inc	-	-	-	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Cagayan De Oro Gateway Corporation	2,864,021	7,390,656	(107,079)	-	10,147,599	-	10,147,599
Capitol Central Commercial Ventures Corp.	1,375,602	39,517,062	(15,955,683)	-	24,936,981	-	24,936,981
Cavite Commercial Towncenter Inc.	612,724	118,645,142	(82,286,797)	-	36,971,068	-	36,971,068
Cebu Leisure Co. Inc.	319,465	49,354	-	-	368,819	-	368,819
CECI Realty Corp.	-	12	-	-	12	-	12
Crans Montana Property Holdings Corporation	682,469	17,056,610	(17,007,582)	-	731,497	-	731,497
Direct Power Services Inc.	12,672	-	-	-	12,672	-	12,672
FIVE STAR Cinema Inc.	18,669	4,705	-	-	23,374	-	23,374
Leisure and Allied Industries Phils. Inc.	6,893,130	15,457,076	(21,063,443)	-	1,286,762	-	1,286,762
Makati Cornerstone Leasing Corp.	1,088,181	25,956,896	(116,347)	-	26,928,730	-	26,928,730
Makati Development Corporation (Conso)	13,290,491	10,762,703	-	-	24,053,195	-	24,053,195
North Eastern Commercial Corp.	2,973,148	50,560,455	(7,273,911)	-	46,259,692	-	46,259,692
North Triangle Depot Commercial Corp	7,754,078	33,577,832	-	-	41,331,910	-	41,331,910
North Ventures Commercial Corp.	1,404,603	35,760,308	-	-	37,164,910	-	37,164,910
NorthBeacon Commercial Corporation	688,076	24,443,607	-	-	25,131,682	-	25,131,682
Primavera Towncentre, Inc.	191,058	1,003,700	(716,408)	-	478,350	-	478,350
Serendra Inc.	83,604	36,555	-	-	120,160	-	120,160
Soltea Commercial Corp.	1,248,874	41,106,062	(17,633,321)	-	24,721,615	-	24,721,615
Station Square East Commercial Corp	3,536,654	29,370,266	(493,939)	-	32,412,980	-	32,412,980
Subic Bay Town Center Inc.	820,340	18,683,317	(2,554,899)	-	16,948,758	-	16,948,758
Summerhill Commercial Ventures Corp.	1,372,739	18,081,081	(1,278,654)	-	18,175,166	-	18,175,166
Ten Knots Philippines, Inc.(Conso)	1,327,851	20,697,643	(20,613,077)	-	1,412,417	-	1,412,417
Westview Commercial Ventures Corp.	195,059	1,600,880	(174,819)	-	1,621,121	-	1,621,121
Subtotal	295,064,899	5,642,003,704	(5,171,338,212)	-	765,730,389	-	765,730,389
Amount Receivable by ALI-CII Development Corporation from related parties							
Accendo Commercial Corp	4,580,820	9,353,482	(9,343,567)	-	4,590,735	-	4,590,735
ALI Capital Corp. (Conso)	-	4,562,062	-	-	4,562,062	-	4,562,062
ALI Commercial Center, Inc. (Conso)	15,821,238	-	(15,821,238)	-	-	-	-
Alveo Land Corporation (Conso)	-	6,467,598	-	-	6,467,598	-	6,467,598
Amaia Land Corporation (Conso)	14,813,319	30,146,625	(46,329,027)	-	(1,369,083)	-	(1,369,083)
Arca South Integrated Terminal, Inc	33,634	-	(33,634)	-	-	-	-
Arvo Commercial Corporation	6,328,400	13,352,016	-	-	19,680,416	-	19,680,416
Avida Land Corporation (Conso)	2,896,843	1,016,378	(2,427,330)	-	1,485,891	-	1,485,891
Ayala Land Inc.	-	33,830,605	(33,830,605)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	7,153,877	(7,153,877)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	3,129,436	5,344,479	(3,291,816)	-	5,182,099	-	5,182,099
Ayalaland Logistics Holdings Corp. (Conso)	20,616,794	5,903,182	(8,051,694)	-	18,468,282	-	18,468,282
AyalaLand Malls, Inc. (Conso)	-	25,632,130	-	-	25,632,130	-	25,632,130
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	82,937,744	56,081,379	(47,244,799)	-	91,774,324	-	91,774,324
Cagayan De Oro Gateway Corporation	29,389	-	-	-	29,389	-	29,389
Capitol Central Commercial Ventures Corp.	2,033,659	2,083,119	(4,104,060)	-	12,718	-	12,718
Cavite Commercial Towncenter Inc.	-	7,823,752	-	-	7,823,752	-	7,823,752
Direct Power Services Inc.	1,500,000	-	(134,586)	-	1,365,414	-	1,365,414
Leisure and Allied Industries Phils. Inc.	(29,485)	894,136	(913,578)	-	(48,927)	-	(48,927)
North Triangle Depot Commercial Corp	100	24,900,891	(24,120,655)	-	780,335	-	780,335
Soltea Commercial Corp.	24,570,150	2,545,041	(7,873,002)	-	19,242,190	-	19,242,190
Ten Knots Philippines, Inc.(Conso)	2,043,948	28,986,981	-	-	31,030,929	-	31,030,929
Subtotal	181,305,989	266,077,733	(210,673,468)	-	236,710,254	-	236,710,254
Amount Receivable by ALO Prime Realty Corporation from related parties							
Alveo Land Corporation (Conso)	-	4,045,853	(4,045,853)	-	-	-	-
AREIT, Inc.	915,424	5,993,504	-	-	6,908,928	-	6,908,928
Ayala Land Inc.	-	14,004,354	-	-	14,004,354	-	14,004,354

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayalaland Logistics Holdings Corp. (Conso)	471,547,455	32,432,577	(280,658,979)	-	223,321,053	-	223,321,053
Bay City Commercial Ventures Corp.	3,011,458	7,285,236	-	-	10,296,694	-	10,296,694
Subtotal	475,474,337	63,761,524	(284,704,832)	-	254,531,029	-	254,531,029
Amount Receivable by Altaraza Development Corporation from related parties							
Ayala Land Inc.	-	-	(3,716)	-	(3,716)	-	(3,716)
Subtotal	-	-	(3,716)	-	(3,716)	-	(3,716)
Amount Receivable by Altaraza Prime Realty Corporation from related parties							
Amaia Land Corporation (Conso)	2,509,549	19,703	(2,529,252)	-	-	-	-
Bay City Commercial Ventures Corp.	-	5,086,751	(5,011,618)	-	75,132	-	75,132
Crans Montana Property Holdings Corporation	-	2,515,279	-	-	2,515,279	-	2,515,279
Subtotal	2,509,549	7,621,733	(7,540,870)	-	2,590,411	-	2,590,411
Amount Receivable by Alveo Land Corporation from related parties							
Accendo Commercial Corp	184,856,456	86,581,503	(58,110,063)	-	213,327,897	-	213,327,897
Adauge Commercial Corp.	28,238	-	-	-	28,238	-	28,238
ALI Capital Corp. (Conso)	6,645,462	30,044,060	(27,575,662)	-	9,113,859	-	9,113,859
ALI Commercial Center, Inc. (Conso)	52,298,370	-	(52,298,370)	-	-	-	-
Alveo Land Corporation (Conso)	3,882,935,001	84,000,000	(3,966,932,669)	-	2,332	-	2,332
Amaia Land Corporation (Conso)	22,089,440	60,030,342	(61,654,593)	-	20,465,188	-	20,465,188
Amorsedia Development Corporation (Conso)	2,886,241	2,838,185	-	-	5,724,426	-	5,724,426
AREIT, Inc.	22,177	-	-	-	22,177	-	22,177
Arvo Commercial Corporation	9,552,981	73,538,173	(67,564,111)	-	15,527,044	-	15,527,044
Aurora Properties, Inc.	11,416,835	-	-	-	11,416,835	-	11,416,835
Aviana Development Corporation	-	5,016,369	-	-	5,016,369	-	5,016,369
Avida Land Corporation (Conso)	6,056,068	134,344,130	-	-	140,400,199	-	140,400,199
Ayala Hotels Inc.	-	502,822	-	-	502,822	-	502,822
Ayala Land Inc.	2,247,565,734	727,998,139	(665,844,558)	-	2,309,719,315	-	2,309,719,315
Ayala Land International Sales, Inc.(Conso)	1,007,391	-	(900)	-	1,006,491	-	1,006,491
Ayala Property Management Corporation (Conso)	3,056,541	-	(233,705)	-	2,822,836	-	2,822,836
AyalaLand Estates Inc. (Conso)	-	34,049,253	(34,006,596)	-	42,656	-	42,656
AyalaLand Hotels and Resorts Corp. (Conso)	88,337,304	53,595,127	(106,155,408)	-	35,777,023	-	35,777,023
Ayalaland Logistics Holdings Corp. (Conso)	9,598,082	282,545,899	-	-	292,143,982	-	292,143,982
Ayalaland Malls Synergies, Inc.	454,086	-	-	-	454,086	-	454,086
AyalaLand Malls, Inc. (Conso)	54,613	-	(54,613)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	25,418,230	(9,996,388)	-	15,421,841	-	15,421,841
Ayalaland Medical Facilities Leasing Inc.	273,487	-	-	-	273,487	-	273,487
Bay City Commercial Ventures Corp.	53,069,574	20,728,558	(10,995,416)	-	62,802,715	-	62,802,715
BellaVita Land Corp.	931,897,593	-	(27,437,280)	-	904,460,313	-	904,460,313
BG South Properties, Inc.	-	1,952,820,884	-	-	1,952,820,884	-	1,952,820,884
BG West Properties, Inc	684,020	-	(684,020)	-	-	-	-
Cagayan De Oro Gateway Corporation	26,297	25,270	-	-	51,567	-	51,567
Cavite Commercial Towncenter Inc.	-	28,102,798	-	-	28,102,798	-	28,102,798
Crans Montana Property Holdings Corporation	2,158,509	61,477,159	-	-	63,635,667	-	63,635,667
Direct Power Services Inc.	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	39,666,759	-	(25,857,896)	-	13,808,863	-	13,808,863
North Eastern Commercial Corp.	4,987	-	-	-	4,987	-	4,987
North Triangle Depot Commercial Corp	-	301,512,096	-	-	301,512,096	-	301,512,096
Nuevocentro, Inc. (Conso)	276,507,449	302,948,050	(94,565,510)	-	484,889,989	-	484,889,989
Primavera Towncentre, Inc.	349,997	1,003,274	-	-	1,353,271	-	1,353,271
Serendra Inc.	(1,558,304)	4,094,934	-	-	2,536,629	-	2,536,629
Soltea Commercial Corp.	30,431,345	74,121	(23,414,697)	-	7,090,769	-	7,090,769
Summerhill Commercial Ventures Corp.	12,436,524	-	-	-	12,436,524	-	12,436,524
Ten Knots Philippines, Inc.(Conso)	28,462,447	167,594	(8,727,530)	-	19,902,511	-	19,902,511

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Vesta Property Holdings Inc.	302,666,668	-	-	-	302,666,668	-	302,666,668
Westview Commercial Ventures Corp.	43,833	-	-	-	43,833	-	43,833
Subtotal	8,205,982,205	4,273,456,970	(5,242,109,985)	-	7,237,329,187	-	7,237,329,187
Amount Receivable by Amaia Land Corporation from related parties							
ALI Capital Corp. (Conso)	-	1,491,280	-	-	1,491,280	-	1,491,280
Alveo Land Corporation (Conso)	150,000	4,013,071	(4,001,751)	-	161,321	-	161,321
Amaia Land Corporation (Conso)	1,100,783	-	(631,885)	-	468,898	-	468,898
Arvo Commercial Corporation	-	134,943,071	(77,528,753)	-	57,414,318	-	57,414,318
Avida Land Corporation (Conso)	14,248,681	15,757,245	-	-	30,005,926	-	30,005,926
Ayala Land Inc.	2,611,255	8,168,733	(8,168,733)	-	2,611,255	-	2,611,255
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	(37,946)	481,071	-	-	443,125	-	443,125
AyalaLand Estates Inc. (Conso)	-	223,954	-	-	223,954	-	223,954
AyalaLand Offices, Inc. (Conso)	(1,591)	-	-	-	(1,591)	-	(1,591)
Bay City Commercial Ventures Corp.	-	19,009,228	-	-	19,009,228	-	19,009,228
BellaVita Land Corp.	96,465,764	659,143	-	-	97,124,907	-	97,124,907
Makati Development Corporation (Conso)	3,322,901	1,442,819	-	-	4,765,719	-	4,765,719
Subtotal	117,859,847	186,189,615	(90,331,122)	-	213,718,340	-	213,718,340
Amount Receivable by Amorsedia Development Corporation from related parties							
Accendo Commercial Corp	-	25,065,476	-	-	25,065,476	-	25,065,476
ALI Commercial Center, Inc. (Conso)	30,289,781	-	(30,289,781)	-	-	-	-
Alveo Land Corporation (Conso)	184,216,316	-	(184,216,316)	-	-	-	-
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
AREIT, Inc.	25,868,733	98,793,678	(101,083,274)	-	23,579,137	-	23,579,137
Avida Land Corporation (Conso)	(74,323)	-	-	-	(74,323)	-	(74,323)
Ayala Land Inc.	120,706,662	329,913,591	(329,162,718)	-	121,457,534	-	121,457,534
Ayala Land Sales Inc.	1	-	(1)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	-	10,230,839	(5,003,788)	-	5,227,051	-	5,227,051
AyalaLand Malls, Inc. (Conso)	-	35,298,921	(33,966,442)	-	1,332,479	-	1,332,479
Bay City Commercial Ventures Corp.	86,081,933	259,121,765	(162,339,931)	-	182,863,767	-	182,863,767
BellaVita Land Corp.	17,836,000	-	-	-	17,836,000	-	17,836,000
BG South Properties, Inc.	-	367,784,696	-	-	367,784,696	-	367,784,696
BG West Properties, Inc	781,913,037	834,698,635	(1,376,771,551)	-	239,840,121	-	239,840,121
Cagayan De Oro Gateway Corporation	52,289	-	(52,289)	-	-	-	-
Ten Knots Development Corporation(Conso)	5,205	-	-	-	5,205	-	5,205
Ten Knots Philippines, Inc.(Conso)	-	36,127,726	(15,389,329)	-	20,738,397	-	20,738,397
Subtotal	1,246,895,634	1,997,035,327	(2,238,275,420)	-	1,005,655,540	-	1,005,655,540
Amount Receivable by Anvaya Cove Beach and Nature Club Inc from related parties							
ALI Commercial Center, Inc. (Conso)	42,887,264	-	(42,887,264)	-	-	-	-
Amaia Land Corporation (Conso)	88,075,364	73,737,600	(161,812,964)	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	18,984,835	-	(12,639,742)	-	6,345,093	-	6,345,093
Avida Land Corporation (Conso)	-	15,013,979	(15,013,979)	-	-	-	-
Ayala Land Inc.	222,143	68,271,106	(68,660,012)	-	(166,763)	-	(166,763)
AyalaLand Club Management, Inc.	5,855	-	(5,855)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	10,284,251	(5,198,078)	-	5,086,173	-	5,086,173
AyalaLand Malls, Inc. (Conso)	-	100,929,840	(100,929,840)	-	-	-	-
Bay City Commercial Ventures Corp.	-	180,354,660	(88,198,236)	-	92,156,424	-	92,156,424
Makati Development Corporation (Conso)	9,911	-	-	-	9,911	-	9,911
Soltea Commercial Corp.	-	30,596,392	(30,377,261)	-	219,131	-	219,131
Subtotal	150,185,372	479,187,828	(525,723,231)	-	103,649,969	-	103,649,969

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Anvaya Cove Golf and Sports Club Inc. from related parties							
ALI Capital Corp. (Conso)	-	92,754,863	(45,359,232)	-	47,395,631	-	47,395,631
Amaia Land Corporation (Conso)	45,410,045	50,364,315	(95,774,360)	-	-	-	-
Anvaya Cove Beach and Nature Club Inc	6,420,351	-	(5,513,375)	-	906,976	-	906,976
Avida Land Corporation (Conso)	-	3,002,796	(3,002,796)	-	-	-	-
Ayala Land Inc.	7,368	25,234,375	(25,175,743)	-	66,000	-	66,000
Ayala Property Management Corporation (Conso)	6,488	-	(402)	-	6,087	-	6,087
AyalaLand Estates Inc. (Conso)	-	8,101,847	(8,101,847)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	10,284,251	(5,198,078)	-	5,086,173	-	5,086,173
Ayalaland Logistics Holdings Corp. (Conso)	-	2,006,220	-	-	2,006,220	-	2,006,220
AyalaLand Malls, Inc. (Conso)	-	30,101,600	(30,101,600)	-	-	-	-
Makati Development Corporation (Conso)	4,502	6,680,244	-	-	6,684,746	-	6,684,746
Soltea Commercial Corp.	-	6,162,832	(3,124,861)	-	3,037,971	-	3,037,971
Subtotal	51,848,754	234,693,343	(221,352,294)	-	65,189,804	-	65,189,804
Amount Receivable by APRISA Business Process Solutions, Inc from related parties							
Accendo Commercial Corp	43,582,731	3,141,762	(32,766,494)	-	13,957,999	-	13,957,999
Adauge Commercial Corp.	19,107	239,467	(241,595)	-	16,979	-	16,979
Alabang Commercial Corporation (Conso)	422,388	2,575,888	(2,727,135)	-	271,141	-	271,141
ALI Capital Corp. (Conso)	12,223,536	12,318,507	-	-	24,542,042	-	24,542,042
ALI Commercial Center, Inc. (Conso)	12,586,636	-	(12,586,636)	-	-	-	-
ALI-CII Development Corporation	651,269	1,074,864	(1,594,006)	-	132,126	-	132,126
ALO Prime Realty Corporation	131,432	339,371	(287,235)	-	183,568	-	183,568
Alveo Land Corporation (Conso)	-	29,953,706	(29,518,441)	-	435,265	-	435,265
Amaia Land Corporation (Conso)	11,568,267	10,381,971	(20,156,278)	-	1,793,960	-	1,793,960
AREIT Fund Manager, Inc.	208,544	407,456	(584,584)	-	31,416	-	31,416
AREIT, Inc.	415,408	4,694,592	(2,192,434)	-	2,917,566	-	2,917,566
Arvo Commercial Corporation	3,254,643	1,780,027	(1,642,270)	-	3,392,401	-	3,392,401
Aurora Properties, Inc.	165,357	850,298	(452,626)	-	563,030	-	563,030
Aviana Development Corporation	26,466	235,917	(239,490)	-	22,893	-	22,893
Avida Land Corporation (Conso)	2,932,603	42,809,127	(42,020,754)	-	3,720,976	-	3,720,976
Ayala Land Inc.	2,282,902	108,053,499	(103,590,766)	-	6,745,636	-	6,745,636
Ayala Malls Zing Inc.	-	23,744	-	-	23,744	-	23,744
Ayala Property Management Corporation (Conso)	434,594	8,003,890	(7,708,757)	-	729,727	-	729,727
AyalaLand Estates Inc. (Conso)	3,823,765	12,381,844	(16,187,521)	-	18,088	-	18,088
AyalaLand Hotels and Resorts Corp. (Conso)	17,452,231	13,603,553	(20,451,716)	-	10,604,067	-	10,604,067
Ayalaland Logistics Holdings Corp. (Conso)	413,995	24,923,371	-	-	25,337,367	-	25,337,367
AyalaLand Malls, Inc. (Conso)	-	18,930,389	(15,412,215)	-	3,518,174	-	3,518,174
Ayalaland Metro North, Inc.	-	1,954,344	(1,674,501)	-	279,843	-	279,843
AyalaLand Offices, Inc. (Conso)	-	11,039,557	(7,652,570)	-	3,386,987	-	3,386,987
Bay City Commercial Ventures Corp.	22,440,047	16,077,204	-	-	38,517,251	-	38,517,251
BellaVita Land Corp.	-	1,655,965	(515,984)	-	1,139,981	-	1,139,981
Cagayan De Oro Gateway Corporation	524,958	1,327,850	(1,662,864)	-	189,943	-	189,943
Capitol Central Commercial Ventures Corp.	-	1,380,299	(1,284,293)	-	96,006	-	96,006
Cavite Commercial Towncenter Inc.	376,182	3,291,436	(3,380,785)	-	286,833	-	286,833
Cebu Leisure Co. Inc.	67,749	521,573	(545,966)	-	43,355	-	43,355
CECI Realty Corp.	223,138	1,023,406	(731,091)	-	515,452	-	515,452
Crans Montana Property Holdings Corporation	-	-	-	-	-	-	-
Lagdigan Land Corporation	-	17,248	(15,893)	-	1,355	-	1,355
Makati Cornerstone Leasing Corp.	1,215,265	2,278,080	(2,384,306)	-	1,109,039	-	1,109,039
Makati Development Corporation (Conso)	1,881,612	40,356,600	(39,363,121)	-	2,875,091	-	2,875,091
North Eastern Commercial Corp.	323,448	4,633,361	(4,053,481)	-	903,328	-	903,328
North Triangle Depot Commercial Corp	54,183	8,539,246	(8,109,227)	-	484,201	-	484,201
North Ventures Commercial Corp.	523,746	1,699,242	(1,524,690)	-	698,298	-	698,298
NorthBeacon Commercial Corporation	-	1,921,528	(1,595,933)	-	325,595	-	325,595
Nuevocentro, Inc. (Conso)	158,054	474,163	(355,622)	-	276,595	-	276,595

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Roxas Land Corp.	-	697,430	(697,430)	-	-	-	-
Serendra Inc.	105,813	1,334,893	(417,559)	-	1,023,146	-	1,023,146
Soltea Commercial Corp.	9,323,243	3,373,299	(12,394,758)	-	301,784	-	301,784
Station Square East Commercial Corp	418,318	5,195,533	(5,270,683)	-	343,168	-	343,168
Subic Bay Town Center Inc.	178,711	979,126	(1,003,631)	-	154,207	-	154,207
Summerhill Commercial Ventures Corp.	1,487,221	1,657,286	(1,678,555)	-	1,465,952	-	1,465,952
Taft Punta Engaño Property, Inc.	83,966	-	(83,966)	-	-	-	-
Ten Knots Development Corporation(Conso)	70,821	443,520	(402,226)	-	112,115	-	112,115
Ten Knots Philippines, Inc.(Conso)	4,569,910	497,414	(3,418,684)	-	1,648,640	-	1,648,640
Vesta Property Holdings Inc.	-	745,332	(264,477)	-	480,855	-	480,855
Westview Commercial Ventures Corp.	29,579	579,914	(585,357)	-	24,136	-	24,136
Whiteknight Holdings, Inc.	-	-	-	-	-	-	-
Subtotal	156,651,838	410,418,092	(411,428,606)	-	155,641,321	-	155,641,321
Amount Receivable by Arca South Integrated Terminal, Inc from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by AREIT Fund Manager, Inc. from related parties							
Accendo Commercial Corp	(7,446,883)	7,446,883	-	-	-	-	-
ALI Capital Corp. (Conso)	7,470,000	4,158,677	-	-	11,628,677	-	11,628,677
ALI Commercial Center, Inc. (Conso)	122,543,673	-	(122,543,673)	-	-	-	-
Amaia Land Corporation (Conso)	(58,776,177)	59,233,942	-	-	457,765	-	457,765
Amorsedia Development Corporation (Conso)	(24,885,351)	24,885,351	-	-	-	-	-
AREIT, Inc.	78,392,713	252,968,388	(230,616,407)	-	100,744,694	-	100,744,694
Arvo Commercial Corporation	10,000,000	10,691,558	(10,619,535)	-	10,072,024	-	10,072,024
Avida Land Corporation (Conso)	-	372,199	-	-	372,199	-	372,199
Ayala Land Inc.	(6,850,291)	207,085,683	-	-	200,235,392	-	200,235,392
Ayala Property Management Corporation (Conso)	9,670,292	-	(9,670,292)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	54,598,459	(54,598,459)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	53,670,000	16,770,008	(10,919,041)	-	59,520,967	-	59,520,967
Ayalaland Logistics Holdings Corp. (Conso)	(34,979,097)	81,732,880	-	-	46,753,782	-	46,753,782
AyalaLand Malls, Inc. (Conso)	-	46,923,361	(46,923,361)	-	-	-	-
Ayalaland Metro North, Inc.	16,300,000	-	(16,300,000)	-	-	-	-
Bay City Commercial Ventures Corp.	280,796,496	74,633,297	(127,237,114)	-	228,192,680	-	228,192,680
Cagayan De Oro Gateway Corporation	103,293	2,008,446	(1,968,180)	-	143,559	-	143,559
Capitol Central Commercial Ventures Corp.	2,026,567	111,107	(141,177)	-	1,996,497	-	1,996,497
Cavite Commercial Towncenter Inc.	-	15,858,284	-	-	15,858,284	-	15,858,284
Crans Montana Property Holdings Corporation	(32,508,760)	45,697,545	-	-	13,188,786	-	13,188,786
Direct Power Services Inc.	36,516	-	(36,516)	-	-	-	-
North Triangle Depot Commercial Corp	-	916,242	-	-	916,242	-	916,242
Nuevocentro, Inc. (Conso)	-	64,711	-	-	64,711	-	64,711
Primavera Towncentre, Inc.	-	17,720,370	-	-	17,720,370	-	17,720,370
Soltea Commercial Corp.	35,482,937	2,190,033	(14,844,678)	-	22,828,291	-	22,828,291
Summerhill Commercial Ventures Corp.	-	559,194	-	-	559,194	-	559,194
Ten Knots Development Corporation(Conso)	-	9	-	-	9	-	9
Ten Knots Philippines, Inc.(Conso)	30,453,656	72,353,503	-	-	102,807,159	-	102,807,159
Subtotal	481,499,584	998,980,130	(646,418,433)	-	834,061,282	-	834,061,282
Amount Receivable by AREIT Property Managers, Inc. from related parties							
AREIT, Inc.	271,308,298	215,681,175	(23,108,697)	-	463,880,775	-	463,880,775
Subtotal	271,308,298	215,681,175	(23,108,697)	-	463,880,775	-	463,880,775
Amount Receivable by Subsidiaries to AREIT, Inc. from related parties							
Accendo Commercial Corp	575,250	153,162,591	(27,571,305)	-	126,166,536	-	126,166,536
ALI Capital Corp. (Conso)	19,043,664	178,914,077	(179,451,805)	-	18,505,935	-	18,505,935
ALI Commercial Center, Inc. (Conso)	28,938,564	-	(28,938,564)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Alveo Land Corporation (Conso)	45,959,821	506,068,498	(225,331,642)	-	326,696,677	-	326,696,677
Amaia Land Corporation (Conso)	3,102,340	310,273,123	(198,305,790)	-	115,069,673	-	115,069,673
Amorsedia Development Corporation (Conso)	18,073,745	35,764,881	(24,568,239)	-	29,270,387	-	29,270,387
AREIT, Inc.	-	742,492	-	-	742,492	-	742,492
Arvo Commercial Corporation	39,203,390	115,277,881	(31,349,587)	-	123,131,684	-	123,131,684
Avida Land Corporation (Conso)	1,045,181	317,373,019	(316,848,851)	-	1,569,349	-	1,569,349
Ayala Land Inc.	74,301,299	2,878,907,977	(2,585,082,920)	-	368,126,356	-	368,126,356
Ayala Malls Zing Inc.	-	31,449,075	-	-	31,449,075	-	31,449,075
Ayala Property Management Corporation (Conso)	2,512,284	1,992,645	(2,745,689)	-	1,759,240	-	1,759,240
AyalaLand Estates Inc. (Conso)	65,694,479	372,737,104	(437,770,593)	-	660,991	-	660,991
AyalaLand Hotels and Resorts Corp. (Conso)	2,296,194,865	564,353,023	(124,281,096)	-	2,736,266,792	-	2,736,266,792
Ayalaland Logistics Holdings Corp. (Conso)	93,720,083	612,863,227	(243,860,912)	-	462,722,398	-	462,722,398
Ayalaland Malls Synergies, Inc.	2,464,491	-	(253,666)	-	2,210,825	-	2,210,825
AyalaLand Malls, Inc. (Conso)	-	3,958,687,028	-	-	3,958,687,028	-	3,958,687,028
AyalaLand Offices, Inc. (Conso)	(776)	13,341,309	(13,341,309)	-	(776)	-	(776)
Ayalaland Premier, Inc.	-	5,889,111	-	-	5,889,111	-	5,889,111
Bay City Commercial Ventures Corp.	349,519,716	769,002,298	(1,080,368,703)	-	38,153,312	-	38,153,312
BellaVita Land Corp.	39,830	-	-	-	39,830	-	39,830
Cagayan De Oro Gateway Corporation	537,083	97,443,767	(97,443,767)	-	537,083	-	537,083
Capitol Central Commercial Ventures Corp.	209,193,922	235,672,672	(326,362,025)	-	118,504,569	-	118,504,569
Cavite Commercial Towncenter Inc.	40,088,362	194,329,616	-	-	234,417,978	-	234,417,978
Crans Montana Property Holdings Corporation	1,246,956	24,253,235	-	-	25,500,191	-	25,500,191
Crimson Field Enterprises, Inc.	-	23,250,125	-	-	23,250,125	-	23,250,125
Direct Power Services Inc.	6,351	-	(6,351)	-	-	-	-
Leisure and Allied Industries Phils. Inc.	-	15,499,531	-	-	15,499,531	-	15,499,531
Makati Cornerstone Leasing Corp.	4,921	25,669,494	(25,609,307)	-	65,108	-	65,108
North Eastern Commercial Corp.	975,303,986	80,382,456	-	-	1,055,686,442	-	1,055,686,442
North Triangle Depot Commercial Corp	1,218,944	134,310,795	-	-	135,529,739	-	135,529,739
NorthBeacon Commercial Corporation	-	2,056,607,567	-	-	2,056,607,567	-	2,056,607,567
Nuevocentro, Inc. (Conso)	-	439,048,046	(435,472,863)	-	3,575,183	-	3,575,183
Primavera Towncentre, Inc.	-	73,246,527	(47,030,860)	-	26,215,667	-	26,215,667
Soltea Commercial Corp.	307,665	42,793,711	(37,897,947)	-	5,203,430	-	5,203,430
Sunnyfield E-Office Corp	150	-	-	-	150	-	150
Ten Knots Development Corporation(Conso)	-	19,358,775	-	-	19,358,775	-	19,358,775
Ten Knots Philippines, Inc.(Conso)	1,163,932	372,432,281	(171,702,242)	-	201,893,971	-	201,893,971
Westview Commercial Ventures Corp.	1,958,066	122,326	-	-	2,080,392	-	2,080,392
Subtotal	4,271,418,564	14,661,220,283	(6,661,596,033)	-	12,271,042,816	-	12,271,042,816
Amount Receivable by Arvo Commercial Corporation from related parties							
Accendo Commercial Corp	-	50,198	(48,698)	-	1,500	-	1,500
Alabang Commercial Corporation (Conso)	1,860	-	-	-	1,860	-	1,860
ALI Commercial Center, Inc. (Conso)	37,330	-	(37,330)	-	-	-	-
AREIT, Inc.	2,914	-	-	-	2,914	-	2,914
Arvo Commercial Corporation	-	316,878	(314,198)	-	2,680	-	2,680
Avida Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	978,410,844	377,063	(377,063)	-	978,410,844	-	978,410,844
Ayala Malls Zing Inc.	-	18,590	-	-	18,590	-	18,590
AyalaLand Malls, Inc. (Conso)	20,307	-	(20,307)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	298,018	-	-	298,018	-	298,018
Cagayan De Oro Gateway Corporation	-	44,270	(43,870)	-	400	-	400
Cavite Commercial Towncenter Inc.	807,934	257,995	-	-	1,065,929	-	1,065,929
Leisure and Allied Industries Phils. Inc.	2,908,822	2,858,138	(3,560,262)	-	2,206,697	-	2,206,697
North Triangle Depot Commercial Corp	6,520	58,406	(57,206)	-	7,720	-	7,720
North Ventures Commercial Corp.	4,158	-	-	-	4,158	-	4,158
Primavera Towncentre, Inc.	308,275	-	-	-	308,275	-	308,275
Soltea Commercial Corp.	13,450	-	-	-	13,450	-	13,450

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Southportal Properties, Inc.	-	-	-	-	-	-	-
Station Square East Commercial Corp	1,670	-	-	-	1,670	-	1,670
Summerhill Commercial Ventures Corp.	-	39,545	(39,445)	-	100	-	100
Subtotal	982,524,084	4,319,101	(4,498,379)	-	982,344,805	-	982,344,805
Amount Receivable by Aurora Properties, Inc. from related parties							
Accendo Commercial Corp	-	15,180,256	-	-	15,180,256	-	15,180,256
ALI Capital Corp. (Conso)	559,161	14,794,754	-	-	15,353,915	-	15,353,915
ALI Commercial Center, Inc. (Conso)	99,903,340	-	(99,903,340)	-	-	-	-
Alveo Land Corporation (Conso)	28,443,107	28,918,548	(22,415,244)	-	34,946,411	-	34,946,411
Amaia Land Corporation (Conso)	161,039,467	15,539,222	(176,060,808)	-	517,881	-	517,881
Amorsedia Development Corporation (Conso)	185,504,918	63,616,410	-	-	249,121,328	-	249,121,328
Arca South Integrated Terminal, Inc	3,007,928	2,004,545	-	-	5,012,473	-	5,012,473
Arvo Commercial Corporation	2,113,967	25,754,063	-	-	27,868,030	-	27,868,030
Avida Land Corporation (Conso)	192,927,707	-	(184,004,539)	-	8,923,169	-	8,923,169
Ayala Land Inc.	1,258,848,707	198,431,913	(475,097,111)	-	982,183,510	-	982,183,510
AyalaLand Estates Inc. (Conso)	-	397,936,987	(397,936,987)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	65,309,355	1,067,849,269	-	-	1,133,158,624	-	1,133,158,624
Ayalaland Logistics Holdings Corp. (Conso)	-	90,770,236	(23,579,259)	-	67,190,977	-	67,190,977
AyalaLand Malls, Inc. (Conso)	-	106,302,737	(103,914,032)	-	2,388,705	-	2,388,705
Ayalaland Metro North, Inc.	871	-	-	-	871	-	871
Bay City Commercial Ventures Corp.	114,661,462	282,594,535	(378,780,477)	-	18,475,519	-	18,475,519
Cagayan De Oro Gateway Corporation	631,906	-	(14,691)	-	617,215	-	617,215
Capitol Central Commercial Ventures Corp.	-	30,978,763	(15,682,672)	-	15,296,091	-	15,296,091
Cavite Commercial Towncenter Inc.	637,669	-	-	-	637,669	-	637,669
CECI Realty Corp.	167,851	-	-	-	167,851	-	167,851
Crans Montana Property Holdings Corporation	114,571,126	193,311,782	-	-	307,882,907	-	307,882,907
Crimson Field Enterprises, Inc.	5,046,986	5,424,515	(443,674)	-	10,027,827	-	10,027,827
Makati Development Corporation (Conso)	8,180	-	-	-	8,180	-	8,180
Nuevocentro, Inc. (Conso)	-	24,367,622	(24,367,622)	-	-	-	-
Red Creek Properties, Inc.	9,524,333	8,026,304	-	-	17,550,637	-	17,550,637
Ten Knots Development Corporation(Conso)	726	-	-	-	726	-	726
Ten Knots Philippines, Inc.(Conso)	8,621	20,418,339	(20,343,414)	-	83,546	-	83,546
Vesta Property Holdings Inc.	27,739	-	-	-	27,739	-	27,739
Subtotal	2,242,945,127	2,592,220,800	(1,922,543,870)	-	2,912,622,057	-	2,912,622,057
Amount Receivable by Aviana Development Corporation from related parties							
Accendo Commercial Corp	-	37,204	-	-	37,204	-	37,204
Alveo Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	306,198,354	-	(46,741,002)	-	259,457,352	-	259,457,352
Lagdigan Land Corporation	-	2,750	-	-	2,750	-	2,750
Makati Development Corporation (Conso)	546,293	906,914	-	-	1,453,207	-	1,453,207
Subtotal	306,744,647	946,868	(46,741,002)	-	260,950,513	-	260,950,513
Amount Receivable by Avida Land Corporation from related parties							
Accendo Commercial Corp	192,322,280	51,816,106	(43,146,367)	-	200,992,019	-	200,992,019
ALI Capital Corp. (Conso)	-	16,470,073	(16,379,953)	-	90,120	-	90,120
ALI Commercial Center, Inc. (Conso)	20,243,539	-	(20,243,539)	-	-	-	-
ALI-CII Development Corporation	75,000	-	-	-	75,000	-	75,000
Altaraza Development Corporation	-	3,472,000	(420,980)	-	3,051,020	-	3,051,020
Alveo Land Corporation (Conso)	627,356,846	474,433,747	(1,100,956,584)	-	834,009	-	834,009
Amaia Land Corporation (Conso)	20,097,652	490,979,805	(491,142,729)	-	19,934,727	-	19,934,727
Amorsedia Development Corporation (Conso)	1,439,905	1,117,595	-	-	2,557,499	-	2,557,499
APRISA Business Process Solutions, Inc	-	147,840	(147,840)	-	-	-	-
AREIT, Inc.	-	546,336	(546,336)	-	-	-	-
Arvo Commercial Corporation	28,168,158	1,338,079	(12,344,110)	-	17,162,127	-	17,162,127

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Aurora Properties, Inc.	39,622,567	728,000	(545,437)	-	39,805,130	-	39,805,130
Aviana Development Corporation	-	112,000	(112,000)	-	-	-	-
Avida Land Corporation (Conso)	(32,990,438)	31,049,144	-	-	(1,941,294)	-	(1,941,294)
Ayala Hotels Inc.	25,702	-	-	-	25,702	-	25,702
Ayala Land Inc.	2,313,340,414	390,251,050	(632,825,280)	-	2,070,766,184	-	2,070,766,184
Ayala Land International Sales, Inc.(Conso)	12,748,830	1,630,267	-	-	14,379,097	-	14,379,097
Ayala Property Management Corporation (Conso)	10,460,476	279,552	(1,117,369)	-	9,622,660	-	9,622,660
Ayala Theaters Management, Inc.	69,503	-	-	-	69,503	-	69,503
AyalaLand Estates Inc. (Conso)	226,407,445	125,084,797	(81,668,662)	-	269,823,579	-	269,823,579
AyalaLand Hotels and Resorts Corp. (Conso)	484,767	80,037,410	(78,621,170)	-	1,901,007	-	1,901,007
Ayalaland Logistics Holdings Corp. (Conso)	834,269	4,035,647	(4,291,552)	-	578,363	-	578,363
Ayalaland Malls Synergies, Inc.	242,413	-	-	-	242,413	-	242,413
AyalaLand Malls, Inc. (Conso)	-	268,524	-	-	268,524	-	268,524
AyalaLand Offices, Inc. (Conso)	-	327,264	(135,291)	-	191,973	-	191,973
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	1,811,515	22,114,180	(19,886,360)	-	4,039,334	-	4,039,334
BellaVita Land Corp.	439,129,363	44,773,387	(36,566,736)	-	447,336,014	-	447,336,014
BG North Properties Inc.	-	637,064,725	-	-	637,064,725	-	637,064,725
BG South Properties, Inc.	-	3,618,771	-	-	3,618,771	-	3,618,771
BG West Properties, Inc	1,468,416,572	-	(1,468,346,052)	-	70,519	-	70,519
Cagayan De Oro Gateway Corporation	455,032,278	4,675,312	-	-	459,707,591	-	459,707,591
Capitol Central Commercial Ventures Corp.	-	8,417,775	-	-	8,417,775	-	8,417,775
CECI Realty Corp.	140,000	252,000	(250,000)	-	142,000	-	142,000
Central Bloc Hotel Ventures	-	147,840	(36,960)	-	110,880	-	110,880
Crans Montana Property Holdings Corporation	16,175	-	-	-	16,175	-	16,175
Integrated Eco-Resort Inc.	-	147,840	(12,320)	-	135,520	-	135,520
Makati Development Corporation (Conso)	18,494,808	2,861,797	(6,362,409)	-	14,994,196	-	14,994,196
North Triangle Depot Commercial Corp	12,460	-	-	-	12,460	-	12,460
Nuevocentro, Inc. (Conso)	286,132,257	382,042,160	(178,241,896)	-	489,932,521	-	489,932,521
Roxas Land Corp.	535,461	796,249	(653,153)	-	678,557	-	678,557
Serendra Inc.	131,274	-	-	-	131,274	-	131,274
Soltea Commercial Corp.	45,029,554	109,414	(45,015,540)	-	123,427	-	123,427
Station Square East Commercial Corp	420,337	-	-	-	420,337	-	420,337
Summerhill Commercial Ventures Corp.	10,180	-	-	-	10,180	-	10,180
Taft Punta Engaño Property, Inc.	-	140,000	-	-	140,000	-	140,000
Ten Knots Development Corporation(Conso)	-	591,360	(591,360)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	1,689,369	23,347,309	(21,868,781)	-	3,167,897	-	3,167,897
Vesta Property Holdings Inc.	1,966	-	-	-	1,966	-	1,966
Subtotal	6,177,952,897	2,805,225,355	(4,262,476,766)	-	4,720,701,481	-	4,720,701,481
Amount Receivable by Ayala Hotels Inc. from related parties							
Accendo Commercial Corp	182,671,404	362,817,372	(181,946,394)	-	363,542,381	-	363,542,381
ALI Capital Corp. (Conso)	247,460,872	331,196,691	(317,933,852)	-	260,723,711	-	260,723,711
ALI Commercial Center, Inc. (Conso)	36,359,757	-	(36,359,757)	-	-	-	-
Alveo Land Corporation (Conso)	31,505,711	356,024,799	(258,090,126)	-	129,440,383	-	129,440,383
Amaia Land Corporation (Conso)	122,160,133	372,316,446	(478,103,587)	-	16,372,992	-	16,372,992
Amorsedia Development Corporation (Conso)	16,648,522	26,194,880	-	-	42,843,402	-	42,843,402
AREIT, Inc.	3,772	-	-	-	3,772	-	3,772
Arvo Commercial Corporation	105,068,249	77,310,710	(86,839,759)	-	95,539,200	-	95,539,200
Aviana Development Corporation	-	86,403,172	-	-	86,403,172	-	86,403,172
Avida Land Corporation (Conso)	2,464,484	47,697,644	(48,767,494)	-	1,394,634	-	1,394,634
Ayala Land Inc.	1,893,652,102	2,490,549,925	(3,270,163,363)	-	1,114,038,664	-	1,114,038,664
Ayala Land International Sales, Inc.(Conso)	4,500,000	-	-	-	4,500,000	-	4,500,000
Ayala Malls Zing Inc.	-	45,399,008	(30,052,039)	-	15,346,969	-	15,346,969
AyalaLand Estates Inc. (Conso)	-	247,472,119	(247,472,119)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	1,033,746,661	683,268,266	(1,000,900,839)	-	716,114,089	-	716,114,089

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayalaland Logistics Holdings Corp. (Conso)	57,808,154	627,425,870	-	-	685,234,024	-	685,234,024
AyalaLand Malls, Inc. (Conso)	-	115,036,002	(112,171,786)	-	2,864,217	-	2,864,217
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Ayalaland Metro North, Inc.	198,822	-	-	-	198,822	-	198,822
Bay City Commercial Ventures Corp.	821,785,612	986,372,172	(1,451,495,591)	-	356,662,194	-	356,662,194
BG West Properties, Inc	140,252,227	151,337,569	(291,589,796)	-	-	-	-
Cagayan De Oro Gateway Corporation	2,753,681	2,875,521	(2,875,521)	-	2,753,681	-	2,753,681
Capitol Central Commercial Ventures Corp.	132,413,408	85,618,485	(194,844,664)	-	23,187,229	-	23,187,229
Cavite Commercial Towncenter Inc.	198,907,803	80,851,745	-	-	279,759,548	-	279,759,548
Crans Montana Property Holdings Corporation	147,870	75,721,699	-	-	75,869,569	-	75,869,569
Lagdigan Land Corporation	-	7,099,745	-	-	7,099,745	-	7,099,745
Leisure and Allied Industries Phils. Inc.	-	125,188,740	-	-	125,188,740	-	125,188,740
North Triangle Depot Commercial Corp	-	33,528,569	-	-	33,528,569	-	33,528,569
Primavera Towncentre, Inc.	49,744,661	50,919,769	(32,005,959)	-	68,658,471	-	68,658,471
Roxas Land Corp.	-	-	-	-	-	-	-
Soltea Commercial Corp.	11,610,500	21,031,828	(22,757,856)	-	9,884,472	-	9,884,472
Summerhill Commercial Ventures Corp.	695,683	-	-	-	695,683	-	695,683
Ten Knots Development Corporation(Conso)	3,046,778	45,546,395	-	-	48,593,173	-	48,593,173
Ten Knots Philippines, Inc.(Conso)	254,430,356	459,215,151	(687,529,148)	-	26,116,359	-	26,116,359
Westview Commercial Ventures Corp.	-	-	-	-	-	-	-
Subtotal	5,350,037,222	7,994,420,292	(8,751,899,650)	-	4,592,557,865	-	4,592,557,865
Amount Receivable by Ayala Land International Sales, Inc. from related parties							
ALI Capital Corp. (Conso)	3,614,760	244,134	(32,404)	-	3,826,491	-	3,826,491
Alveo Land Corporation (Conso)	67,076,949	-	(8,746,170)	-	58,330,779	-	58,330,779
Amaia Land Corporation (Conso)	102,204,688	17,959,294	-	-	120,163,982	-	120,163,982
Amorsedia Development Corporation (Conso)	(70,115)	2,635,315	-	-	2,565,200	-	2,565,200
Arvo Commercial Corporation	-	1,979,928	-	-	1,979,928	-	1,979,928
Avida Land Corporation (Conso)	127,180,611	8,036,641	(16,146,377)	-	119,070,875	-	119,070,875
Ayala Hotels Inc.	-	-	-	-	-	-	-
Ayala Land Inc.	24,549,838	33,074,237	(36,751,889)	-	20,872,186	-	20,872,186
AyalaLand Estates Inc. (Conso)	-	3,067,169	(3,915,243)	-	(848,074)	-	(848,074)
AyalaLand Hotels and Resorts Corp. (Conso)	172,666	24,196,334	-	-	24,369,000	-	24,369,000
Ayalaland Logistics Holdings Corp. (Conso)	-	13,436,954	(1,427,614)	-	12,009,339	-	12,009,339
AyalaLand Malls, Inc. (Conso)	-	10,126,189	(10,016,900)	-	109,289	-	109,289
Bay City Commercial Ventures Corp.	7,094,190	27,009,272	(10,267,890)	-	23,835,572	-	23,835,572
BellaVita Land Corp.	1,708,007	-	(157,463)	-	1,550,544	-	1,550,544
BG West Properties, Inc	-	-	-	-	-	-	-
Capitol Central Commercial Ventures Corp.	15,142,943	30,978,854	(35,835,459)	-	10,286,338	-	10,286,338
Crans Montana Property Holdings Corporation	15,200	40,018,661	-	-	40,033,860	-	40,033,860
North Triangle Depot Commercial Corp	10,408,190	125,417	(10,288,021)	-	245,586	-	245,586
Nuevocentro, Inc. (Conso)	6,551,233	331,106	-	-	6,882,339	-	6,882,339
Primavera Towncentre, Inc.	1,018,268	3,572,461	(2,020,573)	-	2,570,155	-	2,570,155
Serendra Inc.	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	-	2,004,256	-	-	2,004,256	-	2,004,256
Ten Knots Philippines, Inc.(Conso)	28,329,224	12,656,062	(13,874,596)	-	27,110,690	-	27,110,690
Subtotal	394,996,652	231,452,284	(149,480,599)	-	476,968,335	-	476,968,335
Amount Receivable by Ayala Land Sales Inc. from related parties							
Accendo Commercial Corp	8,560,810	-	(8,560,810)	-	-	-	-
Alveo Land Corporation (Conso)	501,850	-	(501,850)	-	-	-	-
Amaia Land Corporation (Conso)	439,291	-	(439,291)	-	-	-	-
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
AREIT, Inc.	465	-	(465)	-	-	-	-
Arvo Commercial Corporation	2,267,349	-	(2,267,349)	-	-	-	-
Avida Land Corporation (Conso)	1,131,287	-	(1,131,287)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayala Land Inc.	(2,975,703)	2,975,703	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	50,722,796	-	(50,722,796)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	5,200,076	-	(5,200,076)	-	-	-	-
Ayalaland Premier, Inc.	6,322	-	(6,322)	-	-	-	-
Bay City Commercial Ventures Corp.	28,533,808	-	(28,533,808)	-	-	-	-
BellaVita Land Corp.	52,832	-	(52,832)	-	-	-	-
Cavite Commercial Towncenter Inc.	10,233,439	-	(10,233,439)	-	-	-	-
North Triangle Depot Commercial Corp	5,143,201	-	(5,143,201)	-	-	-	-
Soltea Commercial Corp.	29,788,079	-	(29,788,079)	-	-	-	-
Summerhill Commercial Ventures Corp.	214,743	-	(214,743)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	12,958,473	-	(12,958,473)	-	-	-	-
Subtotal	152,779,118	2,975,703	(155,754,821)	-	-	-	-
Amount Receivable by Ayala Land-Tagle Property Inc. from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Ayala Malls Zing Inc. from related parties							
AyalaLand Malls, Inc. (Conso)	-	22,162,574	-	-	22,162,574	-	22,162,574
North Eastern Commercial Corp.	-	-	-	-	-	-	-
Subtotal	-	22,162,574	-	-	22,162,574	-	22,162,574
Amount Receivable by Ayala Property Management Corporation from related parties							
Accendo Commercial Corp	24,557,404	20,095,256	(8,217,916)	-	36,434,744	-	36,434,744
Adauge Commercial Corp.	150,091	315,191	(150,091)	-	315,190	-	315,190
Alabang Commercial Corporation (Conso)	591,385	473,977	(914,863)	-	150,500	-	150,500
ALI Capital Corp. (Conso)	86,492	12,992,667	-	-	13,079,159	-	13,079,159
ALI Commercial Center, Inc. (Conso)	91,464,345	-	(91,464,345)	-	-	-	-
ALI-CII Development Corporation	54,233	226,596	(264,029)	-	16,800	-	16,800
Alveo Land Corporation (Conso)	38,670,436	380,841,294	(379,472,811)	-	40,038,919	-	40,038,919
Amaia Land Corporation (Conso)	51,296,731	69,663,754	(104,053,984)	-	16,906,501	-	16,906,501
Amorsedia Development Corporation (Conso)	11,199,714	7,292,756	(3,343,069)	-	15,149,401	-	15,149,401
APRISA Business Process Solutions, Inc	2,961,607	2,533,000	(5,494,607)	-	-	-	-
AREIT, Inc.	2,992,177	72,366,209	(61,636,761)	-	13,721,625	-	13,721,625
Arvo Commercial Corporation	195,006	1,302,098	(1,185,263)	-	311,840	-	311,840
Aurora Properties, Inc.	356,081	4,670,177	(4,650,018)	-	376,240	-	376,240
Aviana Development Corporation	5,109,311	16,722,630	(15,914,964)	-	5,916,977	-	5,916,977
Avida Land Corporation (Conso)	41,665,017	288,248,922	(288,506,760)	-	41,407,179	-	41,407,179
Ayala Hotels Inc.	-	2,540,413	(2,540,413)	-	-	-	-
Ayala Land Inc.	40,596,675	775,451,878	(674,557,239)	-	141,491,314	-	141,491,314
Ayala Land Sales Inc.	300	-	(300)	-	-	-	-
Ayala Property Management Corporation (Conso)	61,255	-	-	-	61,255	-	61,255
AyalaLand Estates Inc. (Conso)	3,362,550	39,646,347	(42,117,871)	-	891,025	-	891,025
AyalaLand Hotels and Resorts Corp. (Conso)	380,608,040	133,276,086	(406,349,682)	-	107,534,445	-	107,534,445
Ayalaland Logistics Holdings Corp. (Conso)	100,540,677	166,042,853	(141,911,234)	-	124,672,296	-	124,672,296
AyalaLand Malls, Inc. (Conso)	3,792,539	-	(3,792,539)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	106,363,162	(40,311,523)	-	66,051,639	-	66,051,639
Ayalaland Metro North, Inc.	-	1,099,816	(1,015,816)	-	84,000	-	84,000
AyalaLand Offices, Inc. (Conso)	4,844,380	30,326,877	(32,578,064)	-	2,593,193	-	2,593,193
Ayalaland Premier, Inc.	193,498	-	(193,198)	-	300	-	300
Bay City Commercial Ventures Corp.	84,675,932	293,550,576	(141,566,457)	-	236,660,050	-	236,660,050
BG North Properties Inc.	-	2,130,245	(279,045)	-	1,851,200	-	1,851,200
BG South Properties, Inc.	-	3,562,741	-	-	3,562,741	-	3,562,741
BG West Properties, Inc	1,669,356	12,133,898	(9,622,476)	-	4,180,778	-	4,180,778
Cagayan De Oro Gateway Corporation	574,409	4,203,015	(1,224,019)	-	3,553,404	-	3,553,404
Capitol Central Commercial Ventures Corp.	-	590,106	(590,106)	-	-	-	-
Cavite Commercial Towncenter Inc.	38,381,031	81,564,725	-	-	119,945,756	-	119,945,756

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
CECI Realty Corp.	622,511	8,119,477	(7,317,847)	-	1,424,141	-	1,424,141
Crans Montana Property Holdings Corporation	276,864	20,152,322	-	-	20,429,186	-	20,429,186
Hillsford Property Corporation	827,317	93,341	(827,317)	-	93,341	-	93,341
Makati Cornerstone Leasing Corp.	122,265	11,956,939	(10,506,695)	-	1,572,509	-	1,572,509
Makati Development Corporation (Conso)	2,576,283	8,388,496	(10,129,750)	-	835,030	-	835,030
North Eastern Commercial Corp.	971,259	2,578,274	(2,741,664)	-	807,869	-	807,869
North Triangle Depot Commercial Corp	9,860,924	11,353,269	(21,059,891)	-	154,302	-	154,302
North Ventures Commercial Corp.	12,490,965	1,099,898	(548,315)	-	13,042,548	-	13,042,548
NorthBeacon Commercial Corporation	-	841,103	(379,915)	-	461,188	-	461,188
Nuevocentro, Inc. (Conso)	12,934,266	38,666,644	(26,745,625)	-	24,855,284	-	24,855,284
Philippine Integrated Energy Solutions, Inc.	111,023,189	-	-	-	111,023,189	-	111,023,189
Roxas Land Corp.	765,610	-	-	-	765,610	-	765,610
Serendra Inc.	24,418,418	9,089,420	-	-	33,507,838	-	33,507,838
Soltea Commercial Corp.	65,954,363	5,430,935	(6,882,847)	-	64,502,451	-	64,502,451
Southportal Properties, Inc.	(1,259,430)	420,000	-	-	(839,430)	-	(839,430)
Station Square East Commercial Corp	-	1,099,816	(1,043,816)	-	56,000	-	56,000
Subic Bay Town Center Inc.	-	1,275,403	(681,434)	-	593,970	-	593,970
Summerhill Commercial Ventures Corp.	-	1,047,765	(991,765)	-	56,000	-	56,000
Sunnyfield E-Office Corp	-	1,848,330	(1,710,805)	-	137,525	-	137,525
Taft Punta Engaño Property, Inc.	-	1,142,400	(1,142,400)	-	-	-	-
Ten Knots Development Corporation(Conso)	220,590	10,292,638	-	-	10,513,228	-	10,513,228
Ten Knots Philippines, Inc.(Conso)	25,423,614	31,179,665	(32,003,256)	-	24,600,022	-	24,600,022
Vesta Property Holdings Inc.	473,704	5,959,884	(5,897,478)	-	536,110	-	536,110
Westview Commercial Ventures Corp.	175,711	236,393	(236,393)	-	175,711	-	175,711
Subtotal	1,198,529,095	2,702,499,677	(2,594,766,676)	-	1,306,262,093	-	1,306,262,093
Amount Receivable by Ayala Theaters Management, Inc. from related parties							
ALI Commercial Center, Inc. (Conso)	3,996	-	(3,996)	-	-	-	-
Arvo Commercial Corporation	46,592	93,184	(139,776)	-	-	-	-
Ayala Land Inc.	-	19,902,204	(19,902,204)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	6,993	-	(6,993)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	845,407	(739,019)	-	106,388	-	106,388
Ayalaland Metro North, Inc.	45,640	91,280	(136,920)	-	-	-	-
Bay City Commercial Ventures Corp.	-	221,088	(221,088)	-	-	-	-
Capitol Central Commercial Ventures Corp.	104,720	104,720	(209,440)	-	-	-	-
FIVE STAR Cinema Inc.	-	48,272	(48,272)	-	-	-	-
Makati Cornerstone Leasing Corp.	115,480	116,480	(232,960)	-	(1,000)	-	(1,000)
North Eastern Commercial Corp.	36,064	299,936	(336,000)	-	-	-	-
North Triangle Depot Commercial Corp	-	14,598,664	(14,598,664)	-	-	-	-
North Ventures Commercial Corp.	179,984	179,984	(359,968)	-	-	-	-
NorthBeacon Commercial Corporation	-	88,928	(88,928)	-	-	-	-
Subic Bay Town Center Inc.	-	103,376	(103,376)	-	-	-	-
Summerhill Commercial Ventures Corp.	-	89,600	(89,600)	-	-	-	-
Subtotal	539,469	36,783,123	(37,217,204)	-	105,388	-	105,388
Amount Receivable by AyalaLand Club Management, Inc. from related parties							
Anvaya Cove Beach and Nature Club Inc	3,040,897	-	(3,040,897)	-	-	-	-
Anvaya Cove Golf and Sports Club Inc.	1,548,093	-	(1,548,093)	-	-	-	-
APRISA Business Process Solutions, Inc	4,500	-	(4,500)	-	-	-	-
Ayala Land Inc.	231,823	-	(231,823)	-	-	-	-
Ayala Land Sales Inc.	84,000	-	(84,000)	-	-	-	-
AyalaLand Estates Inc. (Conso)	73,500	-	(73,500)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	500	-	(500)	-	-	-	-
AyalaLand Offices, Inc. (Conso)	1,500	-	(1,500)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayalaland Premier, Inc.	319,500	-	(319,500)	-	-	-	-
Verde Golf Development Corporation	-	-	-	-	-	-	-
Subtotal	5,304,313	-	(5,304,313)	-	-	-	-
Amount Receivable by AyalaLand Estates Inc. from related parties							
Accendo Commercial Corp	7,237	58,270	-	-	65,507	-	65,507
Adauge Commercial Corp.	-	1,400	-	-	1,400	-	1,400
ALI Capital Corp. (Conso)	175,615	-	-	-	175,615	-	175,615
ALI Commercial Center, Inc. (Conso)	311,433	-	(311,433)	-	-	-	-
Altaraza Development Corporation	8,414	-	-	-	8,414	-	8,414
Altaraza Prime Realty Corporation	10	-	(10)	-	-	-	-
Alveo Land Corporation (Conso)	-	280,000	-	-	280,000	-	280,000
Amaia Land Corporation (Conso)	21,812	-	-	-	21,812	-	21,812
Amorsedia Development Corporation (Conso)	5,902,947	570,719	-	-	6,473,666	-	6,473,666
Arca South Integrated Terminal, Inc	2,242,825	7,264	-	-	2,250,089	-	2,250,089
Arvo Commercial Corporation	1,901,922	-	-	-	1,901,922	-	1,901,922
Aurora Properties, Inc.	10	-	-	-	10	-	10
Aviana Development Corporation	3,726	82,238	-	-	85,964	-	85,964
Avida Land Corporation (Conso)	15,032	300,000	-	-	315,032	-	315,032
Ayala Land Inc.	4,858,330	44,500,838	(43,367,899)	-	5,991,269	-	5,991,269
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	2,028,943	-	-	-	2,028,943	-	2,028,943
AyalaLand Hotels and Resorts Corp. (Conso)	817,730	20,703	-	-	838,433	-	838,433
Ayalaland Logistics Holdings Corp. (Conso)	40,891	12,288	-	-	53,179	-	53,179
AyalaLand Malls, Inc. (Conso)	-	311,433	-	-	311,433	-	311,433
Bay City Commercial Ventures Corp.	467,009	-	-	-	467,009	-	467,009
Cagayan De Oro Gateway Corporation	276,823	-	-	-	276,823	-	276,823
CECI Realty Corp.	92,668	4,060,903	-	-	4,153,571	-	4,153,571
Crans Montana Property Holdings Corporation	158,633	26,966,676	(26,966,676)	-	158,633	-	158,633
Lagdigan Land Corporation	10,852	14,368	-	-	25,220	-	25,220
Makati Development Corporation (Conso)	507,285	570,481	-	-	1,077,766	-	1,077,766
North Eastern Commercial Corp.	51,507,486	16,926,806	(46,879,506)	-	21,554,786	-	21,554,786
Nuevocentro, Inc. (Conso)	8,485	4,310,458	-	-	4,318,943	-	4,318,943
Vesta Property Holdings Inc.	10	-	-	-	10	-	10
Subtotal	**71,366,128**	**98,994,845**	**(117,525,524)**	**-**	**52,835,449**	**-**	**52,835,449**
Amount Receivable by AyalaLand Hotels and Resorts Corp. from related parties							
Accendo Commercial Corp	7,000,000	-	(7,000,000)	-	-	-	-
ALI Capital Corp. (Conso)	423,195	10,105,125	(9,966,373)	-	561,946	-	561,946
ALI Commercial Center, Inc. (Conso)	-	-	-	-	-	-	-
ALI-CII Development Corporation	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	-	5,991,437	-	-	5,991,437	-	5,991,437
Amaia Land Corporation (Conso)	(2,811)	35,006,304	-	-	35,003,493	-	35,003,493
AREIT, Inc.	-	-	-	-	-	-	-
Arvo Commercial Corporation	-	2,508,052	(2,501,078)	-	6,974	-	6,974
Aviana Development Corporation	-	-	-	-	-	-	-
Avida Land Corporation (Conso)	53,771	81,196	-	-	134,967	-	134,967
Ayala Hotels Inc.	362	2,300	-	-	2,662	-	2,662
Ayala Land Inc.	25,180,321	167,784,251	-	-	192,964,572	-	192,964,572
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	370,404	-	-	-	370,404	-	370,404
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	32,915,148	5,000,000	(482,529,943)	-	(444,614,795)	-	(444,614,795)
Ayalaland Logistics Holdings Corp. (Conso)	423,195	24,223,000	-	-	24,646,195	-	24,646,195
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	419,040	-	(419,040)	-	-	-	-

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AyalaLand Malls, Inc. (Conso)	-	419,040	-	-	419,040	-	419,040
AyalaLand Offices, Inc. (Conso)	422,070	-	-	-	422,070	-	422,070
Ayalaland Premier, Inc.	-	125,736	(125,736)	-	-	-	-
Bay City Commercial Ventures Corp.	(973,563)	10,000,000	(8,984,238)	-	42,199	-	42,199
BellaVita Land Corp.	427	-	-	-	427	-	427
BG West Properties, Inc	-	-	-	-	-	-	-
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Capitol Central Commercial Ventures Corp.	-	-	-	-	-	-	-
Central Bloc Hotel Ventures	18,518,430	33,819,787	(5,538,708)	-	46,799,509	-	46,799,509
Crans Montana Property Holdings Corporation	-	10,627,000	-	-	10,627,000	-	10,627,000
Direct Power Services Inc.	-	-	-	-	-	-	-
Integrated Eco-Resort Inc.	29,568	-	-	-	29,568	-	29,568
Lagdigan Land Corporation	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	4,553	2,468,434	-	-	2,472,986	-	2,472,986
North Triangle Depot Commercial Corp	(5,370,696)	11,000,000	-	-	5,629,304	-	5,629,304
Southportal Properties, Inc.	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	2,114,695	10,431,885	(3,117,803)	-	9,428,777	-	9,428,777
Ten Knots Philippines, Inc.(Conso)	50,620	29,781,388	(29,750,041)	-	81,966	-	81,966
Vesta Property Holdings Inc.	-	11,536	-	-	11,536	-	11,536
Subtotal	81,578,729	359,386,471	(549,932,960)	-	(108,967,763)	-	(108,967,763)
Amount Receivable by Ayalaland Logistics Holdings Corp. from related parties							
Accendo Commercial Corp	16,047,952	10,102,601	-	-	26,150,554	-	26,150,554
Alabang Commercial Corporation (Conso)	35,390	-	(35,390)	-	-	-	-
ALI Capital Corp. (Conso)	37,695,007	468,910	(25,078,874)	-	13,085,043	-	13,085,043
ALI Commercial Center, Inc. (Conso)	87,635,776	-	(87,635,776)	-	-	-	-
Alveo Land Corporation (Conso)	14,160	76,068,792	-	-	76,082,953	-	76,082,953
Amaia Land Corporation (Conso)	53,453,656	18,137,724	(71,333,035)	-	258,345	-	258,345
Amorsedia Development Corporation (Conso)	84,263	38,764,663	-	-	38,848,926	-	38,848,926
APRISA Business Process Solutions, Inc	-	111,220	-	-	111,220	-	111,220
Arvo Commercial Corporation	28,265,720	41,002,642	(48,741,953)	-	20,526,410	-	20,526,410
Avida Land Corporation (Conso)	3,232,493	21,533,177	(18,423,520)	-	6,342,150	-	6,342,150
Ayala Land Inc.	130,474,050	400,977,788	(400,981,000)	-	130,470,838	-	130,470,838
Ayala Property Management Corporation (Conso)	1,233	-	-	-	1,233	-	1,233
AyalaLand Estates Inc. (Conso)	-	18,763,779	(18,448,940)	-	314,839	-	314,839
AyalaLand Hotels and Resorts Corp. (Conso)	9,080,814	202,004,864	(114,128,602)	-	96,957,076	-	96,957,076
Ayalaland Logistics Holdings Corp. (Conso)	-	581,060,000	(790,870,859)	-	(209,810,859)	-	(209,810,859)
Ayalaland Malls Synergies, Inc.	269,522	2	-	-	269,524	-	269,524
AyalaLand Malls, Inc. (Conso)	-	18,972,348	(13,219,353)	-	5,752,995	-	5,752,995
Ayalaland Metro North, Inc.	3,408,394	3,360	-	-	3,411,754	-	3,411,754
Bay City Commercial Ventures Corp.	111,716,072	93,920,097	-	-	205,636,168	-	205,636,168
BellaVita Land Corp.	-	-	-	-	-	-	-
Cagayan De Oro Gateway Corporation	134,953	-	(28,376)	-	106,576	-	106,576
Capitol Central Commercial Ventures Corp.	3,753,774	20,124,187	(6,366,723)	-	17,511,238	-	17,511,238
Cavite Commercial Towncenter Inc.	17,141,204	81,714,044	(97,523,653)	-	1,331,595	-	1,331,595
Crans Montana Property Holdings Corporation	4,608	-	-	-	4,608	-	4,608
Leisure and Allied Industries Phils. Inc.	(50,600)	-	-	-	(50,600)	-	(50,600)
Makati Cornerstone Leasing Corp.	-	1,003,310	(1,000,443)	-	2,867	-	2,867
Makati Development Corporation (Conso)	4,699,310	-	(1,654,405)	-	3,044,904	-	3,044,904
North Eastern Commercial Corp.	90,580	-	-	-	90,580	-	90,580
North Triangle Depot Commercial Corp	601,164	60,431,601	(60,634,054)	-	398,711	-	398,711
North Ventures Commercial Corp.	274,320	-	-	-	274,320	-	274,320
Nuevocentro, Inc. (Conso)	4,139,057	8,540,578	(8,505,435)	-	4,174,200	-	4,174,200
Primavera Towncentre, Inc.	50,502,605	151,151,061	(143,538,763)	-	58,114,903	-	58,114,903
Soltea Commercial Corp.	3,799,105	32,567	(3,088,544)	-	743,129	-	743,129
Station Square East Commercial Corp	1,687,120	10,150	-	-	1,697,270	-	1,697,270

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Summerhill Commercial Ventures Corp.	51,726	-	-	-	51,726	-	51,726
Ten Knots Development Corporation(Conso)	8,092,258	5,188,912	-	-	13,281,170	-	13,281,170
Ten Knots Philippines, Inc.(Conso)	(219,942)	49,937,577	(38,909,710)	-	10,807,925	-	10,807,925
Subtotal	576,115,744	1,900,025,954	(1,950,147,408)	-	525,994,291	-	525,994,291
Amount Receivable by Ayalaland Malls Synergies, Inc. from related parties							
ALI Commercial Center, Inc. (Conso)	19,252,657	-	(19,252,657)	-	-	-	-
Alveo Land Corporation (Conso)	-	24,257,334	(24,257,334)	-	-	-	-
AREIT Fund Manager, Inc.	345	-	-	-	345	-	345
Ayala Land Inc.	-	22,091,056	(22,091,056)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	6,262,805	-	(9,240)	-	6,253,565	-	6,253,565
AyalaLand Malls, Inc. (Conso)	-	656,766	-	-	656,766	-	656,766
Bay City Commercial Ventures Corp.	5,355,795	24,895,328	-	-	30,251,123	-	30,251,123
North Eastern Commercial Corp.	29,864	-	-	-	29,864	-	29,864
Soltea Commercial Corp.	4,155,583	4,099,892	(8,143,085)	-	112,390	-	112,390
Ten Knots Philippines, Inc.(Conso)	8,263,041	556,160	(464,939)	-	8,354,262	-	8,354,262
Subtotal	43,320,090	76,556,536	(74,218,311)	-	45,658,315	-	45,658,315
Amount Receivable by AyalaLand Malls, Inc. from related parties							
Accendo Commercial Corp	582,168	-	(582,168)	-	-	-	-
Adauge Commercial Corp.	391,583	-	(391,583)	-	-	-	-
Alabang Commercial Corporation (Conso)	1,804,159	-	(1,804,159)	-	-	-	-
ALI Capital Corp. (Conso)	947,784	-	(947,784)	-	-	-	-
ALI Commercial Center, Inc. (Conso)	16,101,571	-	(16,101,571)	-	-	-	-
Amaia Land Corporation (Conso)	(29,000,000)	29,000,000	-	-	-	-	-
AREIT, Inc.	1,822,698	-	(1,822,698)	-	-	-	-
Arvo Commercial Corporation	6,692,431	-	(6,692,431)	-	-	-	-
Avida Land Corporation (Conso)	(6,000,000)	6,000,000	-	-	-	-	-
Ayala Land Inc.	12,250,119	-	(12,250,119)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	1,448,491	-	(1,448,491)	-	-	-	-
Ayalaland Malls Synergies, Inc.	239,473	-	(239,473)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	6,936,644	-	(6,936,644)	-	-	-	-
Ayalaland Metro North, Inc.	1,701,679	-	(1,701,679)	-	-	-	-
Bay City Commercial Ventures Corp.	10,547,432	-	(10,547,432)	-	-	-	-
Cagayan De Oro Gateway Corporation	1,249,181	-	(1,249,181)	-	-	-	-
Capitol Central Commercial Ventures Corp.	1,914,348	-	(1,914,348)	-	-	-	-
Cavite Commercial Towncenter Inc.	3,001,719	-	(3,001,719)	-	-	-	-
Makati Cornerstone Leasing Corp.	5,213,932	-	(5,213,932)	-	-	-	-
North Eastern Commercial Corp.	6,668,708	-	(6,668,708)	-	-	-	-
North Triangle Depot Commercial Corp	2,272,041	-	(2,272,041)	-	-	-	-
North Ventures Commercial Corp.	9,808,566	-	(9,808,566)	-	-	-	-
NorthBeacon Commercial Corporation	24,273	-	(24,273)	-	-	-	-
Nuevocentro, Inc. (Conso)	2,415	-	(2,415)	-	-	-	-
Primavera Towncentre, Inc.	282,887	-	(282,887)	-	-	-	-
Soltea Commercial Corp.	1,574,090	-	(1,574,090)	-	-	-	-
Station Square East Commercial Corp	3,431,098	-	(3,431,098)	-	-	-	-
Subic Bay Town Center Inc.	1,352,199	-	(1,352,199)	-	-	-	-
Summerhill Commercial Ventures Corp.	2,741,866	-	(2,741,866)	-	-	-	-
Westview Commercial Ventures Corp.	108,762	-	(108,762)	-	-	-	-
Subtotal	66,112,317	35,000,000	(101,112,317)	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Ayalaland Medical Facilities Leasing Inc. from related parties							
Avida Land Corporation (Conso)	15,958	3,019,279	(3,019,279)	-	15,958	-	15,958
Ayala Land Inc.	(478,272)	3,011,786	-	-	2,533,514	-	2,533,514
Bay City Commercial Ventures Corp.	1,227,692	-	-	-	1,227,692	-	1,227,692
Whiteknight Holdings, Inc.	291	-	-	-	291	-	291
Subtotal	765,669	6,031,065	(3,019,279)	-	3,777,455	-	3,777,455
Amount Receivable by Ayalaland Metro North, Inc. from related parties							
Accendo Commercial Corp	12,092,148	16,884,001	-	-	28,976,149	-	28,976,149
Alabang Commercial Corporation (Conso)	-	1,814	(194)	-	1,620	-	1,620
ALI Capital Corp. (Conso)	12,501	74,781,824	(72,432,716)	-	2,361,610	-	2,361,610
ALI Commercial Center, Inc. (Conso)	13,176,573	-	(13,176,573)	-	-	-	-
Alveo Land Corporation (Conso)	(51,825,108)	116,406,033	(121,405,952)	-	(56,825,027)	-	(56,825,027)
Amaia Land Corporation (Conso)	79,258	60,312,139	(60,041,804)	-	349,592	-	349,592
Amorsedia Development Corporation (Conso)	4,823	44,793,854	(5,233,093)	-	39,565,584	-	39,565,584
AREIT, Inc.	808	-	-	-	808	-	808
Arvo Commercial Corporation	3,670,877	6,106,058	(7,013,652)	-	2,763,283	-	2,763,283
Avida Land Corporation (Conso)	-	10,040,700	(10,005,451)	-	35,249	-	35,249
Ayala Land Inc.	1,499,082	399,173,964	(398,585,439)	-	2,087,607	-	2,087,607
Ayala Malls Zing Inc.	-	73,630	-	-	73,630	-	73,630
AyalaLand Estates Inc. (Conso)	75,714	33,235,108	(33,031,488)	-	279,335	-	279,335
AyalaLand Hotels and Resorts Corp. (Conso)	32,031,264	34,190,574	(61,785,196)	-	4,436,642	-	4,436,642
Ayalaland Logistics Holdings Corp. (Conso)	15,225,661	67,362,231	-	-	82,587,892	-	82,587,892
AyalaLand Malls, Inc. (Conso)	-	21,439,842	(20,080,808)	-	1,359,034	-	1,359,034
Bay City Commercial Ventures Corp.	177,995,003	110,732,307	(156,761,512)	-	131,965,797	-	131,965,797
Cagayan De Oro Gateway Corporation	47,954	504	-	-	48,458	-	48,458
Capitol Central Commercial Ventures Corp.	15,266,173	916,546	(8,643,664)	-	7,539,056	-	7,539,056
Cavite Commercial Towncenter Inc.	34,585,169	723,265	(14,382,168)	-	20,926,266	-	20,926,266
Crans Montana Property Holdings Corporation	-	117,028,590	(116,917,222)	-	111,368	-	111,368
Leisure and Allied Industries Phils. Inc.	-	24,797	(24,797)	-	-	-	-
Makati Cornerstone Leasing Corp.	-	560	(60)	-	500	-	500
North Eastern Commercial Corp.	56,946	3,097	-	-	60,043	-	60,043
North Triangle Depot Commercial Corp	1,586	11,480	(1,230)	-	11,836	-	11,836
North Ventures Commercial Corp.	1,250	1,120	(120)	-	2,250	-	2,250
NorthBeacon Commercial Corporation	1,581	-	-	-	1,581	-	1,581
Primavera Towncentre, Inc.	-	6,133,104	-	-	6,133,104	-	6,133,104
Soltea Commercial Corp.	10,078,200	4,483,418	(10,065,559)	-	4,496,059	-	4,496,059
Station Square East Commercial Corp	34,256	14,137	-	-	48,393	-	48,393
Subic Bay Town Center Inc.	220	-	(220)	-	-	-	-
Summerhill Commercial Ventures Corp.	5,136	6,413	-	-	11,548	-	11,548
Ten Knots Development Corporation(Conso)	-	7,127,294	-	-	7,127,294	-	7,127,294
Ten Knots Philippines, Inc.(Conso)	32,199,439	851,182	(9,467,222)	-	23,583,400	-	23,583,400
Subtotal	296,316,514	1,132,859,586	(1,119,056,140)	-	310,119,961	-	310,119,961
Amount Receivable by AyalaLand Offices, Inc. from related parties							
Accendo Commercial Corp	132,963,556	86,631,900	-	-	219,595,456	-	219,595,456
Alabang Commercial Corporation (Conso)	332,837	-	-	-	332,837	-	332,837
ALI Capital Corp. (Conso)	189,543,921	125,914,942	-	-	315,458,863	-	315,458,863
ALI Commercial Center, Inc. (Conso)	205,873,053	-	(205,873,053)	-	-	-	-
ALO Prime Realty Corporation	3,021,761	850	-	-	3,022,611	-	3,022,611
Alveo Land Corporation (Conso)	94,633,463	319,923,348	(111,181,805)	-	303,375,006	-	303,375,006
Amaia Land Corporation (Conso)	139,705,362	229,339,283	(364,438,955)	-	4,605,691	-	4,605,691
Amorsedia Development Corporation (Conso)	1,758	76,479,526	-	-	76,481,284	-	76,481,284
AREIT, Inc.	7,495,152	3,947,272	-	-	11,442,424	-	11,442,424
Arvo Commercial Corporation	315,117,182	386,803,022	(428,986,408)	-	272,933,796	-	272,933,796

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Aviana Development Corporation	-	22,356,953	(21,107,351)	-	1,249,603	-	1,249,603
Avida Land Corporation (Conso)	8,911,805	241,246,363	(226,243,834)	-	23,914,334	-	23,914,334
Ayala Land Inc.	21,552,995	1,768,569,627	(1,685,939,928)	-	104,182,694	-	104,182,694
Ayala Land International Sales, Inc.(Conso)	40,320	-	-	-	40,320	-	40,320
Ayala Land Sales Inc.	11,330	-	(11,330)	-	-	-	-
Ayala Property Management Corporation (Conso)	120,156	10,731,195	-	-	10,851,351	-	10,851,351
AyalaLand Estates Inc. (Conso)	5,632,960	160,100,590	(160,608,873)	-	5,124,677	-	5,124,677
AyalaLand Hotels and Resorts Corp. (Conso)	1,016,147,063	246,770,866	(51,287,448)	-	1,211,630,482	-	1,211,630,482
Ayalaland Logistics Holdings Corp. (Conso)	408,651,406	1,137,934,478	-	-	1,546,585,885	-	1,546,585,885
AyalaLand Malls, Inc. (Conso)	-	170,877,857	(163,514,953)	-	7,362,904	-	7,362,904
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Ayalaland Metro North, Inc.	320,731	1,627	-	-	322,358	-	322,358
AyalaLand Offices, Inc. (Conso)	169,951,387	214,800,074	-	-	384,751,460	-	384,751,460
Ayalaland Premier, Inc.	-	11,330	-	-	11,330	-	11,330
Bay City Commercial Ventures Corp.	1,855,092,774	1,159,926,691	(1,022,457,258)	-	1,992,562,206	-	1,992,562,206
BellaVita Land Corp.	92,091	-	-	-	92,091	-	92,091
Cagayan De Oro Gateway Corporation	31,352,136	971,950	(32,235,774)	-	88,312	-	88,312
Capitol Central Commercial Ventures Corp.	458,328,573	38,474,380	(110,221,099)	-	386,581,854	-	386,581,854
Cavite Commercial Towncenter Inc.	109,118,970	315,309,797	-	-	424,428,767	-	424,428,767
CECI Realty Corp.	4,905,774	-	-	-	4,905,774	-	4,905,774
Crans Montana Property Holdings Corporation	39,740,699	196,962,561	-	-	236,703,260	-	236,703,260
Direct Power Services Inc.	28,234	145,417	-	-	173,651	-	173,651
Hillsford Property Corporation	95,996	162,082	-	-	258,078	-	258,078
Leisure and Allied Industries Phils. Inc.	-	11,084,920	(11,011,373)	-	73,547	-	73,547
Makati Cornerstone Leasing Corp.	3,604,136	-	(61,247)	-	3,542,890	-	3,542,890
Makati Development Corporation (Conso)	560,464	-	-	-	560,464	-	560,464
North Eastern Commercial Corp.	3,628,823	365,764	-	-	3,994,586	-	3,994,586
North Triangle Depot Commercial Corp	148,332,044	65,401,538	(206,487,203)	-	7,246,379	-	7,246,379
North Ventures Commercial Corp.	343,672	178,391	-	-	522,063	-	522,063
Nuevocentro, Inc. (Conso)	527,126	896,490	-	-	1,423,617	-	1,423,617
Primavera Towncentre, Inc.	10,297,360	26,800,176	-	-	37,097,535	-	37,097,535
Red Creek Properties, Inc.	-	20,125,536	-	-	20,125,536	-	20,125,536
Soltea Commercial Corp.	103,658,132	16,908,695	(48,845,306)	-	71,721,521	-	71,721,521
Sunnyfield E-Office Corp	3,877,369	-	(354,081)	-	3,523,288	-	3,523,288
Ten Knots Development Corporation(Conso)	76,757,896	3,738,567	(34,361,505)	-	46,134,958	-	46,134,958
Ten Knots Philippines, Inc.(Conso)	401,822,297	382,670,868	(601,357,369)	-	183,135,796	-	183,135,796
Westview Commercial Ventures Corp.	336,073,299	151,528,405	(187,433,106)	-	300,168,597	-	300,168,597
Subtotal	6,308,266,063	7,594,093,331	(5,674,019,259)	-	8,228,340,136	-	8,228,340,136
Amount Receivable by Ayalaland Premier, Inc. from related parties							
Accendo Commercial Corp	3,053,210	12,728,502	(12,247,544)	-	3,534,168	-	3,534,168
AKL Properties Inc.	-	4,717,534	-	-	4,717,534	-	4,717,534
ALI Capital Corp. (Conso)	-	10,137,823	-	-	10,137,823	-	10,137,823
ALI Commercial Center, Inc. (Conso)	5,063,069	-	(5,063,069)	-	-	-	-
Alveo Land Corporation (Conso)	-	344,970	-	-	344,970	-	344,970
Amaia Land Corporation (Conso)	6,592	30,030,322	(29,702,600)	-	334,314	-	334,314
Amorsedia Development Corporation (Conso)	13,882,456	18,779,678	(1,815,729)	-	30,846,405	-	30,846,405
Anvaya Cove Beach and Nature Club Inc	-	5,295,396	-	-	5,295,396	-	5,295,396
Anvaya Cove Golf and Sports Club Inc.	-	7,887,591	-	-	7,887,591	-	7,887,591
APRISA Business Process Solutions, Inc	-	4,500	-	-	4,500	-	4,500
AREIT, Inc.	-	1,055,737	-	-	1,055,737	-	1,055,737
Arvo Commercial Corporation	-	3,075,548	(631,718)	-	2,443,830	-	2,443,830
Aviana Development Corporation	-	5,009,194	(4,985,305)	-	23,889	-	23,889
Avida Land Corporation (Conso)	-	18,579,249	(3,962,668)	-	14,616,580	-	14,616,580
Ayala Land Inc.	29,370,026	421,416,235	(323,243,217)	-	127,543,045	-	127,543,045
Ayala Land-Tagle Property Inc.	-	92,763,814	-	-	92,763,814	-	92,763,814

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Ayala Property Management Corporation (Conso)	176,551	-	-	-	176,551	-	176,551
AyalaLand Estates Inc. (Conso)	-	73,500	-	-	73,500	-	73,500
AyalaLand Hotels and Resorts Corp. (Conso)	3,023,221	55,815,878	(37,644,300)	-	21,194,799	-	21,194,799
Ayalaland Logistics Holdings Corp. (Conso)	-	51,787,348	(34,697,840)	-	17,089,508	-	17,089,508
AyalaLand Malls, Inc. (Conso)	-	81,225	-	-	81,225	-	81,225
AyalaLand Offices, Inc. (Conso)	-	1,500	-	-	1,500	-	1,500
Ayalaland Premier, Inc.	-	6,322	-	-	6,322	-	6,322
Bay City Commercial Ventures Corp.	15,037,857	28,740,621	(9,149,676)	-	34,628,802	-	34,628,802
BellaVita Land Corp.	-	52,832	-	-	52,832	-	52,832
Capitol Central Commercial Ventures Corp.	-	20,182,764	(20,083,315)	-	99,449	-	99,449
Cavite Commercial Towncenter Inc.	-	26,216,488	(5,253,831)	-	20,962,658	-	20,962,658
North Triangle Depot Commercial Corp	-	151,932	-	-	151,932	-	151,932
Nuevocentro, Inc. (Conso)	-	2,469,500	-	-	2,469,500	-	2,469,500
Soltea Commercial Corp.	-	164,758	-	-	164,758	-	164,758
Summerhill Commercial Ventures Corp.	-	214,743	-	-	214,743	-	214,743
Ten Knots Philippines, Inc.(Conso)	-	43,019,416	(19,762,322)	-	23,257,094	-	23,257,094
Verde Golf Development Corporation	-	3,891,832	-	-	3,891,832	-	3,891,832
Subtotal	69,612,982	864,696,752	(508,243,134)	-	426,066,601	-	426,066,601
Amount Receivable by Bay City Commercial Ventures Corp. from related parties							
Accendo Commercial Corp	241,471	184,163	(183,363)	-	242,271	-	242,271
Alabang Commercial Corporation (Conso)	73,900	422,049	(413,849)	-	82,100	-	82,100
ALI Capital Corp. (Conso)	-	2,265,887	-	-	2,265,887	-	2,265,887
ALI Commercial Center, Inc. (Conso)	258,280	-	(258,280)	-	-	-	-
Arca South Integrated Terminal, Inc	9,181	-	-	-	9,181	-	9,181
Arvo Commercial Corporation	146,469	-	-	-	146,469	-	146,469
Avida Land Corporation (Conso)	548,874	4,132,789	(3,514,992)	-	1,166,671	-	1,166,671
Ayala Land Inc.	378,798	6,490,853	(5,035,398)	-	1,834,253	-	1,834,253
Ayala Malls Zing Inc.	-	4,650	-	-	4,650	-	4,650
AyalaLand Hotels and Resorts Corp. (Conso)	-	20,151,045	-	-	20,151,045	-	20,151,045
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	16,124	-	(16,124)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	41,760,976	(39,264,459)	-	2,496,517	-	2,496,517
Ayalaland Metro North, Inc.	100,189	-	-	-	100,189	-	100,189
Cagayan De Oro Gateway Corporation	221,030	-	-	-	221,030	-	221,030
Capitol Central Commercial Ventures Corp.	218,133	-	(218,133)	-	-	-	-
Direct Power Services Inc.	-	6,384	(6,384)	-	-	-	-
Leisure and Allied Industries Phils. Inc.	-	2,240	(2,240)	-	-	-	-
Makati Cornerstone Leasing Corp.	10,133,967	-	-	-	10,133,967	-	10,133,967
Makati Development Corporation (Conso)	16,393,615	-	(4,079,305)	-	12,314,310	-	12,314,310
North Eastern Commercial Corp.	631,831	-	(193,222)	-	438,608	-	438,608
North Triangle Depot Commercial Corp	79,000	1,214,264	(1,274,584)	-	18,680	-	18,680
North Ventures Commercial Corp.	203,581	-	-	-	203,581	-	203,581
NorthBeacon Commercial Corporation	226,214	-	(226,214)	-	-	-	-
Soltea Commercial Corp.	172,900	-	(102,062)	-	70,838	-	70,838
Station Square East Commercial Corp	28,730	139,765	(135,485)	-	33,010	-	33,010
Subic Bay Town Center Inc.	145,368	-	-	-	145,368	-	145,368
Summerhill Commercial Ventures Corp.	115,411	-	-	-	115,411	-	115,411
Subtotal	30,343,066	76,775,065	(54,924,094)	-	52,194,036	-	52,194,036
Amount Receivable by BellaVita Land Corp. from related parties							
Accendo Commercial Corp	-	10,064,420	-	-	10,064,420	-	10,064,420
ALI Capital Corp. (Conso)	-	41,215,117	(40,162,739)	-	1,052,378	-	1,052,378
Alveo Land Corporation (Conso)	-	96,611,239	(95,935,660)	-	675,579	-	675,579
Amaia Land Corporation (Conso)	85,351	10,039,900	(9,984,396)	-	140,854	-	140,854
Arvo Commercial Corporation	128,800	-	-	-	128,800	-	128,800

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Aviana Development Corporation	-	21,035,744	(15,372,349)	-	5,663,396	-	5,663,396
Avida Land Corporation (Conso)	846,530	124,806	-	-	971,336	-	971,336
Ayala Land Inc.	1,730,970	121,868,668	(93,452,906)	-	30,146,732	-	30,146,732
Ayala Land Sales Inc.	21,375	-	(21,375)	-	-	-	-
Ayala Property Management Corporation (Conso)	-	21,375	-	-	21,375	-	21,375
AyalaLand Estates Inc. (Conso)	-	20,047,739	(20,006,394)	-	41,345	-	41,345
AyalaLand Hotels and Resorts Corp. (Conso)	-	8,133,130	-	-	8,133,130	-	8,133,130
Ayalaland Logistics Holdings Corp. (Conso)	78,740	-	-	-	78,740	-	78,740
AyalaLand Malls, Inc. (Conso)	-	10,005,508	(10,000,738)	-	4,771	-	4,771
Ayalaland Premier, Inc.	-	21,375	-	-	21,375	-	21,375
Bay City Commercial Ventures Corp.	153,540	27,345,371	(18,678,697)	-	8,820,214	-	8,820,214
Capitol Central Commercial Ventures Corp.	-	-	-	-	-	-	-
Cavite Commercial Towncenter Inc.	-	12,852,388	(12,547,195)	-	305,193	-	305,193
Makati Development Corporation (Conso)	1,438,318	84,281	-	-	1,522,599	-	1,522,599
Primavera Towncentre, Inc.	1,486,693	-	-	-	1,486,693	-	1,486,693
Ten Knots Philippines, Inc.(Conso)	-	15,444,797	(5,285,075)	-	10,159,722	-	10,159,722
Subtotal	5,970,317	394,915,858	(321,447,524)	-	79,438,652	-	79,438,652
Amount Receivable by BG North Properties Inc. from related parties							
Accendo Commercial Corp	-	-	-	-	-	-	-
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Avida Land Corporation (Conso)	-	1,172,664,349	(1,172,526,443)	-	137,906	-	137,906
Ayala Land Inc.	-	1,685,823	-	-	1,685,823	-	1,685,823
Ayala Land International Sales, Inc.(Conso)	-	50,850	-	-	50,850	-	50,850
Ayala Property Management Corporation (Conso)	-	1,896,304	-	-	1,896,304	-	1,896,304
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
BG North Properties Inc.	-	-	-	-	-	-	-
BG South Properties, Inc.	-	570,206,512	-	-	570,206,512	-	570,206,512
BG West Properties, Inc	-	2,040,442,500	-	-	2,040,442,500	-	2,040,442,500
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	-	5,800,475	-	-	5,800,475	-	5,800,475
Nuevocentro, Inc. (Conso)	-	-	-	-	-	-	-
Subtotal	-	3,792,746,813	(1,172,526,443)	-	2,620,220,370	-	2,620,220,370
Amount Receivable by BG South Properties, Inc. from related parties							
Accendo Commercial Corp	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	-	116,850,290	-	-	116,850,290	-	116,850,290
Amorsedia Development Corporation (Conso)	-	2,033,184	-	-	2,033,184	-	2,033,184
Avida Land Corporation (Conso)	-	1,645,700	-	-	1,645,700	-	1,645,700
Ayala Land Inc.	-	1,216,447	-	-	1,216,447	-	1,216,447
Ayala Property Management Corporation (Conso)	-	180,000	-	-	180,000	-	180,000
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
BG West Properties, Inc	-	684,020	-	-	684,020	-	684,020
Crans Montana Property Holdings Corporation	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	-	30,126,222	-	-	30,126,222	-	30,126,222
Nuevocentro, Inc. (Conso)	-	-	-	-	-	-	-
Serendra Inc.	-	-	-	-	-	-	-
Subtotal	-	152,735,863	-	-	152,735,863	-	152,735,863
Amount Receivable by BG West Properties, Inc. from related parties							
Amorsedia Development Corporation (Conso)	8,342	-	-	-	8,342	-	8,342
Ayala Land Inc.	7,253,737	-	-	-	7,253,737	-	7,253,737
Ayala Property Management Corporation (Conso)	60,000	3,000,000	-	-	3,060,000	-	3,060,000

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
BG West Properties, Inc	194,500	-	-	-	194,500	-	194,500
Makati Development Corporation (Conso)	41,584,461	24,448,085	-	-	66,032,546	-	66,032,546
Subtotal	49,101,040	27,448,085	-	-	76,549,125	-	76,549,125
Amount Receivable by Buendia Landholdings, Inc. from related parties							
AyalaLand Estates Inc. (Conso)	-	2,115,721	(2,115,721)	-	-	-	-
Crans Montana Property Holdings Corporation	-	2,000,000	-	-	2,000,000	-	2,000,000
Subtotal	-	4,115,721	(2,115,721)	-	2,000,000	-	2,000,000
Amount Receivable by Cagayan De Oro Gateway Corporation from related parties							
Accendo Commercial Corp	48,112	-	-	-	48,112	-	48,112
ALI Commercial Center, Inc. (Conso)	41,505	-	(41,505)	-	-	-	-
Alveo Land Corporation (Conso)	350,432	16,474,736	(5,916,125)	-	10,909,044	-	10,909,044
Amaia Land Corporation (Conso)	22,000	-	-	-	22,000	-	22,000
Arvo Commercial Corporation	180	-	-	-	180	-	180
Aviana Development Corporation	-	5,027,583	(5,003,694)	-	23,889	-	23,889
Avida Land Corporation (Conso)	860,859	2,888,656	(2,539,555)	-	1,209,960	-	1,209,960
Ayala Land Inc.	5,211,326	25,289,281	(25,265,953)	-	5,234,654	-	5,234,654
Ayala Property Management Corporation (Conso)	6,000	-	-	-	6,000	-	6,000
AyalaLand Hotels and Resorts Corp. (Conso)	7,582,597	2,390,398	(2,196,828)	-	7,776,167	-	7,776,167
AyalaLand Malls, Inc. (Conso)	18,142	-	(18,142)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	59,647	-	-	59,647	-	59,647
Ayalaland Metro North, Inc.	200	-	-	-	200	-	200
Bay City Commercial Ventures Corp.	-	5,036,667	(4,911)	-	5,031,756	-	5,031,756
BellaVita Land Corp.	20,000	-	-	-	20,000	-	20,000
Cagayan De Oro Gateway Corporation	78,345	100,353	-	-	178,698	-	178,698
Lagdigan Land Corporation	1,361,437	672,758	-	-	2,034,194	-	2,034,194
Leisure and Allied Industries Phils. Inc.	59,794	2,832,795	(2,784,164)	-	108,425	-	108,425
Makati Development Corporation (Conso)	24,000	-	-	-	24,000	-	24,000
North Eastern Commercial Corp.	600	-	-	-	600	-	600
North Triangle Depot Commercial Corp	11,520	-	-	-	11,520	-	11,520
North Ventures Commercial Corp.	50	-	-	-	50	-	50
Philippine Integrated Energy Solutions, Inc.	2,611,178	-	(247,868)	-	2,363,310	-	2,363,310
Soltea Commercial Corp.	200	-	-	-	200	-	200
Subtotal	18,308,477	60,772,874	(44,018,745)	-	35,062,606	-	35,062,606
Amount Receivable by Capitol Central Commercial Ventures Corp. from related parties							
Accendo Commercial Corp	6,573	12,040	-	-	18,613	-	18,613
Adauge Commercial Corp.	8,800	-	(4,099)	-	4,701	-	4,701
Alabang Commercial Corporation (Conso)	540	-	-	-	540	-	540
ALI Commercial Center, Inc. (Conso)	8,240	-	(8,240)	-	-	-	-
Amaia Land Corporation (Conso)	-	445,199	(445,199)	-	-	-	-
Arvo Commercial Corporation	22,489	-	-	-	22,489	-	22,489
Ayala Land Inc.	-	8,468,480	-	-	8,468,480	-	8,468,480
AyalaLand Hotels and Resorts Corp. (Conso)	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	3,500	-	(3,500)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	1,707,833	(1,543,468)	-	164,365	-	164,365
Ayalaland Metro North, Inc.	460	-	-	-	460	-	460
Cagayan De Oro Gateway Corporation	6,573	1,090,977	(1,079,304)	-	18,246	-	18,246
Capitol Central Commercial Ventures Corp.	-	18,500	(18,500)	-	-	-	-
Cebu Leisure Co. Inc.	2,520	364,613	(363,673)	-	3,460	-	3,460
Leisure and Allied Industries Phils. Inc.	-	1,997,544	(1,997,544)	-	-	-	-
Makati Development Corporation (Conso)	30,000	30,000	-	-	60,000	-	60,000
North Eastern Commercial Corp.	520	-	-	-	520	-	520
North Triangle Depot Commercial Corp	7,320	166,118	(165,898)	-	7,540	-	7,540

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Station Square East Commercial Corp	870	-	-	-	870	-	870
Westview Commercial Ventures Corp.	17,506	-	-	-	17,506	-	17,506
Subtotal	115,911	14,301,304	(5,629,425)	-	8,787,790	-	8,787,790
Amount Receivable by Cavite Commercial Towncenter Inc. from related parties							
Alveo Land Corporation (Conso)	(45,967)	-	-	-	(45,967)	-	(45,967)
Amaia Land Corporation (Conso)	465,635	1,213,117	(961,658)	-	717,094	-	717,094
Arvo Commercial Corporation	-	3,248	-	-	3,248	-	3,248
Avida Land Corporation (Conso)	156,132	-	-	-	156,132	-	156,132
Ayala Land Inc.	23,926	-	-	-	23,926	-	23,926
Ayala Malls Zing Inc.	-	58,197	-	-	58,197	-	58,197
Ayala Property Management Corporation (Conso)	589,158	-	-	-	589,158	-	589,158
AyalaLand Estates Inc. (Conso)	24,638	-	-	-	24,638	-	24,638
Ayalaland Logistics Holdings Corp. (Conso)	24,638	-	-	-	24,638	-	24,638
Ayalaland Malls Synergies, Inc.	(17,350)	-	(172,129)	-	(189,479)	-	(189,479)
AyalaLand Malls, Inc. (Conso)	4,000	-	(4,000)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	54,120	-	-	54,120	-	54,120
AyalaLand Offices, Inc. (Conso)	24,638	-	-	-	24,638	-	24,638
Bay City Commercial Ventures Corp.	1,199	-	-	-	1,199	-	1,199
Capitol Central Commercial Ventures Corp.	28,644	-	-	-	28,644	-	28,644
Cavite Commercial Towncenter Inc.	-	1,109	-	-	1,109	-	1,109
Leisure and Allied Industries Phils. Inc.	522,555	801,325	(702,128)	-	621,752	-	621,752
Makati Cornerstone Leasing Corp.	6,116	-	-	-	6,116	-	6,116
Makati Development Corporation (Conso)	63,918	-	-	-	63,918	-	63,918
North Ventures Commercial Corp.	4,690	-	-	-	4,690	-	4,690
Soltea Commercial Corp.	46,750	3,327	-	-	50,077	-	50,077
Station Square East Commercial Corp	-	1,109	-	-	1,109	-	1,109
Summerhill Commercial Ventures Corp.	137,276	-	-	-	137,276	-	137,276
Ten Knots Development Corporation(Conso)	24,638	-	(13,804)	-	10,833	-	10,833
Subtotal	2,085,234	2,135,552	(1,853,719)	-	2,367,066	-	2,367,066
Amount Receivable by Cebu Leisure Co. Inc. from related parties							
Accendo Commercial Corp	34,029	3,974,682	-	-	4,008,711	-	4,008,711
Alabang Commercial Corporation (Conso)	38,864	-	-	-	38,864	-	38,864
ALI Capital Corp. (Conso)	2,811,507	7,993,103	(3,608,017)	-	7,196,593	-	7,196,593
ALI Commercial Center, Inc. (Conso)	9,485,755	-	(9,485,755)	-	-	-	-
Alveo Land Corporation (Conso)	106,118	-	(106,118)	-	-	-	-
Amaia Land Corporation (Conso)	38,559,933	8,172,291	(46,725,873)	-	6,351	-	6,351
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
APRISA Business Process Solutions, Inc	638	-	-	-	638	-	638
Arvo Commercial Corporation	48,857	-	-	-	48,857	-	48,857
Avida Land Corporation (Conso)	127,263	-	(127,263)	-	-	-	-
Ayala Land Inc.	74,620,732	11,589,639	(62,089,639)	-	24,120,732	-	24,120,732
Ayala Land International Sales, Inc.(Conso)	29,587	-	-	-	29,587	-	29,587
Ayala Malls Zing Inc.	-	11,570	-	-	11,570	-	11,570
AyalaLand Hotels and Resorts Corp. (Conso)	-	15,024,788	(15,003,320)	-	21,468	-	21,468
Ayalaland Logistics Holdings Corp. (Conso)	-	19,181,882	-	-	19,181,882	-	19,181,882
AyalaLand Malls, Inc. (Conso)	-	35,127,524	(33,538,618)	-	1,588,906	-	1,588,906
Ayalaland Medical Facilities Leasing Inc.	162,600	-	-	-	162,600	-	162,600
Ayalaland Metro North, Inc.	460	-	(460)	-	-	-	-
Bay City Commercial Ventures Corp.	77,620,041	20,537,336	(24,576,669)	-	73,580,707	-	73,580,707
Cagayan De Oro Gateway Corporation	(1,143)	68,835	-	-	67,692	-	67,692
Capitol Central Commercial Ventures Corp.	400	600	-	-	1,000	-	1,000
Cebu Leisure Co. Inc.	1,786	352,311	(352,311)	-	1,786	-	1,786
Leisure and Allied Industries Phils. Inc.	142,835	-	(142,835)	-	-	-	-
North Eastern Commercial Corp.	-	1,100	-	-	1,100	-	1,100

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
North Triangle Depot Commercial Corp	862,069	9,717,150	(9,630,485)	-	948,734	-	948,734
North Ventures Commercial Corp.	200	-	-	-	200	-	200
Primavera Towncentre, Inc.	-	9,888,592	(105,593)	-	9,782,999	-	9,782,999
Soltea Commercial Corp.	3,229	1,280	-	-	4,509	-	4,509
Station Square East Commercial Corp	-	990	-	-	990	-	990
Summerhill Commercial Ventures Corp.	600	-	(600)	-	-	-	-
Ten Knots Development Corporation(Conso)	-	7,055,000	-	-	7,055,000	-	7,055,000
Ten Knots Philippines, Inc.(Conso)	29,572,045	44,674,932	-	-	74,246,976	-	74,246,976
Subtotal	234,228,405	193,373,605	(205,493,556)	-	222,108,452	-	222,108,452
Amount Receivable by CECI Realty Corp. from related parties							
Accendo Commercial Corp	-	14,067,203	(14,067,203)	-	-	-	-
ALI Capital Corp. (Conso)	5,868,971	-	-	-	5,868,971	-	5,868,971
ALI Commercial Center, Inc. (Conso)	1,641,682	-	(1,641,682)	-	-	-	-
Alveo Land Corporation (Conso)	165,763	-	(164,798)	-	965	-	965
Amaia Land Corporation (Conso)	11,662,193	10,047,216	(19,156,891)	-	2,552,519	-	2,552,519
Amorsedia Development Corporation (Conso)	918,934,052	176,210,360	(346,018,336)	-	749,126,076	-	749,126,076
Arca South Integrated Terminal, Inc	55,584,671	3,912,575	(671,775)	-	58,825,471	-	58,825,471
AREIT, Inc.	36,948,490	12,438,997	(17,399,828)	-	31,987,659	-	31,987,659
Arvo Commercial Corporation	27,118,453	30,739,085	(31,599,170)	-	26,258,368	-	26,258,368
Aurora Properties, Inc.	14,882,016	-	-	-	14,882,016	-	14,882,016
Avida Land Corporation (Conso)	5,517,946	1,135,497	-	-	6,653,443	-	6,653,443
Ayala Land Inc.	9,277,671	138,730,629	(125,645,906)	-	22,362,394	-	22,362,394
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	31,103,970	350,125,205	(381,202,096)	-	27,079	-	27,079
AyalaLand Hotels and Resorts Corp. (Conso)	11,727,236	19,680,610	(14,897,503)	-	16,510,342	-	16,510,342
Ayalaland Logistics Holdings Corp. (Conso)	10,809,094	18,176,436	(28,563,266)	-	422,264	-	422,264
Ayalaland Malls Synergies, Inc.	55,211	-	-	-	55,211	-	55,211
AyalaLand Malls, Inc. (Conso)	-	1,641,682	-	-	1,641,682	-	1,641,682
AyalaLand Offices, Inc. (Conso)	12,262,722	-	-	-	12,262,722	-	12,262,722
Bay City Commercial Ventures Corp.	6,976,307	125,377,512	-	-	132,353,819	-	132,353,819
Cagayan De Oro Gateway Corporation	8,697	-	(8,697)	-	-	-	-
Capitol Central Commercial Ventures Corp.	7,768	-	-	-	7,768	-	7,768
Cavite Commercial Towncenter Inc.	4,407,457	-	-	-	4,407,457	-	4,407,457
Crans Montana Property Holdings Corporation	910,630,520	132,995,213	(370,066,474)	-	673,559,258	-	673,559,258
Crimson Field Enterprises, Inc.	17,045,278	3,151,617	-	-	20,196,894	-	20,196,894
Direct Power Services Inc.	15,459	-	-	-	15,459	-	15,459
Leisure and Allied Industries Phils. Inc.	108,300	-	-	-	108,300	-	108,300
Makati Development Corporation (Conso)	4,634,938	4,977,517	-	-	9,612,455	-	9,612,455
North Triangle Depot Commercial Corp	108,627	10,268,181	(10,376,808)	-	-	-	-
Nuevocentro, Inc. (Conso)	9,094	-	(2,161)	-	6,932	-	6,932
Red Creek Properties, Inc.	-	12,065,372	-	-	12,065,372	-	12,065,372
Soltea Commercial Corp.	3,108,198	38,384,253	(5,360,346)	-	36,132,105	-	36,132,105
Ten Knots Philippines, Inc.(Conso)	20,794,980	91,944	(20,183,199)	-	703,725	-	703,725
Vesta Property Holdings Inc.	17,991,937	40,673	-	-	18,032,609	-	18,032,609
Subtotal	2,139,407,701	1,104,257,777	(1,387,026,139)	-	1,856,639,335	-	1,856,639,335
Amount Receivable by Central Bloc Hotel Ventures from related parties							
Accendo Commercial Corp	-	7,000,000	(7,000,000)	-	-	-	-
ALI Commercial Center, Inc. (Conso)	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	-	-	-	-	-	-	-
Amaia Land Corporation (Conso)	-	19,500,000	(19,500,000)	-	-	-	-
Avida Land Corporation (Conso)	7,509,203	-	(7,509,203)	-	-	-	-
Ayala Land Inc.	-	8,005,408	-	-	8,005,408	-	8,005,408
AyalaLand Hotels and Resorts Corp. (Conso)	27,301,000	108,916,152	-	-	136,217,152	-	136,217,152
AyalaLand Malls, Inc. (Conso)	-	-	-	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Central Bloc Hotel Ventures	(21,732,292)	21,732,292	-	-	-	-	-
Makati Development Corporation (Conso)	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	-	20,173,842	-	-	20,173,842	-	20,173,842
Subtotal	13,077,911	185,327,694	(34,009,203)	-	164,396,402	-	164,396,402
Amount Receivable by CMPI Holdings, Inc from related parties	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Crans Montana Property Holdings Corporation from related parties							
Accendo Commercial Corp	-	8,100	-	-	8,100	-	8,100
Alveo Land Corporation (Conso)	143,100	(8,100)	(126,900)	-	8,100	-	8,100
Ayala Land Inc.	(5,290)	-	-	-	(5,290)	-	(5,290)
Ayala Property Management Corporation (Conso)	68,750	6,160	-	-	74,910	-	74,910
AyalaLand Estates Inc. (Conso)	63,686	3,920	(67,606)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	6,048	-	-	6,048	-	6,048
Ayalaland Medical Facilities Leasing Inc.	627,421	-	(627,421)	-	-	-	-
Subtotal	897,667	16,128	(821,927)	-	91,868	-	91,868
Amount Receivable by Crimson Field Enterprises, Inc. from related parties							
Ayala Land Inc.	10,050,000	-	-	-	10,050,000	-	10,050,000
Subtotal	10,050,000	-	-	-	10,050,000	-	10,050,000
Amount Receivable by Darong Agricultural and Development Corporation from related parties							
Subtotal	-	-	-	-	-	-	-

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Direct Power Services Inc. from related parties							
Accendo Commercial Corp	11,042	67,228,835	(67,228,835)	-	11,042	-	11,042
Adauge Commercial Corp.	-	-	-	-	-	-	-
Alabang Commercial Corporation (Conso)	11,083,597	192,773,442	(187,901,027)	-	15,956,011	-	15,956,011
ALI Capital Corp. (Conso)	-	43,617,467	(18,081,510)	-	25,535,957	-	25,535,957
ALI Commercial Center, Inc. (Conso)	38,905,913	-	(38,905,913)	-	-	-	-
ALI-CII Development Corporation	1,753,235	33,298,556	(32,051,045)	-	3,000,746	-	3,000,746
Alveo Land Corporation (Conso)	7,867	443,430,876	(431,129,556)	-	12,309,187	-	12,309,187
Amaia Land Corporation (Conso)	30,056,553	248,565,825	(278,454,778)	-	167,599	-	167,599
Amorsedia Development Corporation (Conso)	-	10,057,867	(10,057,867)	-	-	-	-
AREIT, Inc.	25,324,403	280,713,276	(217,477,119)	-	88,560,559	-	88,560,559
Arvo Commercial Corporation	4,698,468	169,409,567	(152,972,760)	-	21,135,275	-	21,135,275
Aviana Development Corporation	-	27,729,776	(27,703,988)	-	25,788	-	25,788
Avida Land Corporation (Conso)	9,492	133,000,433	(132,796,012)	-	213,914	-	213,914
Ayala Land Inc.	66,300,889	1,921,235,275	(1,899,234,902)	-	88,301,263	-	88,301,263
AyalaLand Estates Inc. (Conso)	-	39,622,901	(39,622,901)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	14,401,348	396,242,112	(384,154,226)	-	26,489,234	-	26,489,234
Ayalaland Logistics Holdings Corp. (Conso)	10,036,034	247,386,013	(133,726,763)	-	123,695,284	-	123,695,284
AyalaLand Malls, Inc. (Conso)	-	562,580,087	(516,424,080)	-	46,156,007	-	46,156,007
Ayalaland Metro North, Inc.	(39,290)	155,022,058	(141,164,715)	-	13,818,053	-	13,818,053
AyalaLand Offices, Inc. (Conso)	26,092,156	298,258,775	(297,928,680)	-	26,422,251	-	26,422,251
Bay City Commercial Ventures Corp.	15,659,322	603,401,133	(595,104,911)	-	23,955,545	-	23,955,545
Cagayan De Oro Gateway Corporation	30,070	8,676,746	(8,649,252)	-	57,565	-	57,565
Capitol Central Commercial Ventures Corp.	5,234,228	110,503,374	(96,117,272)	-	19,620,330	-	19,620,330
Cavite Commercial Towncenter Inc.	3,364,190	200,599,748	(199,178,280)	-	4,785,659	-	4,785,659
Central Bloc Hotel Ventures	-	22,711,053	(20,775,440)	-	1,935,613	-	1,935,613
Crans Montana Property Holdings Corporation	(3,342)	3,342	-	-	-	-	-
Hillsford Property Corporation	-	7,941,691	(4,103,405)	-	3,838,287	-	3,838,287
Lagdigan Land Corporation	-	8,617,558	-	-	8,617,558	-	8,617,558
Makati Cornerstone Leasing Corp.	219,958	104,371,223	(94,499,732)	-	10,091,449	-	10,091,449
Makati Development Corporation (Conso)	954,603	14,704,092	(14,448,105)	-	1,210,589	-	1,210,589
North Eastern Commercial Corp.	10,129,452	135,783,522	(134,171,869)	-	11,741,105	-	11,741,105
North Triangle Depot Commercial Corp	14,058,263	309,966,242	(303,908,465)	-	20,116,040	-	20,116,040
North Ventures Commercial Corp.	6,487,862	92,820,719	(90,746,860)	-	8,561,721	-	8,561,721
NorthBeacon Commercial Corporation	5,796,458	83,087,206	(81,357,558)	-	7,526,106	-	7,526,106
Philippine Integrated Energy Solutions, Inc.	19,212,983	293,032,496	(281,855,442)	-	30,390,037	-	30,390,037
Primavera Towncentre, Inc.	4,109,339	2,019,266	(6,002,984)	-	125,621	-	125,621
Serendra Inc.	3,219,627	31,193,450	(29,393,410)	-	5,019,666	-	5,019,666
Soltea Commercial Corp.	4,120,361	78,939,714	(76,447,105)	-	6,612,970	-	6,612,970
Station Square East Commercial Corp	15,023,801	268,107,284	(259,679,787)	-	23,451,298	-	23,451,298
Subic Bay Town Center Inc.	2,924,929	41,498,430	(40,412,748)	-	4,010,611	-	4,010,611
Summerhill Commercial Ventures Corp.	7,716,238	110,142,686	(107,936,936)	-	9,921,987	-	9,921,987
Ten Knots Development Corporation(Conso)	-	10,131,146	(8,217,272)	-	1,913,873	-	1,913,873
Ten Knots Philippines, Inc.(Conso)	5,440,706	214,230,135	(219,000,686)	-	670,156	-	670,156
Westview Commercial Ventures Corp.	327,121	4,347,975	(3,894,664)	-	780,433	-	780,433
Subtotal	352,667,876	8,027,003,372	(7,682,918,860)	-	696,752,389	-	696,752,389
Amount Receivable by Ecoholdings Company, Inc. from related parties							
AyalaLand Hotels and Resorts Corp. (Conso)	-	347,428	(46,531)	-	300,898	-	300,898
Ten Knots Development Corporation(Conso)	5,040,142	18,820,770	-	-	23,860,911	-	23,860,911
Ten Knots Philippines, Inc.(Conso)	119,376,471	101,855,924	-	-	221,232,395	-	221,232,395
Subtotal	124,416,613	121,024,122	(46,531)	-	245,394,204	-	245,394,204

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by First Longfield Investments Ltd. from related parties							
ALI Capital Corp. (Conso)	81,881,250	-	-	-	81,881,250	-	81,881,250
Arca South Integrated Terminal, Inc	10,798,555	-	-	-	10,798,555	-	10,798,555
Ayala Land Inc.	192,282,680	1,799,621	(2,791,978)	-	191,290,324	-	191,290,324
Ayalaland Malls Synergies, Inc.	2,210,503	-	-	-	2,210,503	-	2,210,503
Subtotal	287,172,988	1,799,621	(2,791,978)	-	286,180,632	-	286,180,632
Amount Receivable by FIVE STAR Cinema Inc. from related parties							
Accendo Commercial Corp	-	1,040	-	-	1,040	-	1,040
Alabang Commercial Corporation (Conso)	583,109	800	-	-	583,909	-	583,909
ALI Commercial Center, Inc. (Conso)	11,996,624	-	(11,996,624)	-	-	-	-
Arvo Commercial Corporation	-	1,200	-	-	1,200	-	1,200
Ayala Land Inc.	-	11,896,554	-	-	11,896,554	-	11,896,554
AyalaLand Malls, Inc. (Conso)	-	569,939	(445,289)	-	124,650	-	124,650
Bay City Commercial Ventures Corp.	3,179,703	218,569	(194,644)	-	3,203,628	-	3,203,628
Cebu Leisure Co. Inc.	400	3,060	-	-	3,460	-	3,460
Makati Cornerstone Leasing Corp.	800	-	-	-	800	-	800
North Eastern Commercial Corp.	4,750	-	-	-	4,750	-	4,750
North Triangle Depot Commercial Corp	2,280	7,450	-	-	9,730	-	9,730
North Ventures Commercial Corp.	-	900	-	-	900	-	900
NorthBeacon Commercial Corporation	-	2,320	-	-	2,320	-	2,320
Soltea Commercial Corp.	3,390	1,500	-	-	4,890	-	4,890
Station Square East Commercial Corp	2,000	3,710	-	-	5,710	-	5,710
Summerhill Commercial Ventures Corp.	(49,420)	-	-	-	(49,420)	-	(49,420)
Subtotal	15,723,636	12,707,042	(12,636,557)	-	15,794,121	-	15,794,121
Amount Receivable by Hillsford Property Corporation from related parties							
Accendo Commercial Corp	-	13,585,914	-	-	13,585,914	-	13,585,914
ALI Commercial Center, Inc. (Conso)	14,172,667	-	(14,172,667)	-	-	-	-
Alveo Land Corporation (Conso)	-	10,601,627	(4,139,269)	-	6,462,358	-	6,462,358
Amaia Land Corporation (Conso)	-	26,126,725	(26,016,972)	-	109,753	-	109,753
Amorsedia Development Corporation (Conso)	14,199,698	11,036,192	-	-	25,235,890	-	25,235,890
Avida Land Corporation (Conso)	19	13,021,482	(13,002,896)	-	18,605	-	18,605
Ayala Land Inc.	-	54,748,347	(54,748,347)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	9,608,142	(9,514,483)	-	93,658	-	93,658
AyalaLand Hotels and Resorts Corp. (Conso)	4,109,148	35,008,232	(17,340,275)	-	21,777,105	-	21,777,105
Ayalaland Logistics Holdings Corp. (Conso)	-	41,377,272	-	-	41,377,272	-	41,377,272
AyalaLand Malls, Inc. (Conso)	-	509,341	-	-	509,341	-	509,341
Bay City Commercial Ventures Corp.	74,510,438	27,294,196	(46,605,600)	-	55,199,034	-	55,199,034
Cavite Commercial Towncenter Inc.	35,075,430	2,399,161	(321,732)	-	37,152,860	-	37,152,860
North Eastern Commercial Corp.	1,550	-	-	-	1,550	-	1,550
NorthBeacon Commercial Corporation	1,391	-	-	-	1,391	-	1,391
Nuevocentro, Inc. (Conso)	-	5,997,629	-	-	5,997,629	-	5,997,629
Soltea Commercial Corp.	-	9,599,960	(476,181)	-	9,123,779	-	9,123,779
Ten Knots Philippines, Inc.(Conso)	9,840	13,226,676	-	-	13,236,516	-	13,236,516
Subtotal	142,080,181	274,140,896	(186,338,422)	-	229,882,655	-	229,882,655
Amount Receivable by Integrated Eco-Resort Inc. from related parties							
Ayala Land Inc.	-	-	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	15,186,467	110,746,496	(125,373,899)	-	559,064	-	559,064
Bay City Commercial Ventures Corp.	112,341	-	-	-	112,341	-	112,341
Ten Knots Development Corporation(Conso)	22,680,637	175,449,653	(159,120,605)	-	39,009,685	-	39,009,685
Ten Knots Philippines, Inc.(Conso)	517,179,699	450,304,161	(437,030,076)	-	530,453,783	-	530,453,783
Subtotal	555,159,144	736,500,310	(721,524,580)	-	570,134,873	-	570,134,873

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Lagdigan Land Corporation from related parties							
Bay City Commercial Ventures Corp.	15,474,545	36,608	(14,508,445)	-	1,002,708	-	1,002,708
Cagayan De Oro Gateway Corporation	1,044,854	-	-	-	1,044,854	-	1,044,854
Summerhill Commercial Ventures Corp.	128,037	-	-	-	128,037	-	128,037
Subtotal	16,647,436	36,608	(14,508,445)	-	2,175,599	-	2,175,599
Amount Receivable by Leisure and Allied Industries Phils. Inc. from related parties							
Accendo Commercial Corp	30,000	-	(30,000)	-	-	-	-
Alabang Commercial Corporation (Conso)	60,000	1,740,318	-	-	1,800,318	-	1,800,318
ALI Commercial Center, Inc. (Conso)	51,000	-	(51,000)	-	-	-	-
Alveo Land Corporation (Conso)	-	5,000	(5,000)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	32,000	(32,000)	-	-	-	-
Bay City Commercial Ventures Corp.	105,000	-	(105,000)	-	-	-	-
Capitol Central Commercial Ventures Corp.	-	1,000	(1,000)	-	-	-	-
Cavite Commercial Towncenter Inc.	30,000	-	(30,000)	-	-	-	-
North Eastern Commercial Corp.	6,000	15,000	(21,000)	-	-	-	-
North Triangle Depot Commercial Corp	-	72,400	(72,400)	-	-	-	-
NorthBeacon Commercial Corporation	15,000	-	(15,000)	-	-	-	-
Soltea Commercial Corp.	90,000	-	(90,000)	-	-	-	-
Subtotal	387,000	1,865,718	(452,400)	-	1,800,318	-	1,800,318

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Makati Cornerstone Leasing Corp. from related parties							
Accendo Commercial Corp	24,509	72,981,534	-	-	73,006,043	-	73,006,043
Alabang Commercial Corporation (Conso)	5,715	-	-	-	5,715	-	5,715
ALI Capital Corp. (Conso)	2,467,846	10,166,072	-	-	12,633,919	-	12,633,919
ALI Commercial Center, Inc. (Conso)	37,236,789	-	(37,236,789)	-	-	-	-
Alveo Land Corporation (Conso)	40,470	25,580,653	(38,893,808)	-	(13,272,686)	-	(13,272,686)
Amaia Land Corporation (Conso)	155,066	-	(6,496)	-	148,571	-	148,571
Amorsedia Development Corporation (Conso)	-	44,626,732	-	-	44,626,732	-	44,626,732
Arvo Commercial Corporation	258,968	2,360,182	-	-	2,619,150	-	2,619,150
Avida Land Corporation (Conso)	595,276	81,030,630	(109,623,458)	-	(27,997,552)	-	(27,997,552)
Ayala Land Inc.	307,633,331	134,750,397	(202,736,137)	-	239,647,590	-	239,647,590
Ayala Property Management Corporation (Conso)	-	10,450	-	-	10,450	-	10,450
Ayala Theaters Management, Inc.	2,250	-	(2,250)	-	-	-	-
AyalaLand Estates Inc. (Conso)	-	11,251,633	(11,141,960)	-	109,674	-	109,674
AyalaLand Hotels and Resorts Corp. (Conso)	5,071,290	13,593,182	(31,969,905)	-	(13,305,433)	-	(13,305,433)
Ayalaland Logistics Holdings Corp. (Conso)	354,802	30,647,451	-	-	31,002,253	-	31,002,253
Ayalaland Malls Synergies, Inc.	-	70,954	-	-	70,954	-	70,954
AyalaLand Malls, Inc. (Conso)	-	8,702,515	(7,399,260)	-	1,303,255	-	1,303,255
Ayalaland Metro North, Inc.	(2,530)	2,530	-	-	-	-	-
Bay City Commercial Ventures Corp.	5,594,540	65,988,652	-	-	71,583,192	-	71,583,192
BellaVita Land Corp.	192,665	8,300,928	(8,137,017)	-	356,576	-	356,576
Cagayan De Oro Gateway Corporation	3,415	-	-	-	3,415	-	3,415
Capitol Central Commercial Ventures Corp.	26,375	-	-	-	26,375	-	26,375
Cavite Commercial Towncenter Inc.	6,830	-	-	-	6,830	-	6,830
Cebu Leisure Co. Inc.	4,800	-	-	-	4,800	-	4,800
Crans Montana Property Holdings Corporation	-	11,159,600	-	-	11,159,600	-	11,159,600
Leisure and Allied Industries Phils. Inc.	-	4,742,496	(4,742,496)	-	-	-	-
Makati Cornerstone Leasing Corp.	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	9,154,918	1,323,940	-	-	10,478,857	-	10,478,857
North Eastern Commercial Corp.	4,415	541,129	(545,544)	-	-	-	-
North Triangle Depot Commercial Corp	4,144,304	83,477	(4,120,345)	-	107,436	-	107,436
North Ventures Commercial Corp.	27,195	-	-	-	27,195	-	27,195
NorthBeacon Commercial Corporation	3,415	-	(3,415)	-	-	-	-
Nuevocentro, Inc. (Conso)	-	13,519,233	(13,463,603)	-	55,630	-	55,630
Soltea Commercial Corp.	201,053	3,521,850	(3,521,850)	-	201,053	-	201,053
Station Square East Commercial Corp	14,730	100	-	-	14,830	-	14,830
Summerhill Commercial Ventures Corp.	-	151,206	-	-	151,206	-	151,206
Ten Knots Development Corporation(Conso)	-	-	-	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	9,068,986	196,734	(2,805,858)	-	6,459,863	-	6,459,863
Subtotal	382,291,423	545,304,260	(476,350,191)	-	451,245,493	-	451,245,493

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by North Eastern Commercial Corp. from related parties							
Accendo Commercial Corp	12,221,682	62,610,304	-	-	74,831,986	-	74,831,986
Alabang Commercial Corporation (Conso)	13,027	3,838	-	-	16,865	-	16,865
ALI Capital Corp. (Conso)	65,543,278	44,415,850	(14,585,427)	-	95,373,701	-	95,373,701
ALI Commercial Center, Inc. (Conso)	178,563,418	-	(178,563,418)	-	-	-	-
ALI-CII Development Corporation	470	-	-	-	470	-	470
Alveo Land Corporation (Conso)	699,583	62,249,677	-	-	62,949,260	-	62,949,260
Amaia Land Corporation (Conso)	109,149,329	233,771,678	(134,389,051)	-	208,531,956	-	208,531,956
Amorsedia Development Corporation (Conso)	329,999	-	-	-	329,999	-	329,999
AREIT, Inc.	106,832,507	108,639	-	-	106,941,146	-	106,941,146
Arvo Commercial Corporation	77,731,389	30,890,519	(5,328,711)	-	103,293,197	-	103,293,197
Aviana Development Corporation	-	10,152,435	-	-	10,152,435	-	10,152,435
Avida Land Corporation (Conso)	2,790,045	41,422,529	(37,689,181)	-	6,523,393	-	6,523,393
Ayala Land Inc.	86,255,172	322,652,337	(309,668,246)	-	99,239,263	-	99,239,263
Ayala Malls Zing Inc.	-	559,734	-	-	559,734	-	559,734
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	2,818,158	82,473,963	(54,972,044)	-	30,320,076	-	30,320,076
AyalaLand Hotels and Resorts Corp. (Conso)	268,060,291	63,367,049	(14,197,683)	-	317,229,658	-	317,229,658
Ayalaland Logistics Holdings Corp. (Conso)	16,882,686	156,040,125	-	-	172,922,811	-	172,922,811
Ayalaland Malls Synergies, Inc.	747,004	-	(743,473)	-	3,530	-	3,530
AyalaLand Malls, Inc. (Conso)	41,899	-	(41,899)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	186,018,435	(125,330,741)	-	60,687,694	-	60,687,694
Ayalaland Metro North, Inc.	6,516	169,165	(168,265)	-	7,416	-	7,416
Bay City Commercial Ventures Corp.	282,620,833	369,408,151	-	-	652,028,984	-	652,028,984
Cagayan De Oro Gateway Corporation	2,970,533	-	(89,215)	-	2,881,317	-	2,881,317
Capitol Central Commercial Ventures Corp.	39,203,417	12,750,689	-	-	51,954,106	-	51,954,106
Cavite Commercial Towncenter Inc.	16,156	44,618,154	-	-	44,634,310	-	44,634,310
Cebu Leisure Co. Inc.	3,593	-	-	-	3,593	-	3,593
CECI Realty Corp.	1,067	-	(1,067)	-	-	-	-
Crans Montana Property Holdings Corporation	21,828	-	-	-	21,828	-	21,828
Direct Power Services Inc.	23,047	3,654,336	(3,654,336)	-	23,047	-	23,047
Hillsford Property Corporation	3,778	-	-	-	3,778	-	3,778
Leisure and Allied Industries Phils. Inc.	396,792	8,455,982	(8,210,824)	-	641,950	-	641,950
Makati Cornerstone Leasing Corp.	1,067	3,238	-	-	4,305	-	4,305
Makati Development Corporation (Conso)	50,205,970	888,798	-	-	51,094,768	-	51,094,768
North Eastern Commercial Corp.	3,260	162,425	(154,187)	-	11,498	-	11,498
North Triangle Depot Commercial Corp	10,515,687	43,442,582	(31,215,675)	-	22,742,593	-	22,742,593
North Ventures Commercial Corp.	13,378	106,136	(90,627)	-	28,888	-	28,888
NorthBeacon Commercial Corporation	8,617	181,175	(160,073)	-	29,719	-	29,719
Nuevocentro, Inc. (Conso)	-	20,472,268	(20,388,027)	-	84,241	-	84,241
Primavera Towncentre, Inc.	-	11,192,734	-	-	11,192,734	-	11,192,734
Serendra Inc.	1,207	-	-	-	1,207	-	1,207
Soltea Commercial Corp.	106,926,519	34,879,204	(54,020,758)	-	87,784,965	-	87,784,965
Station Square East Commercial Corp	16,683	7,118	-	-	23,802	-	23,802
Subic Bay Town Center Inc.	15,243	16,983	-	-	32,227	-	32,227
Summerhill Commercial Ventures Corp.	1,639,901	1,598	-	-	1,641,499	-	1,641,499
Ten Knots Philippines, Inc.(Conso)	66,593,504	40,295,175	(33,408,947)	-	73,479,733	-	73,479,733
Westview Commercial Ventures Corp.	819	1,526,265	(3,518)	-	1,523,567	-	1,523,567
Subtotal	1,489,889,352	1,888,969,288	(1,027,075,393)	-	2,351,783,249	-	2,351,783,249

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by North Triangle Depot Commercial Corp from related parties							
Accendo Commercial Corp	8,067	-	-	-	8,067	-	8,067
Alabang Commercial Corporation (Conso)	118,960	-	-	-	118,960	-	118,960
ALI Capital Corp. (Conso)	875,769	-	-	-	875,769	-	875,769
ALI Commercial Center, Inc. (Conso)	3,477,560	-	(3,477,560)	-	-	-	-
Alveo Land Corporation (Conso)	(30,281)	3,810,907	(3,693,334)	-	87,292	-	87,292
Amaia Land Corporation (Conso)	223,794	548,800	(201,460)	-	571,134	-	571,134
Amorsedia Development Corporation (Conso)	33,689	-	-	-	33,689	-	33,689
Arvo Commercial Corporation	1,862,992	9,649	-	-	1,872,641	-	1,872,641
Avida Land Corporation (Conso)	709,674	2,123,072	(2,116,128)	-	716,618	-	716,618
Ayala Land Inc.	39,095,871	64,635,173	(63,439,870)	-	40,291,174	-	40,291,174
Ayala Malls Zing Inc.	-	119,016	-	-	119,016	-	119,016
AyalaLand Estates Inc. (Conso)	-	39,089,370	(39,011,969)	-	77,401	-	77,401
AyalaLand Hotels and Resorts Corp. (Conso)	115,415	10,025,667	(10,132,442)	-	8,640	-	8,640
Ayalaland Logistics Holdings Corp. (Conso)	865,280	12,586,180	(12,572,167)	-	879,293	-	879,293
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	29,770	-	(29,770)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	4,008,580	-	-	4,008,580	-	4,008,580
Ayalaland Medical Facilities Leasing Inc.	119,340	-	-	-	119,340	-	119,340
Ayalaland Metro North, Inc.	19,099	11,609	-	-	30,708	-	30,708
Bay City Commercial Ventures Corp.	314,016	31,541	-	-	345,557	-	345,557
BG South Properties, Inc.	-	10,000	-	-	10,000	-	10,000
Cagayan De Oro Gateway Corporation	105,344	-	-	-	105,344	-	105,344
Capitol Central Commercial Ventures Corp.	1,400	27,465,309	(27,434,729)	-	31,980	-	31,980
Cavite Commercial Towncenter Inc.	-	15,038,500	(15,005,156)	-	33,344	-	33,344
Cebu Leisure Co. Inc.	29,881	-	-	-	29,881	-	29,881
Crans Montana Property Holdings Corporation	145,428	-	-	-	145,428	-	145,428
Direct Power Services Inc.	-	-	-	-	-	-	-
Leisure and Allied Industries Phils. Inc.	567,580	17,355,264	(14,570,494)	-	3,352,350	-	3,352,350
Makati Development Corporation (Conso)	4,662,145	-	-	-	4,662,145	-	4,662,145
North Eastern Commercial Corp.	552,343	139,363	-	-	691,706	-	691,706
North Ventures Commercial Corp.	147,706	-	-	-	147,706	-	147,706
NorthBeacon Commercial Corporation	3,381	-	-	-	3,381	-	3,381
Nuevocentro, Inc. (Conso)	115,145	-	-	-	115,145	-	115,145
Serendra Inc.	-	-	-	-	-	-	-
Soltea Commercial Corp.	417,555	1,002,567	(1,000,344)	-	419,778	-	419,778
Station Square East Commercial Corp	113,202	-	-	-	113,202	-	113,202
Subic Bay Town Center Inc.	1,942	-	-	-	1,942	-	1,942
Summerhill Commercial Ventures Corp.	684,724	19,129	-	-	703,854	-	703,854
Ten Knots Development Corporation(Conso)	19,019	-	-	-	19,019	-	19,019
Ten Knots Philippines, Inc.(Conso)	160,214	-	-	-	160,214	-	160,214
Subtotal	55,566,024	198,029,696	(192,685,423)	-	60,910,298	-	60,910,298

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by North Ventures Commercial Corp. from related parties							
Accendo Commercial Corp	21,635,866	13,885,269	-	-	35,521,135	-	35,521,135
Alabang Commercial Corporation (Conso)	14,690	3,840	-	-	18,530	-	18,530
ALI Capital Corp. (Conso)	75,284,587	19,401,077	-	-	94,685,664	-	94,685,664
ALI Commercial Center, Inc. (Conso)	55,544,368	-	(55,544,368)	-	-	-	-
Alveo Land Corporation (Conso)	160,479	41,910,820	(31,200,457)	-	10,870,841	-	10,870,841
Amaia Land Corporation (Conso)	48,966,855	3,607,892	(21,606,728)	-	30,968,019	-	30,968,019
Amorsedia Development Corporation (Conso)	98,944	5,187,831	-	-	5,286,775	-	5,286,775
Arca South Integrated Terminal, Inc	187,211	-	-	-	187,211	-	187,211
Arvo Commercial Corporation	129,551,171	32,126,235	-	-	161,677,406	-	161,677,406
Avida Land Corporation (Conso)	832,955	5,019,279	(5,002,582)	-	849,652	-	849,652
Ayala Land Inc.	21,823,255	158,417,571	(175,065,019)	-	5,175,807	-	5,175,807
Ayala Malls Zing Inc.	-	367,048	-	-	367,048	-	367,048
Ayala Property Management Corporation (Conso)	1,790,801	-	-	-	1,790,801	-	1,790,801
AyalaLand Estates Inc. (Conso)	-	25,059,583	(25,007,980)	-	51,603	-	51,603
AyalaLand Hotels and Resorts Corp. (Conso)	105,767,801	45,323,044	(92,358,591)	-	58,732,254	-	58,732,254
Ayalaland Logistics Holdings Corp. (Conso)	668,490	45,185,566	-	-	45,854,056	-	45,854,056
Ayalaland Malls Synergies, Inc.	845	-	-	-	845	-	845
AyalaLand Malls, Inc. (Conso)	10,160	-	(10,160)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	26,686,746	(22,197,300)	-	4,489,445	-	4,489,445
Ayalaland Medical Facilities Leasing Inc.	193,932	-	-	-	193,932	-	193,932
Ayalaland Metro North, Inc.	2,642	600	-	-	3,242	-	3,242
Bay City Commercial Ventures Corp.	374,112,372	130,073,796	-	-	504,186,168	-	504,186,168
Cagayan De Oro Gateway Corporation	5,800	-	-	-	5,800	-	5,800
Capitol Central Commercial Ventures Corp.	107,729,382	88,408,312	(135,133,855)	-	61,003,839	-	61,003,839
Cavite Commercial Towncenter Inc.	40,438,725	54,759,816	(11,053,095)	-	84,145,446	-	84,145,446
Crans Montana Property Holdings Corporation	228,867	10,640	-	-	239,507	-	239,507
Leisure and Allied Industries Phils. Inc.	804,063	15,598,656	(16,105,338)	-	297,380	-	297,380
Makati Development Corporation (Conso)	2,742,315	-	-	-	2,742,315	-	2,742,315
North Eastern Commercial Corp.	137,572	10,235	-	-	147,807	-	147,807
North Triangle Depot Commercial Corp	308,881	25,045,979	-	-	25,354,859	-	25,354,859
NorthBeacon Commercial Corporation	1,600	308,230	(296,292)	-	13,539	-	13,539
Nuevocentro, Inc. (Conso)	-	26,224,598	(52,216,687)	-	(25,992,089)	-	(25,992,089)
Soltea Commercial Corp.	18,907,644	20,954,539	(36,615,070)	-	3,247,113	-	3,247,113
Station Square East Commercial Corp	20,130	2,700	-	-	22,830	-	22,830
Subic Bay Town Center Inc.	-	2,144	-	-	2,144	-	2,144
Summerhill Commercial Ventures Corp.	282,084	-	-	-	282,084	-	282,084
Ten Knots Development Corporation(Conso)	2,294	8,847,536	-	-	8,849,830	-	8,849,830
Ten Knots Philippines, Inc.(Conso)	3,424	44,424,646	(38,123,350)	-	6,304,719	-	6,304,719
Subtotal	1,008,260,205	836,854,228	(717,536,872)	-	1,127,577,557	-	1,127,577,557

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by NorthBeacon Commercial Corporation from related parties							
Accendo Commercial Corp	123,379,886	54,921,533	(176,801,675)	-	1,499,743	-	1,499,743
Alabang Commercial Corporation (Conso)	13,272	3,190	-	-	16,462	-	16,462
ALI Capital Corp. (Conso)	49,450,284	36,546,977	-	-	85,997,261	-	85,997,261
ALI Commercial Center, Inc. (Conso)	818,960	-	(818,960)	-	-	-	-
Alveo Land Corporation (Conso)	1,586,622	31,060,625	(23,506,884)	-	9,140,363	-	9,140,363
Amaia Land Corporation (Conso)	297,499	32,041,764	(32,030,315)	-	308,948	-	308,948
Amorsedia Development Corporation (Conso)	-	16,960,378	-	-	16,960,378	-	16,960,378
APRISA Business Process Solutions, Inc	1,200	1,710	-	-	2,910	-	2,910
AREIT, Inc.	-	5,000	-	-	5,000	-	5,000
Arvo Commercial Corporation	26,107,019	1,510,981	(9,863,169)	-	17,754,831	-	17,754,831
Aviana Development Corporation	-	23,876,664	(17,414,144)	-	6,462,519	-	6,462,519
Avida Land Corporation (Conso)	414,243	32,226,171	(31,100,744)	-	1,539,670	-	1,539,670
Ayala Land Inc.	6,751,133	131,157,014	(131,108,864)	-	6,799,283	-	6,799,283
Ayala Malls Zing Inc.	-	31,083	-	-	31,083	-	31,083
AyalaLand Estates Inc. (Conso)	-	30,071,608	(30,071,608)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	15,286,173	48,268,220	-	-	63,554,393	-	63,554,393
Ayalaland Logistics Holdings Corp. (Conso)	16,459,627	14,698,706	-	-	31,158,333	-	31,158,333
AyalaLand Malls, Inc. (Conso)	18,256	-	(18,256)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	48,033,832	(45,134,383)	-	2,899,449	-	2,899,449
Ayalaland Metro North, Inc.	9,622	-	-	-	9,622	-	9,622
Bay City Commercial Ventures Corp.	243,372,103	72,617,075	-	-	315,989,178	-	315,989,178
Cagayan De Oro Gateway Corporation	27,852	-	(16,600)	-	11,252	-	11,252
Capitol Central Commercial Ventures Corp.	7,078,486	10,532,646	(10,502,323)	-	7,108,809	-	7,108,809
Cavite Commercial Towncenter Inc.	84,536,394	69,131,554	(30,834,045)	-	122,833,903	-	122,833,903
Crans Montana Property Holdings Corporation	-	8,004,976	-	-	8,004,976	-	8,004,976
Direct Power Services Inc.	-	-	-	-	-	-	-
Hillsford Property Corporation	5,898	-	-	-	5,898	-	5,898
Leisure and Allied Industries Phils. Inc.	75,154	2,792,018	(2,869,445)	-	(2,273)	-	(2,273)
Makati Cornerstone Leasing Corp.	106,486	-	-	-	106,486	-	106,486
Makati Development Corporation (Conso)	-	3,460	-	-	3,460	-	3,460
North Eastern Commercial Corp.	99,735	14,690	-	-	114,426	-	114,426
North Triangle Depot Commercial Corp	107,185	75,158,545	(75,158,545)	-	107,185	-	107,185
North Ventures Commercial Corp.	44,716	14,318	-	-	59,034	-	59,034
Nuevocentro, Inc. (Conso)	4,993,431	6,460,409	(5,597,465)	-	5,856,375	-	5,856,375
Primavera Towncentre, Inc.	-	9,499,260	-	-	9,499,260	-	9,499,260
Soltea Commercial Corp.	36,941,552	13,642,753	(642,113)	-	49,942,191	-	49,942,191
Station Square East Commercial Corp	17,048	3,500	-	-	20,548	-	20,548
Subic Bay Town Center Inc.	16,200	24,144	-	-	40,344	-	40,344
Summerhill Commercial Ventures Corp.	3,900	114,630	-	-	118,530	-	118,530
Ten Knots Philippines, Inc.(Conso)	-	12,061,220	-	-	12,061,220	-	12,061,220
Subtotal	618,019,936	781,490,654	(623,489,538)	-	776,021,050	-	776,021,050

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Nuevocentro, Inc. from related parties							
Accendo Commercial Corp	-	13,335,592	(13,335,592)	-	-	-	-
ALI Commercial Center, Inc. (Conso)	102,461	-	(102,461)	-	-	-	-
Alveo Land Corporation (Conso)	25,930	15,002,975	(15,019,905)	-	9,000	-	9,000
Amaia Land Corporation (Conso)	82,099	7,007,898	(7,007,898)	-	82,099	-	82,099
Amorsedia Development Corporation (Conso)	-	40,397,541	(40,397,541)	-	-	-	-
Arvo Commercial Corporation	158,428	-	-	-	158,428	-	158,428
Avida Land Corporation (Conso)	517,412	133,819	-	-	651,231	-	651,231
Ayala Land Inc.	(5,376,792)	34,246,789	(28,107,625)	-	762,372	-	762,372
AyalaLand Estates Inc. (Conso)	67,189	175,380,068	(175,238,758)	-	208,499	-	208,499
AyalaLand Hotels and Resorts Corp. (Conso)	496,136	-	(435,321)	-	60,814	-	60,814
Ayalaland Logistics Holdings Corp. (Conso)	196,258	7,322,379	(5,491,785)	-	2,026,852	-	2,026,852
AyalaLand Malls, Inc. (Conso)	-	15,138,683	(14,916,113)	-	222,571	-	222,571
Bay City Commercial Ventures Corp.	381,944	-	-	-	381,944	-	381,944
CECI Realty Corp.	154,209	-	(83,337)	-	70,872	-	70,872
Crans Montana Property Holdings Corporation	151,580	52,508,316	(52,508,316)	-	151,580	-	151,580
Nuevocentro, Inc. (Conso)	4,141,799	-	(4,141,799)	-	-	-	-
Primavera Towncentre, Inc.	-	40,797,789	(40,106,847)	-	690,942	-	690,942
Prow Holdings, Inc.	199,255,639	-	-	-	199,255,639	-	199,255,639
Red Creek Properties, Inc.	-	10,118,081	(10,118,081)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	-	5,116,492	(5,116,492)	-	-	-	-
Vesta Property Holdings Inc.	26,154	-	-	-	26,154	-	26,154
Subtotal	200,380,446	416,506,422	(412,127,871)	-	204,758,997	-	204,758,997
Amount Receivable by Philippine Integrated Energy Solutions, Inc. from related parties							
Accendo Commercial Corp	13,418,284	116,381,118	(114,888,789)	-	14,910,613	-	14,910,613
Alabang Commercial Corporation (Conso)	(199,312)	157,023,182	(145,333,642)	-	11,490,229	-	11,490,229
ALI Capital Corp. (Conso)	667,140	13,427,438	(61,738)	-	14,032,840	-	14,032,840
ALI Commercial Center, Inc. (Conso)	90,290,901	-	(90,290,901)	-	-	-	-
Alveo Land Corporation (Conso)	56,149,784	93,702,879	(97,842,425)	-	52,010,238	-	52,010,238
Amaia Land Corporation (Conso)	6,244,459	15,481,104	(34,469,327)	-	(12,743,763)	-	(12,743,763)
Amorsedia Development Corporation (Conso)	-	6,218,828	-	-	6,218,828	-	6,218,828
AREIT, Inc.	-	83,199,568	(68,556,487)	-	14,643,081	-	14,643,081
Arvo Commercial Corporation	648	6,113,344	(2,020,888)	-	4,093,104	-	4,093,104
Avida Land Corporation (Conso)	(50,120,000)	104,205,148	-	-	54,085,148	-	54,085,148
Ayala Land Inc.	2,737,400	274,338,194	(229,884,479)	-	47,191,115	-	47,191,115
AyalaLand Estates Inc. (Conso)	-	43,518,199	(56,584,724)	-	(13,066,525)	-	(13,066,525)
AyalaLand Hotels and Resorts Corp. (Conso)	6,528,820	76,285,247	-	-	82,814,067	-	82,814,067
Ayalaland Logistics Holdings Corp. (Conso)	3,273,372	71,870,225	(42,503,026)	-	32,640,572	-	32,640,572
AyalaLand Malls, Inc. (Conso)	-	343,697,839	(195,729,129)	-	147,968,710	-	147,968,710
Bay City Commercial Ventures Corp.	29,410,363	178,639,324	(199,750,659)	-	8,299,027	-	8,299,027
Cagayan De Oro Gateway Corporation	17,787,736	129,490,241	(129,054,597)	-	18,223,380	-	18,223,380
Capitol Central Commercial Ventures Corp.	122,149	-	-	-	122,149	-	122,149
Cavite Commercial Towncenter Inc.	61,590,128	87,179,593	(112,534,550)	-	36,235,171	-	36,235,171
Crans Montana Property Holdings Corporation	-	45,020,993	-	-	45,020,993	-	45,020,993
Direct Power Services Inc.	-	-	-	-	-	-	-
Makati Cornerstone Leasing Corp.	-	3,401,918	(3,400,257)	-	1,661	-	1,661
North Eastern Commercial Corp.	-	-	-	-	-	-	-
North Triangle Depot Commercial Corp	5,829,331	60,613,753	(59,072,415)	-	7,370,670	-	7,370,670
Nuevocentro, Inc. (Conso)	-	10,124,958	(10,124,958)	-	-	-	-
Primavera Towncentre, Inc.	-	3,200,147	(26,526)	-	3,173,622	-	3,173,622
Soltea Commercial Corp.	-	10,162,363	(10,162,363)	-	-	-	-
Ten Knots Development Corporation(Conso)	-	10,167,483	-	-	10,167,483	-	10,167,483
Ten Knots Philippines, Inc.(Conso)	-	-	-	-	-	-	-
Westview Commercial Ventures Corp.	2,650,250	-	-	-	2,650,250	-	2,650,250
Subtotal	246,381,453	1,943,463,086	(1,602,291,880)	-	587,552,663	-	587,552,663

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Primavera Towncentre, Inc. from related parties							
Amaia Land Corporation (Conso)	127,183	-	-	-	127,183	-	127,183
Arvo Commercial Corporation	401,906	-	-	-	401,906	-	401,906
Avida Land Corporation (Conso)	93,317	-	-	-	93,317	-	93,317
Ayala Land Inc.	1,407,328	-	-	-	1,407,328	-	1,407,328
AyalaLand Malls, Inc. (Conso)	5,705	-	(5,705)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	5,705	-	-	5,705	-	5,705
AyalaLand Offices, Inc. (Conso)	837,584	-	-	-	837,584	-	837,584
Cavite Commercial Towncenter Inc.	4,554,045	-	-	-	4,554,045	-	4,554,045
North Ventures Commercial Corp.	3,749	-	-	-	3,749	-	3,749
Subtotal	7,430,817	5,705	(5,705)	-	7,430,817	-	7,430,817
Amount Receivable by Prow Holdings, Inc. from related parties							
Subtotal	-	-	-	-	-	-	-
Amount Receivable by Red Creek Properties, Inc. from related parties							
Ayala Land Inc.	18,000,592	-	-	-	18,000,592	-	18,000,592
Crimson Field Enterprises, Inc.	250,000	-	(250,000)	-	-	-	-
Subtotal	18,250,592	-	(250,000)	-	18,000,592	-	18,000,592
Amount Receivable by Regent Time International, Limited from related parties							
Ayala Land Inc.	602,164,160	39,369,907	-	-	641,534,067	-	641,534,067
Subtotal	602,164,160	39,369,907	-	-	641,534,067	-	641,534,067
Amount Receivable by Regent Wise Investments Limited from related parties							
Ayala Land Inc.	326,489,761	2,395,532,428	-	-	2,722,022,189	-	2,722,022,189
Regent Wise Investments Limited(Conso)	(140,551,818)	-	-	-	(140,551,818)	-	(140,551,818)
Subtotal	185,937,943	2,395,532,428	-	-	2,581,470,371	-	2,581,470,371
Amount Receivable by Roxas Land Corp. from related parties							
Ayala Property Management Corporation (Conso)	60,000	1,000,000	-	-	1,060,000	-	1,060,000
Subtotal	60,000	1,000,000	-	-	1,060,000	-	1,060,000

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Serendra Inc. from related parties							
Accendo Commercial Corp	-	15,264,835	(15,266,310)	-	(1,475)	-	(1,475)
ALI Capital Corp. (Conso)	-	2,816,316	(2,784,864)	-	31,452	-	31,452
Alveo Land Corporation (Conso)	4,792,162	20,050,467	(5,521,729)	-	19,320,899	-	19,320,899
Amaia Land Corporation (Conso)	1,852,783	30,064,985	(27,620,845)	-	4,296,923	-	4,296,923
Amorsedia Development Corporation (Conso)	2,106	-	-	-	2,106	-	2,106
Arvo Commercial Corporation	-	15,414,288	(55,485)	-	15,358,803	-	15,358,803
Aviana Development Corporation	-	10,086,250	(10,087,725)	-	(1,475)	-	(1,475)
Avida Land Corporation (Conso)	3,591,329	18,065,017	(18,008,708)	-	3,647,639	-	3,647,639
Ayala Land Inc.	150,561,890	26,612,706	(49,173,395)	-	128,001,201	-	128,001,201
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	15,171,401	2,647,138	-	-	17,818,539	-	17,818,539
AyalaLand Estates Inc. (Conso)	-	15,035,804	(4,795)	-	15,031,009	-	15,031,009
AyalaLand Hotels and Resorts Corp. (Conso)	5,176,745	5,190,336	(10,242,511)	-	124,570	-	124,570
Bay City Commercial Ventures Corp.	67,099	-	-	-	67,099	-	67,099
BellaVita Land Corp.	958	-	-	-	958	-	958
BG North Properties Inc.	-	-	-	-	-	-	-
BG West Properties, Inc	17,001,618	-	-	-	17,001,618	-	17,001,618
Cagayan De Oro Gateway Corporation	37,862	-	-	-	37,862	-	37,862
Crans Montana Property Holdings Corporation	980	3,557,679	-	-	3,558,659	-	3,558,659
Leisure and Allied Industries Phils. Inc.	355,950	11,080,386	(11,010,766)	-	425,569	-	425,569
Makati Development Corporation (Conso)	183,195	-	-	-	183,195	-	183,195
Nuevocentro, Inc. (Conso)	-	5,188,219	(7,797)	-	5,180,422	-	5,180,422
Soltea Commercial Corp.	-	4,173,831	(4,127,278)	-	46,553	-	46,553
Ten Knots Philippines, Inc.(Conso)	3,375,839	196,923	(3,523,906)	-	48,855	-	48,855
Subtotal	202,171,917	185,445,180	(157,436,114)	-	230,180,981	-	230,180,981

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Soltea Commercial Corp. from related parties							
Accendo Commercial Corp	15,294	-	-	-	15,294	-	15,294
Alabang Commercial Corporation (Conso)	28,624	4,092,359	(4,082,979)	-	38,004	-	38,004
ALI Commercial Center, Inc. (Conso)	1,075,554	-	(1,075,554)	-	-	-	-
Alveo Land Corporation (Conso)	2,064,306	6,122,929	(5,386,902)	-	2,800,333	-	2,800,333
Amaia Land Corporation (Conso)	107,736	1,406,029	(1,406,029)	-	107,736	-	107,736
Arvo Commercial Corporation	36,154	600	-	-	36,754	-	36,754
Avida Land Corporation (Conso)	2,189,428	5,130,242	(4,277,046)	-	3,042,623	-	3,042,623
Ayala Hotels Inc.	-	-	-	-	-	-	-
Ayala Land Inc.	1,736,013	227,638	(227,638)	-	1,736,013	-	1,736,013
Ayala Malls Zing Inc.	-	63,136	-	-	63,136	-	63,136
Ayalaland Logistics Holdings Corp. (Conso)	-	-	-	-	-	-	-
Ayalaland Malls Synergies, Inc.	151,065	-	-	-	151,065	-	151,065
AyalaLand Malls, Inc. (Conso)	410	-	(410)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	20,783,743	(19,304,019)	-	1,479,724	-	1,479,724
Ayalaland Metro North, Inc.	-	200	-	-	200	-	200
Bay City Commercial Ventures Corp.	15,294	-	-	-	15,294	-	15,294
Cagayan De Oro Gateway Corporation	15,294	250	-	-	15,544	-	15,544
Cavite Commercial Towncenter Inc.	88,030	6,000	-	-	94,030	-	94,030
Cebu Leisure Co. Inc.	19,300	440,914	(440,614)	-	19,600	-	19,600
Leisure and Allied Industries Phils. Inc.	-	1,737,294	(1,737,294)	-	-	-	-
Makati Cornerstone Leasing Corp.	15,294	-	-	-	15,294	-	15,294
North Eastern Commercial Corp.	52,382	1,100	-	-	53,482	-	53,482
North Triangle Depot Commercial Corp	93,854	2,650	-	-	96,504	-	96,504
North Ventures Commercial Corp.	16,794	800	-	-	17,594	-	17,594
NorthBeacon Commercial Corporation	16,164	-	-	-	16,164	-	16,164
Serendra Inc.	15,294	-	-	-	15,294	-	15,294
Station Square East Commercial Corp	61,640	-	-	-	61,640	-	61,640
Summerhill Commercial Ventures Corp.	21,044	2,740	-	-	23,784	-	23,784
Subtotal	7,834,968	40,018,624	(37,938,485)	-	9,915,106	-	9,915,106
Amount Receivable by Southportal Properties, Inc. from related parties							
Accendo Commercial Corp	151,769,466	10,594,789	(9,296,189)	-	153,068,066	-	153,068,066
ALI Capital Corp. (Conso)	16,260,606	20,158,982	-	-	36,419,588	-	36,419,588
ALI Commercial Center, Inc. (Conso)	118,715	-	(118,715)	-	-	-	-
Alveo Land Corporation (Conso)	58,370	-	-	-	58,370	-	58,370
Amaia Land Corporation (Conso)	2,114,944	3,026,880	(4,831,991)	-	309,833	-	309,833
Amorsedia Development Corporation (Conso)	266	-	-	-	266	-	266
Arvo Commercial Corporation	10,203,426	10,548,422	(17,074,222)	-	3,677,626	-	3,677,626
Avida Land Corporation (Conso)	525,904	-	(444,491)	-	81,413	-	81,413
Ayala Land Inc.	159,244,878	68,251,072	(65,434,761)	-	162,061,189	-	162,061,189
AyalaLand Estates Inc. (Conso)	10,048,810	2,353,979	(12,402,789)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	52,699,681	38,327,269	(34,979,194)	-	56,047,755	-	56,047,755
Ayalaland Logistics Holdings Corp. (Conso)	22,019,712	18,758,415	(17,971,777)	-	22,806,350	-	22,806,350
AyalaLand Malls, Inc. (Conso)	-	118,715	-	-	118,715	-	118,715
Ayalaland Metro North, Inc.	3,452	-	-	-	3,452	-	3,452
Bay City Commercial Ventures Corp.	295,140,041	85,276,344	(279,952,751)	-	100,463,634	-	100,463,634
Cagayan De Oro Gateway Corporation	150,538	-	-	-	150,538	-	150,538
Capitol Central Commercial Ventures Corp.	10,434,850	10,529,020	(17,059,122)	-	3,904,748	-	3,904,748
Cavite Commercial Towncenter Inc.	5,087,018	6,442,681	-	-	11,529,699	-	11,529,699
Nuevocentro, Inc. (Conso)	-	14,174,942	(14,174,942)	-	-	-	-
Soltea Commercial Corp.	25,271,040	13,546,446	(38,295,557)	-	521,928	-	521,928
Summerhill Commercial Ventures Corp.	543,740	-	-	-	543,740	-	543,740
Ten Knots Development Corporation(Conso)	90,346	-	-	-	90,346	-	90,346
Ten Knots Philippines, Inc.(Conso)	2,015,349	10,180,620	-	-	12,195,970	-	12,195,970
Subtotal	763,801,152	312,288,576	(512,036,501)	-	564,053,226	-	564,053,226

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Station Square East Commercial Corp from related parties							
Accendo Commercial Corp	7,013	30,379,081	-	-	30,386,093	-	30,386,093
Alabang Commercial Corporation (Conso)	7,630	-	-	-	7,630	-	7,630
ALI Capital Corp. (Conso)	2,029,670	56,994,134	-	-	59,023,804	-	59,023,804
ALI Commercial Center, Inc. (Conso)	138,240,351	-	(138,240,351)	-	-	-	-
Alveo Land Corporation (Conso)	1,234,655	222,428,098	(163,870,511)	-	59,792,241	-	59,792,241
Amaia Land Corporation (Conso)	2,629,247	149,468,908	(150,202,541)	-	1,895,614	-	1,895,614
Amorsedia Development Corporation (Conso)	176,788	12,274,005	-	-	12,450,793	-	12,450,793
APRISA Business Process Solutions, Inc	365,416	17,514,441	(17,727,388)	-	152,469	-	152,469
Arca South Integrated Terminal, Inc	37,398	-	(35,941)	-	1,457	-	1,457
Arvo Commercial Corporation	5,228,123	58,622,048	-	-	63,850,171	-	63,850,171
Aviana Development Corporation	-	11,312,449	(11,301,667)	-	10,782	-	10,782
Avida Land Corporation (Conso)	3,170,696	54,513,946	(55,838,368)	-	1,846,274	-	1,846,274
Ayala Land Inc.	6,482,354	591,091,282	(587,847,139)	-	9,726,498	-	9,726,498
Ayala Malls Zing Inc.	-	328,554	-	-	328,554	-	328,554
AyalaLand Estates Inc. (Conso)	-	23,078,282	(11,074,074)	-	12,004,208	-	12,004,208
AyalaLand Hotels and Resorts Corp. (Conso)	86,705,317	259,496,380	(219,457,738)	-	126,743,960	-	126,743,960
Ayalaland Logistics Holdings Corp. (Conso)	21,686,243	100,294,020	-	-	121,980,263	-	121,980,263
AyalaLand Malls, Inc. (Conso)	19,118	-	(19,118)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	41,111,849	(21,388,976)	-	19,722,873	-	19,722,873
Ayalaland Metro North, Inc.	-	67,922	-	-	67,922	-	67,922
Bay City Commercial Ventures Corp.	126,902,044	249,497,467	(211,637,429)	-	164,762,082	-	164,762,082
BellaVita Land Corp.	323,323	(88,978)	(218,253)	-	16,092	-	16,092
BG North Properties Inc.	-	1,521,855	-	-	1,521,855	-	1,521,855
BG South Properties, Inc.	-	716,435	-	-	716,435	-	716,435
Cagayan De Oro Gateway Corporation	39,595,523	29,685,571	(68,613,750)	-	667,344	-	667,344
Capitol Central Commercial Ventures Corp.	6,465,151	55,422,455	-	-	61,887,607	-	61,887,607
Cavite Commercial Towncenter Inc.	113,158,779	65,643,957	(74,494,449)	-	104,308,287	-	104,308,287
Cebu Leisure Co. Inc.	18,375	-	-	-	18,375	-	18,375
Crans Montana Property Holdings Corporation	2,025,453	-	-	-	2,025,453	-	2,025,453
Lagdigan Land Corporation	-	5,510,443	-	-	5,510,443	-	5,510,443
Leisure and Allied Industries Phils. Inc.	3,018,873	3,390,618	(4,207,512)	-	2,201,979	-	2,201,979
Makati Development Corporation (Conso)	983,593	-	-	-	983,593	-	983,593
North Eastern Commercial Corp.	2,053,858	-	(2,000,904)	-	52,954	-	52,954
North Triangle Depot Commercial Corp	5,336,160	32,383,131	(37,065,082)	-	654,209	-	654,209
North Ventures Commercial Corp.	8,279	-	-	-	8,279	-	8,279
NorthBeacon Commercial Corporation	14,396	-	-	-	14,396	-	14,396
Nuevocentro, Inc. (Conso)	-	10,620,460	(10,576,758)	-	43,702	-	43,702
Primavera Towncentre, Inc.	89,298	10,608,419	(79,602)	-	10,618,115	-	10,618,115
Red Creek Properties, Inc.	55,235,769	58,689,461	(58,004,075)	-	55,921,155	-	55,921,155
Serendra Inc.	955,432	67,010	(338,255)	-	684,187	-	684,187
Soltea Commercial Corp.	9,456,724	70,922,588	-	-	80,379,312	-	80,379,312
Subic Bay Town Center Inc.	1,500	-	-	-	1,500	-	1,500
Ten Knots Development Corporation(Conso)	-	39,807,145	(11,087,018)	-	28,720,127	-	28,720,127
Ten Knots Philippines, Inc.(Conso)	3,695,640	24,110,412	(4,924,979)	-	22,881,073	-	22,881,073
Subtotal	637,358,189	2,287,483,848	(1,860,251,878)	-	1,064,590,160	-	1,064,590,160

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Subic Bay Town Center Inc. from related parties							
Accendo Commercial Corp	47,548	-	-	-	47,548	-	47,548
Alabang Commercial Corporation (Conso)	1,740	-	-	-	1,740	-	1,740
ALI Commercial Center, Inc. (Conso)	35,911,601	-	(35,911,601)	-	-	-	-
Amaia Land Corporation (Conso)	225,222	24,029,613	(24,442,455)	-	(187,621)	-	(187,621)
Amorsedia Development Corporation (Conso)	-	5,216,354	-	-	5,216,354	-	5,216,354
Arvo Commercial Corporation	14,598,937	808,633	(14,048,873)	-	1,358,696	-	1,358,696
Avida Land Corporation (Conso)	-	10,069,919	(10,069,919)	-	-	-	-
Ayala Land Inc.	3,081,732	56,824,957	(56,824,957)	-	3,081,732	-	3,081,732
Ayala Malls Zing Inc.	-	16,570	-	-	16,570	-	16,570
AyalaLand Hotels and Resorts Corp. (Conso)	53,201,728	59,404,511	(81,758,110)	-	30,848,129	-	30,848,129
Ayalaland Logistics Holdings Corp. (Conso)	868,966	36,882,323	-	-	37,751,289	-	37,751,289
AyalaLand Malls, Inc. (Conso)	-	39,702,540	(36,916,666)	-	2,785,874	-	2,785,874
Ayalaland Metro North, Inc.	-	1,243	-	-	1,243	-	1,243
Bay City Commercial Ventures Corp.	709,131	83,765,563	-	-	84,474,694	-	84,474,694
Capitol Central Commercial Ventures Corp.	41,725	-	-	-	41,725	-	41,725
Cavite Commercial Towncenter Inc.	16,957,197	1,301,791	(139,478)	-	18,119,510	-	18,119,510
Leisure and Allied Industries Phils. Inc.	(331,506)	32,256	(88,552)	-	(387,803)	-	(387,803)
North Eastern Commercial Corp.	1,400	1,243	-	-	2,643	-	2,643
North Triangle Depot Commercial Corp	24,403,808	1,300,584	(25,683,867)	-	20,525	-	20,525
North Ventures Commercial Corp.	1,500	1,243	-	-	2,743	-	2,743
NorthBeacon Commercial Corporation	1,050	5,715	-	-	6,765	-	6,765
Nuevocentro, Inc. (Conso)	-	32,665,004	-	-	32,665,004	-	32,665,004
Primavera Towncentre, Inc.	160,234	-	-	-	160,234	-	160,234
Soltea Commercial Corp.	1,205,053	-	(1,750,654)	-	(545,601)	-	(545,601)
Station Square East Commercial Corp	1,000	-	-	-	1,000	-	1,000
Summerhill Commercial Ventures Corp.	-	-	-	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	13,304	27,657,896	-	-	27,671,199	-	27,671,199
Subtotal	151,101,370	379,687,958	(287,635,132)	-	243,154,192	-	243,154,192
Amount Receivable by Summerhill Commercial Ventures Corp. from related parties							
Accendo Commercial Corp	37,634,319	13,079,419	(18,484,977)	-	32,228,761	-	32,228,761
Alabang Commercial Corporation (Conso)	13,850	900	-	-	14,750	-	14,750

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
ALI Capital Corp. (Conso)	31,981,030	1,791,628	(30,049,997)	-	3,722,661	-	3,722,661
ALI Commercial Center, Inc. (Conso)	281,633,476	-	(281,633,476)	-	-	-	-
Alveo Land Corporation (Conso)	15,263,332	90,156,759	(70,203,238)	-	35,216,853	-	35,216,853
Amaia Land Corporation (Conso)	35,346,822	133,346,907	(166,744,776)	-	1,948,953	-	1,948,953
Amorsedia Development Corporation (Conso)	-	5,187,831	-	-	5,187,831	-	5,187,831
Arvo Commercial Corporation	173,783,594	360,137,778	-	-	533,921,371	-	533,921,371
Avida Land Corporation (Conso)	397,694,888	43,165,250	(48,047,575)	-	392,812,563	-	392,812,563
Ayala Land Inc.	51,161	185,602,321	(165,596,101)	-	20,057,381	-	20,057,381
Ayala Malls Zing Inc.	-	188,562	-	-	188,562	-	188,562
AyalaLand Estates Inc. (Conso)	-	5,080,890	(5,080,890)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	16,117,281	147,842,425	(106,862,838)	-	57,096,868	-	57,096,868
Ayalaland Logistics Holdings Corp. (Conso)	4,491,921	104,265,013	(34,738,849)	-	74,018,085	-	74,018,085
Ayalaland Malls Synergies, Inc.	420,527	-	(420,527)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	103,617,618	(99,641,525)	-	3,976,092	-	3,976,092
Ayalaland Metro North, Inc.	1,200	6,070	-	-	7,270	-	7,270
AyalaLand Offices, Inc. (Conso)	1,394	-	-	-	1,394	-	1,394
Bay City Commercial Ventures Corp.	270,678,092	1,337,183,815	(894,794,360)	-	713,067,547	-	713,067,547
BellaVita Land Corp.	535,618	-	-	-	535,618	-	535,618
Cagayan De Oro Gateway Corporation	11,435	-	(11,435)	-	-	-	-
Cavite Commercial Towncenter Inc.	67,645,733	120,289,093	(183,352,833)	-	4,581,993	-	4,581,993
Direct Power Services Inc.	162,011	-	-	-	162,011	-	162,011
Leisure and Allied Industries Phils. Inc.	402,093	6,312,286	(8,951,117)	-	(2,236,737)	-	(2,236,737)
Makati Development Corporation (Conso)	843,050	-	-	-	843,050	-	843,050
North Eastern Commercial Corp.	38,859	6,950	-	-	45,809	-	45,809
North Triangle Depot Commercial Corp	81,696,163	48,994,408	(125,369,717)	-	5,320,855	-	5,320,855
North Ventures Commercial Corp.	10,490	3,440	-	-	13,930	-	13,930
NorthBeacon Commercial Corporation	5,160	13,600	-	-	18,760	-	18,760
Nuevocentro, Inc. (Conso)	-	16,273,457	-	-	16,273,457	-	16,273,457
Primavera Towncentre, Inc.	-	10,860,998	-	-	10,860,998	-	10,860,998
Soltea Commercial Corp.	18,755,636	831,740	(16,873,785)	-	2,713,591	-	2,713,591
Station Square East Commercial Corp	37,290	8,270	-	-	45,560	-	45,560
Subic Bay Town Center Inc.	1,380	-	-	-	1,380	-	1,380
Ten Knots Philippines, Inc.(Conso)	64,821,932	133,027,593	(194,617,318)	-	3,232,207	-	3,232,207
Subtotal	1,500,079,737	2,867,275,021	(2,451,475,334)	-	1,915,879,424	-	1,915,879,424

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Sunnyfield E-Office Corp from related parties							
ALI Capital Corp. (Conso)	-	16,642,640	-	-	16,642,640	-	16,642,640
Alveo Land Corporation (Conso)	5,019,739	-	(5,019,739)	-	-	-	-
Amaia Land Corporation (Conso)	18,698,147	2,152,923	(20,851,070)	-	-	-	-
Avida Land Corporation (Conso)	301,277	3,751,025	(3,254,764)	-	797,538	-	797,538
Ayala Land Inc.	-	23,345,305	(23,345,305)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	3,084,169	(3,084,169)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	-	21,048,728	(3,137,219)	-	17,911,509	-	17,911,509
Bay City Commercial Ventures Corp.	-	2,005,876	(2,000,787)	-	5,089	-	5,089
Crans Montana Property Holdings Corporation	-	20,167,095	-	-	20,167,095	-	20,167,095
Makati Cornerstone Leasing Corp.	-	2,003,744	(2,000,501)	-	3,243	-	3,243
Nuevocentro, Inc. (Conso)	-	20,110,333	(20,014,777)	-	95,557	-	95,557
Ten Knots Development Corporation(Conso)	-	6,096,723	-	-	6,096,723	-	6,096,723
Ten Knots Philippines, Inc.(Conso)	28,255,139	11,354,131	-	-	39,609,270	-	39,609,270
Subtotal	52,274,302	131,762,692	(82,708,331)	-	101,328,664	-	101,328,664
Amount Receivable by Taft Punta Engaño Property, Inc. from related parties							
Accendo Commercial Corp	63,520,510	4,448,107	(3,888,149)	-	64,080,469	-	64,080,469
ALI Capital Corp. (Conso)	7,145,941	1,917,267	(6,582,330)	-	2,480,878	-	2,480,878
ALI Commercial Center, Inc. (Conso)	9,959,865	-	(9,959,865)	-	-	-	-
Alveo Land Corporation (Conso)	-	7,805,289	-	-	7,805,289	-	7,805,289
Amaia Land Corporation (Conso)	70,007	1,408,119	(1,478,127)	-	-	-	-
Arvo Commercial Corporation	12,312,587	537,552	(11,265,564)	-	1,584,575	-	1,584,575
Avida Land Corporation (Conso)	188,174	46,331,862	(46,520,037)	-	-	-	-
Ayala Land Inc.	53,532	36,962,434	(36,427,856)	-	588,109	-	588,109
AyalaLand Hotels and Resorts Corp. (Conso)	5,039,552	14,290,645	-	-	19,330,197	-	19,330,197
Ayalaland Logistics Holdings Corp. (Conso)	1,230,923	28,649,332	-	-	29,880,255	-	29,880,255
AyalaLand Malls, Inc. (Conso)	-	52,172,982	(51,266,881)	-	906,101	-	906,101
Ayalaland Metro North, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	139,258,582	10,717,069	(3,730,955)	-	146,244,697	-	146,244,697
Capitol Central Commercial Ventures Corp.	4,480,831	287,191	(535,644)	-	4,232,378	-	4,232,378
Cavite Commercial Towncenter Inc.	67,816,755	37,152,496	-	-	104,969,251	-	104,969,251
Soltea Commercial Corp.	2,017	-	-	-	2,017	-	2,017
Ten Knots Philippines, Inc.(Conso)	25,163,104	23,041,160	(2,363,354)	-	45,840,910	-	45,840,910
Subtotal	336,242,380	265,721,505	(174,018,762)	-	427,945,126	-	427,945,126
Amount Receivable by Ten Knots Development Corporation from related parties							
ALI Capital Corp. (Conso)	-	-	-	-	-	-	-
ALI Commercial Center, Inc. (Conso)	10,382	-	(10,382)	-	-	-	-
Avida Land Corporation (Conso)	551,544	-	(551,544)	-	-	-	-
Ayala Land Inc.	204,600	(464)	(204,136)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	359,520,362	1,744,522,075	(2,089,590,389)	-	14,452,047	-	14,452,047
AyalaLand Malls, Inc. (Conso)	-	10,382	-	-	10,382	-	10,382
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Direct Power Services Inc.	9,458	-	-	-	9,458	-	9,458
Ecoholdings Company, Inc.	500	-	-	-	500	-	500
Integrated Eco-Resort Inc.	55,293	-	-	-	55,293	-	55,293
Makati Development Corporation (Conso)	103,021	-	-	-	103,021	-	103,021
Soltea Commercial Corp.	94,511	-	-	-	94,511	-	94,511
Ten Knots Development Corporation(Conso)	-	363,600,000	(363,599,954)	-	46	-	46
Ten Knots Philippines, Inc.(Conso)	247,324,355	1,538,109,192	(1,210,825,361)	-	574,608,186	-	574,608,186
Subtotal	607,874,026	3,646,241,185	(3,664,781,766)	-	589,333,444	-	589,333,444

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Ten Knots Philippines, Inc. from related parties							
Accendo Commercial Corp	-	3,026,631	(3,003,567)	-	23,064	-	23,064
Adauge Commercial Corp.	9,105	3,000	-	-	12,105	-	12,105
ALI Capital Corp. (Conso)	13,356,734	26,937,764	-	-	40,294,498	-	40,294,498
ALI Commercial Center, Inc. (Conso)	-	-	-	-	-	-	-
Amaia Land Corporation (Conso)	-	3,005,792	(3,000,776)	-	5,016	-	5,016
Ayala Land Inc.	1,313,287	322,098	-	-	1,635,385	-	1,635,385
Ayala Land Sales Inc.	11,085	-	(11,085)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	2,387,503	3,690,705	-	-	6,078,207	-	6,078,207
AyalaLand Malls, Inc. (Conso)	3,000	-	(3,000)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	-	-	-	-	-	-	-
Ayalaland Premier, Inc.	-	11,085	-	-	11,085	-	11,085
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Ecoholdings Company, Inc.	645,491	49,383	-	-	694,874	-	694,874
Integrated Eco-Resort Inc.	4,174,551	-	(4,095,451)	-	79,100	-	79,100
Integrated Eco-Resort Inc.	60,215	-	(60,215)	-	-	-	-
Philippine Integrated Energy Solutions, Inc.	2,350	-	-	-	2,350	-	2,350
Ten Knots Development Corporation(Conso)	11,298,471	24,416,506	(26,088,252)	-	9,626,725	-	9,626,725
Ten Knots Philippines, Inc.(Conso)	363,309	183,000,000	(183,363,309)	-	-	-	-
Subtotal	33,625,101	244,462,964	(219,625,655)	-	58,462,409	-	58,462,409
Amount Receivable by Verde Golf Development Corporation from related parties							
Ayala Land Inc.	142,445	79,522	-	-	221,967	-	221,967
Subtotal	142,445	79,522	-	-	221,967	-	221,967
Amount Receivable by Vesta Property Holdings Inc. from related parties							
ALI Capital Corp. (Conso)	74,565,391	63,987,884	(127,917,918)	-	10,635,358	-	10,635,358
ALI Commercial Center, Inc. (Conso)	47,302,268	-	(47,302,268)	-	-	-	-
Alveo Land Corporation (Conso)	81,049,911	-	(140,195)	-	80,909,716	-	80,909,716
Amaia Land Corporation (Conso)	62,921,995	3,313,035	(66,235,029)	-	-	-	-
Amorsedia Development Corporation (Conso)	456,049,258	33,078,910	(13,074,618)	-	476,053,549	-	476,053,549
Arvo Commercial Corporation	119,737,197	113,848,333	(154,541,644)	-	79,043,887	-	79,043,887
Avida Land Corporation (Conso)	12,441,854	3,004,509	(3,000,604)	-	12,445,760	-	12,445,760
Ayala Land Inc.	5,903,188	42,594,512	(11,584,871)	-	36,912,830	-	36,912,830
Ayala Land International Sales, Inc.(Conso)	188,476	-	-	-	188,476	-	188,476
AyalaLand Estates Inc. (Conso)	-	13,181,307	(13,181,307)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	67,314,744	33,811,847	-	-	101,126,590	-	101,126,590
Ayalaland Logistics Holdings Corp. (Conso)	13,591,744	47,918,342	(47,480,674)	-	14,029,413	-	14,029,413
AyalaLand Malls, Inc. (Conso)	-	1,248,335	-	-	1,248,335	-	1,248,335
Ayalaland Medical Facilities Leasing Inc.	2,795,983	-	-	-	2,795,983	-	2,795,983
Bay City Commercial Ventures Corp.	169,451,784	329,676,669	(463,459,847)	-	35,668,606	-	35,668,606
Cagayan De Oro Gateway Corporation	10,639	-	(7,827)	-	2,811	-	2,811
Cavite Commercial Towncenter Inc.	39,794,733	1,474,362	(35,683,674)	-	5,585,420	-	5,585,420
Crans Montana Property Holdings Corporation	123,355,929	173,216,048	(224,593,571)	-	71,978,406	-	71,978,406
Makati Development Corporation (Conso)	18,000	16,200	-	-	34,200	-	34,200
North Eastern Commercial Corp.	35,150	-	-	-	35,150	-	35,150
North Triangle Depot Commercial Corp	18,342,320	1,847,728	-	-	20,190,048	-	20,190,048
Nuevocentro, Inc. (Conso)	-	176,723,620	-	-	176,723,620	-	176,723,620
Red Creek Properties, Inc.	211,532,524	15,558,330	(14,686,440)	-	212,404,414	-	212,404,414
Soltea Commercial Corp.	3,309,060	3,068,654	(6,101,685)	-	276,029	-	276,029
Summerhill Commercial Ventures Corp.	21,690,714	-	-	-	21,690,714	-	21,690,714
Ten Knots Development Corporation(Conso)	3,018,902	207,413	(174,120)	-	3,052,195	-	3,052,195
Ten Knots Philippines, Inc.(Conso)	122,505,424	8,937,403	(31,022,265)	-	100,420,562	-	100,420,562
Subtotal	1,656,927,188	1,066,713,441	(1,260,188,557)	-	1,463,452,072	-	1,463,452,072

Names and Designation of debtor	Balance at beginning of period (in '000)	Additions (in '000)	Amounts collected (in '000)	Amounts written off (in '000)	Current (in '000)	Non-current (in '000)	Balance at end of period (in '000)
Amount Receivable by Westview Commercial Ventures Corp. from related parties							
Adauge Commercial Corp.	2,900	-	(5,800)	-	(2,900)	-	(2,900)
Amaia Land Corporation (Conso)	577,624	-	-	-	577,624	-	577,624
AREIT, Inc.	6,424,401	-	-	-	6,424,401	-	6,424,401
Avida Land Corporation (Conso)	326,282	-	-	-	326,282	-	326,282
Ayala Land Inc.	121,144	-	-	-	121,144	-	121,144
Capitol Central Commercial Ventures Corp.	154,518	-	(100,558)	-	53,960	-	53,960
North Triangle Depot Commercial Corp	5,210	-	-	-	5,210	-	5,210
Subic Bay Town Center Inc.	9,983	-	-	-	9,983	-	9,983
Subtotal	7,622,062	-	(106,358)	-	7,515,704	-	7,515,704
Amount Receivable by Whiteknight Holdings, Inc. from related parties							
ALI Commercial Center, Inc. (Conso)	32,335,052	-	(32,335,052)	-	-	-	-
Amaia Land Corporation (Conso)	-	6,701,500	(6,701,500)	-	-	-	-
Ayala Land Inc.	-	3,009,821	-	-	3,009,821	-	3,009,821
AyalaLand Hotels and Resorts Corp. (Conso)	-	14,621,026	-	-	14,621,026	-	14,621,026
Ayalaland Logistics Holdings Corp. (Conso)	-	3,089,540	-	-	3,089,540	-	3,089,540
AyalaLand Malls, Inc. (Conso)	-	1,400,487	-	-	1,400,487	-	1,400,487
Ayalaland Medical Facilities Leasing Inc.	2,928,214	-	-	-	2,928,214	-	2,928,214
Bay City Commercial Ventures Corp.	10,814,555	8,618,557	-	-	19,433,112	-	19,433,112
Soltea Commercial Corp.	3,032,961	104,495	(3,137,456)	-	-	-	-
Summerhill Commercial Ventures Corp.	556,880	-	-	-	556,880	-	556,880
Ten Knots Philippines, Inc.(Conso)	-	14,198,994	-	-	14,198,994	-	14,198,994
Subtotal	49,667,662	51,744,420	(42,174,008)	-	59,238,074	-	59,238,074
Grand Total	125,617,899,570	125,769,176,792	(118,600,327,141)	-	132,786,749,200	-	132,786,749,201

Ayala Land, Inc. and Subsidiaries

Schedule D - Long-Term Debt

As at December 31, 2023

Title of Issue and type of obligation	Amount authorized by indenture (in '000)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in '000)	Amount shown under caption "Long-Term Debt" in related balance sheet (in '000)	Interest Rate	No. of Periodic Installments	Maturity Date
Ayala Land, Inc.:						
Bonds						
Philippine Peso	12,000,000	11,964,602	-	4.397%	N/A, Bullet	July 4, 2024
Philippine Peso	3,000,000	2,993,838	-	4.758%	N/A, Bullet	September 30, 2024
Philippine Peso	10,000,000	-	9,959,900	3.626%	N/A, Bullet	May 4, 2025
Philippine Peso	6,250,000	-	6,222,200	3.862%	N/A, Bullet	September 29, 2025
Philippine Peso	7,000,000	-	6,984,429	4.750%	N/A, Bullet	October 25, 2025
Philippine Peso	8,000,000	-	7,978,689	4.850%	N/A, Bullet	March 23, 2026
Philippine Peso	8,000,000	-	7,962,227	6.369%	N/A, Bullet	May 6, 2026
Philippine Peso	1,000,000	-	976,665	4.990%	N/A, Bullet	February 6, 2027
Philippine Peso	7,000,000	-	6,986,235	5.262%	N/A, Bullet	May 2, 2027
Philippine Peso	7,000,000	-	6,942,199	6.211%	N/A, Bullet	July 4, 2027
Philippine Peso	12,000,000	-	11,931,740	5.809%	N/A, Bullet	May 5, 2028
Philippine Peso	10,075,000	-	9,961,324	6.025%	N/A, Bullet	June 26, 2028
Philippine Peso	14,000,000	-	13,870,012	6.805%	N/A, Bullet	July 4, 2029
Philippine Peso	3,000,000	-	2,981,600	4.078%	N/A, Bullet	October 26, 2031
Philippine Peso	4,925,000	-	4,866,279	6.295%	N/A, Bullet	June 26, 2033
Philippine Peso	2,000,000	-	1,988,434	6.000%	N/A, Bullet	October 10, 2033
Bank loan - US Dollar						
Bank Loan *(MBTC)*	2,641,265	3,045,350	-	4.389%	N/A, Bullet	November 6, 2024
Bank loan - Peso						
Bank Loan *(BDO)*	9,900,000	-	9,845,939	Various fixed rates	Various	Various from 2026 to 2031
Bank Loan *(BPI)*	306,000	17,000	254,431	Various fixed/floating rates	Various	Various from 2023 to 2027
Bank Loan (CBC)	17,100,000	-	16,999,493	Various fixed rates	Various	Various from 2029 to 2031
Bank Loan *(LBP)*	25,000,000	116,050	24,362,376	Various fixed rates	Various	Various from 2028 to 2033
Bank Loan *(MBTC)*	20,000,000	270,782	18,518,488	Various fixed rates	Various	Various from 2027 to 2033
Bank Loan *(PNB)*	10,000,000	160,922	9,159,717	4.000%	39	December 18, 2030

(forward)

Title of Issue and type of obligation	Amount authorized by indenture (in '000)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in '000)	Amount shown under caption "Long-Term Debt" in related balance sheet (in '000)	Interest Rate	No. of Periodic Installment	Maturity Date
Subsidiaries:						
Bank loan - Peso						
Bank Loan *(BDO)*	23,955,000	63,440	23,632,597	Various fixed rates	Various	Various from 2025 to 2032
Bank Loan *(BPI)*	3,552,182	152,225	1,801,100	Various fixed and floating rates	Various	Various from 2023 to 2028
Bank Loan *(LBP)*	6,930,000	50,714	6,795,469	Various fixed rates	Various	Various from 2030 to 2032
Bank Loan *(MBTC)*	9,725,000	-	9,653,171	Various floating rates	Various	October 26, 2032
Bank loan - MYR	Various	134,497	1,745,019	Various	Various	Various
Total		**18,969,421**	**222,379,734**			

Ayala Land, Inc. and Subsidiaries

Schedule E - Indebtedness to Related Parties (Long-term Loans from Related Companies)

As at December 31, 2023

Name of related party	Balance at beginning of period (in '000)	Balance at end of period (in '000)
Bank of the Philippine Islands	4,623,237	2,225,325

Ayala Land, Inc. and Subsidiaries

Schedule F - Guarantees of Securities of Other Issuers

As at December 31, 2023

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
Not applicable.				

Ayala Land, Inc. and Subsidiaries

Schedule G - Capital Stock

As at December 31, 2023

Title of Issue	Number of Shares Authorized	Number of shares issued and outstanding at shown under related Statement of Financial Position caption				Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
		Issued	Subscribed	Treasury stocks	Total				
Common Stock	20,000,000,000	15,595,195,060	126,330,567	(779,349,914)	14,942,175,713	-	7,624,318,976	152,682,385	-
Preferred Stock	15,000,000,000	13,066,494,760	-	(623,999,728)	12,442,495,032	-	12,163,180,640	2,157,932	-

Ayala Land, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2023

Unappropriated Retained Earnings, beginning of the year/period		**53,000,568,937**
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	(5,662,154,745)	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	(5,662,154,745)
Unappropriated Retained Earnings, as adjusted		**47,338,414,192**
Add/Less: Net Income (loss) for the current year/period		18,578,320,220
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	844,331,912	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	2,686,740	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	847,018,652
Add: Category C.2: 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	(326,348,835)	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (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 (describe nature)	-	(326,348,835)
Add: Category C.3: 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 instruments at fair value through profit or loss (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 (describe nature)	-	-
Adjusted net income/loss		**19,098,990,037**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
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 (describe nature)	-	-
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)	(3,695,647,069)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(2,234,626)	
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	6,353,946	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	(3,691,527,749)
Total Retained Earnings, end of the year/period available for dividend declaration		**62,745,876,480**

Ayala Land, Inc. and Subsidiaries

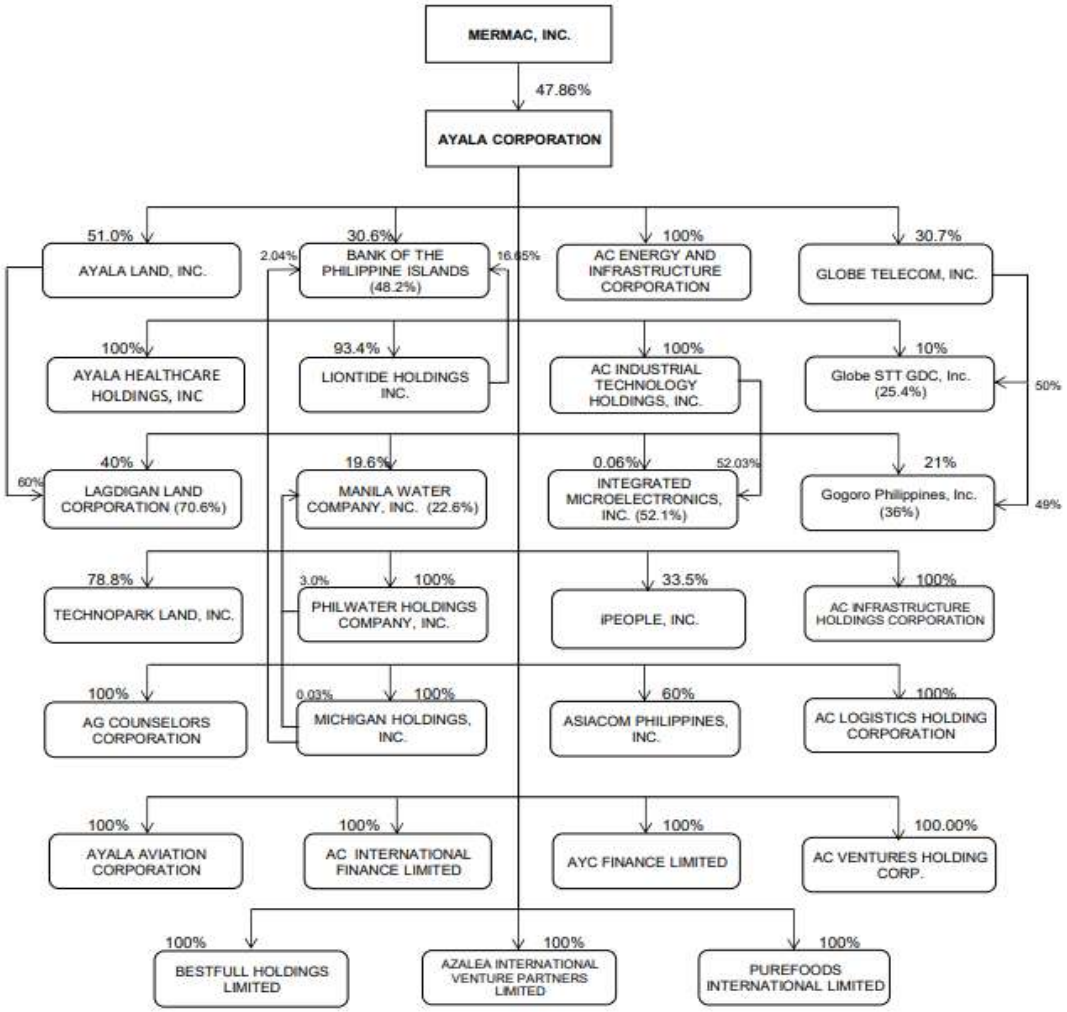
Financial Soundness Indicators

As at December 31, 2023

Ratio	Formula	2023	2022	2021
Current ratio	Current assets / Current liabilities	1.76	1.77	1.58
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.87	0.88	0.87
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.23	0.2	0.16
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.81	0.8	0.82
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.65	2.66	2.76
Interest rate coverage ratio	EBITDA / Interest expense	5.19	4.82	4.01
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity	0.08	0.07	0.05
Return on assets	Net income after tax / Average total assets	0.04	0.03	0.02
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.16	0.15	0.12

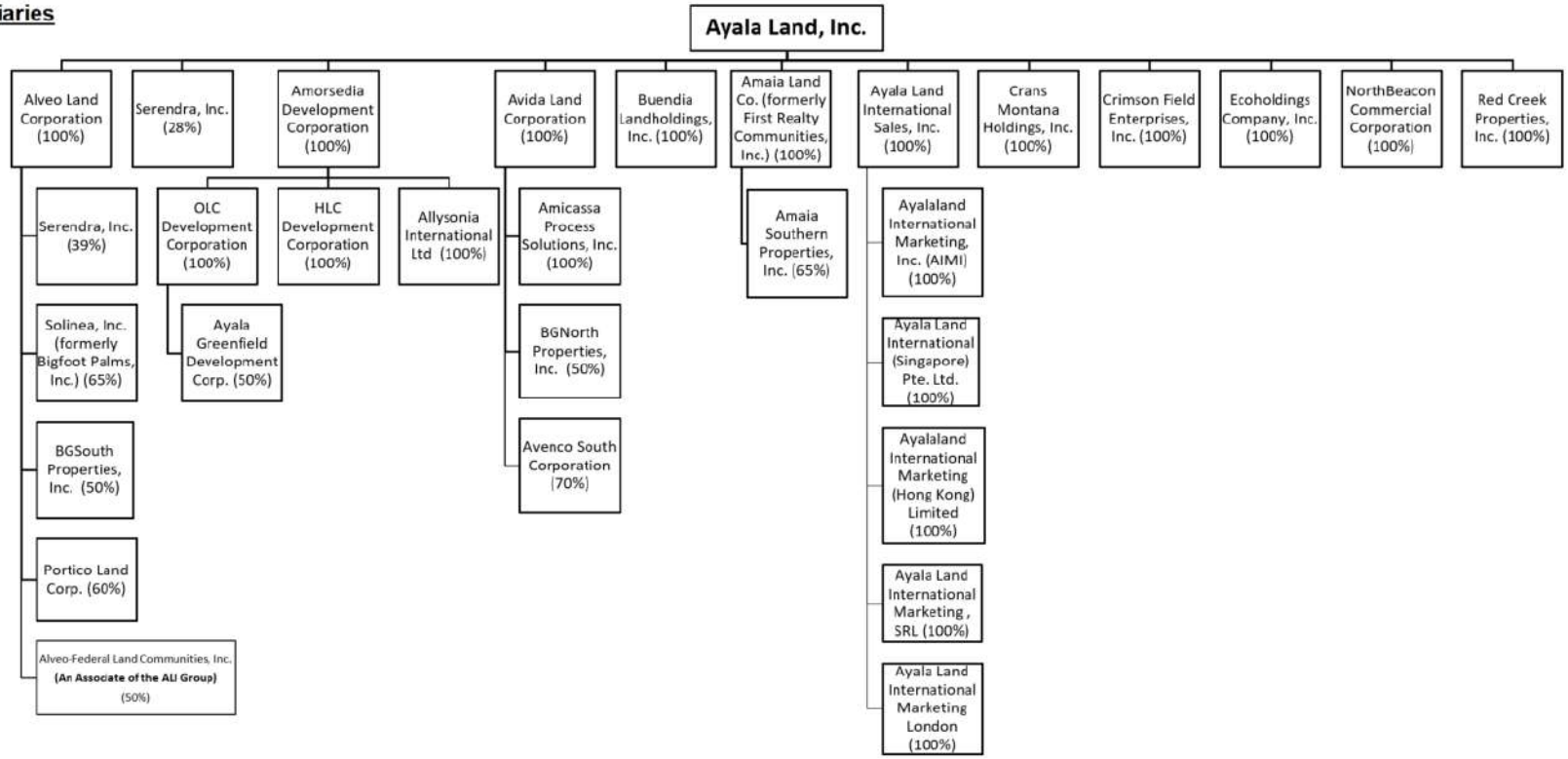
Ayala Land, Inc. and Subsidiaries

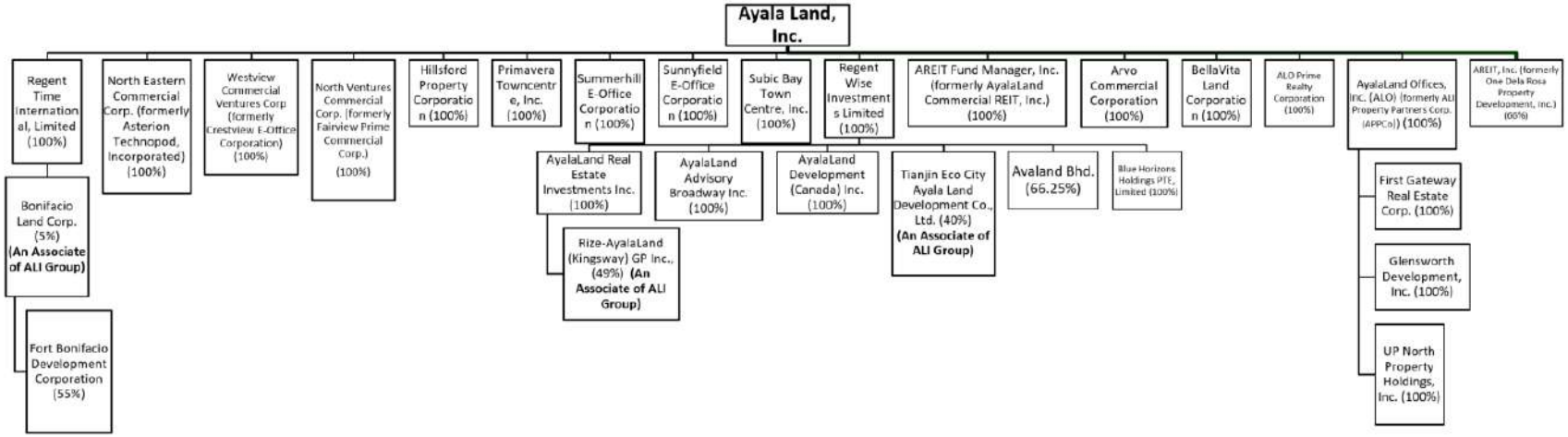
Map of the Group of Companies within which the Parent Company belongs
As at December 31, 2023

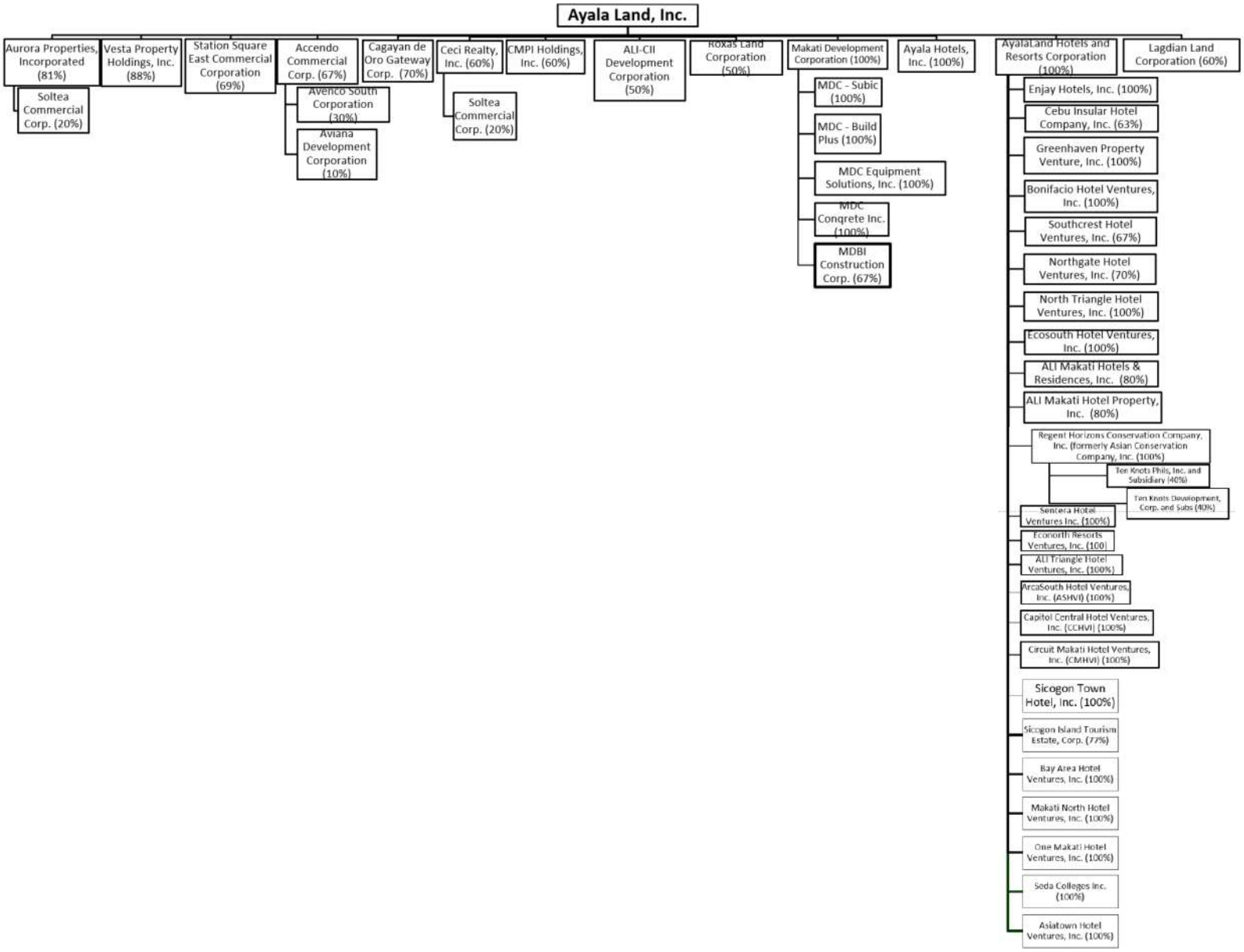


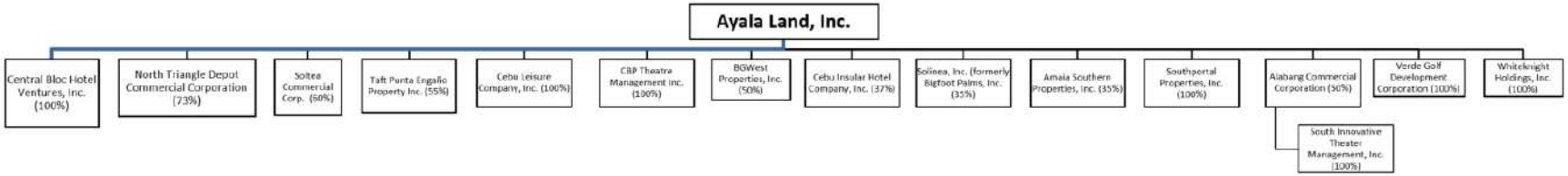
Legend:
% of ownership appearing outside the box - direct % of economic ownership
% of ownership appearing inside the box - effective % of economic ownership

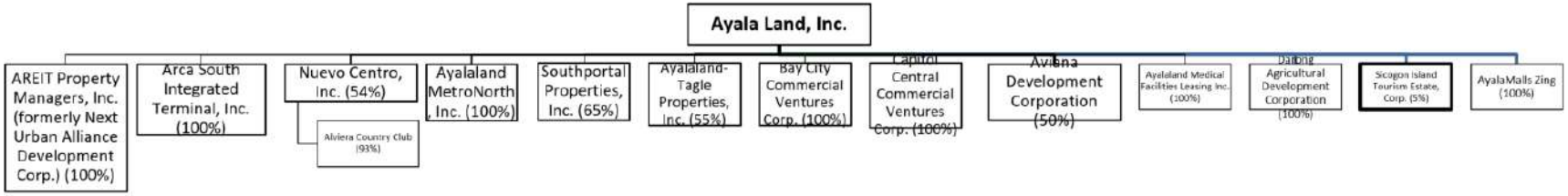
Subsidiaries

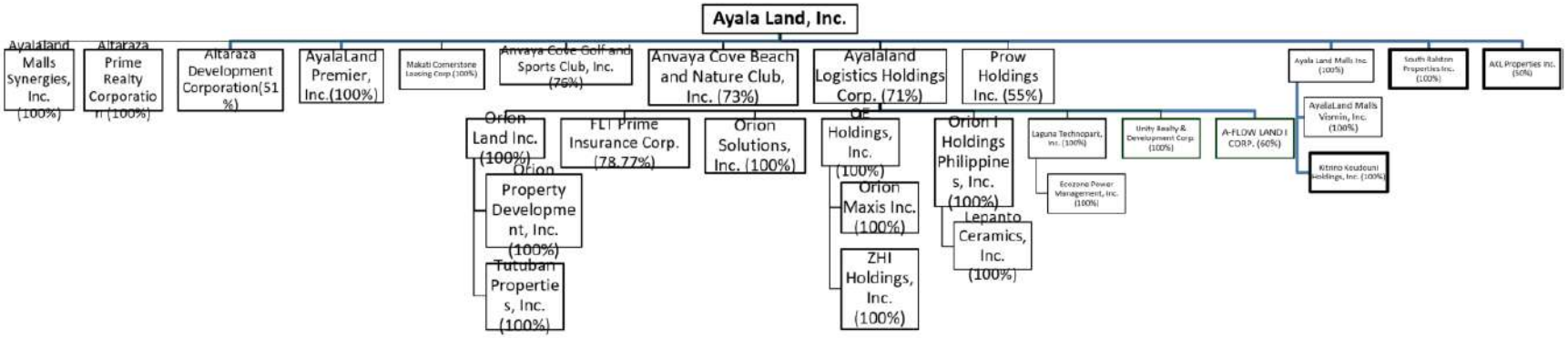


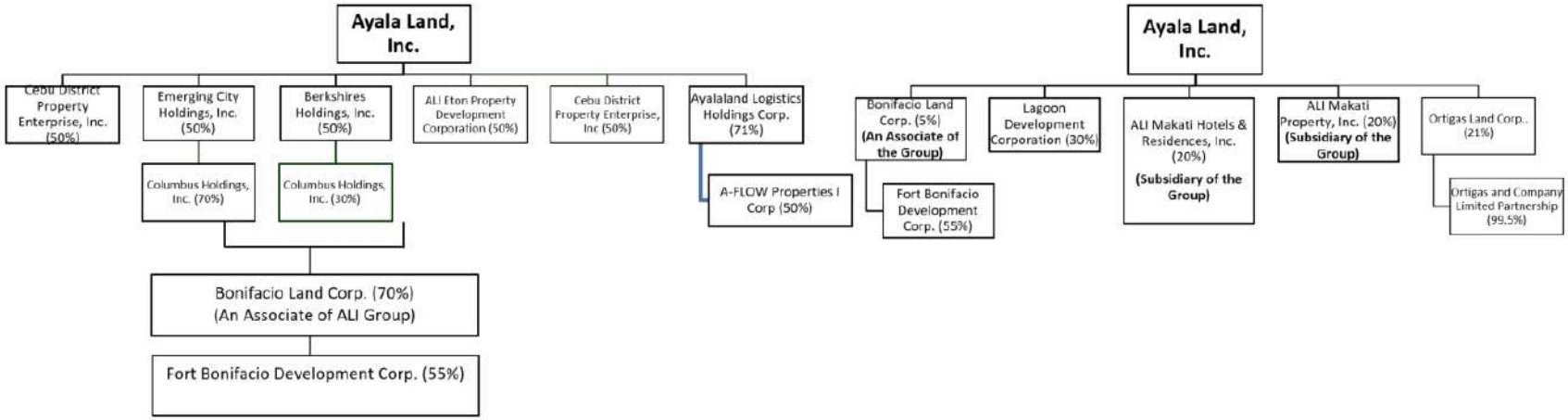

Ayala Land, Inc.
Regent Time International, Limited (100%)
Bonifacio Land Corp. (5%) (An Associate of ALI Group)
Fort Bonifacio Development Corporation (55%)
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated) (100%)
Westview Commercial Ventures Corp (formerly Crestview E-Office Corporation) (100%)
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (100%)
Hillsford Property Corporation (100%)
Primavera Towncentre, Inc. (100%)
Summerhill E-Office Corporation (100%)
AyalaLand Real Estate Investments Inc. (100%)
Rize-AyalaLand (Kingsway) GP Inc., (49%) (An Associate of ALI Group)
Sunnyfield E-Office Corporation (100%)
AyalaLand Advisory Broadway Inc. (100%)
Subic Bay Town Centre, Inc. (100%)
Regent Wise Investments Limited (100%)
AyalaLand Development (Canada) Inc. (100%)
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc.) (100%)
Tianjin Eco City Ayala Land Development Co., Ltd. (40%) (An Associate of ALI Group)
Avaland Bhd. (66.25%)
Blue Horizons Holdings PTE, Limited (100%)
Arvo Commercial Corporation (100%)
BellaVita Land Corporation (100%)
ALO Prime Realty Corporation (100%)
AyalaLand Offices, INC. (ALO) (formerly ALI Property Partners Corp. (APPCo)) (100%)
First Gateway Real Estate Corp. (100%)
Glensworth Development, Inc. (100%)
UP North Property Holdings, Inc. (100%)
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) (60%)


Ayala Land, Inc.
Aurora Properties, Incorporated (81%)
Soltea Commercial Corp. (20%)
Vesta Property Holdings, Inc. (88%)
Station Square East Commercial Corporation (69%)
Accendo Commercial Corp. (67%)
Avenco South Corporation (30%)
Aviana Development Corporation (10%)
Cagayan de Oro Gateway Corp. (70%)
Ceci Realty, Inc. (60%)
Soltea Commercial Corp. (20%)
CMPI Holdings, Inc. (60%)
ALI-CII Development Corporation (50%)
Roxas Land Corporation (50%)
Makati Development Corporation (100%)
MDC - Subic (100%)
MDC - Build Plus (100%)
MDC Equipment Solutions, Inc. (100%)
MDC Conqrete Inc. (100%)
MDBI Construction Corp. (67%)
Ayala Hotels, Inc. (100%)
AyalaLand Hotels and Resorts Corporation (100%)
Lagdian Land Corporation (60%)
Enjay Hotels, Inc. (100%)
Cebu Insular Hotel Company, Inc. (63%)
Greenhaven Property Venture, Inc. (100%)
Bonifacio Hotel Ventures, Inc. (100%)
Southcrest Hotel Ventures, Inc. (67%)
Northgate Hotel Ventures, Inc. (70%)
North Triangle Hotel Ventures, Inc. (100%)
Ecosouth Hotel Ventures, Inc. (100%)
ALI Makati Hotels & Residences, Inc. (80%)
ALI Makati Hotel Property, Inc. (80%)
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc. (100%)
Ten Knots Phils, Inc. and Subsidiary (40%)
Ten Knots Development, Corp. and Subs (40%)
Sentera Hotel Ventures Inc. (100%)
Econorth Resorts Ventures, Inc. (100)
ALI Triangle Hotel Ventures, Inc. (100%)
ArcaSouth Hotel Ventures, Inc. (ASHVI) (100%)
Capitol Central Hotel Ventures, Inc. (CCHVI) (100%)
Circuit Makati Hotel Ventures, Inc. (CMHVI) (100%)
Sicogon Town Hotel, Inc. (100%)
Sicogon Island Tourism Estate, Corp. (77%)
Bay Area Hotel Ventures, Inc. (100%)
Makati North Hotel Ventures, Inc. (100%)
One Makati Hotel Ventures, Inc. (100%)
Seda Colleges Inc. (100%)
Asiatown Hotel Ventures, Inc. (100%)


Ayala Land, Inc.
Central Bloc Hotel Ventures, Inc. (100%)
North Triangle Depot Commercial Corporation (73%)
Soltea Commercial Corp. (60%)
Taft Punta Engaño Property Inc. (55%)
Cebu Leisure Company, Inc. (100%)
CBP Theatre Management Inc. (100%)
BGWest Properties, Inc. (50%)
Cebu Insular Hotel Company, Inc. (37%)
Solinea, Inc. (formerly Bigfoot Palms, Inc. (35%)
Amaia Southern Properties, Inc. (35%)
Southportal Properties, Inc. (100%)
Alabang Commercial Corporation (36%)
South Innovative Theater Management, Inc. (100%)
Verde Golf Development Corporation (100%)
Whiteknight Holdings, Inc. (100%)


Ayala Land, Inc.
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.) (100%)
Arca South Integrated Terminal, Inc. (100%)
Nuevo Centro, Inc. (54%)
Alviera Country Club (93%)
Ayalaland MetroNorth, Inc. (100%)
Southportal Properties, Inc. (65%)
Ayalaland-Tagle Properties, Inc. (55%)
Bay City Commercial Ventures Corp. (100%)
Capitol Central Commercial Ventures Corp. (100%)
Avida Development Corporation (50%)
Ayalaland Medical Facilities Leasing Inc. (100%)
Dalton Agricultural Development Corporation (100%)
Sicogon Island Tourism Estate, Corp. (5%)
AyalaMalls Zing (100%)


Ayala Land, Inc.
AyalaLand Malls Synergies, Inc. (100%)
Altaraza Prime Realty Corporation (100%)
Altaraza Development Corporation(51%)
AyalaLand Premier, Inc.(100%)
Makati Cornerstone Leasing Corp (100%)
Anvaya Cove Golf and Sports Club, Inc. (76%)
Anvaya Cove Beach and Nature Club, Inc. (73%)
Ayalaland Logistics Holdings Corp. (71%)
Prow Holdings Inc. (55%)
Ayala Land Malls Inc (100%)
South Baloton Properties Inc. (100%)
AXL Properties Inc. (50%)
AyalaLand Malls Vismin, Inc. (100%)
Kitrino Koudouni Holdings, Inc. (100%)
Orion Land Inc. (100%)
FLT Prime Insurance Corp. (78.77%)
Orion Solutions, Inc. (100%)
OLI Holdings, Inc. (100%)
Orion I Holdings Philippines, Inc. (100%)
Laguna Technopark, Inc. (100%)
Unity Realty & Development Corp. (100%)
A-FLOW LAND I CORP. (60%)
Ecozone Power Management, Inc. (100%)
Orion Property Development, Inc. (100%)
Tutuban Properties, Inc. (100%)
Orion Maxis Inc. (100%)
ZHI Holdings, Inc. (100%)
Lepanto Ceramics, Inc. (100%)


Ayala Land, Inc.
Cebu District Property Enterprise, Inc. (50%)
Emerging City Holdings, Inc. (50%)
Berkshires Holdings, Inc. (50%)
ALI Eton Property Development Corporation (50%)
Cebu District Property Enterprise, Inc (50%)
Ayalaland Logistics Holdings Corp. (71%)
Columbus Holdings, Inc. (70%)
Columbus Holdings, Inc. (30%)
A-FLOW Properties I Corp (50%)
Bonifacio Land Corp. (70%)
(An Associate of ALI Group)
Fort Bonifacio Development Corp. (55%)
Ayala Land, Inc.
Bonifacio Land Corp. (5%)
(An Associate of the Group)
Lagoon Development Corporation (30%)
ALI Makati Hotels & Residences, Inc. (20%)
(Subsidiary of the Group)
ALI Makati Property, Inc. (20%)
(Subsidiary of the Group)
Ortigas Land Corp.. (21%)
Fort Bonifacio Development Corp. (55%)
Ortigas and Company Limited Partnership (99.5%)

Ayala Land, Inc. and Subsidiaries

Bond Proceeds

As at December 31, 2023

P15.0 Billion Fixed Rate Bonds due 2028 (Series A- P10.1 Billion) and 2033 (Series B- P4.9 Billion)

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**14,000,000**	**15,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	6,123	6,123
Documentary Stamp Tax	105,000	112,500
Underwriting Fee	52,500	56,250
Estimated Professional Expenses & Agency fees	8,420	8,156
Marketing/Printing/Photocopying Costs and OPEs	1,000	545
Listing Fee	200	200
Total Expenses	173,243	183,775
Net Proceeds	**13,826,757**	**14,816,225**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.82 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱4.42 billion and approximately ₱10.40 billion to fund general corporate requirements, including but not limited to various capital expenditures.

P33.0 Billion Fixed Rate Bonds due 2024 (Series A - P12.0 Billion), 2027 (Series B- P7.0 Billion) and 2029 (Series C - P14.0 Billion)

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**33,000,000**	**33,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	8,333	8,333
Documentary Stamp Tax	247,500	247,500
Underwriting Fee	123,750	123,750
PDEX Listing Fee	100	585
Accounting	2,000	1,800
Legal	80	633
Credit Rating	6,600	3,780
Registry and Paying Agency	300	300
Trusteeship	150	150
Out-of-pocket expenses	500	187
Total Estimated Upfront Expenses	389,313	387,018
Net Proceeds	**32,610,687**	**32,612,982**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P33.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P32.61 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱22.10 billion and approximately ₱10.52 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including the ₱1.20 billion worth of various capital expenditures.

P12.0 Billion Fixed Rate Bonds due 2028

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**12,000,000**	**12,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,030	3,030
Documentary Stamp Tax	90,000	90,000
Underwriting Fee	45,000	45,000
PDEX Listing Fee	100	223
Accounting	2,500	2,500
Legal	563	1,013
Credit Rating	2,402	2,463
Registry and Paying Agency	285	285
Trusteeship	150	150
Out-of-pocket expenses	500	93
Total Estimated Upfront Expenses	144,530	144,756
Net Proceeds	**11,855,470**	**11,855,244**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P12.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P11.86 billion were used to partially refinance short-term loans that were drawn to finance the full settlement of the Company's 6.0% per annum ₱5.65 billion fixed-rate bonds issued in 20124 ("6.0% ALI 2022 Bonds") and the balance to partially fund the settlement of the 4.5% per annum ₱7.00 billion fixed-rate bonds issued in 20155 ("4.5% ALI 2022 Bonds", together, the "ALI 04-2022 Bonds") that matured on April 27 and 29, 2022, respectively, and approximately ₱1.00 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including capital expenditures.

P3.0 Billion Fixed Rate Bonds due 2031

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**2,750,000**	**3,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,263	1,957
Documentary Stamp Tax	20,625	22,500
Underwriting Fee	10,313	11,250
Estimated Professional Expenses & Agency fees	7,300	5,733
Marketing/Printing/Photocopying Costs and OPEs	1,000	334
Listing Fee	100	100
Total Expenses	40,600	41,874
Net Proceeds	**2,709,400**	**2,958,126**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to refinance the short-term loan drawn to finance the early redemption of the Company's 7.0239% per annum ₱8.00 billion fixed-rate bonds due 2023 issued in 2018 on October 5, 2021 (the "7.0239% p.a. 2018 Bonds") and partially finance the Company's capital expenditures.

P10.0 Billion Fixed Rate Bonds due 2025

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**10,000,000**	**10,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525	2,525
Documentary Stamp Tax	75,000	75,000
Underwriting Fee	37,500	37,500
Estimated Professional Expenses & Agency fees	5,000	4,758
Marketing/Printing/Photocopying Costs and OPEs	1,000	177
Listing Fee	100	100
Total Expenses	121,125	120,060
Net Proceeds	**9,878,875**	**9,879,940**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to refinance any short-term loans that will be drawn to finance the early redemption of the Company's 5.625% per annum ₱8.0 billion fixed-rate bonds due 2025 issued in 2014, and partially finance the Company's general corporate requirements.

P6.3 Billion Fixed Rate Bonds due 2025

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**6,250,000**	**6,250,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578	1,578
Documentary Stamp Tax	46,875	46,875
Underwriting Fee	23,438	23,438
Estimated Professional Expenses & Agency fees	5,000	5,520
Marketing/Printing/Photocopying Costs and OPEs	1,000	274
Listing Fee	100	100
Total Expenses	77,991	77,785
Net Proceeds	**6,172,009**	**6,172,215**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P6.3 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.17 billion. Net proceeds were used to refinance the Company's 4.725% per annum ₱1.8 billion term loan maturity on September 29, 2020, 4.625% per annum ₱4.0 billion bond maturity on October 10, 2020 and a portion of its existing short-term loans.

P9.0 Billion Fixed Rate Bonds due 2021 and P1.0 Billion Fixed Rate Bonds due 2027

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**10,000,000**	**10,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093	3,093
Documentary Stamp Tax	75,000	75,000
Underwriting Fee	37,500	37,500
Estimated Professional Expenses & Agency fees	9,000	4,207
Marketing/Printing/Photocopying Costs and OPEs	1,000	118
Listing Fee	150	254
Total Expenses	125,743	120,172
Net Proceeds	**9,874,257**	**9,879,828**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

P3.0 Billion Fixed Rate Bonds due 2024

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**3,000,000**	**3,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	758	758
Documentary Stamp Tax	22,500	22,500
Underwriting Fee	11,250	11,025
Estimated Professional Expenses & Agency fees	9,000	3,965
Marketing/Printing/Photocopying Costs and OPEs	1,000	69
Listing Fee	150	152
Total Expenses	44,658	38,469
Net Proceeds	**2,955,343**	**2,961,531**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**8,000,000**	**8,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588	2,588
Documentary Stamp Tax	60,000	60,000
Underwriting Fee	30,000	30,000
Estimated Professional Expenses & Agency fees	9,000	6,066
Marketing/Printing/Photocopying Costs and OPEs	5,000	339
Listing Fee	150	218
Total Expenses	106,738	99,211
Net Proceeds	**7,893,262**	**7,900,789**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2027

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**7,000,000**	**7,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,768	1,768
Documentary Stamp Tax	35,000	35,000
Underwriting Fee	26,250	26,250
Estimated Professional Expenses & Agency fees	9,000	3,161
Marketing/Printing/Photocopying Costs and OPEs	5,000	990
Listing Fee	100	100
Total Expenses	77,118	67,269
Net Proceeds	**6,922,883**	**6,932,731**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.92 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2025

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**7,000,000**	**8,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,768	1,768
Documentary Stamp Tax	35,000	35,000
Underwriting Fee	26,250	26,250
Estimated Professional Expenses & Agency fees	7,500	2,302
Marketing/Printing/Photocopying Costs and OPEs	2,500	249
Listing Fee	100	100
Total Expenses	73,118	65,668
Net Proceeds	**6,926,883**	**7,934,332**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**8,000,000**	**8,000,000**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588	2,588
Documentary Stamp Tax	40,000	40,000
Underwriting Fee	30,000	30,000
Estimated Professional Expenses & Agency fees	7,500	3,651
Marketing/Printing/Photocopying Costs and OPEs	2,500	399
Listing Fee	100	100
Total Expenses	82,688	76,738
Net Proceeds	**7,917,312**	**7,923,262**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

P4.0 Billion in Fixed Rate Bonds due 2020 and P2.0 Billion Fixed Rate Bonds due 2033

(In thousands)	Estimated Per prospectus	Actual
Issue Amount	**6,000,000**	**6,000,000**
Expenses		
Documentary Stamp Tax	30,000	30,000
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500	22,500
Professional Expenses	1,458	2,518
Listing Fee	100	100
Out of Pocket Expenses (publication, printing etc.)	1,000	6
Total Expenses	**55,058**	**55,123**
Net Proceeds	**5,944,943**	**5,944,877**
Balance of Proceeds as of December 31, 2023		**NIL**

Ayala Land raised from the Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion. Net proceeds were used to partially finance various projects.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7					

COMPANY NAME

A	Y	A	L	A		L	A	N	D	,		I	N	C	.															

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

3	1	s	t		F	l	o	o	r	,		T	o	w	e	r		O	n	e		a	n	d						
E	x	c	h	a	n	g	e		P	l	a	z	a	,		A	y	a	l	a		T	r	i	a	n	g	l	e	
,		A	y	a	l	a		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y					

Form Type

A	F	S	

Department requiring the report

S	E	C	

Secondary License Type, if Applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	7 908-3677	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
13,115	04/27	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Luisa D. Chiong	[redacted]	[redacted]	

CONTACT PERSON's ADDRESS

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati 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 the 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.

Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of Ayala Land, Inc. (the "Parent Company") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 32 to the financial statements.

What we have audited

The financial statements of the Parent Company comprise:

- the statement of financial position as at December 31, 2023;
- the statement of income for the year ended December 31, 2023;
- the statement of comprehensive income for the year ended December 31, 2023;
- the statement of changes in equity for the year ended December 31, 2023;
- the statement of cash flows for the year ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Emphasis of Matter

We draw attention to Note 32 to the financial statements, which indicates that the financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Parent Company and the impact of the application on the 2023 financial statements are discussed in Note 32.2. Our opinion is not modified in respect of this matter. Our opinion remains to be unqualified on the financial statements taken as a whole.

Other Matter

The financial statements of the Parent Company as at and for the year ended December 31, 2022 were audited by another firm of auditors whose report, dated February 21, 2023, expressed an unmodified opinion on those statements.

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

Management is responsible for the preparation of the financial statements in accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 32 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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 auditor's 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 PSAs 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 PSAs, 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 Parent 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 Parent 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 auditor's 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 auditor's report. However, future events or conditions may cause the Parent 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 accordance with PFRSs, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 32 to the financial statements.

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, actions taken to eliminate threats or safeguards applied.

Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 33 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

Roderick M. Danao
Partner
[redacted]

Makati City
February 20, 2024

Ayala Land, Inc.
(The Parent Company)

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	487,063,380	559,609,838
Financial assets at fair value through profit or loss (FVTPL)	3	35,834,889	6,881,752
Accounts and notes receivable	4	76,999,244,528	84,710,232,539
Inventories	5	66,451,148,351	52,664,201,212
Other current assets	6	22,081,932,663	18,418,705,630
Total current assets		166,055,223,811	156,359,630,971
Non-current assets			
Accounts and notes receivable, net of current portion	4	15,162,061,188	14,155,756,512
Financial assets at fair value through other comprehensive income (FVOCI)	7	716,337,497	663,761,300
Investments in subsidiaries, associates and joint ventures	8	210,165,412,168	200,565,974,361
Right-of-use assets, net	27	338,995,109	355,192,732
Investment properties, net	9	85,530,894,359	91,128,434,243
Property and equipment, net	10	2,161,396,792	3,220,578,595
Deferred tax assets, net	19	2,638,624,661	2,276,665,771
Other non-current assets	11	12,438,086,461	5,038,850,745
Total non-current assets		329,151,808,235	317,405,214,259
Total assets		495,207,032,046	473,764,845,230

(forward)

Ayala Land, Inc.
(The Parent Company)

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

(continuation)

	Notes	2023	2022
Liabilities and Equity			
Current liabilities			
Short-term debt	13	7,005,000,000	688,000,000
Accounts and other payables	12	75,948,712,903	62,504,865,090
Current portion of lease liabilities	27	40,042,512	28,253,675
Current portion of long-term debt	13	18,495,800,819	14,570,101,002
Deposits and other current liabilities	14	8,908,303,492	16,167,403,676
Total current liabilities		110,397,859,726	93,958,623,443
Non-current liabilities			
Long-term debt, net of current portion	13	178,825,121,828	177,311,875,979
Pension liabilities	21	1,419,513,560	835,426,798
Lease liabilities, net of current portion	27	325,809,896	333,711,622
Deposits and other non-current liabilities	15	13,141,106,486	20,564,706,140
Total non-current liabilities		193,711,551,770	199,045,720,539
Total liabilities		304,109,411,496	293,004,343,982
Equity	16		
Paid-in capital		98,115,042,022	97,636,861,482
Treasury stock		(22,776,360,598)	(19,080,713,529)
Equity reserves		3,254,264,425	2,061,846,271
Fair value reserve of financial assets at FVOCI	7	177,443,320	124,305,105
Remeasurement loss on defined benefit plan	21	(711,908,373)	(104,772,360)
Retained earnings		113,039,139,754	100,122,974,279
Total equity		191,097,620,550	180,760,501,248
Total liabilities and equity		495,207,032,046	473,764,845,230

Ayala Land, Inc.
(The Parent Company)

Statement of Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Revenue			
Real estate sales	17	30,947,637,153	30,703,430,374
Interest income from real estate sales	4, 17	2,159,640,356	2,950,883,232
		33,107,277,509	33,654,313,606
Interest income		291,517,667	754,922,290
Dividend income	20	9,672,354,814	7,799,663,161
Other income	18	8,710,955,277	10,247,380,609
		18,674,827,758	18,801,966,060
		51,782,105,267	52,456,279,666
Cost and expenses	18		
Real estate		20,120,010,169	20,094,466,577
General and administrative expenses		2,031,096,302	1,635,473,738
Interest and other financing charges		10,667,413,049	10,718,662,760
Other charges and expenses		79,200,098	491,322,674
		32,897,719,618	32,939,925,749
Income before income tax		18,884,385,649	19,516,353,917
Income tax expense	19	306,065,429	528,743,813
Net income		18,578,320,220	18,987,610,104
Earnings Per Share			
Basic and diluted	22	1.23	1.28

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Statement of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Net income		18,578,320,220	18,987,610,104
Other comprehensive loss			
Items that will not be subsequently reclassified to profit or loss:			
Fair value reserve of financial assets at FVOCI	7	53,138,215	53,165,820
Remeasurement loss on pension liability	21	(809,514,684)	(102,189,109)
Income tax effect		202,378,671	25,547,277
		(553,997,798)	(23,476,012)
Total comprehensive income		18,024,322,422	18,964,134,092

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Subscriptions Receivables (Note 16)	Appropriated Retained Earnings (Note 16)	Unappropriated Retained Earnings (Note 16)	Equity Reserves (Note 16)	Fair Value Reserve of Financial Assets at FVOCI (Note 7)	Remeasurement Loss on Defined Benefit Plan (Note 21)	Treasury Stock (Note 16)	Total
Balances at January 1, 2022	16,687,845,437	65,494,262,907	(2,284,640,805)	25,000,000,000	60,197,372,483	2,044,561,984	71,139,285	(11,044,779)	(16,894,379,503)	150,305,117,009
Total comprehensive income										
Net income	-	-	-	-	18,987,610,105	-		-	-	18,987,610,105
Other comprehensive income (loss)	-	-	-	-	-	-	53,165,820	(93,727,581)	-	(40,561,761)
Total comprehensive income for the year	-	-	-	-	18,987,610,105	-	53,165,820	(93,727,581)	-	18,947,048,344
Cost of stock options	-	78,859,516	-	-	-	-	-	-	-	78,859,516
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(2,186,334,026)	(2,186,334,026)
Collections of subscription receivable	-	-	200,365,366	-	-	-	-	-	-	200,365,366
Stock options exercised	14,170,576	451,829,412	(391,994,927)	-	-	-	-	-	-	74,005,061
Legal merger	-	-	-	-	-	17,284,287	-	-	-	17,284,287
Property for share swap	311,580,000	17,074,584,000	-	-	-	-	-	-	-	17,386,164,000
Cash dividends declared	-	-	-	-	(4,062,008,309)	-	-	-	-	(4,062,008,309)
Balances at December 31, 2022	17,013,596,013	83,099,535,835	(2,476,270,366)	25,000,000,000	75,122,974,279	2,061,846,271	124,305,105	(104,772,360)	(19,080,713,529)	180,760,501,248
Total comprehensive income										
Net income	-	-	-	-	18,578,320,220	-	-	-	-	18,578,320,220
Other comprehensive income (loss)	-	-	-	-	-	-	53,138,215	(607,136,013)	-	(553,997,798)
Total comprehensive income for the year	-	-	-	-	18,578,320,220	-	53,138,215	(607,136,013)	-	18,024,322,422
Cost of stock options	-	149,456,256	-		-	-	-	-	-	149,456,256
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(3,695,647,069)	(3,695,647,069)
Collections of subscription receivable	-	-	(332,538,892)	-	-	-	-	-	-	(332,538,892)
Stock options exercised	14,579,091	317,959,801	311,947,301	-	-	-	-	-	-	644,486,193
Legal merger	-	-	-	-	-	1,192,418,154	-	-	-	1,192,418,154
Cash dividends declared	-	-	-	-	(5,662,154,745)	-	-	-	-	(5,662,154,745)
Appropriation	-	16,776,983	-	-	-	-	-	-	-	16,776,983
Balances at December 31, 2023	17,028,175,104	83,583,728,875	(2,496,861,957)	25,000,000,000	88,039,139,754	3,254,264,425	177,443,320	(711,908,373)	(22,776,360,598)	191,097,620,550

The notes on pages 1 to 90 are an integral part of these financial statements.

Ayala Land, Inc.
(The Parent Company)

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Income before income tax		18,884,385,649	19,516,353,917
Adjustments for:			
Interest expense and amortization of transaction cost	13, 18	10,667,413,049	10,718,662,760
Depreciation	9, 10 18	1,581,131,236	1,893,509,564
Cost of share-based payments	21	149,456,256	152,864,577
Loss on foreign exchange	18	690,644,102	259,295,078
Provision for impairment losses and write-offs	18	10,390,658	80,058,171
Unrealized (gain) loss on financial assets at FVTPL	18	(3,582,320)	3,806,089
Loss (gain) on sale of property and equipment	18	882,448	(15,808,202)
Dividend income	20	(9,672,354,814)	(7,799,663,161)
Gain on sale of investment in subsidiaries, associates and joint ventures		(985,286,988)	(1,730,020,949)
Interest income		(291,517,667)	(754,922,290)
Retirement benefit expense	21	203,430,962	222,838,283
Gain on sale of investment property	18	(7,070,706,133)	(8,022,019,173)
Operating income before working capital changes		14,164,286,438	14,524,954,664
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable	4	17,373,009,657	16,672,597,539
Inventories	5, 27	(3,495,728,833)	(3,974,497,613)
Other current assets		(3,516,289,922)	938,575,975
(Decrease) increase in:			
Deposits and other current liabilities		(7,259,100,184)	3,694,278,771
Accounts and other payables	12	13,061,520,800	(8,050,267,441)
Cash generated from operations		30,327,697,956	23,805,641,895
Dividends received		-	6,021,194,359
Interest received		291,460,177	754,171,338
Interest paid, inclusive of capitalized borrowing cost		(10,666,445,665)	(11,019,520,237)
Net cash from operating activities		19,952,712,468	19,561,487,355
Cash flows from investing activities			
Proceeds from disposal/redemption of:			
Investments in subsidiaries, associates and joint ventures	8	6,973,429,865	2,067,228,908
Investment properties	9	9,731,829,886	10,899,185,159
Property and equipment	10	61,501,689	939,860,784
Financial assets at FVTPL	24	966,106,294	2,242,338,930
Financial assets at FVOCI		562,018	10,862,017
Purchases/additions to:			
Financial assets at FVTPL	24	(991,477,111)	(2,236,166,300)
Property and equipment	10	(605,324,583)	(694,057,305)
Investment properties	9	(7,152,852,168)	(5,070,720,950)
Investments in subsidiaries, associates and joint ventures	8	(15,587,580,685)	(13,866,531,997)
Increase in other non-current assets		(7,399,235,716)	(977,680,985)
Increase in accounts and notes receivable - non-trade	4	(1,006,304,676)	(2,052,303,875)
Net cash used in investing activities		(15,009,345,187)	(8,737,985,614)

(forward)

Ayala Land, Inc.
(The Parent Company)

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

(continuation)

	Notes	2023	2022
Cash flows from financing activities			
Proceeds from short-term and long-term debts	13	75,612,000,000	114,630,000,000
Proceeds from capital stock subscriptions		328,724,284	200,365,366
Decrease in deposits and other non-current liabilities	15	(7,423,599,654)	(6,314,673,764)
Payments of contribution	21	(425,475,692)	(572,483,531)
Payments of lease liabilities	27	(66,039,194)	(50,618,720)
Acquisition of treasury shares	16	(3,695,647,069)	(2,186,334,026)
Payments of cash dividends	16	(5,454,086,760)	(4,062,008,309)
Payments of short-term and long-term debts	13	(63,891,726,563)	(112,352,773,750)
Net cash used in financing activities		(5,015,850,648)	(10,708,526,734)
Net (decrease) increase in cash and cash equivalents		(72,483,367)	114,975,007
CASH AND CASH EQUIVALENTS			
At January 1		559,609,838	442,349,909
Effect of exchange rate changes on cash and cash equivalents		(63,091)	2,284,922
At December 31	2	487,063,380	559,609,838

Non-cash investing and financing activities 29

The notes on pages 1 to 90 are an integral part of these financial statements.

1 General information

Corporate information

Ayala Land, Inc. (the "Parent Company", or "ALI") is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. The Parent Company is a subsidiary of Ayala Corporation (AC). AC is a publicly-listed company, 47.86%-owned by Mermac, Inc. and the rest by the public as of December 31, 2023. The Parent Company's registered office and principal place of business is at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company is incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Parent Company or of other persons; and to engage or act as real estate broker.

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issue by the Board of Directors (BOD) on February 20, 2024.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2023	2022
Cash on hand	1,504,610	1,559,622
Cash in banks	485,426,955	558,050,216
Cash equivalents	131,815	-
	487,063,380	559,609,838

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interest at the respective short-term investment rates.

As at December 31, 2023 and 2022, there is no restriction on the Parent Company's cash and cash equivalents balances.

3 Financial assets at fair value through profit or loss (FVTPL)

The account consists of investment in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds"). The Funds, which are structured as Unit Investment Trust Funds (UITFs), aim to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

As at December 31, 2023, the financial assets at FVTPL of the Parent Company amounted to P35.8 million (2022 - P6.8 million).

4 Accounts and notes receivable

The account as at December 31 consists of:

	Note	2023	2022
Trade receivable from:			
Residential, commercial and office development		27,404,621,770	31,258,641,754
Shopping centers		2,278,339,113	2,144,626,613
Corporate business		2,104,050,388	1,796,501,911
Others		297,439,715	500,528,788
Receivable from related parties	20	48,625,025,398	53,824,773,264
Advances to other companies		6,897,590,213	7,695,185,847
Dividends receivable		4,968,436,118	2,136,222,555
Receivable from employees		216,217,460	129,589,610
Interest receivable		13,488,661	13,431,171
		92,805,208,836	99,499,501,513
Allowance for impairment losses		(643,903,120)	(633,512,462)
		92,161,305,716	98,865,989,051
Less: Non-current portion		15,162,061,188	14,155,756,512
Current portion of accounts and notes receivable		76,999,244,528	84,710,232,539

The classes of trade receivables of the Parent Company follow:

- Residential, commercial for and office development consist of receivables from the sale of high-end and upper middle-income residential lots and units, sale of commercial lots, sale of office units; and leisure community developments;
- Shopping centers consist of lease receivables from retail spaces;
- Corporate business consists of lease receivables of office buildings; and
- Others consist of receivables from lease of land, facility management and other support services.

Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the effective interest rate method with annual interest rates ranging from 5.5% to 11.5%. Titles to real estate properties are transferred to buyers once full payment has been made.

Receivables from shopping centers and receivables from lease of land are due within 30 days upon billing.

Corporate business receivables are collectible on a monthly or quarterly basis depending on the terms of the lease contracts.

Receivables from facility management and other support services included under other trade receivables are normally due within 30 days upon billing.

Receivables from related parties, dividends receivable and interest receivable are due on demand.

Advances to other companies mainly comprise of advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The advances are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

Dividends receivable pertain to distribution from related parties payable in the subsequent year.

Receivables from employees pertain to housing, car, salary and other loans granted to the Parent Company's employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

As at December 31, 2023, the receivables amounting to P643.9 million (2022 - P633.5 million) were impaired and fully provided for.

The movement in the allowance for impairment losses follow:

		Trade		Advances	
	Note	Shopping centers	Corporate business	to other companies	Total
At January 1, 2022		209,747,330	209,982,369	133,724,592	553,454,291
Provisions during the year	18	23,775,000	-	56,283,171	80,058,171
At December 31, 2022		233,522,330	209,982,369	190,007,763	633,512,462
Provisions during the year	18	(17,053,982)	25,764,932	1,679,708	10,390,658
At December 31, 2023		216,468,348	235,747,301	191,687,471	643,903,120

As at December 31, 2023, the nominal amount of trade receivables from residential development amounting to P27,405 million (2022 - P31,126.3 million) were recorded initially at fair value. The fair values of the receivables were obtained by discounting future cash flows using the applicable rates of similar types of instruments.

Movements in the unamortized discount of the Parent Company's receivables follow:

	Note	2023	2022
At January 1		2,695,215,573	4,689,943,719
Additions during the year		929,157,429	956,155,086
Accretion for the year	17	(2,159,640,356)	(2,950,883,232)
At December 31		1,464,732,646	2,695,215,573

In 2023, the Parent Company sold receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party, amounting to P6,437.4 million (2022 - P7,887.9 million). These were sold at discount with total proceeds of P5,654.8 million (2022 - P6,229.7 million) and resulted to a loss on sale amounting to P782.6 million (2022 - P1,658.3 million) presented within interest expense and other financing charges other expenses in the statement of income (Note 18).

5 Inventories

The account as at December 31 consists of:

	2023	2022
Real estate - at cost		
Residential and commercial lots	53,572,476,977	41,296,172,714
Residential and commercial units	12,878,671,374	11,368,028,498
	66,451,148,351	52,664,201,212

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and condominium units	Total
As at January 1, 2022		26,347,766,600	9,620,449,594	35,968,216,194
Construction/development costs incurred/adjustments		7,421,648,994	8,052,257,605	15,473,906,599
Disposals (recognized as cost of real estate sales)	18	(5,624,496,436)	(5,796,848,865)	(11,421,345,301)
Transfers within inventories		507,829,836	(507,829,836)	-
Transfers from investment properties	9	878,530,188	-	878,530,188
Transfers from property and equipment	10	11,764,893,532	-	11,764,893,532
As at December 31, 2022		41,296,172,714	11,368,028,498	52,664,201,212
Construction/development costs incurred/adjustments		6,270,070,378	10,712,850,126	16,982,920,504
Disposals (recognized as cost of real estate sales)	18	(3,135,219,840)	(9,522,495,185)	(12,657,715,025)
Transfers within inventories		(320,287,935)	320,287,935	-
Transfers from investment properties	9	9,461,741,660	-	9,461,741,660
As at December 31, 2023		53,572,476,977	12,878,671,374	66,451,148,351

As at December 31, 2023 and 2022, the Parent Company has no purchase commitments, liens and encumbrances pertaining to its inventories.

6 Other current assets

The account as at December 31 consists of:

	2023	2022
Prepaid taxes and licenses	12,837,432,153	11,348,967,033
Advances to contractors and suppliers	7,058,335,399	4,062,064,781
Prepaid expenses	2,024,124,287	2,115,145,158
Input value added tax (VAT)	162,040,824	892,528,658
	22,081,932,663	18,418,705,630

Prepaid taxes and licenses consist of excess payments made against current income tax due which can be claimed against income tax for future periods, and prepayments on other taxes and licenses.

Advances to contractors and suppliers pertain to prepayments for the construction of inventories. These are recouped from billings which are expected to occur within 12 months.

Prepaid expenses mainly consist of prepayments for commissions, marketing and management fees, and rentals and insurance.

In 2023, the cost to obtain contracts, which includes prepaid commissions, amounted to P589.5 million (2022 - P764.5 million). If a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits (Note 11).

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

7 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	2023	2022
Shares of stock:		
Quoted	76,773,170	76,831,385
Unquoted	462,121,007	462,624,810
	538,894,177	539,456,195
Net unrealized gain	177,443,320	124,305,105
	716,337,497	663,761,300

Investments in quoted shares of stock include shares held in clubs wherein the Parent Company does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Parent Company will continue to hold as part of the infrastructure that it provides to its real estate projects.

Movements in the fair value reserve of financial assets at FVOCI follow:

	2023	2022
At January 1	124,305,105	71,139,285
Fair value changes during the year	53,138,215	53,165,820
At December 31	177,443,320	124,305,105

8 Investments in subsidiaries, associates and joint ventures

The account as at December 31 consists of:

	Percentages of Direct Ownership		Carrying amounts	
	2023	2022	2023	2022
Subsidiaries:				
AyalaLand Hotels and Resorts Corporation and Subsidiaries (AHRC)	100	100	16,760,432,000	16,760,432,000
Regent Wise Investment Ltd. and Subsidiary (Regent Wise)	100	100	16,654,593,355	16,654,593,355
Ayala Hotels, Inc. (AHI)	100	100	13,763,396,233	13,763,396,233
Amaia Land Corporation and Subsidiary (Amaia)	100	100	7,286,931,640	7,286,931,640
Avida Land Corporation and Subsidiaries (Avida)	100	100	6,689,977,831	6,689,977,831
Summerhill E-Office Corporation (Summerhill)	100	100	6,579,990,035	6,579,990,035
AyalaLand Offices, Inc. and Subsidiaries (ALO)	100	100	6,522,486,376	6,522,486,376
AyalaLand Estates, Inc. (formerly Southgateway Development Corp. (SDC))	100	100	5,976,310,479	4,005,642,479
Bay City Commercial Ventures Corp. (BCCVC)	100	100	4,929,421,699	4,929,421,699
North Ventures Commercial Corp. (NVCC)	100	100	3,784,145,284	3,784,145,284
AyalaLand MetroNorth, Inc. (AMNI)	100	100	3,745,726,210	3,895,726,210
Alveo Land Corporation and Subsidiaries (Alveo)	100	100	2,677,613,403	2,677,613,403
ALI Capital Corp. (ALICap) (formerly Varejo Corp.)	100	100	2,625,000,000	2,625,000,000
Capitol Central Commercial Ventures Corp. (CCCVC)	100	100	2,517,000,000	2,517,000,000
BellaVita Land Corporation (BellaVita)	100	100	2,300,000,000	2,300,000,000
Amorsedia Development Corporation and Subsidiaries (ADC)	100	100	2,274,943,627	2,274,943,627
Makati Cornerstone Leasing Corp.(MCLC)	100	100	2,213,961,000	2,213,961,000
Arvo Commercial Corporation (Arvo)	100	100	1,800,000,000	1,800,000,000
Darong Agricultural And Development Corporation (DADC)	100	100	1,722,601,620	1,722,601,620
AyalaLand Malls, Inc. (ALMI) (formerly ALI Commercial Center, Inc.)	100	100	1,697,680,000	1,692,680,000
Cavite Commercial Town Center, Inc. (CCTCI)	100	100	1,496,390,793	1,515,390,793
North Eastern Commercial Corp. (NECC)	100	100	1,300,000,000	1,300,000,000
Northbeacon Commercial Corporation (NBCC)	100	100	1,238,100,000	1,238,100,000
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100	854,500,000	854,500,000
Makati Development Corporation and Subsidiaries (MDC)	100	100	750,958,813	750,958,813
ALO Prime Realty Corporation	100	100	733,676,554	733,676,554
Westview Commercial Ventures Corp. (Westview)	100	100	731,075,299	731,075,299
Ecoholdings Company, Inc. (ECI)	100	100	718,368,400	718,368,400
Crans Montana Holdings, Inc.	100	100	505,329,030	505,329,030
Integrated Eco-resort, Inc. (IERI)	100	100	492,922,224	492,922,224
Subic Bay Town Centre, Inc. (SBTCI)	100	100	478,500,000	478,500,000
Red Creek Properties, Inc. (RCPI)	100	100	431,511,128	431,511,128
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100	300,000,000	300,000,000
Southportal Properties, Inc. (Southportal)	100	100	290,000,000	290,000,000
Primavera Towncentre, Inc. (PTI)	100	100	248,420,000	248,420,000
Cebu Insular Hotel Company, Inc. (CIHCI)	100	37	239,302,475	239,302,475
AMSI, Inc. (formerly Ayalaland Malls Synergies, Inc.) (AMSI)	100	100	235,000,000	235,000,000
Crimson Field Enterprises, Inc.	100	100	219,714,272	219,714,272
Sunnyfield E-Office Corporation (Sunnyfield)	100	100	173,000,000	173,000,000
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100	167,923,610	167,923,610
Arca South Integrated Terminal, Inc.	100	100	151,000,000	151,000,000
Hillsford Property Corporation (Hillsford)	100	100	150,000,000	150,000,000
Ayala Land International Sales, Inc. (ALISI)	100	100	138,700,000	138,700,000
ALInet.com, Inc. (ALInet)	100	100	130,482,764	130,482,764
Ayalaland Medical Facilities Leasing, Inc. (AMFLI)	100	100	128,000,000	128,000,000
Cebu Leisure Company, Inc. (CLCI)	100	100	46,000,000	46,000,000
Aprisa Business Process Solutions (Aprisa)	100	100	40,000,000	40,000,000
DirectPower Services, Inc. (DirectPower)	100	100	40,000,000	40,000,000
Ayala Malls Zing, Inc.	100	100	21,875,000	21,875,000
Ayala Land Sales, Inc. (ALSI)	100	100	10,000,000	10,000,000
Ayala Land Premier, Inc. (ALPI)	100	100	5,000,000	5,000,000
Altaraza Prime Realty Corporation (Altaraza)	100	100	4,000,000	4,000,000
Verde Golf Development Corp (Verde Golf)	100	100	3,125,000	3,125,000
Buendia Landholdings, Inc. (BLI)	100	100	2,833,562	2,833,562
Ayala Land Club Management, Inc.	100	100	2,500,000	2,500,000
Ayala Property Management Corporation (APMC)	100	100	1,912,026	1,912,026
Whiteknight Holdings, Inc. (WHI)	100	100	1,000,000	1,000,000
Ayala Theatres Management, Inc. (ATMI)	100	100	864,559	864,559
Next Urban Alliance Development Corp.	100	100	365,500	365,500
Five Star Cinema, Inc. (FSCI)	100	100	250,000	250,000

(forward)

	Percentages of Direct Ownership		Carrying amounts	
	2023	2022	2023	2022
Cebu Business Park Theater Management Inc. (CBPTMI)	100	100	62,500	62,500
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100	52	52
Vesta Property Holdings, Inc. (VPHI)	88	84	2,294,273,333	1,905,635,902
Aurora Properties Incorporated	81	81	1,199,997,664	1,199,997,664
Anvaya Cove Golf & Sports Club, Inc. (Anvaya Cove Golf)	76	76	532,713,951	562,210,799
North Triangle Depot Commercial Corporation (NTDCC)	73	73	2,640,805,402	2,640,805,402
Anvaya Cove Beach & Nature Club Inc. (Anvaya Cove Beach)	73	73	498,810,548	503,493,566
AyalaLand Logistics Holdings Corp. and Subsidiaries (ALLHC) (formerly Prime Orion Philippines, Inc.)	71	71	10,582,725,757	10,582,725,757
Cagayan de Oro Gateway Corp. (CDOGC)	70	70	867,680,000	867,680,000
Station Square East Commercial Corporation (SSECC)	69	69	461,825,050	461,825,050
Accendo Commercial Corp. (Accendo)	67	67	874,697,062	874,697,062
AREIT, Inc. (AREIT) (formerly One Dela Rosa Property Development, Inc.(ODR)) (Note 20)	66	55	30,586,290,223	26,376,871,681
Soltea Commercial Corp. (Soltea)	60	60	796,416,740	796,416,740
Ceci Realty, Inc. (Ceci)	60	60	699,785,665	699,785,665
Adauge Commercial Corporation (Adauge)	60	60	600,000,000	600,000,000
Ten Knots Development, Corporation and Subsidiaries (TKDC)	60	60	495,000,000	495,000,000
Lagdigan Land Corp. (Lagdigan)	60	60	99,000,000	99,000,000
Ten Knots Phils., Inc.(TKPI)	60	60	93,131,600	93,131,600
CMPI Holdings, Inc. (CMPI)	60	60	28,800,000	28,800,000
Ayalaland- Tagle Properties, Inc.	55	55	1,568,325,000	303,325,000
Nuevo Centro, Inc. (Nuevo Centro)	55	55	819,223,620	819,223,620
Prow Holdings, Inc. (Prow)	55	55	670,273,870	670,273,870
Taft Punta Engaño Property Inc. (TPEPI)	55	55	550,000,000	550,000,000
Amaia Southern Properties, Inc. (ASPI)	55	35	93,100,000	93,100,000
Altaraza Development Corporation	51	51	188,062,500	153,000,000
AKL Properties, Inc. (AKL)	50	-	3,083,523,294	-
BGWest Properties (BGW)	50	50	1,340,000,000	1,340,000,000
Aviana Development Corporation	50	50	966,000,000	966,000,000
Berkshires Holdings, Inc. (BHI)	50	50	666,430,520	666,430,520
Alabang Commercial Corporation (ACC)	50	50	258,431,769	258,431,769
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50	191,300,000	191,300,000
Roxas Land Corp (RLC)	50	50	137,272,960	327,022,960
ALI-CII Development Corporation (ALI-CII)	50	50	102,765,300	102,765,300
Solinea, Inc.	37	35	124,250,000	124,250,000
Central Bloc Hotel Ventures, Inc.	35	100	47,500,000	47,500,000
Serendra, Inc.	28	28	266,027,100	266,027,100
ALI Makati Hotel Property, Inc.	20	20	584,702,865	584,702,865
ALI Makati Hotel & Residences, Inc. (AMHRI)	20	20	22,097,135	22,097,135
AyalaLand Malls, Inc. (ALMI) (formerly Solerte, Inc.)	-	100	-	5,000,000
Joint Ventures:				
ALI-ETON Property Development Corporation	50	50	9,306,500,000	7,386,500,000
Cebu District Property Enterprise, Inc. (CDPEI)	50	50	1,810,000,000	1,810,000,000
Emerging City Holdings, Inc. (ECHI)	50	50	1,555,004,550	1,555,004,550
AKL Properties, Inc. (AKL)	-	50	-	3,083,523,294
Associates:				
Lagoon Development Corporation (LDC)	30	30	37,050,000	37,050,000
OCLP Holdings, Inc. (OHI)	21	21	7,190,241,827	7,190,241,827
Bonifacio Land Corp. (BLC)	5	5	346,881,016	346,881,016
Sicogon Island Tourism Estate Corp.	5	-	203,581,200	-
			210,485,371,874	200,885,934,067
Allowance for probable losses			(319,959,706)	(319,959,706)
			210,165,412,168	200,565,974,361

The above companies are domestic except for Regent Time which is domiciled and incorporated in British Virgin Islands and First Longfield and Regent Wise which are domiciled and incorporated in Hong Kong.

As at December 31, 2023 and 2022, the Parent Company had no commitments to its interests in joint ventures.

As at December 31, 2023 and 2022, the Parent Company recognized an allowance for probable losses on its investment in ALI Capital amounting to P320.0 million.

The relevant transactions during the year that mainly attributes to the movement in investments in subsidiaries, associates and joint ventures account are as follow:

Investment in AyalaLand Estates, Inc. (formerly Southgateway Development Corp. (SDC))

In 2023, the Parent Company made an additional capital infusion P1,970.67 million to AyalaLand Estates, Inc. There has been no change in percentage of direct ownership as the additional shares came from the increased in capital stock.

As at December 31, 2023, the Parent Company's investment in VPHI amounted to P5,976.3 million (2022 - P4,005.6 million).

Investment in AyalaLand Metro North, Inc.

AMNI was incorporated in November 29, 2012 and is a wholly owned subsidiary of the Parent Company. It is established primarily to develop and operate shopping malls and offices.

In 2019, the Parent Company made additional infusion amounting to P2,019.7 million and redeemed P130 million of its preference shares. Furthermore, in 2023, there is also a redemption of preference shares amounting to P150.0 million.

As at December 31, 2023, the investment in Ayalaland Metro North, Inc. amounted to P3,745.7 million and (2022 - P3,895.7 million).

Investment in AyalaLand Malls, Inc. (formerly ALI Commercial Center, Inc.)

ALI Commercial Center, Inc (ACCI) was organized and registered on October 13, 2014 and has started its leasing operations on January 1, 2015. It is a wholly-owned subsidiary of the Parent Company.

In 2019, the Parent Company made additional infusion amounting to P1,567.7 million.

On December 29, 2021, SEC has approved the merger of Ayalaland Malls, Inc. (ALMI) and Ayalaland Malls NorthEast Inc. (AMNE) with and into ALI Commercial Center, Inc. (ACCI), with ACCI as the surviving entity (the "Merger"). ACCI subsequently changed its corporate name to AyalaLand Malls Inc. effective January 30, 2023.

With ACCI's investment of P1,692.6 million and ALMI's at P5.0 million prior merger, the Company's total investment as at December 31, 2023 is at P1,697.6 million.

Investment in Cavite Commercial Towncenter Inc.

In 2020, The Parent Company infused additional amounting to 391.2 million shares which increased the Parent Company's investment to P1,515.4 million.

In 2023, the Parent Company redeemed P19.0 million of its investment in Cavite Commercial Towncenter Inc.

As at December 31, 2023, the investment amounted to P1,496.4 million (2022 - P1,515.4 million).

Investment in Vesta Property Holdings, Inc.

The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of VPHI for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition is accounted as common control. As a holder of preferred share, the parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

In July 2023, the Parent Company acquired Terelay shares with the total of 175,778 common shares and 139,331 preference shares amounting to P388.63 million, making the ownership interest increased from 84% in 2022 to 88% in 2023.

As at December 31, 2023, the Parent Company's investment in VPHI amounted to P2,294.2 million (2022 - P1,905.6 million).

Investment in Anvaya Cove Golf and Sports Club Inc.

In 2023, the Parent Company sold its investment in Anvaya Cove Golf amounting to P29.5 million (2022 - P26.8 million). Gain on sale of the shares was recognized amounting to P137.18 million (2022 - P100.29 million).

As at December 31, 2023, the Parent Company's investment in Anvaya Cove Golf amounted to P532.7 million (2022 - P562.2 million).

Investment in Anvaya Cove Beach & Nature Club, Inc.

In 2023, the Parent Company sold its investment in Anvaya Cove Beach amounting to 4.7 million (2022 - P3.0 million). Gain on sale of the shares was recognized amounting to P28.81 million (2022 - P44.9 million).

As at December 31, 2023, the Parent Company's investment in Anvaya Cove Beach amounted to P498.8 million (2022 - P503.4 million).

Investment in AREIT, Inc.

AREIT, Inc., (formerly, One Dela Rosa Property Development, Inc.) (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 4, 2006. On September 26, 2018, the Company amended its Articles of Incorporation to engage in the business of a real estate investment trust (REIT), as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), and its implementing rules and regulations (the "REIT Act"). In October 2018, AREIT increased its authorized capital stock by 881,500,000 shares which were subsequently acquired by ALI for P8,815.0 million, resulting to a 90% ownership in AREIT.

On March 9, 2022, the Executive Committee of ALI approved the subscription to 252,136,383 AREIT primary common shares, in exchange for six office buildings located in Cebu with an aggregate value of P11,257.89 million, under a property-for-share swap as validated by a third-party fairness opinion. The transaction was approved by AREIT shareholders at their annual meeting held on April 21, 2022.

On April 27, 2022, Ayala Land, Inc. sold 87,370,000 shares of AREIT at a transaction price of P39.70 per share, equivalent to P3.47 billion (exclusive of fees and taxes). ALI's net equity reserve from the sale of AREIT shares aggregated to P2.53 billion out of the P3.40 net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT.

On May 19, 2022, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT (Shares) to ALI, at an issue price of P44.65 per share in exchange for identified properties valued at P11,257.89 million. This was approved by the SEC on December 29, 2022.

On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT. The gain on this property for share-swap amounted to P8.02 billion in 2022 (Note 18).

On March 29, 2023, ALI sold 205,000,000 shares of AREIT at a transaction price of P32.10 per share, equivalent to P6.58 billion with an impact to equity reserves amounting to P4.41 billion, in relation to its P22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holdings in AREIT was reduced from 66.0% to 54.4%.

On September 20, 2023, Ayala Land and AREIT received the Securities and Exchange Commission's (SEC) approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of P22.5 billion in exchange for 607,559,380 primary common shares of AREIT, pursuant to the Deed of Exchange executed last June 2, 2023. Consequently, ALI's holdings in AREIT increased to 66.0% (Note 9).

As at December 31, 2023, the investment in AREIT amounted to P30,586.2 million (2022 - P26,376.87 million).

Investment Ayalaland-Tagle Properties, Inc.

Ayalaland-Tagle Properties, Inc. was incorporated with the SEC on August 27, 2021. The company is 55% owned by Ayala Land, Inc. 35% owned by Griffinstone, Inc. and 10% owned by CTM Management Corp. The primary purpose of the Company is to deal and engage in land or real estate business in all its branches and ramifications.

In 2022, the Parent Company made additional infusion amounting to P275.0 million, which increased the Parent Company's total investment from P28.3 million to P303.325 million as at December 31, 2022.

In 2023, the Parent Company made additional infusion amounting to P1,265.0 million, which increased the Parent Company's total investment from P303.325 million to 1,568.3 million as at December 31, 2023.

Investment in Altaraza Development Corporation

Altaraza Development Corporation was incorporated on May 27, 2020 and is 51% owned by ALI and 49% owned by Gregorio Araneta, Inc. and Araza Resources, Inc. ("Araneta Group"). The company was organized primarily to acquire and develop or hold land for investments in Altaraza Estate in Bulacan.

The Parent Company paid an amount of P13.5 million in relation to 382,496 subscribed common shares and 3.4 million subscribed preferred shares.

In 2022, the Parent Company made additional cash infusion amounting to P139.485 million equivalent to 1.3 million common shares and 12.6 million preferred shares which lead to increase of investment amounting to P153.0 million as at December 31, 2022.

In November 2023, the Parent Company made an equity infusion amounting to P35.1 million which led to increase of investment amount to P188.1 million as at December 31, 2023 (2022 - P153.0 million).

Investment in AKL Properties Inc.

The Parent Company invested P1,959.7 million in AKL, which is a 50:50 venture between Ayala Land, Inc. and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

In 2023, the Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Parent Company. The Parent Company reclassified the amount from investment in joint ventures to investment in subsidiaries.

As at December 31, 2023 and 2022, the Parent Company's investment in AKL amounted to P3,083.5 million.

Investment in Roxas Land Corp.

In 2023, the Parent Company redeemed its preference shares amounting to ₱189.75 million. As at December 31, 2023, the investment in RLC amounted to P137.2 million (2022 - P327.5 million).

Investment in ALI-ETON Property Development Corporation

ALI-ETON Property Development Corporation (ALI-ETON) was incorporated on March 13, 2016. ALI-ETON is a joint venture between Ayala Land, Inc. and LT Parent Company, Inc. The ALI and LT Parent Company, Inc. entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

In 2022 and 2023, the Parent Company and LT Group, Inc. made additional equity infusions to fund the development requirements of Parklinks amounting to P2,099.0 million, and P1,920 million, respectively.

As at December 31, 2023, the investment in ALI - ETON Property Development Corporation amounted to P9,306.5 million (2022 - P7,386.5 million).

Investment in Sicogon Island Tourism Estate

On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control.

The Parent Company considers a joint venture and an associate as material interest if its net assets exceed 5% of the total net assets of the Parent Company as at reporting period and considers the relevance of the nature of activities of the joint venture and associate compared to other operations of the Parent Company.

The financial information, as presented in thousands, of the Parent Company's significant joint venture with material interest follows:

ALI Eton

	2023	2022
Current assets	22,043,118	20,526,458
Non-current assets	4,289,259	4,377,413
Current liabilities	(6,426,059)	(8,420,911)
Non-current liabilities	(371,951)	(922,411)
Equity	19,534,367	15,560,549
Proportion of Parent Company's ownership	50.0%	50.0%
Parent Company's share in identifiable net assets	9,767,184	7,780,275
Carrying amount of the investment	9,306,500	7,386,500

As at December 31, 2023, net assets attributable to the equity holders of ALI Eton amounted to P19,534.4 million (2022 - P15,560.5 million).

	2023	2022
Revenue	3,617,321	1,974,714
Cost and expenses	(3,077,696)	(1,721,039)
Net income (continuing operations)	539,625	253,675
Parent Company's share in net income for the year	269,813	126,837
Total comprehensive income attributable to equity holders of the Parent Company	539,625	253,675
Parent Company's share in total comprehensive income for the year	269,813	126,837

As at December 31, 2023 and 2022, there are no significant associates considered to be with material interest.

9 Investment properties, net

The movement of the account follows:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2022		48,331,811,986	30,909,657,240	40,555,186,857	119,796,656,083
Additions		3,194,346,395	3,115,541,083	1,887,073,628	8,196,961,106
Transfers to inventories	5	(11,762,263,825)	(2,629,707)	-	(11,764,893,532)
Transfers from (to) property and equipment	10	3,054,464	(1,950,983)	-	1,103,481
Disposals		(259,152,669)	(5,965,246,386)	-	(6,224,399,055)
At December 31, 2022		39,507,796,351	28,055,371,247	42,442,260,485	110,005,428,083
Additions		2,790,637,210	1,261,301,760	3,463,854,706	7,515,793,676
Transfers to inventories	5	(9,461,741,660)	-	-	(9,461,741,660)
Transfers from property and equipment	10	-	1,211,140,209	230,400,568	1,441,540,777
Transfers within investment properties		(3,230,702,167)	10,308,316,748	(7,077,614,581)	-
Disposals		(1,054,553,043)	(3,746,914,803)	(2,183,935)	(4,803,651,781)
At December 31, 2023		28,551,436,691	37,089,215,161	39,056,717,243	104,697,369,095
Accumulated depreciation					
At January 1, 2022		-	19,460,441,037	-	19,460,441,037
Depreciation	18	-	1,645,387,074	-	1,645,387,074
Disposals		-	(2,607,867,912)	-	(2,607,867,912)
At December 31, 2022		-	18,497,960,199	-	18,497,960,199
Depreciation	18	-	1,337,909,511	-	1,337,909,511
Disposals		-	(1,048,428,615)	-	(1,048,428,615)
At December 31, 2023		-	18,787,441,095	-	18,787,441,095
Accumulated impairment losses					
At December 31, 2022		153,825,482	225,208,159	-	379,033,641
At December 31, 2023		153,825,482	225,208,159	-	379,033,641
Net book value					
December 31, 2022		39,353,970,869	9,332,202,889	42,442,260,485	91,128,434,243
December 31, 2023		28,397,611,209	18,076,565,907	39,056,717,243	85,530,894,359

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction-in-progress (CIP) pertain to buildings under construction to be leased as retail and office spaces upon completion. Ongoing projects are expected to be completed in 2022 to 2025.

On January 31, 2020, the Parent Company entered into a finance lease transaction with AREIT for the Mckinley Property, which includes land of approximately 4,513 square meters and a five story building with gross floor area of 14,598.4 square meters, with net book value of P417.0 million and fair value of P853.2 million resulting to a gain of P436.1 million. The lease commenced on February 1, 2020 and will terminate on December 31, 2054.

In 2023, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction (Note 8). Gain on property-for-share swap amounted to P7,042.1 million in 2023 (2022 - P8,022.0 million) which is included within Other income in the statement of income (Note 18).

The Parent Company capitalized borrowing costs for its investment properties under construction. Interest capitalized amounted to P558.0 million with a capitalization rate of 3.44%. In 2023, interest capitalized amounted to P683.1 million with a capitalization rate of 4.50% (2022 - P739.4 million with a capitalization rate of 4.44%)

The aggregate fair value of the Parent Company's investment properties amounted to P383,781.1 million and as at December 31, 2023 (2022 - P227,029.7 million). The fair value hierarchy of the Parent Company's investment properties is disclosed in Note 24.

In 2023, rental income from investment properties amounted to P6,231.94 million (2022 - P5,638.7 million) (Note 17).

In 2023, the direct operating expenses arising from the investment properties amounted to P3,203.3 million (2022 - P2,805.0 million). The depreciation expense pertaining to investment properties amounted to P1,337.9 million (2022 - P1,592.0 million) (Note 18).

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than those already reflected or disclosed in the financial statements.

Certain short-term and long-term debt are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the investment property amounted to P3,154.5 million and as at December 31, 2023 (2022 - P2,974.3 million) (Note 13).

Capital commitments are disclosed in Note 16 and Note 28.

10 Property and equipment, net

Property and equipment as at December 31 consist of:

	Notes	Land, Buildings and Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Total
Cost					
At January 1, 2022		4,806,499,724	2,040,074,327	601,404,131	7,447,978,182
Additions		535,221,808	88,806,376	70,029,121	694,057,305
Disposals		(921,625,993)	(44,634)	(69,583,374)	(991,254,001)
Transfers to inventories	5	(878,530,188)	-	-	(878,530,188)
Transfers to investment properties	9	(1,103,481)	-	-	(1,103,481)
At December 31, 2022		3,540,461,870	2,128,836,069	601,849,878	6,271,147,817
Additions		477,183,647	69,604,666	58,536,270	605,324,583
Disposals		(59,749,760)	(4,622,925)	(874,107)	(65,246,792)
Transfers within property and equipment		280,343,594	(258,313,702)	(22,029,892)	-
Transfers to investment properties	9	(1,441,540,777)	-	-	(1,441,540,777)
At December 31, 2023		2,796,698,574	1,935,504,108	637,482,149	5,369,684,831
Accumulated depreciation and amortization					
At January 1, 2022		745,960,911	1,686,968,554	479,486,411	2,912,415,876
Depreciation	18	60,520,293	88,003,321	56,831,151	205,354,765
Disposals		-	(44,634)	(67,156,785)	(67,201,419)
At December 31, 2022		806,481,204	1,774,927,241	469,160,777	3,050,569,222
Depreciation	18	46,727,242	84,167,203	58,324,346	189,218,791
Disposals		(13,391,229)	(17,234,638)	(874,107)	(31,499,974)
Transfer within property and equipment		214,191,515	(203,329,506)	(10,862,009)	-
At December 31, 2023		1,054,008,732	1,638,530,300	515,749,007	3,208,288,039
Net book value					
December 31, 2022		2,733,980,666	353,908,828	132,689,101	3,220,578,595
December 31, 2023		1,742,689,842	296,973,808	121,733,142	2,161,396,792

Loss on disposal of property and equipment amounting to P.88 million in 2023 (2022 - P15.81 million) are included under “Other income” in the parent company statement of income (Note 18).

In 2023, the gain on property-for-share swap amounted to P28.6 million (2022 - nil) which is included under “Other income” in the Parent Company’s statement of income (Note 18).

Depreciation of property and equipment included in the general and administrative expenses amounted to P189.2 million in 2023 (2022 - P205.4 million) (Note 18). No interest on borrowings capitalized in 2023 and 2022.

The Parent Company has no restrictions on its property and equipment and none of these have been pledged as security for its obligations.

11 Other non-current assets

The account consists of:

	2023	2022
Project costs	4,142,665,439	608,872,493
Deposit on land purchases	1,346,399,671	1,346,399,671
Advances to contractors and supplies	974,929,733	726,290,237
Deferred charges	427,201,074	709,350,401
Recoverable deposits	249,735,488	247,175,600
Others	5,297,155,056	1,400,762,343
	12,438,086,461	5,038,850,745

Project costs represents incurred expenses for unlaunched projects.

Deposit on land purchases refer to prepayments for acquisition of land.

Advances to contractors and supplies represents prepayments for the construction of investment property and property and equipment.

Deferred charges and project costs consist of project costs incurred for unlaunched projects of the Parent Company, advance rental payments, and noncurrent prepaid management fees. As at December 31, 2023, non-current portion of cost to obtain contracts, which includes prepaid commissions, amounted to P194.4 million (2022 - P522.3 million).

Recoverable deposits pertain to various utility deposits and security deposits for leases.

Other assets mainly comprise of investment in bonds measured at FVTPL, prepayments for expenses that are amortized for more than one year and unamortized VAT portion from purchases of capital goods.

12 Accounts and other payables

The account as at December 31 consists of:

	Note	2023	2022
Accounts payable		33,981,554,425	22,875,085,120
Payable to related parties	20	17,738,277,450	15,997,914,470
Accrued expenses			
Salaries and employee benefits		5,865,829,035	5,419,316,204
Professional and management fees		1,149,843,893	992,809,045
Advertising and promotions		956,403,956	956,403,956
Project costs		945,884,365	945,884,365
Utilities		575,628,163	418,654,024
Commissions		504,702,389	684,711,806
Representation		387,393,907	382,984,929
Repairs and maintenance		387,055,791	326,244,443
Rentals		34,930,347	33,023,750
Others		478,719,372	392,440,983
Taxes payable		7,578,043,129	8,131,113,129
Liability for purchased land - current portion		2,543,665,432	2,504,101,871
Interest payable		1,679,207,913	1,678,240,529
Retentions payable		1,141,573,336	765,936,466
		75,948,712,903	62,504,865,090

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30-60 days.

Accrued project costs are billings not yet received from suppliers for direct materials, and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead, and provision for repairs and maintenance. Other accrued expenses consist mainly of transportation and travel, janitorial and security, postal and communication, insurance and supplies.

Taxes payable pertain to statutory liabilities for expanded withholding tax, withholding tax on compensation, final tax and fringe benefit tax.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertains to the amount withheld by the Parent Company on contractor's billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Other payables are noninterest-bearing and are normally settled within one year.

13 Short-term and long-term debts

As at December 31, 2023, the short-term debt of P7,005.0 million (2022 - P688.0 million) represents peso-denominated bank loans. Peso-denominated short-term loans had a weighted average cost of 6.01% (2022 - 2.1%).

As at December 31, 2023, in compliance with the Bangko Sentral ng Pilipinas (BSP) rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value as at December 31, 2023 amounting to P271.4 million (2022 - P1,087.5 million) are secured by a real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. Net book value of the property as at December 31, 2023 amounted to P3,154.5 million (2022 - P2,974.3 million) which is accounted as part of the "Investment properties" account (Note 9). As at December 31, 2023, The remaining balance unsecured balance of short-term and long-term debt amounted to P205,176.4 million (2022 - P192,660.5 million).

Long-term debt consists of:

	2023	2022
Bonds:		
Due 2023	-	7,000,000,000
Due 2024	15,000,000,000	15,000,000,000
Due 2025	23,250,000,000	23,250,000,000
Due 2026	16,000,000,000	16,000,000,000
Due 2027	15,000,000,000	15,000,000,000
Due 2028	22,075,000,000	22,000,000,000
Due 2029	14,000,000,000	14,000,000,000
Due 2031	3,000,000,000	3,000,000,000
Due 2033	6,925,000,000	2,000,000,000
Fixed rate corporate notes (FXCNs)	-	4,500,000,000
Php - denominated long-term loans	80,148,000,000	68,244,726,563
US Dollar - denominated long-term loans	3,045,350,000	3,066,525,000
	198,443,350,000	193,061,251,563
Less: Unamortized transaction costs	1,122,427,353	1,179,274,582
	197,320,922,647	191,881,976,981
Less: Current portion	18,495,800,819	14,570,101,002
Long-term debt, net of current portion	178,825,121,828	177,311,875,979

Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term (Years)	Interest Rate	Principal Amount	Carrying Value 2023	Carrying Value 2022	Features
2013	20	6.00%	2,000,000,000	1,988,434,154	1,987,589,339	Fixed rate bond due 2033
2016	7	3.89%	7,000,000,000	-	6,976,737,540	Fixed rate bond due 2023
2016	10	4.85%	8,000,000,000	7,978,689,291	7,970,112,226	Fixed rate bond due 2026
2016	9.5	4.75%	7,000,000,000	6,984,429,364	6,990,956,631	Fixed rate bond due 2025
2017	10	5.26%	7,000,000,000	6,986,234,747	6,982,555,686	Fixed rate bond due 2027
2018	10	5.92%	10,000,000,000	-	9,927,760,776	Fixed rate bond due 2028
2019	7	6.37%	8,000,000,000	7,962,226,665	-	Fixed rate bond due 2026
2019	5	4.76%	3,000,000,000	2,993,838,039	7,947,809,270	Fixed rate bond due 2024
2019	7.3	4.99%	1,000,000,000	976,665,228	2,985,944,030	Fixed rate bond due 2027
2020	5	3.86%	6,250,000,000	6,222,200,008	969,970,640	Fixed rate bond due 2025
2021	4	3.63%	10,000,000,000	9,959,900,183	-	Fixed rate bond due 2025
2021	10	4.08%	3,000,000,000	2,981,599,832	6,207,138,788	Fixed rate bond due 2031
2022	6	5.81%	12,000,000,000	11,931,739,903	9,931,346,581	Fixed rate bond due 2028
2022	2	4.40%	12,000,000,000	11,964,602,287	2,979,654,877	Fixed rate bond due 2024
2022	5	6.21%	7,000,000,000	6,942,199,395	11,918,358,107	Fixed rate bond due 2027
2022	7	6.80%	14,000,000,000	13,870,012,391	11,897,141,525	Fixed rate bond due 2029
2023	5	6.03%	10,075,000,000	9,961,324,210	6,927,960,207	Fixed rate bond due 2028
2023	10	6.29%	4,925,000,000	4,866,279,395	13,851,288,836	Fixed rate bond due 2033
Total				114,570,375,092	116,452,325,059	

Philippine Rating Services Corporation (PhilRatings) rated the Parent Company's 2023 and 2022 bond issuances "PRS Aaa" with a stable outlook and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings' rating scale for long-term issuances, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Bonds

Philippine Peso 20-year Bonds due 2033

In October 2013, the Parent Company issued a P2,000.0 million bond due 2033 at a fixed rate equivalent to 6.0% p.a. The Credit Rating and Investors Services Philippines, Inc. (CRISP) assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to the Parent Company's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 10-year Bonds due 2026

In March 2016, the Parent Company issued and listed on the PDEx a total of P8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.85% p.a. This is the first tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025

In April 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.75% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2023

In October 2016, the Parent Company issued and listed on the PDEx a total of P7,000.0 million fixed rate bonds due 2023 at a rate equivalent to 3.89% p.a. The Bonds represent the third tranche of the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on March 8, 2016 (the “2016 Program”). The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2027

In May 2017, the Parent Company issued its P7,000.0 million fixed rate bonds due 2027 at a rate equivalent to 5.26% p.a. The Bonds, the fourth tranche of the Parent Company's 2016 Program, were listed on the PDEx and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2028

In April 2018, the Parent Company issued and listed on the PDEx a total of P10,000.0 million fixed rate bonds due 2028 at a rate equivalent to 5.92% p.a. and subject to repricing on April 27, 2023, the fifth anniversary of the Issue Date, at the higher of 5.92% p.a. or the prevailing 5-year benchmark plus 75 bps. The Bonds represent the fifth tranche of the of debt securities issued under the Parent Company's 2016 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year Bonds due 2026

In May 2019, the Parent Company issued and listed on the PDEx P8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.37% p.a. The Bonds, the first tranche of Parent Company's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2024

In September 2019, the Parent Company issued and listed on the PDEx its P3,000.0 million bonds due 2024 at a fixed rate equivalent to 4.76% p.a. The Bonds represent the second tranche of debt securities issued under the Parent Company's 2019 Program and were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month due on 2027

In November 2019, the Parent Company issued a P1,000.0 million fixed rate bonds due 2027 at a rate equivalent to 4.99% p.a. The Bonds, the third tranche of bonds issued under the Parent Company’s 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025

In September 2020, the Parent Company issued and listed on the PDEx its P6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.86% p.a. The Bonds represent the fifth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025

In May 2021, the Parent Company issued and listed on the PDEx its P10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.63% p.a. The Bonds represent the sixth tranche of debt securities issued under the Parent Company's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031

In October 2021, the Parent Company issued a total of P3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on October 26, 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of P2,750.0 million issued as the first tranche of Parent Company's 2021 Program while P250.0 million representing the seventh tranche of debt securities were issued under the Company's 2019 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. The Parent Company exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028

In May 2022, the Parent Company issued a total of P12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.81% p.a. The offering is composed of P9,500.0 million as the second tranche of debt securities issued under the Parent Company's P50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program") while P2,500.0 million represent the eighth and final tranche of debt securities that were issued under the 2019 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 2-Year, 5-Year and 7-year Bonds due 2024, 2027 and 2029

In July 2022, the Parent Company issued a total of P33,000 million fixed rate bonds, broken down into P12,000.0 million bonds due 2024 at a rate equivalent to 4.40% p.a., P7,000.0 million bonds due 2027 at a rate equivalent to 6.21% p.a. and a P14,000.0 million bond due 2029 at a rate equivalent to 6.80% p.a. The offering is the third tranche of debt securities issued under the Parent Company's 2021 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 10-year Bonds due 2028 and 2033

In June 2023, the Parent Company issued a total of P15,000 million fixed rate bonds, broken down into P10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and P4,925.0 million bond due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of P4,750.0 million issued as the fourth and final tranche of the Parent Company's 2021 Program while P10,250.0 million representing the first tranche of debt securities issued under the Company's 2023 Program. The Bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso - denominated Long-term Loans

In August to September 2015, the Parent Company assumed an aggregate of P15,526.9 million various long-term facilities of some subsidiaries from various banks. The loans bear fixed interest rates ranging from 4.50% to 4.70% p.a. and terms ranging from 4.4 years to 10.5 years. In March 2016, the Company additionally assumed from ALI Makati Hotel Property, Inc. US$30.0 million in long-term loans from the Bank of the Philippine Islands. The loan carried a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR) and is repriceable quarterly. The loan was prepaid in December 2018. In August 2022, coinciding with the repricing date of the Parent Company's P10,000.0 million 10.5-year long-term facility, the Company executed a Deed of Assignment with a domestic bank. The Parent Company assigned the remaining balance of the loan amounting to P7,872.0 million to Avida Land, Corp. (P4,086.0 million), Alveo Land, Corp. (P2,880.0 million) and Accendo Commercial, Corp. (P906.0 million) (collectively the "Assigned Loan"). The Assigned Loan carries a floating rate applicable for the remaining 3.5 years of the long -term facility. As at December 31, 2023, the remaining balance of the assumed long-term facilities amounted to nil (2022 - 1,903.6 million). This was fully paid upon its maturity in the first quarter of 2023.

In March 2017, the Parent Company executed a P10,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn an initial P5,000.0 million. The balance of P5,000.0 million was drawn in April 2017. The loan carries a fixed interest rate of 4.95% p.a. and a term of 10 years. As at December 31, 2023, the remaining balance of long-term facility amounted to P8,875.0 million (2022 - P9,175.0 million).

In March 2018, the Parent Company executed a P5,000.0 million long-term facility with a domestic bank, in which the Parent Company had simultaneously drawn the entire facility amount. As at December 31, 2023, the remaining balance of long-term facility amounted to P4,712.5 million (2022 - P4,762.5 million).

In January 2020, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.50% p.a. for the initial 5 years. In December 2020, the Parent Company also executed and availed a P10,000.0 million 10-year long-term facility with a domestic bank. The loan carries a fixed interest rate of 4.0% p.a. for the first 7 years. Both loans will be repriced on the 5th and 7th anniversary. As at December 31, 2023, the remaining balance of the loans amount to P4,912.5 million (2022 - P4,962.5 million) and P9,376.0 million (2022 - P9,584.0 million), respectively.

In 2021, the Company originated a total of P37,000 million in long-term financing with various domestic banks. In July 2021, the Company availed a P10,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. In August 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.88% p.a. for the initial 5 years. Another P4,900.0 million 6-year long- term facility was drawn in October 2021 at an interest rate of 3.78% p.a. for the initial 3 years. In October 2021, the Company executed a P5,000.0 million 10-year long-term facility which carries a fixed interest rate of 3.75% p.a. for the initial 5 years. In November 2021, the Company also executed a P5,000.0 million 9-year long-term facility which carries a fixed interest rate of 3.95% p.a. for the initial 5 years. In December 2021, the Company executed a P7,100.0 million 8-year long-term facility which carries a fixed interest rate of 3.87% p.a. for the initial 3 years. As at December 31, 2023 and 2022, the outstanding balance of the loans amount to P37,000 million.

On December 16, 2021, the SEC approved and made effective the merger of Cebu Holdings, Inc. (CHI), Asian-I Office Properties (AiO), Arca South Commercial Ventures Corp. (ASCVC) and Central Bloc Developers, Inc. (CBDI) with and into ALI, with ALI as the surviving entity (the “Merger”). ALI became the surviving entity in the Merger and thus, shall possess all the rights, privileges and immunities of CHI, AiO, ASCVC and CDBI (the “Absorbed Corporations”), and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations were taken and deemed transferred to ALI without further act or deed. With that, the Parent Company assumed an aggregate of P914.1 million long-term facilities of AiO from a domestic bank. As at December 31, 2023, the remaining balance of long-term facilities amounted to P272.0 million (2022 - P857.1 million).

In 2023, the Company originated a total of P15,000 million 10-year long-term financing with various domestic banks. The loans carry a floating interest rate and contain a one-time option to shift from a floating rate to a fixed rate available for one or two years from initial availment. In April 2023, the Parent Company executed and availed a P5,000.0 million 10-year long-term facility with a domestic bank which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 2.75% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. In October 2023, the Company executed a P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 70 bps, and (ii) BSP Overnight Reverse Repurchase Agreement Rate, with one time option to convert all or a portion of Fixed to Floating or vice versa. In November 2023, the Company executed another P5,000.0 million 10-year long-term facility which carries a floating interest rate equivalent to the higher of (i) 3-month BVAL plus 45 bps, (ii) BSP Overnight Reverse Repurchase Agreement Rate, and (iii) floor rate of 5.25% p.a., with one time option to convert all or a portion of Fixed to Floating or vice versa. As at December 31, 2023, the remaining balance of the long-term facilities amount to P15,000 million (2022 - nil).

As at December 31, 2023, the remaining aggregate balance of the Philippine Peso-denominated long-term loans amounted to P80,148 million (2022 - P68,244.7 million).

US Dollar-denominated Long-term Loans

In November 2019, the Parent Company executed and had simultaneously drawn a US$125.0 million long-term facility. The loan bears a floating interest rate based on a credit spread over the three-month US Dollar London Interbank Offered Rate (LIBOR), repriceable quarterly. All proceeds were lent to MCT to refinance its existing loans. The loan will mature on the fifth anniversary of the initial drawdown date. The Parent Company initiated a partial payment of US$70.0 million in November 2022. The remaining US$55.0 million was repriced in 2022 by transitioning out of the LIBOR-based dollar loan pricing ahead of its cessation on June 30, 2023 by shifting to a two-year US$ fixed rate of 3.95% (net of 10% onshore tax).

As at December 31, 2023, the remaining aggregate balance of US Dollar-denominated long term loans amounted to P3,045.4 million (2022 - P3,066.5 million). The unrealized foreign currency gain recognised in the statement of income amounted to P21,175 million (2022 - unrealized loss of P261,580 million) (Note 24).

Fixed rate corporate notes (FXCNs)

Philippine Peso 10-year and 3-month Notes due 2023

In December 2012, the Parent Company executed a P5,000.0 million committed Corporate Note facility with a local bank, of which an initial P3,500.0 million was drawn in 2012. The balance of P1,500.0 million was subsequently drawn in January 2013. The notes bear a fixed interest rate of 4.50% p.a. The Corporate Notes will mature on the third month succeeding the tenth anniversary of the initial drawdown date. As at December 31, 2023, the remaining balance of the notes amounted to nil (2022 - P4,500.0 million). The notes were fully paid upon maturity on March 10, 2023.

14 Deposits and other current liabilities

The account as at December 31 consists of:

	2023	2022
Deposits	6,528,031,243	7,174,963,962
Current portion of customers' deposits	1,729,241,671	8,350,010,327
Unearned income	651,030,578	642,429,387
	8,908,303,492	16,167,403,676

Deposits are equivalent to three to six months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion. The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to P6,377.1 million (2022 - P4,308.4 million).

Unearned income pertains to rents and other charges paid in advance by the tenants and are being deferred monthly.

15 Deposits and other non-current liabilities

The account as at December 31 consists of:

	2023	2022
Deposits	6,057,388,058	8,495,645,815
Liability for purchased land	4,031,014,460	6,574,679,892
Customers' deposits, net of current portion	2,002,960,565	4,644,246,167
Retentions payable, net of current portion	966,642,494	765,936,466
Subscriptions payable	25,875,052	25,875,052
Others	57,225,857	58,322,748
	13,141,106,486	20,564,706,140

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three to six months' rent of long-term tenants with non-cancellable leases. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Parent Company for the processing of title are charged to this account.

Liability for purchased land pertains to the portion of unpaid investment in land acquired during the year. It is payable in annual installment payments within five years.

Customers' deposits consist of excess of collections over the recognized receivables based on percentage of completion.
Retentions payable pertain to retentions from the contractors' progress billings which will be released after the guarantee period, usually one year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Subscription payable mainly pertains to the Parent Company's subscription payable to its subsidiaries and associates. The outstanding balance pertains to subscriptions to Brightnote Assets Corporation formerly known as Batangas Assets Corporation., Crimson Field Enterprises, Regent Time and Las Lucas Development Corp.

Others pertain to non-trade payables which are expected to be paid beyond 12 months.

16 Equity

The details of the number of shares as at December 31 follow:

	2023			
	Number of shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000
Issued*	13,066,494,760	15,595,195,060	1,306,649,476	15,595,195,060
Subscribed	-	126,330,567	-	126,330,568
	13,066,494,760	15,721,525,627	1,306,649,476	15,721,525,628

**Out of the total issued shares, 779,349,914 Common shares at P1.00 par value and 623,999,728 Preferred shares at P0.10 par value or aggregate of P841.75 million pertain to Treasury shares at December 31, 2023*

	2022			
	Number of shares		Amount	
	Preferred	Common	Preferred	Common
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000
Issued*	13,066,494,760	15,580,698,760	1,306,649,476	15,580,698,760
Subscribed	-	126,247,777	-	126,247,777
	13,066,494,760	15,706,946,537	1,306,649,476	15,706,946,537

**Out of the total issued shares, 642,283,806 Common shares at P1.00 par value and 623,970,536 Preferred shares at P0.10 par value or aggregate of P704.68 million pertain to Treasury shares, as at December 31, 2022*

The movement in the Parent Company's treasury shares follows:

	Number of shares			Amount (in millions)		
	Common	Preferred	Total	Common	Preferred	Total
At January 1, 2022	570,069,282	-	570,069,282	16,894.40	-	16,894.40
Additions	72,214,524	623,970,536	696,185,060	2,123.41	62.9	2,186.31
At December 31, 2022	642,283,806	623,970,536	1,266,254,342	19,017.81	62.9	19,080.71
Additions	137,066,108	29,192	137,095,300	3,695.65	-	3,695.65
At December 31, 2023	779,349,914	623,999,728	1,403,349,642	22,713.46	62.9	22,776.36

Preferred Shares (P0.10 par value per share)

The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, non-cumulative; (c) non-participating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that non-voting shares do not count as equity when computing for a company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of P0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by P1,300.0 million creating new voting preferred shares and a stock right offer of 1,300 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges (a) voting; (b) dividend rate of 4.75% per annum, equivalent to 90% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by P1,303.5 million, the aggregate par value of the 13,034.6 preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On June 24, 2022, 623,392,160 Voting Preferred Shares (VPS) were redeemed. The remaining number of outstanding VPS is 12,443,102,599. All of the redeemed VPS will be retired subject to the final approval of the SEC.

As at December 31, 2023, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2022 - P1,244 million) at P0.10 par value.

Common Shares (P1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The roll forward analysis of the common shares follows:

	Number of shares (in thousands)		Amount (in thousands)	
	2023	2022	2023	2022
Issued capital stock*				
At beginning of year	15,580,699	15,257,294	15,580,699	15,257,294
Issued shares	14,496	323,405	14,496	323,405
At end of year	15,595,195	15,580,699	15,595,195	15,580,699
Subscribed capital stock				
At beginning of year	126,248	123,901	126,248	123,901
Issued shares	(14,496)	(11,825)	(14,496)	(11,825)
Additional subscriptions	14,579	14,172	14,579	14,172
At end of year	126,331	126,248	126,331	126,248
	15,721,526	15,706,947	15,721,526	15,706,947

**Out of the total issued shares, 779,349,914 shares or P779,350 million as at December 31 2023 and 642,283,806 shares or P642,284 million as at December 31, 2022 pertain to Treasury shares.*

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2023***	Number of holders of securities as of 2022***
Class B shares	800,000,000	Par value - P1.00/ Issue price P26.00	April 18, 1991	13,115	13,181
Class B shares	400,000,000	Par value - P1.00*	July 6, 1992	-	-
Class A shares	900,000,000	Par value - P1.00**	July 5, 1993	-	-
Class B shares	600,000,000	Par value - P1.00**	July 5, 1993	-	-

Note: Class A Shares and Class B Shares were declassified into one type of common shares on September 12, 1997.
**increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000*
***increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953*
****in absolute number*

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of P33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of P16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P194.0 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third-party buyers or investors at P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P162.4 million.

On July 10, 2012, the Parent Company's Executive Committee approved the placement of 680 million listed common shares of stock with par value of P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of P13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to P200.0 million.

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of P1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2023, the Parent Company has 13,115 existing certified shareholders (2022 - 13,181 existing certified shareholders).

Subscription receivable as at December 31, 2023 amounted to P2,496.8 million (2022 - P2,476.3 million) and presented as a reduction in paid-in capital.

Treasury Shares

The movement in the Parent Company's treasury shares follows:

	2023		2022	
	Shares	Amount	Shares	Amount
At January 1	1,266,254,342	19,080,713,529	570,069,282	16,894,379,503
Additions	137,124,492	3,695,676,261	696,763,436	2,186,912,403
Conversion of VPS	(29,192)	(29,192)	(578,376)	(578,377)
At December 31	1,403,349,642	22,776,360,598	1,266,254,342	19,080,713,529

In 2023, ALI purchased a total of 137,066,108 common shares at an average price of P26.96 per share for a total consideration of P3,695.6 million.

Under its buyback program in 2022, ALI purchased a total of 71,214,524 common shares at an average price of P27.95 per share for a total consideration of P2,124.0 million and 623,970,536 preferred shares at an average price of P0.10 per share for a total consideration of P62.9 million which aggregated to P2,186.9 million.

In April and December 2021, ALI purchased a total of 48,976,900 common shares at an average price of P33.90 per share for a total consideration of P1,656.6 million under its share buyback program.

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger were acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares were issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares were issued to ALI itself and were treated as treasury shares with a total consideration of P13,977.0 million.

On February 28, March 11, March 12, and March 16, 2020, ALI purchased a total of 4,412,000 common shares at an average price of P35.67 per share for a total consideration of P156.4 million, pursuant to its share buyback program.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company's current share buyback program bringing the available balance to P26.1 billion. The program has been implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation in its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 million.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at P30.50 per share resulting in additional paid-in capital of P1,601.6 million.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

Retained Earnings

In 2023, the BOD approved the declaration and payment from unappropriated retained earnings of cash dividends of P0.38 per share (2022 - P0.28 per share) to all issued and outstanding common and preferred shares.

On February 21, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1495 per outstanding common share. The cash dividends were paid on March 23, 2023, to stockholders of common shares as of record date of March 7, 2023.

On May 30, 2023, the Board of Directors approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of P0.006 per share. The dividends were paid on June 27, 2023 to stockholders of voting preferred shares as of record date of June 13, 2023.

On October 25, 2023, the Board of Directors during its meeting approved the declaration of cash dividends of P0.2231 per outstanding common share. The cash dividends were paid on November 24, 2023, to stockholders of common shares as of record date of November 13, 2023.

On March 24, 2022, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1352 per outstanding common share. The cash dividends were paid on March 25, 2022 to stockholders of common shares as of record date of March 11, 2022.

On June 21, 2022, the Board of Directors during its meeting approved the declaration of cash dividends of P0.0047 per outstanding preferred share. The cash dividends were paid on June 24, 2022 to stockholders of preferred shares as of record date of June 09, 2022.

On November 17, 2022, the Board of Directors during its meeting approved the declaration of cash dividends of P0.1355 per outstanding common share. The cash dividends were paid on November 18, 2022 to stockholders of common shares as of record date of November 08, 2022. Total dividends for common shares declared for 2022 amounted to P4,000.0 million.

As at December 31, 2023, retained earnings of P25,000.0 million are appropriated for future expansion. The P17,000 million of the appropriated retained earnings was approved by the BOD on November 25, 2021 for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a. Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 4k sqm gross leasable area (GLA), 2 BPO towers with 34k sqm GLA and a 265-room hotel with total estimated cost of P11 billion, for completion in 2026.

b. Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the Board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, three office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at P5 billion, for completion beyond 2026.

c. Vermosa, a 700- hectare estate located south of Ayala Alabang. It is a mixed-use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the Board on May 19, 2017. Estimated cost for this project is at P2.5 billion, for completion in phases by 2022-2024.

d. Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2024-2026.

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings, after reconciling items, available for dividend declaration as of December 31, 2023 amounted to P62,039.5 million (2022 - P53,000.6 million).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

Equity Reserves

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger shall be acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares will be issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares shall be issued to ALI itself and shall be treated as treasury shares with a total consideration of P13,977.0 million. As a result, the impact to equity reserves is an increase of P1,192.4 million.

17 Revenue

The account for the years ended December 31 consists of:

	Notes	2023	2022
Revenue from contracts with customers			
Residential development		23,051,572,654	22,198,603,271
Interest income from real estate sales	4	2,159,640,356	2,950,883,232
Management and marketing fees		1,664,127,888	2,866,130,917
Rental income	9	6,231,936,611	5,638,696,186
		33,107,277,509	33,654,313,606

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

Residential development (including interest income from real estate sales)

	2023	2022
Type of product		
Condominium	14,534,233,649	11,740,634,177
House and lot	10,463,907,124	12,866,517,363
Lot only	213,072,237	542,334,963
	25,211,213,010	25,149,486,503

All of the Parent Company's real estate sales from residential development are revenue from contracts with customers recognized over time.

Management and marketing fees

	2023	2022
Segment		
Property development	1,062,051,637	2,186,162,499
Shopping centers	552,455,543	515,125,084
Offices	49,620,708	164,843,334
	1,664,127,888	2,866,130,917

Set-out below is the reconciliation of contracts with customers with the amounts disclosed in segment information (in millions):

	2023				
	Property development	Shopping centers	Offices	Property management and others	Total
Sales to external customer	20,962	552	50	3,152	24,716
Interest	2,160	-	-	-	2,160
Total revenue from contracts with customers	23,122	552	50	3,152	26,876

	2022				
	Property development	Shopping centers	Offices	Property management and others	Total
Sales to external customer	20,969	545	165	3,361	25,040
Interest	2,951	-	-	-	2,951
Total revenue from contracts with customers	23,920	545	165	3,361	27,991

18 Costs and expenses and other income (charges)

The account for the year ended December 31 consists of:

	Note	2023	2022
Cost of real estate sales	5	12,657,715,025	11,421,345,301
Depreciation	9, 27	1,391,912,445	1,688,154,799
Rental		444,012,170	214,830,719
Manpower costs		326,742,291	546,683,399
Direct operating expenses:			
Commissions		1,588,774,351	1,608,905,116
Taxes and licenses		1,084,863,287	1,007,877,074
Repairs and maintenance		806,175,227	272,321,233
Service fees		690,790,435	1,633,980,357
Security		501,101,196	462,560,642
Insurance		90,731,990	51,367,211
Transportation and travel		45,392,391	47,500,867
Supplies		8,796,269	11,599,751
Others		483,003,092	1,127,340,108
		20,120,010,169	20,094,466,577

Others consist of utilities expense pertaining to light and power, water, gas, aircon, and miscellaneous expense for the parent company's development projects.

General and administrative expenses the year ended December 31 consist of:

	Notes	2023	2022
Manpower costs		930,281,148	651,977,538
Professional fees		455,187,094	323,776,584
Depreciation	10	189,218,791	205,354,765
Repairs and maintenance		138,089,477	114,939,064
Advertising		67,673,183	54,645,303
Rentals		58,157,931	58,376,804
Utilities		43,249,270	38,483,675
Security and janitorial		23,138,041	23,261,589
Entertainment, amusement and recreation		20,274,416	14,612,213
Transportation and travel		12,433,657	28,213,012
Supplies		6,628,649	7,413,449
Donations and contribution		5,500,000	1,128,333
Others		81,264,645	113,291,409
		2,031,096,302	1,635,473,738

Depreciation expense included in the parent company statement of income follow:

	Notes	2023	2022
Included in:			
Real estate costs and expenses	9	1,337,909,511	1,645,387,074
Amortization of right-of-use asset	27	54,002,934	42,767,725
General and administrative expenses	10	189,218,791	205,354,765
		1,581,131,236	1,893,509,564

Interest expense and other financing charges the year ended December 31 consist of:

	Note	2023	2022
Interest expense on:			
Long-term debt		9,378,317,654	8,745,718,141
Intercompany loans		201,142,059	147,140,951
Short-term debt		304,191,843	148,966,457
Accretion of interest from lease liabilities	27	32,120,994	28,657,287
Other financing charges		751,640,499	1,648,179,924
		10,667,413,049	10,718,662,760

Other financing charges pertain mainly to processing fees attributable to the discount on cost to sell financing arising from assignment of accounts receivable to banks (Note 4). It includes transaction costs from availment of short-term and intercompany loans and bank charges.

Included in other charges and expenses is the provision for impairment losses on receivables in 2023 amounting to P10.4 million (2022 - P80.1 million) (Note 4). No provision for impairment loss on investment properties recognized in 2023 and 2022 (Note 9).

Other income for the years ended December 31 consists of:

	Notes	2023	2022
Gain on property-for-share swap	9, 10	7,070,706,133	8,022,019,173
Gain on sale of investment in subsidiaries, associates and joint ventures	8	1,151,279,548	1,730,020,949
Gain on foreign exchange		15,308,593	-
(Loss) gain on sale of property and equipment	10	(882,448)	15,808,202
Unrealized (loss) gain on financial assets at FVTPL	3	(3,582,320)	(3,806,089)
Others	10	478,125,771	483,338,374
		8,710,955,277	10,247,380,609

Others include income from sponsorships, forfeited deposits arising from cancellations due to backout, income recognized from project close out and other various transactions.

19 Income tax

The components of net deferred tax assets are as follows:

	2023	2022
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	1,373,917,746	1,330,619,481
Allowance for impairment losses	154,336,080	644,575,668
Employee benefits	405,342,391	262,994,228
Minimum corporate income tax (MCIT)	-	-
Net operating loss carryover (NOLCO)	-	-
Lease liability	51,237,213	57,911,433
Allowance for probable losses	644,575,667	151,738,415
	2,629,409,097	2,447,839,225
Deferred tax liabilities on:		
Deferred tax liabilities on capitalized interest	(617,232,061)	(611,931,886)
Unrealized foreign exchange gain	(43,189,405)	496,976,005
Right-of-use assets	669,637,030	(56,217,573)
	9,215,564	(171,173,454)
	2,638,624,661	2,276,665,771

No NOLCO and MCIT recognized in 2023 and 2022. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used.

As at December 31, 2023, the deferred tax related to remeasurement gain (loss) on defined benefit plans recognized in OCI amounted to P202.3 million (2022 - P25.5 million).

There are no income tax consequences for the payment of dividends by the Parent Company to its shareholders.

Provision for income tax consists of:

	2023	2022
Current	398,427,426	1,492,399,805
Deferred	(146,813,905)	(1,029,133,955)
Others	54,451,908	65,477,963
	306,065,429	528,743,813

Reconciliation between the statutory and the effective income tax rates follows:

	2023	2022
Statutory income tax rate	25.00%	25.00%
Tax effects of:		
Interest income and capital gains taxed at lower rates	(0.67)	(0.51)
Dividend income	(12.80)	(9.99)
Change in tax rate		-
Others - net	(9.91)	(11.79)
	1.62%	2.71%

20 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

In its regular conduct of business, the Parent Company has entered into transactions with its subsidiaries, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, loans, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Parent Company does not provide any allowance relating to receivable from related parties. The Parent Company has an active intercompany lending program and intercompany receivables are short-term. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Transactions with Bank of the Philippine Islands (BPI), an associate of AC:

   i. As at December 31, 2023 and 2022, the Parent Company maintains current and savings account, money market placements, UITF investments, short-term debt and long-term debt payable with BPI broken down as follows:

	2023	2022
Cash in bank	136,628,960	473,867,901
Financial assets at FVTPL	35,834,889	6,881,752
Short-term debt	4,000,000,000	688,000,000
Long-term debt	271,431,200	1,087,488,641

As at December 31, the fair value of the financial assets at FVTPL and the Fund's Net Asset Value (NAV) follow (in millions):

2023	Fair Value	Fund's NAV	Duration
BPI Money Market Fund	1.6	P34,804.0	55 days
BPI USD Short Term Fund	34.2	P32,517.7	91 days

2022	Fair Value	Fund's NAV	Duration
BPI Money Market Fund	1.6	P38,946.5	124 days
BPI USD Short Term Fund	5.3	P33,852.2	120 days

   ii. As of December 31, 2023 and 2022, the Parent Company has outstanding interest payable to BPI amounting to P6.3 million and P3.8 million, respectively.

iii. Income earned and expenses incurred with BPI are as follows:

	2023	2022
Interest income	4,801,489	3,705,847
Interest expense	84,172,305	52,188,536

b. Outstanding balances with AC, subsidiaries, associates, joint ventures and other related parties (entities under common control).

Receivables from and payables to related parties pertain mostly to development and management fees, advances and reimbursements of operating expenses related to development cost, working capital requirements and land acquisitions which are due and demandable.

Receivables from and payables to related parties as at December 31 are as follow:

	2023					
	Receivable from			Payables to		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	73,380,933	-	73,380,933	42,592,444	-	42,592,444
Subsidiaries	46,474,496,222	900,258,813	47,374,755,035	17,438,608,445	-	17,438,608,445
Associates	569,194,794	-	569,194,794	223,349,215	-	223,349,215
Joint ventures	44,167,686	-	44,167,686	26,880	-	26,880
Other related parties	563,526,950	-	563,526,950	33,700,466	-	33,700,466
	47,724,766,585	900,258,813	48,625,025,398	17,738,277,450	-	17,738,277,450

	2022					
	Receivable from			Payables to		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	83,989,418	-	83,989,418	616,617	-	616,617
Subsidiaries	51,739,131,676	879,736,337	52,618,868,013	15,727,396,207	-	15,727,396,207
Associates	473,337,688	-	473,337,688	212,353,896	-	212,353,896
Joint ventures	264,153,685	-	264,153,685	4,332,082	-	4,332,082
Other related parties	384,424,460	-	384,424,460	53,215,668	-	53,215,668
	52,945,036,927	879,736,337	53,824,773,264	15,997,914,470	-	15,997,914,470

As at December 31, 2023, receivables from related parties include a non-current receivable pertaining to a contract of lease with AREIT amounting to P900.3 million (2022 - P879.7 million) (Note 27).

c. Revenue from related parties

The revenue from the Parent Company, subsidiaries, associates, joint ventures and other related parties pertains to income from leasing and development projects, dividend income, marketing and management fees, while expenses composed of service fees, commission, and training expenses. Transactions are settled within one year, non-interest bearing and assessed for impairment. There is no impairment on these related receivables.

Revenue for the years ended December 31 are as follow:

2023	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC	-	-	-	-	-
Subsidiaries	9,202,903,703	1,065,290,115	1,181,151,652	287,694,294	11,737,039,764
Joint ventures	347,154,870	-	-	-	347,154,870
Associates	122,296,241	426,105,989	-	899,380	549,301,610
Other related parties	-	19,531,324	430,302,624	4,360,000	454,193,948
Total	9,672,354,814	1,510,927,428	1,611,454,276	292,953,674	13,087,690,192

2022	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC	-	-	5,292	-	5,292
Subsidiaries	7,471,720,574	1,533,816,852	513,495,425	680,528,999	10,199,561,850
Joint ventures	243,935,000	430,085,478	-	-	674,020,478
Associates	84,007,587	126,422,312	-	5,703,000	216,132,899
Other related parties	-	775,806,274	146,192,867	-	921,999,141
Total	7,799,663,161	2,866,130,916	659,693,584	686,231,999	12,011,719,660

Costs and expenses for the years ended December 31 are as follow:

2023	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	-	-	-	-	-
Subsidiaries	29,046,992	946,448,147	177,955,468	258,902,623	1,412,353,230
Joint ventures	-	-	-	-	-
Associates	-	-	-	288,364	288,364
Other related parties	1,026,605	2,074,037	-	435,127,611	438,228,253
Total	30,073,597	948,522,184	177,955,468	694,318,598	1,850,869,847

2022	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	-	-	-	-	-
Subsidiaries	697,547	1,276,377,243	542,353,743	147,087,665	1,966,516,198
Joint ventures	-	-	-	-	-
Associates	2,415,765	-	-	73,417	2,489,182
Other related parties	5,149,825	71,770	-	-	5,221,595
Total	8,263,137	1,276,449,013	542,353,743	147,161,082	1,974,226,975

The following describes the nature of the material transactions of the Parent Company with related parties as at December 31, 2023 and 2022:

Parent Company lent to and borrowed funds from various subsidiaries and affiliates on an interest-bearing basis. Outstanding intercompany peso-denominated loans of the Parent Company to subsidiaries and affiliates amounted to P2,923.6 million (2022 - P4,531.0 million). Interest rates in 2023 ranges from 5.59% to 5.94% (2022 - 5.49% to 5.91%), with terms of 1 day up to 90 days.

- On January 31, 2020, the Parent Company entered into a contract of lease with AREIT for the lease of land and building for a period of 34 years. The rent is payable at a fixed monthly rate of P2.73 million, subject to 5% annual escalation rate (Note 27).

- On September 30, 2020, the Parent Company paid P6,430.8 million to its subsidiary Makati Cornerstone Leasing Corp., for its Ayala Triangle Garden 2 (ATG2) acquisition in December 18, 2019.

- The Parent Company sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, in 2023 amounting to P1,561.3 million. Proceeds of receivables sold to BPI amounted to P1,429.7 million and loss on sale recognized amounted to P131.6 milliion. The loss on sale is recorded within other financing charges in the Costs and expenses and other income (charges).

- Receivables from/payables to MDC pertain to advances and retentions in relation to construction contracts involving the Parent Company's real estate projects, with MDC being the primary contractor.

- Transaction with APMC pertain to agreements to administer properties of the Parent Company for stipulated fees. Under this agreement, APMC shall manage, maintain, preserve and provide services for the efficient use of such properties. Further, APMC leases its carpark facilities (Ayala Center Carparks and Central Business District Carparks) under lease agreements with the Parent Company. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of net operating income, whichever is higher. The lease agreements are renewed annually upon mutual agreement of the parties. Aside from the property management services provided by APMC and the leases discussed above, transactions with the Parent Company include noninterest-bearing advances and reimbursements of expenses incurred in connection with the maintenance of the administered properties.

- Receivable from ALISI pertains to lease agreement with the Parent Company for office and parking spaces.

- Receivables from Alveo pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. These are generally trade related.

- On January 1, 2015, the Parent Company and ACCI entered into a lease contract for the lease of parcels of land and buildings within the Greenbelt and Glorietta development located at the Ayala Center, Makati City. The lease shall be for a period of two years from January 1, 2015 until December 31, 2016, renewable for another two years upon the written agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month.

  In consideration of the lease, the Parent Company and ACCI executed a Deed of Assignment wherein, the Parent Company assigned to ACCI contracts of lease, security deposits, construction bonds and trade receivables with merchants occupying said development. ACCI assumed all rights and obligations under the contracts of lease, other contracts, permits and licenses, trade receivables, security deposits and construction bonds. The lease contract between ACCI and Parent Company has been renewed for twenty (20) years covering the period January 1, 2022 to December 31, 2041. (Note 27).

  The lease contract between ACCI and Parent Company has been renewed for twenty (20) years covering the period January 1, 2022 to December 31, 2041 (Note 27).

- On January 1, 2017, the Parent Company and NECC entered into a lease contract for the lease of a parcel of land with an area of 19,988 sq.m., three office towers and a common retail podium mixed-use commercial building. The lease shall be for a period of 40 years which commenced on January 1, 2017. The commencement of the lease period for the buildings are by phase, Phase 1 started on January 18, 2017, Phase 2 on April 1, 2017, Phase 3 on October 1, 2017 and Phase 4 shall start on October 1, 2018. The lease on the buildings is co-terminous with the land lease. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month (Note 27).

- On September 2017, the Parent Company signed a Lease Agreement with AyalaLand Estates, Inc. (ALEI) for the lease of a 4.3-hectare portion of land located in Vermosa, Pasong Buaya I, Imus City, Province of Cavite. The term of the lease shall ten (10) years commencing from September 2017 to August 2027 (Note 27).

- On December 27, 2017, the Parent Company sold at cost to MCLC buildings under construction located at Ayala Triangle Gardens and Sta. Ana Park, A.P. Reyes Ave., Brgy. Carmona, Makati City. Subsequently, the Parent Company signed a lease agreement with MCLC for the lease on the parcels of land it owns where the buildings were constructed (Notes 9 and 27).

- During 2017, the Parent Company and NECC entered into a lease contract for the lease of a 24-storey building with a total construction floor area of 146,830 sq. m. located at 30 Meralco Ave., Pasig City. The lease shall be for a period of 40 years which commenced on February 1, 2016 for Phase 1 and August 1, 2017 for Phase 2. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month (Notes 9 and 27).

d. Notes receivable pertains to housing, car, salary and other loans granted to the Parent Company's officers and employees which are collectible through salary deduction, bears 6% interest p.a. and have various maturity dates ranging from 2020 to 2040 (Note 4).

e. Compensation of key management personnel by benefit type follows:

	2023	2022
Short-term employee benefits	201,610,085	183,968,760
Post-employment benefits	18,431,000	15,496,600
	220,041,085	199,465,360

Key management personnel of the Parent Company include all officers with position of vice president and up.

21 Retirement plan

The Parent Company has funded, non-contributory tax-qualified defined benefit type of retirement plan (the Plan) covering substantially all of its employees. The benefits are based on a defined benefit formula. The latest actuarial valuation report is as at December 31, 2023.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns.

The Parent Company's fund is in the form of a trust fund being maintained by the trustee bank, BPI Asset Management and Trust Parent Company (the "Retirement Fund"). The primary objective of the Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of pension expense for the years ended December 31 (included within manpower costs under "General and administrative expenses") in the Parent Company statement of income follows:

	2023	2022
Current service cost	139,660,663	159,754,982
Net interest cost on benefit obligation	63,770,299	63,083,301
Total pension expense	203,430,962	222,838,283

The remeasurement effects recognized in other comprehensive loss income in the Parent Company statement of comprehensive income follow:

	2023	2022
Loss on plan assets (excluding amount included in net interest)	(78,979,557)	(81,811,596)
Actuarial loss due to changes in experience assumption	(78,160,149)	(119,987,783)
Actuarial (loss) gain due to changes in economic liability assumption	(652,374,978)	99,610,270
Remeasurements in other comprehensive loss	(809,514,684)	(102,189,109)

As at December 31, the funded status and amounts recognized in the Parent Company statement of financial position for the pension plans are as follows:

	2023	2022
Defined benefit obligation	2,504,738,226	1,912,673,080
Plan assets	(1,085,224,666)	(1,077,246,282)
Net defined liability	1,419,513,560	835,426,798

Changes in net defined benefit liability for the year ended 2023 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	1,912,673,080	(1,077,246,282)	835,426,798
Net benefit cost in statement of income			
Current service cost	139,660,663	-	139,660,663
Net interest	146,179,640	(82,409,341)	63,770,299
	285,840,303	(82,409,341)	203,430,962
Remeasurements in other comprehensive income:			
Remeasurement loss due to changes in experience assumption	78,160,149	-	78,160,149
Remeasurement loss due to changes in economic liability assumption	652,374,978	-	652,374,978
Return on plan assets*	-	78,979,557	78,979,557
Net remeasurement loss	730,535,127	78,979,557	809,514,684
Benefits paid	(420,927,092)	420,927,092	-
Contribution by employer	-	(425,475,692)	(425,475,692)
Transfer out	(3,383,192)	-	(3,383,192)
At December 31, 2023	2,504,738,226	(1,085,224,666)	1,419,513,560

**Excluding amount included in net interest*

Changes in net defined benefit liability for the year ended 2022 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1	2,172,283,850	(1,095,207,293)	1,077,076,557
Net benefit cost in statement of income			
Current service cost	159,754,982	-	159,754,982
Net interest	126,933,886	(63,850,585)	63,083,301
	286,688,868	(63,850,585)	222,838,283
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	119,987,783	-	119,987,783
Remeasurement gain due to liability assumption changes	(99,610,270)	-	(99,610,270)
Return on plan assets*	-	81,811,596	81,811,596
Net remeasurement loss	20,377,513	81,811,596	102,189,109
Benefits paid	(572,483,531)	572,483,531	-
Contribution by employer	-	(572,483,531)	(572,483,531)
Transfer in	5,806,380	-	5,806,380
At December 31, 2022	1,912,673,080	(1,077,246,282)	835,426,798

**Excluding amount included in net interest*

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

As at December 31, 2023, the fair value of plan assets by each class are as follows:

	2023	2022
Cash and cash equivalents	10,865	3,721,956
Equity investments		
Unit investment trust funds	132,310,825	104,571,244
Holding firms	89,113,184	83,454,708
Financials	7,268,420	34,036,663
Property	221,845,618	231,756,472
Industrials	4,525,200	6,575,578
Services	6,839,080	13,168,792
Preferred shares	47,292,594	37,397,353
Exchange traded funds	-	-
	509,194,921	510,960,810
Debt investments		
Government securities	218,023,472	161,638,399
AAA rated debt securities	144,290,606	116,529,185
Others	213,704,802	284,395,932
	576,018,880	562,563,516
	1,085,224,666	1,077,246,282

The Retirement Fund's investments are appropriately diversified to control overall risk and exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the Plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Parent Company expects to make contributions of P139.9 million to its retirement fund in 2023.

The allocation of the fair value of plan assets as at December 31 follows:

	2023	2022
Investments in debt securities	45.2835%	48.8990%
Investments in equity securities	34.7287%	37.7249%
Others	19.9878%	14.3761%

Funds invested in debt securities include government securities, corporate notes and bonds, and special deposit accounts. Investments in equity securities consist of investments in PSE-listed stocks and equity securities held by unit investment trust funds. Others were in the form of cash and cash equivalents.

The Parent Company's transactions with the Fund mainly pertain to contributions, benefit payments and settlements.

As at December 31, 2023 and 2022, the carrying amount of plan assets approximates its fair value.

As at December 31, 2023, the plan assets include shares of stock of the Parent Company with fair value amounting to P52.8 million (2022 - P50.9 million). It also includes shares of stocks of related parties within the AC Group with fair value as at December 31, 2023 amounting to P26.6 million (2022 - P38.4 million). The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company as at December 31, 2023 amounting to P24.7 million (2022 - P10.3 million). The fund incurred is P3.2 million 2023 and P1.3 million in 2022.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2023	2022
Discount rate	6.68%	7.65%
Future salary increase	10.00%	7.80%

The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2023		2022	
	Effect on defined benefit obligation Increase (decrease)			
Change in basis points	+ 100 basis points	- 100 basis point	+ 100 basis points	- 100 basis point
Discount rate	(250,798,582)	296,140,317	(152,005,698)	177,315,662
Salary increase rate	271,143,480	(236,504,339)	167,925,905	(147,285,024)

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

Year ending	2023	2022
1 year and less	-	226,550,957
More than 1 year to 5 years	469,670,322	293,799,356
More than 5 years to 10 years	2,429,877,370	1,819,691,705
More than 10 years	12,164,614,347	8,602,000,167

The weighted average duration of the defined benefit obligation as at December 31, 2023 and 2022 is 15.0 years.

22 Earnings per share

The following table presents information necessary to compute Earnings per share (EPS):

	2023	2022
Net income attributable to equity holders of Ayala Land, Inc.	18,578,320,220	18,987,610,104
Less: Dividends on preferred stock	(78,743,935)	(62,037,888)
Net income	18,499,576,285	18,925,572,216
Weighted average number of common shares for basic EPS	14,977,735,063	14,777,782,265
Add: Dilutive shares arising from stock options	2,362,126	2,457,080
Adjusted weighted average number of common shares for diluted EPS	14,980,097,189	14,780,239,345
Basic and diluted EPS	1.23	1.28

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an antidilutive effect on the computation of diluted EPS.

23 Stock options and ownership plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

Employee Stock Ownership Plan (ESOWN)

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula, taking into account the terms and conditions upon which the options were granted. The BSM Formula requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2023	WAEP	2022	WAEP
At January 1	-	-	-	-
Granted	20,741,692	-	17,349,169	-
Subscribed	(14,579,091)	24.68	(14,170,576)	30.29
Availment	859,789	-	1,067,483	-
Cancelled	(7,022,390)	-	(4,246,076)	-
At December 31	-		-	

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	March 31, 2023	March 31, 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016	March 20, 2015
Number of unsubscribed shares	-	-	-	-	-	-	-	181,304	-
Fair value of each option (BTM)	-	-	-	-	-	-	8.48	13.61	16
Fair value of each option (BSM)	9.42	12.62	9.25	9.12	17.13	12.71	-	18.21	20.63
Weighted average share price	29.04	35.63	39.17	32.61	44.70	41.02	39.72	35.58	36.53
Exercise price	24.68	30.29	33.29	27.72	44.49	45.07	35.81	26.27	29.58
Expected volatility	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%	31.99%
Dividend yield	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%	1.02%
Interest rate	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%	4.11%

In 2023, the total expense included under General and administrative expenses recognized in the parent company statement of income arising from share-based payments amounted to P149.45 million (2022 - P152.86 million) (Note 18).

24 Financial risk and capital management

The Parent Company's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Parent Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Parent Company's financial performance.

The Parent Company's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Parent Company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

24.1 Financial risk management

24.1.1 Credit risk management

Credit risk

Credit risk is a risk that counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.
The Parent Company's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Parent Company maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect to installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Parent Company also undertakes supplemental credit review procedures for certain installment payment structures. The Parent Company's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements.

Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of the buyers. Also, to the extent allowed by regulations, certain payments are not returned which minimizes exposure to bad debts.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Parent Company security deposits and advance rentals which helps reduce the Parent Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Parent Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets comprise cash and cash equivalents, excluding cash on hand, financial assets at FVTPL and financial assets at FVOCI. The Parent Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Parent Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Parent Company has an active intercompany lending program and intercompany receivable that are short term. To minimize credit exposure, the Parent Company assesses the financial capacity of the affiliated entities and operating cash flows.

As at December 31, 2023 and 2022, the Parent Company's maximum exposure to credit risk is equal to the carrying values of its financial assets.

Given the Parent Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

As at December 31, the credit quality of the Parent Company's financial assets are as follows:

	2023							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	485,558,770	-	-	-	485,558,770	-	-	485,558,770
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	24,566,877,099	-	-	-	24,566,877,099	2,827,457,974	10,286,697	27,404,621,770
Shopping centers	1,969,949,002	-	-	-	1,969,949,002	91,921,763	216,468,348	2,278,339,113
Corporate business	1,398,846,029	-	-	-	1,398,846,029	478,064,047	227,140,312	2,104,050,388
Others	297,439,715	-	-	-	297,439,715	-	-	297,439,715
Receivable from related parties	48,625,025,398	-	-	-	48,625,025,398	-	-	48,625,025,398
Advances to other companies	6,707,757,450	-	-	-	6,707,757,450	-	190,007,763	6,897,765,213
Dividends receivable	4,968,436,118	-	-	-	4,968,436,118	-	-	4,968,436,118
Receivable from employees	216,042,460	-	-	-	216,042,460	-	-	216,042,460
Interest receivable	13,488,661	-	-	-	13,488,661	-	-	13,488,661
	88,763,861,932	-	-	-	88,763,861,932	3,397,443,784	643,903,120	92,805,208,836
	89,249,420,702				89,249,420,702	3,397,443,784	643,903,120	93,290,767,606

	2022							
	Neither past due nor impaired					Past due but		
	High Grade	Medium Grade	Low Grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	558,050,216	-	-	-	558,050,216	-	-	558,050,216
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	24,952,381,817	-	-	-	24,952,381,817	6,295,973,240	10,286,697	31,258,641,754
Shopping centers	1,847,810,185	-	-	-	1,847,810,185	63,294,098	233,522,330	2,144,626,613
Corporate business	1,388,295,586	-	-	-	1,388,295,586	208,510,653	199,695,672	1,796,501,911
Others	500,528,788	-	-	-	500,528,788	-	-	500,528,788
Receivable from related parties	53,824,773,264	-	-	-	53,824,773,264	-	-	53,824,773,264
Advances to other companies	7,505,178,084	-	-	-	7,505,178,084	-	190,007,763	7,695,185,847
Dividends receivable	2,136,222,555	-	-	-	2,136,222,555	-	-	2,136,222,555
Receivable from employees	129,589,610	-	-	-	129,589,610	-	-	129,589,610
Interest receivable	13,431,171	-	-	-	13,431,171	-	-	13,431,171
	92,298,211,060	-	-	-	92,298,211,060	6,567,777,991	633,512,462	99,499,501,513
	92,856,261,276	-	-	-	92,856,261,276	6,567,777,991	633,512,462	100,057,551,729

As at December 31, the aging analysis of past due but not impaired trade receivables presented per class, is as follows:

		Past due but not impaired							
2023	Neither past due nor impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	24,566,877,099	724,353,341	359,107,206	159,257,935	319,054,653	1,265,684,839	2,827,457,974	10,286,697	27,404,621,770
Shopping centers	1,969,949,002	14,946,060	15,611,066	12,407,370	9,074,992	39,882,275	91,921,763	216,468,348	2,278,339,113
Corporate business	1,398,846,028	3,667,589	52,375,165	19,858,466	69,622,290	332,540,538	478,064,048	227,140,312	2,104,050,388
Others	297,439,715	-	-	-	-	-	-	-	297,439,715
Receivable from related parties	48,625,025,398	-	-	-	-	-	-	-	48,625,025,398
Advances to other companies	6,707,757,450	-	-	-	-	-	-	190,007,763	6,897,765,213
Dividends receivable	4,968,436,118	-	-	-	-	-	-	-	4,968,436,118
Receivable from employees	216,042,460	-	-	-	-	-	-	-	216,042,460
Interest receivable	13,488,661	-	-	-	-	-	-	-	13,488,661
	88,763,861,931	742,966,990	427,093,437	191,523,771	397,751,935	1,638,107,652	3,397,443,785	643,903,120	92,805,208,836

		Past due but not impaired							
2022	Neither past due nor impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	24,952,381,817	702,924,108	1,146,523,568	1,080,550,298	440,920,770	2,925,054,496	6,295,973,240	10,286,697	31,258,641,754
Shopping centers	1,847,810,185	11,444,936	8,130,430	6,880,383	17,864,079	18,974,271	63,294,099	233,522,330	2,144,626,614
Corporate business	1,388,295,586	12,624,462	16,895,831	2,953,564	22,513,153	153,523,642	208,510,652	199,695,672	1,796,501,910
Others	500,528,788	-	-	-	-	-	-	-	500,528,788
Receivable from related parties	53,824,773,264	-	-	-	-	-	-	-	53,824,773,264
Advances to other companies	7,505,178,084	-	-	-	-	-	-	190,007,763	7,695,185,847
Dividends receivable	2,136,222,555	-	-	-	-	-	-	-	2,136,222,555
Receivable from employees	129,589,610	-	-	-	-	-	-	-	129,589,610
Interest receivable	13,431,171	-	-	-	-	-	-	-	13,431,171
	92,298,211,060	726,993,506	1,171,549,829	1,090,384,245	481,298,002	3,097,552,409	6,567,777,991	633,512,462	99,499,501,513

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents - based on the nature of the counterparty and the Parent Company's internal rating system.

The unquoted financial assets at FVOCI are unrated.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to three (3) defaults in payment in the past; and low grade pertains to receivables with more than three (3) defaults in payment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries.

As at December 31, 2023, the exposure at default amounted to P2,035.9 million (2022 - P3,578.9 million). The average expected credit loss rates (over total receivable) is 0.7% (2022 - and 0.6%) that resulted in the ECL of P643.9 million (2022 - P633.5 million).

24.1.2 Liquidity risk management

Liquidity risk

Liquidity risk is defined by the Parent Company as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Parent Company that makes it difficult for the Parent Company to raise the necessary funds or that forces the Parent Company to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at loss due to wider than normal bid-offer spreads.

The Parent Company employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Parent Company has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Parent Company ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit line

As at December 31, 2023, of the P118.8 billion short term credit facilities (2022 - P111.0 billion), the Parent Company has a total available credit line up to P60.5 billion (2022 - P70.0 billion) with various local banks.

The tables below summarize the maturity profile of the Parent Company's financial assets and liabilities as at December 31 based on contractual undiscounted payments:

2023	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	485,558,770	-	-	-	485,558,770
Financial assets at FVTPL	-	-	-	35,834,889	35,834,889
Accounts and notes receivable	94,629,941,482	-	-	-	94,629,941,482
Total undiscounted financial assets	95,115,500,252	-	-	35,834,889	95,151,335,141
Financial liabilities					
Accounts and other payables*	68,370,669,774	-	-	-	68,370,669,774
Short-term debt	7,005,000,000	-	-	-	7,005,000,000
Long- term debt	18,969,420,594	94,602,375,939	83,749,126,114	-	197,320,922,647
Deposits and other current liabilities	8,257,272,914	-	-	-	8,257,272,914
Deposits and other noncurrent liabilities**	25,875,052	9,084,216,974	-	-	9,110,092,026
Total undiscounted financial liabilities	102,628,238,334	103,686,592,913	83,749,126,114	-	290,063,957,361
Net liquidity position	(7,512,738,082)	(103,686,592,913)	(83,749,126,114)	35,834,889	(194,912,622,220)

2022	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	558,050,226	-	-	-	558,050,226
Financial assets at FVTPL	-	-	-	6,881,752	6,881,752
Accounts and notes receivable	102,194,717,086	-		-	102,194,717,086
Total undiscounted financial assets	102,752,767,312	-	-	6,881,752	102,759,649,064
Financial liabilities					
Accounts and other payables*	54,373,751,961	-	-	-	54,373,751,961
Short-term debt	688,000,000	-	-	-	688,000,000
Long- term debt	14,587,183,950	114,622,122,461	62,672,670,570	-	191,881,976,981
Deposits and other current liabilities	15,524,974,289	-	-	-	15,524,974,289
Deposits and other noncurrent liabilities**	25,875,052	13,964,151,196		-	13,990,026,248
Total undiscounted financial liabilities	85,199,785,252	128,586,273,657	62,672,670,570	-	276,458,729,479
Net liquidity position	17,552,982,060	(128,586,273,657)	(62,672,670,570)	6,881,752	(173,699,080,415)

**excludes payable to government agencies*
***excludes deferred output vat*
****includes future interest payment*

Cash and cash equivalents and financial assets at FVTPL are used for the Parent Company's liquidity requirements. Please refer to the terms and maturity profile of these financial statements under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as at December 31, 2023 and 2022.

24.1.3 Market risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Parent Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio. As at December 31, 2023, the Parent Company's ratio of fixed to floating rate debt stood at 89:11 (2022 - 99:1).

The table below demonstrates the sensitivity of the Parent Company's income before income tax to a reasonably possible change in interest rates on December 31, with all variables held constant, (through the impact of floating rate borrowings):

	2023	2022
Changes in floating rate borrowings	Increase (decrease) on income before income tax	
+ 100 basis points increase	(222,770,000)	(9,770,000)
- 100 basis points increase	222,770,000	9,770,000

The assumed change in rate is based on the currently observable market environment.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

2023	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	485,558,770	485,558,770	-	-	485,558,770
Accounts and notes receivable	Fixed at the date of sale	Date of sale	216,042,460	66,654,548	149,387,912	-	216,042,460
			701,601,230	552,213,318	149,387,912		701,601,230
Short- term debt							
Floating-Peso	Variable	Monthly	7,005,000,000	7,005,000,000	-	-	7,005,000,000
Long-term debt							
Fixed							
Peso	Fixed at 6.0%	10.5 years	2,000,000,000			1,086,955,039	1,086,955,039
Peso	Fixed at 3.8915% to 4.85%	7, 9.5 and 10 years	15,000,000,000	6,689,897,658	7,586,924,085	-	14,276,821,743
Peso	Fixed at 5.2624%	10 years	7,000,000,000	-	6,563,867,212	-	6,563,867,212
Peso	Fixed at 5.9203%	10 years	3,045,350,000	3,027,163,329		-	3,027,163,329
Peso	Fixed at 1.2253% to 4.3889%	5 years	64,876,000,000	3,010,521,801	23,179,253,060	28,862,394,296	55,052,169,157
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000,000	-	11,717,982,789	-	11,717,982,789
Peso	Fixed at 3.862%	5 years	6,250,000,000	-	5,898,805,798	-	5,898,805,798
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000,000	-	9,533,933,653	2,410,859,380	11,944,793,033
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000,000	11,829,192,677	12,574,469,550	13,648,430,614	38,052,092,841
Floating			15,000,000,000	-	9,598,263,898	4,540,878,619	14,139,142,517
Peso	Variable	3 months	15,272,000,000	805,426,326	3,780,237,778	9,727,152,502	14,312,816,606
			205,448,350,000	32,367,201,791	90,433,737,823	60,276,670,450	183,077,610,064

2022	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	558,050,216	558,050,216	-	-	558,050,216
Accounts and notes receivable	Fixed at the date of sale	Date of sale	129,589,610	21,918,698	107,670,912	-	129,589,610
			687,639,826	579,968,914	107,670,912	-	687,639,826
Short- term debt							
Floating-Peso	Variable	Monthly	688,000,000	688,000,000	-	-	688,000,000
Long-term debt							
Fixed							
Peso	Fixed at 6.0%	10.5 years	2,000,000,000	-	-	1,666,347,438	1,666,347,438
Peso	Fixed at 3.8915% to 4.85%	7, 9.5 and 10 years	22,000,000,000	6,865,032,624	13,846,460,651	-	20,711,493,275
Peso	Fixed at 5.2624%	10 years	7,000,000,000	-	6,343,552,688	-	6,343,552,688
Peso	Fixed at 5.9203%	10 years	10,000,000,000	-	9,162,217,528	-	9,162,217,528
Peso	Fixed at 1.2253% to 4.3889%	5 years	3,066,525,000	-	2,973,856,226	-	2,973,856,226
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000,000	-	11,481,912,694	-	11,481,912,694
Peso	Fixed at 3.862%	5 years	6,250,000,000	-	5,680,329,383	-	5,680,329,383
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000,000	-	9,182,310,353	2,230,628,338	11,412,938,691
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000,000	-	24,060,520,237	13,188,640,205	37,249,160,442
Floating							
Peso	Variable	3 months	289,000,000	25,187,353	227,843,643	-	253,030,996
			121,293,525,000	7,578,219,977	82,959,003,403	17,085,615,981	107,622,839,361

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial assets and credit facilities of the Parent Company, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. As such, the Parent Company's foreign currency risk is minimal.

As at December 31, the Parent Company's foreign currency-denominated monetary assets and liabilities and their peso equivalents are as follow:

	2023		2022	
Financial assets	US Dollar	PHP Equivalent	US Dollar	PHP Equivalent
Cash and cash equivalents	163,872	9,073,640	480,379	26,783,531
Financial liabilities				
Long-term debt	55,000,000	3,045,350,000	55,000,000	3,066,525,000
	55,000,000	3,045,350,000	55,000,000	3,066,525,000
Net foreign currency-denominated liabilities	(54,836,128)	(3,036,276,360)	(54,519,621)	(3,039,741,469)

In translating the foreign currency-denominated monetary assets in Peso amounts, the Philippine Peso - USD exchange rates as at December 31, 2023 used were P55.37 to US$1.00 (2022 - P55.755 to US$1.00).

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine Peso - U.S. Dollar exchange rate, with all variables held constant, on the Parent Company's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Effect on income before income tax	
	Decrease (increase)	
Change in exchange rate	2023	2022
+ 100 basis points	(30,362,764)	(30,397,415)
- 100 basis points	30,362,764	30,397,415

Equity price risk

Quoted financial assets are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability and domestic inflation rates, the change in price reflect how market participants view the developments.

The Parent Company's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

The analysis below demonstrates the sensitivity to a reasonably possible change of market index with all other variables held constant, of the Parent Company's equity.

	Effect on equity increase (decrease)	
Change in PSEi index 2022	2023	2022
+5%	370,667	308,313
-5%	(370,667)	(308,313)

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As at December 31, 2023 and 2022, the impact on net income and equity as a result of a 100 basis points (decrease) increase in interest rates is as follow when all other variables are held constant:

	2023		2022	
	Net income, and equity (in millions)	Duration	Net income, and equity (in millions)	Duration
BPI UITF Money Market	+/- 5,320	0.34 year	+/- 48,234	0.66 year
BPI UITF Short Term	+/- 18,078	0.33 year	+/- 69,727	0.73 year

24.1.4 Fair value information

The following tables set forth the carrying values and estimated fair values of the Parent Company's financial assets and liabilities recognized:

		2023		2022	
	Notes	Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVTPL	3	35,834,889	35,834,889	6,881,752	6,881,752
Financial assets at FVOCI	7				
Unquoted equity securities		469,057,497	469,057,497	469,561,300	469,561,300
Quoted equity securities		247,280,000	247,280,000	194,200,000	194,200,000
		752,172,386	752,172,386	670,643,052	670,643,052
Financial assets at amortized cost					
Cash and cash equivalents	2	487,063,380	487,063,380	559,609,838	559,609,838
Accounts and notes receivable	4	92,161,305,716	91,872,791,195	98,865,989,051	100,747,646,411
Other current assets	6	22,081,932,663	22,081,932,663	18,418,705,630	18,418,705,630
		114,730,301,759	114,441,787,238	117,844,304,519	119,725,961,879
Other financial liabilities					
Short-term debt		7,005,000,000	7,005,000,000	688,000,000	688,000,000
Accounts and other payables*		69,103,221,414	69,103,221,414	54,748,041,914	54,748,041,914
Lease liabilities		365,852,408	365,852,408	361,965,297	361,965,297
Long-term debt	13	197,320,922,647	176,072,610,064	191,881,976,981	164,913,141,357
Deposits and other liabilities	15	22,049,409,978	25,178,720,531	36,732,109,816	36,732,109,816
		295,844,406,447	277,725,404,417	284,412,094,008	257,443,258,384

**Excluding deferred output VAT*

The methods and assumptions used by the Parent Company in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, current receivables, accounts and other payables, current payables and short-term debt - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in fund. The fair value of the fund is based on net asset values as of reporting dates.

Non-current accounts receivable - The fair values of residential accounts receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used for residential accounts receivable ranged from 5.50% to 11.50% and from 1.66% to 11.00% as of December 31, 2023 and 2022, respectively. The discount rates used for receivable from employees ranged from 6.00% to 12.00% as of December 31, 2023 and 2022.

Financial assets at FVOCI - Fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities - Fair values are based on the latest selling price available.

Liabilities - The fair value of non-current unquoted instruments are estimated using the discounted cash flow methodology using the Parent Company's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged from 5.24% to 6.08% and 6.71% to 8.66% as of December 31, 2023, and 2022, respectively. The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair Value Hierarchy

The Parent Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable in the market, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The Parent Company categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

Quoted FVOCI as at December 31, 2023 amounting to P247.2 million (2022 - P194.2 million) were classified under the Level 1 category and the unquoted FVOCI financial assets amounting to P469.1 million (2022 - P469.6 million) were classified under Level 3 (Note 7).

As at December 31, 2023, investment in UITFs amounting to P35.8 million (2022 - P6.8 million) were classified under Level 2 (Note 3).

The fair value of the investment properties was determined by independent professionally qualified appraisers. The following table provides the fair value hierarchy of the Parent Company's investment properties as at December 31:

		2023			
	Date of valuation	Total	Level 1	Level 2	Level 3
Land properties	Various	273,594,292,296	-	-	273,594,292,296
Office properties	Various	88,422,508,455	-	-	88,422,508,455
Retail properties	Various	21,764,346,489	-	-	21,764,346,489

		2022			
	Date of valuation	Total	Level 1	Level 2	Level 3
Land properties	Various	180,257,054,622	-	-	180,257,054,622
Office properties	Various	34,216,388,255	-	-	34,216,388,255
Retail properties	Various	12,556,252,765	-	-	12,556,252,765

The values of the land were arrived using the Market Data Approach. Market Data Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per sqm., the higher the fair value.

The values of the buildings were arrived using the Income Approach. Income Approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

The significant unobservable inputs to valuation of investment properties ranges from P5,782 to P67,000 per sqm.

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date.

There has been no transfer between levels of fair value hierarchy in 2023 and 2022.

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments comprise cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI quoted and unquoted equity securities, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Parent Company's operations. The Parent Company has various financial assets such trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, foreign currency risks and equity price arise in the normal course of the Parent Company's business activities. The main objectives of the Parent Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Parent Company's financial risk exposures. It is the Parent Company's policy not to enter into derivative transactions for speculative purposes.

The Parent Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Parent Company.

There were no changes in the Parent Company's financial risk management objectives and policies in 2023 and 2022.

The following table provides the fair value hierarchy of the Parent Company's financial assets at FVTPL which are measured at fair value as at December 31:

			Fair value measurement using		
	Valuation date	Total	Level 1	Level 2	Level 3
Investment in UITF	December 31, 2023	35,834,889	-	35,834,889	-

			Fair value measurement using		
	Valuation date	Total	Level 1	Level 2	Level 3
Investment in UITF	December 31, 2022	6,881,752	-	6,881,752	-

The fair value of the investment in UITF is based on net asset values as of reporting dates.

Reconciliation of fair value measurement of Investment in UITF is shown below:

	Notes	2023	2022
At January 1		6,881,752	16,860,471
Additions		991,477,111	2,236,166,300
Disposals		(966,106,294)	(2,242,338,930)
Unrealized gain (loss) included under other income	18	3,582,320	(3,806,089)
At December 31		35,834,889	6,881,752

24.2 Capital management

The primary objective of the Parent Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Parent Company establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

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

The Parent Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both gross debt and net debt basis. As at December 31, the Parent Company had the following ratios:

	2023	2022
Debt to equity	1.069:1	1.065:1
Net debt to equity	1.067:1	1.062:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents and financial assets at FVTPL. Equity, which the Parent Company considers as capital, pertains to the total equity. The Parent Company excludes the Fair value reserve of financial assets at FVOCI in computing the debt to equity ratio.

The Parent Company is not subject to externally imposed capital requirements due to loan covenants (Note 13). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and 2022.

Financial risk assessment

The Parent Company's financial condition and operating results would not be materially affected by the current changes in interest, currency, credit, liquidity and market conditions.

Exposure to changes in interest rates is reduced by a debt portfolio mix of both fixed and floating interest rates. As at December 31, 2023, the Parent Company's ratio of fixed to floating rate debt stood at 88:1 (2022 - 99:1).

As at December 31, 2023, the exposure to foreign currency holdings of the Parent Company is at US$55.0 million and (2022 - US$54.5 million).

Credit risks continue to be managed through defined credit policies and continuing monitoring of exposure to credit risks. The Parent Company's base of counterparties remains diverse. As such, it is not exposed to large concentration of credit risk.

Liquidity risk is addressed with long-term funding already locked in, while funds are placed on cash equivalents and financial assets at FVTPL.

25 Segment information

The industry segments where the Parent Company operates follow:

Core business:

- Residential developments - sale of high-end and upper middle-income residential lots and units, and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Parent Company's share in properties made available to subsidiaries for development.
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Corporate business - development and lease of office buildings
- Corporate - company-wide activities not catering to specific business units

Support Business:

- Property management - facilities management of the Parent Company

Assets, liabilities, revenues and expenses of the Strategic Landbank Management and Visayas-Mindanao segment were reallocated to other business segments namely shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2023 and 2022, there were no revenue transactions with a single external customer which accounted for 10% or more of the revenue from external customers.

Business segments

As at and for the years ended December 31, the following tables regarding business segments present the assets and liabilities, and revenue and profit information (in millions):

2023	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Revenue						
Revenues from contracts with customers	20,962	552	50	3,152	-	24,716
Interest income from real estate sales	2,160	-	-	-	-	2,160
Rental income	129	3,274	2,817	12	-	6,232
Total revenue	23,251	3,826	2,867	3,164	-	33,108
Real estate costs and expenses	16,614	1,859	1,168	3	475	20,119
Operating profit	6,637	1,967	1,699	3,161	(475)	12,989
General and administrative expenses	(647)	(385)	(182)	(52)	(766)	(2,032)
Interest expense and other financing charges	(883)	124	(100)	-	(9,809)	(10,668)
Interest income	-	-	-	-	291	291
Other income	543	805	-	-	7,363	8,711
Dividend income	-	-	-	-	9,672	9,672
Other charges and expenses	-	24	(97)	(5)	-	(78)
Provision for income tax	(504)	(1)	(495)	-	694	(306)
Net income	5,146	2,534	825	3,104	6,970	18,579
Other Information						
Segment assets	229,325	102,643	74,964	26,861	58,775	492,568
Deferred tax assets	-	-	-	-	2,639	2,639
Total assets	229,325	102,643	74,964	26,861	61,414	495,207

(forward)

2023	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Segment liabilities	(63,596)	(76,367)	(60,469)	(75,064)	(28,614)	(304,110)
Segment additions to:						
Property and equipment	168	367	14	-	57	606
Investment properties	2,101	3,493	1,135	-	787	7,516
Depreciation and amortization	56	888	576	3	128	1,651
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	(196)	(232)	(222)	(5)	11	(644)

2022	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Revenue						
Revenues from contracts with Customers	20,969	545	165	3,361	-	25,040
Interest income from real estate sales	2,951	-	-	-	-	2,951
Rental income	155	2279	2,730	9	490	5,663
Total revenue	24,075	2824	2,895	3,370	490	33,654
Real estate costs and expenses	15,109	1550	1,048	12	2,375	20,094
Operating profit	8,966	1274	1,847	3,358	(1,885)	13,560
General and administrative expenses	(603)	(434)	(202)	(38)	(358)	(1,635)
Interest expense and other financing charges	(1,644)	25	61	-	(9,161)	(10,719)
Interest income	42	-	66	-	647	755
Other income	(363)	130	(633)	-	11,113	10,247
Dividend income	–	-	-	-	7,800	7,800
Other charges and expenses	(57)	(24)	(41)	-	(369)	(491)
Provision for income tax	(389)	2	(425)	-	283	(529)
Net income	5,952	973	673	3,320	8,070	18,988
Other Information						
Segment assets	189,047	100,987	70,745	29,979	81,377	472,135
Deferred tax assets	–	-	–	-	1,630	1,630
Total assets	189,047	100,987	70,745	29,979	83,007	473,765
Segment liabilities	(63,876)	(77,048)	(73,144)	(62,062)	(16,874)	(293,004)
Segment additions to:						
Property and equipment	75	491	75	-	52	693
Investment properties	2439	3,027	1,885	-	846	8,197
Depreciation and amortization	125	974	645	3	93	1,840
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	56	24	-	-	-	80

26 Performance obligations

Information about the Parent Company's performance obligations are summarized below:

Real estate sales

The Parent Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and the Parent Company concluded that there is one performance obligation in each of these contracts. The Parent Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Parent Company provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Parent Company as a quality assurance warranty and not treated as a separate performance obligation.

As at December 31, 2023, The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as follows:

	2023	2022
Within one year	11,677,339,347	16,044,700,773
More than one year	6,304,924,031	10,688,539,271
	17,982,263,378	26,733,240,044

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Parent Company's real estate projects. The Parent Company's condominium units are completed within three to five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

27 Leases

Operating Leases - Parent Company as Lessor

The Parent Company entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of the Parent Company are as follows:

	2023	2022
Within one year	3,051,044,377	1,589,256,273
After one year but not more than five years	13,771,061,669	8,512,893,142
More than five years	5,232,019,638	852,882,777
	22,054,125,684	10,955,032,192

On January 1, 2015, the Parent Company and ACCI entered into a lease contract for the lease of parcels of land and buildings within the Greenbelt and Glorietta development located at the Ayala Center, Makati City. The lease shall be for a period of two years from January 1, 2015 until December 31, 2016, renewable for another two years upon the written agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month. The lease was renewed from January 1, 2017 to December 31, 2021 under the same terms and conditions stated in the original contract of lease.

On January 1, 2017, the Parent Company and NECC entered into a lease contract for the lease of a parcel of land with an area of 19,988 sq.m., three office towers and a common retail podium mixed-use commercial building located at the Vertis North estate. The lease of land shall be for a period of 40 years which commenced on January 1, 2017. The commencement of the lease period for the buildings are by phase, Phase 1 started on January 18, 2017, Phase 2 on April 1, 2017, Phase 3 on October 1, 2017 and Phase 4 started on October 1, 2018. The lease on the buildings is co-terminous with the land lease. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provide for a fixed monthly rent and a certain percentage of gross rental revenue per month.

In 2017, the Parent Company and ATI entered into a lease contract for the lease of a 24-storey building with a total construction floor area of 146,830 sq. m. located at 30 Meralco Ave., Pasig City. The lease shall be for a period of 40 years which commenced on February 1, 2016 for Phase 1 and August 1, 2017 for Phase 2. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month.

On December 27, 2017, the Parent Company signed a lease agreement with MCLC for the lease on the parcels of land it owns where the buildings bought by MCLC were constructed (Notes 9 and 20).

On December 28, 2017, the Parent Company signed a lease agreement with ASCVC for the lease on the parcels of land it owns where the Arca South BPO and Mall were constructed. (Notes 9 and 20).

The Parent Company granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to P341.0 million in 2022. These rent concessions did not qualify as a lease modification, thus, were accounted for as variable lease payments and reported as reduction of lease income (Note 32).

Operating Leases - Parent Company as Lessee

Future minimum rentals payable under noncancellable operating leases of the Parent Company follows:

	2023	2022
Within one year	3,051,044,377	50,712,937
After one year but not more than five years	13,771,061,669	166,476,213
More than five years	5,232,019,638	229,776,116
	22,054,125,684	446,965,266

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2023:

Cost	Note	2023	2022
At January 1		604,578,165	474,255,722
Additions		37,805,310	130,322,442
At December 31		642,383,475	604,578,164
Accumulated depreciation and amortization			
At January 1		249,385,432	206,617,707
Depreciation	18	54,002,934	42,767,725
At December 31		303,388,366	249,385,432
Net Book Value		338,995,109	355,192,732

The roll forward analysis of lease liabilities follows:

	Note	2023	2022
At January 1		361,965,298	253,604,291
Additions		37,805,310	130,322,442
Interest expense	18	32,120,994	28,657,287
Payments		(66,039,194)	(50,618,723)
At December 31		365,852,408	361,965,297
Less: Current portion of lease liabilities		(40,042,512)	(28,253,675)
Lease liabilities, net of current portion		325,809,896	333,711,622

The following are the amounts recognized in the Parent Company's statement of income:

	Note	2023	2022
Depreciation expense of right-of-use assets		54,002,934	42,767,725
Interest expense on lease liabilities	18	32,120,994	28,657,287
Rent expense - variable lease payments		217,131,557	185,228,619
Total amounts recognized in the statement of income		303,255,485	256,653,631

The Parent Company has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Parent Company's variable lease payments, including the magnitude in relation to fixed payments:

	2023		
	Fixed payments	Variable payments	Total
Fixed	66,039,194	-	66,039,194
Variable rent only	-	217,131,557	217,131,557
At December 31	66,039,194	217,131,557	283,170,751

	2022		
	Fixed payments	Variable payments	Total
Fixed	50,618,720	-	50,618,720
Variable rent only	-	185,228,619	185,228,619
At December 31	50,618,720	185,228,619	235,847,339

The significant leases entered into by the Parent Company are as follows:

On September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027.

On September 2017, the Parent Company signed a Lease Agreement with AyalaLand Estates, Inc. (ALEI) for the lease of a 4.3-hectare portion of land located in Vermosa, Pasong Buaya I, Imus City, Province of Cavite. The term of the lease shall ten (10) years commencing from September 2017 to August 2027.

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to P100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

On October 2022, the Parent Company signed a Lease Agreement with AREIT Inc. for a lease of a 893 square meters office space at the 20*th* floor of Ayala Center Cebu Tower and 8 appurtenant parking slots, located in Cebu City. The term of the lease is 5 years and shall commence from October 2022 to September 2027.

Finance Leases - Parent Company as Lessor
On January 31, 2020, the Company entered into a contract of lease with AREIT for the lease of land and building for a period of 34 years. The agreement pertains to the lease of the following:

a. Parcel of land with a total land area of approximately 4,513 square meters
b. A five story building with gross floor area of 14, 598.4 square meters and gross leasable area of 10, 687 square meters
c. Two basement parkings levels with 120 parking slots
d. Various capital equipment installed in the building

The lease agreement states that the Company shall deliver to AREIT the physical possession of the leased properties on February 1, 2020. The rent is payable at a fixed monthly rate of P2.73 million, subject to 5% annual escalation rate.

The rollforward of finance receivables (under receivable from related parties) follows:

	Note	2023	2022
At January 1		917,552,229	894,810,787
Interest income		60,379,824	58,900,064
Payments		(37,966,553)	(36,158,622)
As at December 31		939,965,500	917,552,229
Current lease receivable	20	39,706,687	37,815,892
Non-current lease receivable	20	900,258,813	879,736,337

The maturity analysis of the receivables, including undiscounted lease payments to be received are as follows:

	2023	2022
Within one year	39,706,687	37,815,892
After one year but not more than five years	230,374,734	219,404,509
More than five years	2,539,595,094	2,575,914,197
Total undiscounted lease payments	2,809,676,515	2,833,134,598
Less: Unearned finance income	2,077,198,076	2,079,951,628
Net investment in the lease	732,478,439	753,182,970

28 Long-term commitments and contingencies

Commitments

a. On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc, for the waterworks of Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was signed by Parent Company and its subsidiaries and affiliates, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Total expenses amounted to P0.2 million. As a result of the merger, the Parent Company assumes the rights and obligations of CHI and CPVDC.

b. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company named, ALI-ETON Property Development Corporation, was incorporated on March 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower.

   On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

c. On August 11, 2015, the Parent Company won the bid for the Integrated Transport System Project-South Terminal ("ITS South Project"). The Parent Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57 hectare former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Parent Company is developing an integrated mixed-use estate.

d. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Parent Company and CHI (together with the Parent Company collectively referred to as the "ALI Group"). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, the Parent Company has fully paid Php 4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commence on February 18, 2020.

   As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

   The development is positioned to be "The Gateway and Epicenter of Growth in Central Visayas".

It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

e. On February 26, 2021, the Parent Company entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively to a 5-year loan with interest rate of 4% per annum

Contingencies

The Parent Company has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Parent Company's financial position and results of operations. Accordingly, no provision for any liability has been made in the parent company financial statements.

Disclosures required by PAS 37, Provisions, Contingent Liabilities and Contingent Assets, were not provided as it may prejudice the Parent Company's position in ongoing claims, and it can jeopardize the outcome of the claims and contingencies.

29 Notes to statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

	January 1, 2023	Cash flows	Other changes	Foreign exchange movement	December 31, 2023
Short-term debt	688,000,000	6,317,000,000	-	-	7,005,000,000
Current portion of long-term debt (a)	14,570,101,002	-	3,925,699,817	-	18,495,800,819
Long-term debt, net of current portion (a)	177,311,875,979	5,403,273,437	(3,868,852,588)	(21,175,000)	178,825,121,828
Lease liabilities (a)	361,965,297	(66,039,194)	69,926,305	-	365,852,408
Dividends payable (b)	1,731,387	(5,454,086,740)	5,454,154,124	-	1,798,771
Deposits and other non-current liabilities	20,564,706,140	(7,423,599,654)	-	-	13,141,106,486
Total liabilities from financing activities	213,498,379,805	(1,223,452,151)	5,580,927,658	(21,175,000)	217,834,680,312

Other changes pertain to:
(a) Interest expense
(b) Dividends declaration

	January 1, 2022	Cash flows	Other changes	Foreign exchange movement	December 31, 2022
Short-term debt	8,471,000,000	(7,783,000,000)	-	-	688,000,000
Current portion of long-term debt (a)	23,528,471,449	(34,939,773,750)	25,981,403,303	-	14,570,101,002
Long-term debt, net of current portion (a)	158,236,289,770	45,000,000,000	(26,185,993,791)	261,580,000	177,311,875,979
Lease liabilities (a)	253,604,290	(50,618,720)	158,979,727	-	361,965,297
Dividends payable (b)	12,214,765	(4,062,008,309)	4,051,524,931	-	1,731,387
Deposits and other non-current liabilities	26,879,578,441	(6,314,673,764)	(198,537)	-	20,564,706,140
Total liabilities from financing activities	217,381,158,715	(8,150,074,543)	4,005,715,633	261,580,000	213,498,379,805

Other changes pertain to:
(a) Interest expense
(b) Dividends declaration

The non-cash activities of the Parent Company pertain to the following:

2023

- Transfer from investment properties to inventory amounted to P9,461.5 million
- Unpaid acquisition of land amounted to P6,574,67 million
- Property-for-share swap transaction amounted to P9,804.63 million

2022

- Transfer from investment properties to inventory amounted to P11,764.9 million
- Unpaid acquisition of land amounted to P9,078.78 million
- Property-for-share swap transaction amounted to P17,386.16 million

30 Events after the reporting date

On February 12, 2024, the shareholders of AREIT owning a majority of the outstanding capital stock, approved the issuance of 841,259,412 primary common shares to Ayala Land, Inc. (ALI) and its subsidiaries, and Buendia Christiana Holdings Corp., a wholly-owned subsidiary of ACEN Corporation, at an issue price of P34.00/share, in exchange for four prime commercial buildings of ALI and a 276-hectare industrial land, with an aggregate value of P28,602,820,008.

On February 20, 2024, the BOD approved the following:

a. The raising of up to Php50 billion in debt capital to partially finance general corporate requirements and refinance maturing debt through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or execution of bilateral term loans.

b. The declaration of a regular cash dividend of Php0.2050 per common share for the first half of 2024. The record date is March 5, 2024, and the payment date is March 21, 2024.

c. The 2024 stock option program pursuant to our Employee Stock Ownership Plan (the “Plan”) which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 18,542,878 common shares at a subscription price of Php28.82 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 30-day trading as of February 13, 2024, less a prescribed discount.

31 Critical accounting judgments and estimates

The preparation of the financial statements in conformity with PFRSs, as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission in response to the COVID-19 pandemic, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. The estimates and assumptions used in the financial statements are based upon management’s evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates.

31.1 Critical accounting judgments

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

Existence of a contract

The Parent Company’s primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers’ computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Parent Company before revenue recognition is to assess the probability that the Parent 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, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age 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.

Revenue recognition method and measure of progress

The Parent Company concluded that revenue for real estate sales is to be recognized over time because: (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Parent Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Parent Company has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

Distinction of land between real estate inventories, property and equipment and investment properties

The Parent Company determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Parent Company considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Parent Company also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Control of entities in which the Parent Company holds only 50% or less than majority of voting rights

The Parent Company considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, Parent Company holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BGWest Properties
For the BG entities, wherein Parent Company and the other shareholder each own 50% of the voting rights, Parent Company controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL and LAIP
ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL and LAIP.

Contingencies

The Parent Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Parent Company currently does not believe that these proceedings will have a material effect on the Parent Company's financial statements (Note 28).

Sale of real estate receivables

The Parent Company has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Parent Company believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Parent Company continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets

The Parent Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria:

The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for those financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Parent Company, for economic or contractual reasons relating to the customer's financial difficulty (e.g., Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Parent Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Parent Company's expected loss calculation.

Incorporation of forward-looking information:

The Parent Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Parent Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Parent Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Parent Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Parent Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Parent Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Parent Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options - Parent Company as a lessee

The Parent Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Parent Company has several lease contracts that include extension and termination options. The Parent Company applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Parent Company has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Parent Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Assessment on whether lease concessions granted constitute a lease modification

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Parent Company waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Parent Company applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Parent Company determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Parent Company assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

There are no rent concessions granted by the Parent Company for the year ended December 31, 2023 (2022 - P341.0 million).

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements. Upon adoption of the Interpretation, the Parent Company has assessed whether it has any uncertain tax position. The Parent Company applies significant judgement in identifying uncertainties over its income tax treatments. The Parent Company determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

31.2 Critical accounting estimates and assumptions

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

Revenue recognition on real estate projects

The Parent Company's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Parent Company's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the POC is applied to the standard cost which is regularly reviewed and adjusted to actual cost. In view of the community quarantines and restricted mobility in 2022 and 2021, the progress of the Group's performance obligation was adversely affected which resulted in lower percentage of completion as compared to previous years. In 2023, the Parent Company's percentage of completion posted improvement due to easing of health and travel restrictions.

Evaluation of net realizable value of real estate inventories

The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Parent Company in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. In evaluating NRV, recent market conditions and current market prices have been considered. See Note 5 for the related balances.

Share-based payments

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Parent Company (Note 23).

Estimating pension liabilities and other retirement benefits

The determination of the Parent Company's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 21 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Parent Company Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Parent Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations (Note 21).

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology (Note 24).

Provision for expected credit losses of trade receivables

The Parent Company uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.
The Parent Company uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Parent Company's trade receivables is disclosed in Notes 5 and 24.

Estimating the incremental borrowing rate for leases

The Parent Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Parent Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Parent Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Parent Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

As at December 31, 2023, the Parent Company's lease liabilities amounted to P365.9 million (2022 - P362.0 million) (Note 27).

Finance lease commitments - Parent Company as lessor

The Parent Company has entered into a lease agreement on the parcel of land and building pertaining to MECC. The Parent Company has determined, based on evaluation of the terms and arrangement, particularly on the economic life, that the Parent Company has transferred substantially all the significant risks and rewards of ownership of this property to the lessee and accounts for the agreement as finance lease.

Evaluation of impairment of non-financial assets

The Parent Company assesses whether there are any indicators of impairment for all non-financial assets (i.e., investment in subsidiaries, associates and joint ventures, property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

For investment in subsidiaries, associates and joint ventures, the Parent Company calculates the amount of impairment as the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.

No impairment loss was recognized in 2023 and 2022.

Useful lives of property and equipment and investment properties

The useful life of each item of the Parent Company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets. In 2023 and 2022, there were no changes in the estimated useful lives of property and equipment.

Determination of fair values of investment properties

The determination of fair values of the Parent Company's properties are defined in Note 24.1.4 "Fair Value Information". It defined the various approaches used by the Company to estimate the fair value based on the nature and factors affecting each type of properties.

32 Summary of material accounting policies

32.1 Basis of preparation

The financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic. The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The Parent Company has availed the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D, assessment if the transaction price includes a significant financing component, until December 31, 2023.

SEC MC No. 4-2020, deferring the adoption of IFRIC Agenda Decision on Over Time Transfers of Constructed Goods under PAS 23, *Borrowing Cost* (the IFRIC Agenda Decision on Borrowing Cost), is not applicable to the Parent Company as is it is already in full compliance with the requirements of the IFRIC Agenda Decision.

The details and the impact of the adoption of the above financial reporting relief are discussed in Note 32.2 - Adoption of amended accounting standards and interpretations.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets at FVTPL, financial assets at FVOCI and plan assets that have been measured at fair value.

The preparation of financial statements in conformity with PFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Parent Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Parent Company. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 31.

Functional and presentation currency

The financial statements of the Parent Company are presented in Philippine Peso.

32.2 Adoption of amended accounting standards and interpretations

(a) Amendments to existing standards adopted by the Parent Company effective January 1, 2023

The following amendments to existing standards have been adopted by the Parent Company effective January 1, 2023:

- Amendments to PAS1, '*Presentation of Financial Statements', and PFRS Practice Statement 2*

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

  To support this amendment, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  The adoption of these amendments resulted in changes in the accounting policies disclosed by the Parent Company.

- Amendments to PAS 8, '*Definition of Accounting Estimates'*

  The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12*, 'Income Taxes'*

  The amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Parent Company's financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Parent Company

The following amendments to existing standards are not mandatory for December 31, 2023 reporting period and have not been early adopted by the Parent Company:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

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

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

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- Amendments to PFRS 16*, 'Lease Liability in a Sale and Leaseback'*

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

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

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

  After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

  The Parent Company availed the SEC relief on the accounting for significant financing component in its 2023 financial statements. Had this provision been adopted, the Parent Company would follow the allowed modified retrospective approach allowing it to adjust only the beginning balance of Retained earnings in 2023. The net income for the current period is not expected to materially change as it would only require allocation of transaction price from one revenue line item to another.

  The Parent Company assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is not material to the 2023 financial statements. Upon the adoption in 2024, the adjustment on the beginning balance of retained earnings approximates an increase of P1,068.4 million.

- PFRS 17, *Insurance Contracts*

  PFRS 17 was issued in May 2017 as replacement for PFRS 4, Insurance Contracts. PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the statement of income or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

  The IC, in coordination with Philippine Insurers and Reinsurers Association, is currently reviewing the impact of PFRS 17 across the entire industry and has established a project team to manage the implementation approach. The IC, considering the extension of IFRS 17 and the challenges of the COVID-19 pandemic to the insurance industry, has deferred the implementation of PFRS 17 to January 1, 2025, granting an additional two-year period from the date of effectivity proposed by the IASB.

The new standard is not applicable to the Parent Company since it has no activities that are predominantly connected with insurance.

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Parent Company.

32.3 Current versus non-current classification

The Parent Company presents assets and liabilities in parent company statement of financial position based on:

a. expected to be realized or intended to be sold or consumed in normal operating cycle;
b. held primarily for the purpose of trading;
c. expected to be realized within twelve (12) months after reporting date; or
d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is current when:

a. it is expected to be settled in the normal operating cycle;
b. it is held primarily for the purpose of trading;
c. it is due to be settled within 12 months after reporting date; or
d. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Parent Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

32.4 Fair value measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Parent Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Parent Company, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

32.5 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

32.6 Financial assets

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Parent Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognised on a trade date basis. Financial liabilities are recognized when cash is received by the Parent Company.

(a) Financial assets

i. Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognised at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on *Revenue from contracts with customers*.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

The classification requirements for financial assets are described below:

a. Financial assets at amortized cost (debt instruments);
b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at fair value through profit or loss

ii. Subsequent measurement

(a) Financial assets at amortized cost

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

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

The Parent Company's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Parent Company accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognised over the life of the financial assets through the recognition of interest income.

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

When financial assets at amortized cost are disposed, these are assessed whether the Parent Company is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (Note 5).

(b) Financial assets at FVOCI (debt instruments)

The Parent Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Parent Company's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Parent Company holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

The Parent Company's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Parent Company enter into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Parent Company enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in profit or loss.

The Parent Company's financial assets at FVTPL includes investments in UITF.

iii. Impairment of financial assets

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

For trade receivables, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes allowance for impairment loss based on lifetime ECL at each reporting date. The Parent Company has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Parent 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 Parent 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 will be based on the lifetime ECL. The Parent Company uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Parent Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Parent Company's definition of default and historical data of three years for the origination, maturity date and default date. The Parent Company considers trade receivables in default when contractual payments 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 which may extend the definition of default to 90 days and beyond. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

iv. Determining the stage for impairment

At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

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

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

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

vi. Modification of financial assets

The Parent Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Parent Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

(b) **Financial liabilities**

i. Initial recognition, classification and measurement

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized costs, net of directly attributable transaction costs. Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Parent Company's financial liabilities include accounts and other payables (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities.

The Parent Company has no financial liabilities at FVTPL.

ii. Subsequent measurement

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

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

This category generally applies to short-term and long-term debt.

iii. Derecognition

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

iv. *Offsetting*

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

There is no offsetting of financial instruments as at December 31, 2023 and 2022.

32.7 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and NRV. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and estimated costs to sell.

Cost of inventories represents accumulated costs of the unsold units of the completed projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the statement of comprehensive income.

Inventories are derecognized when they are sold or there are no future benefits to the Parent Company. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

32.8 Materials, parts and supplies

Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

32.9 Investments in subsidiaries, associates and joint ventures

The Parent Company's investments in its subsidiaries, associates and joint ventures are accounted for under the cost method and are carried at cost less accumulated provisions for impairment losses, if any. A subsidiary is an entity over which the Parent Company has control. The Parent Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. An associate is an entity in which the Parent Company has a significant influence and which is neither a subsidiary nor a joint venture.

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Parent Company disposes the investment or the investee reacquires its own equity instruments from the Parent Company.

32.10 Investment properties

Investment properties comprise completed property and property under construction or re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Parent Company. It also includes land intended as investment property or with unintended future use.

The Parent Company uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Parent Company.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

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

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

The Parent Company discloses the fair values of its investment properties in accordance with PAS 40. The Parent Company assess fair value as at December 31, 2023 and 2022. The Parent Company's investment properties consist of land and building pertaining to land properties, retail spaces and office properties. Land were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Buildings (retail, office, hospital) were valued using income approach by reference to the value of income, cash flow or cost saving generated by the asset.

32.11 Property and equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5

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

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

32.12 Impairment of non-financial assets

The Parent Company assesses at each reporting date whether there is an indication that an asset may be impaired (investments in subsidiaries, associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Parent Company's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Parent Company determines at each reporting date whether there is any objective evidence that the investment in subsidiaries, associates or joint ventures is impaired. If this is the case, the Parent Company calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.

32.13 Pension cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

32.14 Share-based payments

The Parent Company has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 26.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as at grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 22).

Employee Stock Ownership Plan

The Parent Company has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

32.15 Equity

When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the statement of financial position (Note 16).

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

32.16 Revenue from contract with customers

The Parent Company primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Parent Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Parent Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

Real estate sales

The Parent Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

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

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as trade receivables under residential, commercial and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the customers' deposit account in the liabilities section of the parent company statement of financial position. The impact of the significant financing component on the transaction price has not been considered since the Parent Company availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry. Under the SEC Memorandum Circular No. 34, the relief has been extended until December 31, 2023

Rental income (part of real estate sales in the statement of income)

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. No rental income is recognized when the Parent Company waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (Note 3).

The contract for the commercial spaces leased out by the Parent Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common use service area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the Parent Company determined that it is acting as an agent because the promise of the Parent Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Parent Company, are primarily responsible for the provisioning of the utilities while the Parent Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Parent Company acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Parent Company has the discretion on how to price the CUSA and air-conditioning charges.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Parent Company's right to receive the payment is established.

32.17 Cost recognition

The Parent Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Construction costs (part of cost of real estate sales in the statement of income)

Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Customers' deposit

Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Parent Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent Company transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Parent Company which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Parent Company from the customers for which revenue recognition has not yet commenced.

32.18 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Parent Company expects to recover them. The Parent Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the statement of income.

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

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

Following the pattern of real estate revenue recognition, the Parent Company amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Parent Company determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Parent Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Parent Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Parent Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

32.19 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Investment properties” and “Property and equipment” accounts in the statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Parent Company’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The Parent Company capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

32.20 Leases

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

Parent Company as lessee

Except for short-term leases and leases of low-value assets, the Parent Company applies a single recognition and measurement approach for all leases. The Parent Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Parent Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Parent Company’s right-of-use assets include lease of land which is depreciated based on the term of the lease ranging from 5 to 47 years.

If ownership of the leased asset transfers to the Parent Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

Lease liabilities

At the commencement date of the lease, the Parent Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating the lease, if the lease term reflects the Parent Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Parent Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Parent Company as lessor

Leases where the Parent Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Parent Company as a lessor

Leases in which the Parent Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

32.21 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

32.22 Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of MCIT over the regular corporate income tax and unused NOLCO, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

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

32.23 Foreign currency transactions

Each entity in the Parent Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The exchange differences arising on the translation are taken directly to a separate component of equity under “Cumulative translation adjustments” account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Parent Company’s share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

32.24 Earnings per share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

32.25 Segment reporting

The Parent Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 25 to the financial statements.

32.26 Contingencies

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

32.27 Events after the reporting period

Post year-end events that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the Parent Company's financial statements. Post year-end events that are not adjusting events are disclosed in the Parent Company's financial statements when material.

33 Supplemental information required by the Bureau of Internal Revenue (BIR)

In compliance with the requirements set forth by Revenue Regulations No. 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Value Added Tax (VAT)

The Parent Company is a VAT-registered entity with output VAT declaration as follows:

	Net sales/receipts	Output VAT paid
Taxable sales:		
Sale of goods	20,888,104,216	2,506,572,506
Leasing income	4,519,358,361	542,323,003
Others	6,465,362,395	775,843,487
Zero-rated sales	1,237,875,200	-
	33,110,700,172	3,824,738,996

The sale of goods is recorded under Land and residential sales account while leasing income is recorded under Rental income. The amount of Input VAT claimed is broken down as follows:

	Amount
Balance at beginning of year (net input VAT position)	423,080,193
Current year's purchases:	
Capital goods subject to amortization	14,459,737
Goods other than capital goods	113,802,468
Services lodged under other accounts	3,235,305,111
Total available input VAT	3,786,647,509
Less: Input tax on purchase of capital goods exceeding P1 million for the succeeding period	263,204,531
Total allowable input VAT	3,523,442,978
VAT payments for the year	301,296,019
Total	3,824,738,997
Output VAT during the year	(3,824,738,997)
Balance at the end of the year	-

Documentary Stamp Tax (DST)

The DST paid or accrued on the following transactions are:

Transaction	Amount	DST
Interest expense and other financing charges		
DST on loans	113,607,151,871	42,125,025
DST on Intercompany loan	20,078,961,458	30,099,378
DST on original issue of shares of stock	14,579,090	145,792
Shares of stock not traded in stock exchange	14,579,090	109,344
Direct operating expenses		
DST on leases and other hiring agreements	1,563,829,134	3,164,999
DST on transfer of real property	-	-
DST on sale of shares	71,404,000	535,530
Others	23,725,409	46,206
General and administrative expenses		
DST on leases and other hiring agreements	50,403,791	299,027
DST on original issue of all debt instrument	2,672,363,750	20,042,728
Capitalized DST		
DST on promissory note	30,000,000,000	225,000,000
Balance at the end of the year	168,096,997,593	321,568,029

Withholding Taxes

Details of withholding taxes in 2023 are as follows:

	Amount
Final withholding taxes	1,392,000,437
Expanded withholding taxes	967,074,787
Withholding taxes on compensation and benefits	367,554,914
Withholding VAT and other percentage taxes	1,909,922
Balance at end of year	2,728,540,060

Other Taxes and Licenses

The following are the taxes, licenses and permit fees in 2023, excluding DST:

	Direct operating expenses	General and administrative expenses	Total
Local			
Real property tax	697,064,206	249,356	697,313,562
License and permit fees	351,724,134	268,091	351,992,225
Inspection fees	3,193,751	21,668	3,215,419
Motor vehicle registration fees	-	976,560	976,560
Professional tax	2,220	59,391	61,611
Community tax	2,274	31,500	33,774
Others	32,293,466	26,679	32,320,145
	1,084,280,051	1,633,245	1,085,913,296
National			
Fringe benefits tax	-	21,609,123	21,609,123
Annual registration	1,500	2,000	3,500
	1,500	21,611,123	21,612,623
	1,084,281,551	23,244,368	1,107,525,919

Tax assessments and cases

The Parent Company has no deficiency tax assessments whether protested or not. The Parent Company has not been involved in any tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the BIR as at December 31, 2023.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7			

COMPANY NAME

A	Y	A	L	A		L	A	N	D	,		I	N	C	.															

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

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E	X	C	H	A	N	G	E		P	L	A	Z	A	,		A	Y	A	L	A		T	R	I	A	N	G	L	E

,		A	Y	A	L	A		A	V	E	N	U	E	,		M	A	K	A	T	I		C	I	T	Y			

Form Type

A	F	S	

Department requiring the report

S	E	C	

Secondary License Type, if applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
investorrelations@ayalaland.com.ph	7 908-3677	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
12,857	04/27	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Ma. Divina Y. Lopez	[redacted]	[redacted]	

Contact Person's Address

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Note: 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.

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audits of the Separate Financial Statements

Our Opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of Ayala Land, Inc. (the "Parent 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 Standard (PFRS) Accounting Standards.

What we have audited

The separate financial statements of the Parent Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of income for the years ended December 31, 2025 and 2024;
- the statements of comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in equity for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

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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 Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), as applicable to audits of separate financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the separate financial statements in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Responsibilities of Management and Those Charged with Governance for the separate financial statements

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

In preparing the separate financial statements, management is responsible for assessing the Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the 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 Parent 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 Parent 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 auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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, actions taken to eliminate threats or safeguards applied.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 33 to the separate financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

Roderick M. Danao
Partner
[redacted]

Makati City
February 20, 2026

Ayala Land, Inc.

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	2,593,237,830	891,172,963
Financial assets at fair value through profit or loss (FVTPL)	3	67,170,373	308,477,770
Accounts and notes receivable	4	86,624,351,343	76,413,484,824
Inventories	5	89,474,497,268	67,780,690,033
Other current assets	6	28,790,682,874	22,827,565,322
Total current assets		207,549,939,688	168,221,390,912
Non-current assets			
Accounts and notes receivable, net of current portion	4	36,442,303,511	21,375,212,076
Financial assets at fair value through other comprehensive income (FVOCI)	7	813,300,586	781,337,497
Investments in subsidiaries, associates and joint ventures	8	205,331,695,024	221,337,924,182
Right-of-use assets, net	27	4,577,773,395	286,760,381
Investment properties, net	9	102,466,577,516	82,461,745,604
Property and equipment, net	10	4,746,527,648	3,498,711,381
Deferred tax assets, net	19	2,852,465,953	3,020,316,585
Other non-current assets	11	15,674,106,534	14,547,584,415
Total non-current assets		372,904,750,167	347,309,592,121
Total assets		580,454,689,855	515,530,983,033

(forward)

Ayala Land, Inc.

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

(continuation)

	Notes	2025	2024
Liabilities and Equity			
Current liabilities			
Short-term debts	13	25,342,500,000	9,267,000,000
Accounts and other payables	12	98,139,768,407	72,172,292,058
Current portion of lease liabilities	27	58,787,818	46,606,885
Current portion of long-term debt	13	17,468,932,016	23,831,437,922
Deposits and other current liabilities	14	5,286,483,425	6,616,438,358
Total current liabilities		146,296,471,666	111,933,775,223
Non-current liabilities			
Long-term debts, net of current portion	13	200,253,543,919	186,079,414,527
Pension liabilities	21	968,305,573	1,427,914,425
Lease liabilities, net of current portion	27	5,905,161,765	280,740,495
Deposits and other non-current liabilities	15	13,434,467,251	11,010,711,727
Total non-current liabilities		220,561,478,508	198,798,781,174
Total liabilities		366,857,950,174	310,732,556,397
Equity	16		
Paid-in capital		122,258,820,746	98,624,014,659
Equity reserves		(3,053,702,904)	3,254,264,425
Treasury stock		(59,400,361,216)	(30,127,751,530)
Accumulated other comprehensive loss		(356,052,496)	(513,994,822)
Retained earnings		154,148,035,551	133,561,893,904
Total equity		213,596,739,681	204,798,426,636
Total liabilities and equity		580,454,689,855	515,530,983,033

The notes on pages 1 to 87 are an integral part of these financial statements.

Ayala Land, Inc.

Statements of Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso, except earnings per share)

	Notes	2025	2024
Income			
Real estate revenue	17	39,246,979,517	32,824,850,698
Interest income	25	554,581,742	490,574,527
Dividend income	20	14,846,059,152	20,320,544,643
Other income	18	15,141,440,651	8,818,170,764
		69,789,061,062	62,454,140,632
Cost and expenses	18		
Cost of real estate sales		21,481,760,806	20,260,447,606
General and administrative expenses		2,595,325,134	1,844,776,359
Interest and other financing charges		13,358,639,592	12,114,436,502
Other charges and expenses		1,238,024,211	672,656,487
		38,673,749,743	34,892,316,954
Income before income tax		31,115,311,319	27,561,823,678
Income tax expense (benefit)	19	1,988,428,353	(241,512,113)
Net income for the year		29,126,882,966	27,803,335,791
Earnings Per Share			
Basic and diluted	22	2.00	1.87

The notes on pages 1 to 87 are an integral part of these financial statements.

Ayala Land, Inc.

Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Net income for the year		29,126,882,966	27,803,335,791
Other comprehensive income			
Item that will not be subsequently reclassified to profit or loss in subsequent years:			
Change in fair value reserve of financial assets at FVOCI	7	(3,159,872)	65,000,000
Remeasurement gain (loss) on pension liability, net of tax	21	161,102,198	(44,529,769)
		157,942,326	20,470,231
Total comprehensive income for the year		29,284,825,292	27,823,806,022

The notes on pages 1 to 87 are an integral part of these financial statements.

Ayala Land, Inc.

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Paid-in capital (Note 16)	Equity reserves (Note 16)	Treasury stock (Note 16)	Accumulated other comprehensive loss (Note 16)	Retained earnings (Note 16)	Total
Balances at December 31, 2023	**98,115,042,022**	**3,254,264,425**	**(22,776,360,598)**	**(534,465,053)**	**113,039,139,754**	**191,097,620,550**
Impact of adoption of PFRS 15 covered by PIC Q&A 2018-12-D (Note 31.2)	-	-	-	-	151,086,801	151,086,801
Balances at January 1, 2024	98,115,042,022	3,254,264,425	(22,776,360,598)	(534,465,053)	113,190,226,555	191,248,707,351
Comprehensive income						
Net income for year	-	-	-	-	27,803,335,791	27,803,335,791
Other comprehensive (loss)	-	-	-	20,470,231	-	20,470,231
Total comprehensive income for the year	-	-	-	20,470,231	27,803,335,791	27,823,806,022
Transaction with owners						
Share-based compensation	107,467,521	-	-	-	-	107,467,521
Issuance of shares	401,505,116	-	-	-	-	401,505,116
Acquisition of treasury shares	-	-	(7,351,390,932)	-	-	(7,351,390,932)
Cash dividends declared	-	-	-	-	(7,431,668,442)	(7,431,668,442)
Total transaction with owners	508,972,637	-	(7,351,390,932)	-	(7,431,668,442)	(14,274,086,737)
Balances at December 31, 2024	98,624,014,659	3,254,264,425	(30,127,751,530)	(513,994,822)	133,561,893,904	204,798,426,636
Comprehensive income						
Net income for year	-	-	-	-	29,126,882,966	29,126,882,966
Other comprehensive income	-	-	-	157,942,326	-	157,942,326
Total comprehensive income for the year	-	-	-	157,942,326	29,126,882,966	29,284,825,292
Transaction with owners						
Share-based compensation	25,002,908	-	-	-	-	25,002,908
Issuance of shares	34,740,341	-	233,787,889	-	-	268,528,230
Acquisition of treasury shares	-	-	(9,961,287,503)	-	-	(9,961,287,503)
Statutory merger (Note 8)	23,575,062,838	(6,307,967,329)	(19,545,110,072)	-	-	(2,278,014,563)
Cash dividends declared	-	-	-	-	(8,540,741,319)	(8,540,741,319)
Total transaction with owners	23,634,806,087	(6,307,967,329)	(29,272,609,686)	-	(8,540,741,319)	(20,486,512,247)
Balances at December 31, 2025	122,258,820,746	(3,053,702,904)	(59,400,361,216)	(356,052,496)	154,148,035,551	213,596,739,681

The notes on pages 1 to 87 are an integral part of these financial statements.

Ayala Land, Inc.

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		31,115,311,319	27,561,823,678
Adjustments for:			
Interest expense and amortization of transaction cost	18	13,358,639,592	12,114,436,502
Depreciation	18	1,695,706,028	1,553,179,849
Cost of share-based payments		90,248,256	107,467,521
Unrealized loss on foreign exchange		29,250,519	6,552,076
Provision for impairment losses and write-offs	4	1,046,890,749	196,076,792
Unrealized gain on financial assets at FVTPL	18	(19,861,025)	(25,941,153)
Gain on sale of property and equipment	18	(1,038,998)	(1,000,759)
Gain on sale of investment in subsidiaries, associates and joint ventures	18	(13,449,051,192)	(1,371,803,663)
Dividend income	20	(14,846,059,152)	(20,320,544,643)
Interest income		(554,581,741)	(490,574,527)
Retirement benefit expense	21	298,334,459	270,574,415
Gain on property-for-share swap	18	(1,177,536,925)	(6,999,925,794)
Operating income before working capital changes		17,586,251,889	12,600,320,294
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable		619,603,462	556,973,805
Inventories		(18,434,248,511)	(3,523,177,610)
Other current assets		(3,364,875,923)	845,683,484
(Decrease) increase in:			
Deposits and other current liabilities		(1,660,703,804)	(2,291,865,134)
Accounts and other payables		9,077,376,235	(3,481,200,925)
Cash generated from operations		3,823,403,348	4,706,733,914
Dividends received		16,325,559,152	20,455,452,059
Interest received		549,843,313	489,463,018
Interest paid, inclusive of capitalized borrowing cost		(13,546,488,756)	(12,025,972,001)
Net cash from operating activities		7,152,317,057	13,625,676,990
Cash flows from investing activities			
Proceeds from disposal/redemption of:			
Investments in subsidiaries, associates and joint ventures	8	11,514,389,480	11,877,486,617
Investment properties	9	-	2,252,596,041
Property and equipment	10	3,032,353	44,607,417
Cash absorbed from subsidiaries as a result of merger		353,600,205	-
Financial assets at fair value through profit of loss	24	2,147,967,902	892,623,430
Financial assets at FVOCI		8,500,000	-
Purchases/additions to:			
Financial assets at FVTPL	24	(1,886,799,480)	(1,139,325,158)
Property and equipment	10	(1,302,454,357)	(475,135,845)
Investment properties	9	(17,755,633,771)	(12,325,162,696)
Investments in subsidiaries, associates and joint ventures	8	(1,741,202,483)	(3,951,780,480)
Increase in other non-current assets	11	389,156,082	(2,109,497,954)
Increase in accounts and notes receivable - nontrade	4	(2,564,417,908)	(6,213,150,888)
Net cash used in investing activities		(10,833,861,977)	(11,146,739,516)

(forward)

Ayala Land, Inc.

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

(continuation)

	Notes	2025	2024
Cash flows from financing activities			
Proceeds from short-term and long-term debts	13	153,055,276,166	171,037,855,000
Proceeds from capital stock subscriptions		225,694,766	401,505,116
Decrease in deposits and other non-current liabilities	15	912,988,448	(2,130,394,758)
Payments of contribution to retirement plan	21	(282,573,815)	(284,418,069)
Payments of lease liabilities	27	(543,140,380)	(66,851,331)
Acquisition of treasury shares	16	(9,983,699,385)	(7,351,390,932)
Payments of cash dividends	16	(8,551,001,960)	(7,390,081,473)
Payments of short-term and long-term debts	13	(129,449,033,534)	(156,290,855,000)
Net cash from (used in) financing activities		5,384,510,306	(2,074,631,447)
Net increase in cash and cash equivalents		1,702,965,386	404,306,027
Cash and cash equivalents			
At January 1		891,172,963	487,063,380
Effect of exchange rate changes on cash and cash equivalents		(900,519)	(196,444)
At December 31		2,593,237,830	891,172,963

Non-cash investing and financing activities 29

The notes on pages 1 to 87 are an integral part of these financial statements.

Ayala Land, Inc.

Notes to the Financial Statements
As at and for the years ended December 31, 2025 and 2024
(In the notes, all amounts are shown in Philippine Pesos unless otherwise stated)

1 General information

Corporate information

Ayala Land, Inc. (the "Parent Company", or "ALI") is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines. The Parent Company is a subsidiary of Ayala Corporation (AC). AC is a publicly-listed company, 47.84%-owned by Mermac, Inc. and the rest by the public as of December 31, 2025. The Parent Company's registered office and principal place of business is at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company is incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Parent Company or of other persons; and to engage or act as real estate broker.

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issue by the Parent Company's Board of Directors (BOD) on February 20, 2026.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2025	2024
Cash on hand	1,948,210	1,585,210
Cash in banks	1,450,550,224	820,173,753
Cash equivalents	1,140,739,396	69,414,000
	2,593,237,830	891,172,963

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interest at the respective short-term investment rates.

There are no restrictions on the Parent Company's cash and cash equivalents balances as at December 31, 2025 and 2024.

3 Financial assets at fair value through profit or loss (FVTPL)

The account consists of investment in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds"). The Funds, which are structured as Unit Investment Trust Funds (UITFs), aim to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

As at and for the years ended December 31, the details of the movement of fair value measurement of financial assets at FVTPL follows:

	2025	2024
At January 1	308,477,770	35,834,889
Additions	1,886,799,480	1,139,325,158
Redemptions	(2,147,967,902)	(892,623,430)
Unrealized gain included under other income	19,861,025	25,941,153
At December 31	67,170,373	308,477,770

The fair value of the financial assets at FVTPL is based on the net asset values, which is equivalent to its fair value, as at reporting date.

4 Accounts and notes receivable

The account as at December 31 consists of:

	Note	2025	2024
Trade receivable from:			
Residential, commercial and office development		43,556,508,024	29,459,307,666
Corporate business		2,904,420,096	2,749,669,657
Shopping centers		1,777,624,267	2,712,294,570
Others		1,647,303,033	907,100,697
Receivable from related parties	20	55,258,844,802	50,211,071,379
Advances to other companies		15,504,945,285	7,382,329,642
Dividends receivable		3,354,028,702	4,833,528,702
Receivable from employees		208,665,456	208,774,329
Interest receivable		19,338,599	14,600,170
		124,231,678,264	98,478,676,812
Allowance for impairment losses		(1,165,023,410)	(689,979,912)
		123,066,654,854	97,788,696,900
Less: Non-current portion		36,442,303,511	21,375,212,076
Current portion of accounts and notes receivable		86,624,351,343	76,413,484,824

The terms and conditions of the above receivables are as follows:

- Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the prevailing market rates. Titles to real estate properties are transferred to buyers once full payment has been made.

- Receivables from related parties include finance lease receivables (Note 27) and other due from related parties (Note 20).

- Advances to other companies mainly comprise of the advances made to joint venture partners representing project costs and purchases of land that are still subject to completion, and the remaining portion of proceeds from disposal of a subsidiary. The advances relating to project costs are non-interest bearing and are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

- Dividends receivable pertain to distribution from related parties payable in the subsequent year.

- Receivables from employees pertain to housing, car, salary and other loans granted to the Parent Company's employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

The movement in the allowance for impairment losses follows:

	Note	Trade		Advances to other companies	Total
		Shopping centers	Corporate business		
At January 1, 2024		216,468,348	235,747,301	191,687,471	643,903,120
Provisions during the year	18	-	37,788,887	8,287,905	46,076,792
At December 31, 2024		216,468,348	273,536,188	199,975,376	689,979,912
Provisions (reversals) during the year	18	(2,250,000)	-	347,841,716	345,591,716
Others		72,006,827	35,080,424	22,364,531	129,451,782
At December 31, 2025		286,225,175	308,616,612	570,181,623	1,165,023,410

Others mainly pertain to the outstanding allowance for impairment losses recognized on balances absorbed from the merged entities as a result of the merger between and among ALI and its certain subsidiaries (Note 8).

In 2025, the Parent Company sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party, as follows (Note 20):

	2025	2024
Proceeds from sale of receivables	2,755,404,472	4,950,807,044
Carrying amount	(3,070,418,162)	(5,524,684,642)
Loss on sale	(315,013,690)	(573,877,598)

The loss on sale is presented as part of interest expense and other financing charges in the statement of income (Note 18).

5 Inventories

The account as at December 31 consists of:

	2025	2024
Real estate - at cost		
Residential and commercial lots	67,597,215,941	53,175,187,988
Residential and commercial units	21,877,281,327	14,605,502,045
	89,474,497,268	67,780,690,033

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and condominium units	Total
As at January 1, 2024		53,572,476,977	12,878,671,374	66,451,148,351
Construction and development costs incurred		7,223,214,295	9,349,065,233	16,572,279,528
Cost of real estate sold	18	(3,619,613,454)	(9,429,488,464)	(13,049,101,918)
Transfers within inventories		(1,807,253,902)	1,807,253,902	-
Transfers to investment properties	9	(2,193,635,928)	-	(2,193,635,928)
As at December 31, 2024		53,175,187,988	14,605,502,045	67,780,690,033
Land acquisition		9,727,629,628	-	9,727,629,628
Construction and development costs incurred		8,055,046,820	13,795,783,522	21,850,830,342
Additions through merger		463,807,376	1,057,995,292	1,521,802,668
Cost of real estate sold	18	(5,696,935,507)	(7,447,275,952)	(13,144,211,459)
Transfers from (to) investment properties	9	1,872,479,636	(134,723,580)	1,737,756,056
As at December 31, 2025		67,597,215,941	21,877,281,327	89,474,497,268

As at December 31, 2025 and 2024, the Parent Company has no purchase commitments, liens and encumbrances pertaining to its inventories.

6 Other current assets

The account as at December 31 consists of:

	2025	2024
Prepaid taxes and licenses	16,936,120,175	14,467,220,110
Advances to contractors and suppliers	6,325,510,711	4,442,299,854
Prepayments, net	3,156,096,838	3,889,065,796
Input value added tax (VAT)	2,372,955,150	28,979,562
	28,790,682,874	22,827,565,322

Prepaid taxes and licenses consist of excess payments made against current income tax due which can be claimed against income tax for future periods, and prepayments on other taxes and licenses.

Advances to contractors and suppliers pertain to prepayments for the construction of inventories. These are recouped as application of payment to contractors and suppliers, which are expected to occur within 12 months.

Prepayments mainly consist of prepayments for commissions, marketing and management fees, and rentals and insurance. The amount is presented net of allowance for impairment loss based on the assessed recoverability. In 2025, the cost to obtain contracts, which includes prepaid commissions, amounted to P411.2 million (2024 - P583.0 million). If a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits (Note 11).

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

7 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	Note	2025	2024
Shares of stock:			
Quoted		77,100,204	76,897,205
Unquoted		496,916,934	461,996,972
		574,017,138	538,894,177
Net unrealized fair value gain	16	239,283,448	242,443,320
		813,300,586	781,337,497

Investments in quoted shares of stock include shares held in clubs wherein the Parent Company does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Parent Company will continue to hold as part of the infrastructure that it provides to its real estate projects.

Movements in the fair value reserve of financial assets at FVOCI for the years ended December 31 follow:

	Note	2025	2024
At January 1		242,443,320	177,443,320
Fair value changes during the year	16	(3,159,872)	65,000,000
At December 31		239,283,448	242,443,320

8 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less impairment, if any, in these separate financial statements.

The account as at December 31 consists of:

	Percentages of direct ownership		Carrying amounts	
	2025	2024	2025	2024
Subsidiaries:				
Property Development:				
Amaia Land Corporation and Subsidiary (Amaia)	100	100	7,286,931,640	7,286,931,640
Avida Land Corporation and Subsidiaries (Avida)	100	100	6,689,977,831	6,689,977,831
AyalaLand Estates, Inc. (formerly Southgateway Development Corp. (SDC))	100	100	5,976,310,479	5,976,310,479
Cebu District Property Enterprise, Inc. (CDPEI)*	100	100	3,620,000,000	3,620,000,000
Alveo Land Corporation and Subsidiaries (Alveo)	100	100	2,677,613,403	2,677,613,403
BellaVita Land Corporation (BellaVita)	100	100	2,300,000,000	2,300,000,000
Crans Montana Holdings, Inc.	100	100	505,329,030	505,329,030
Ayala Land Premier, Inc. (ALPI)	100	100	17,500,000	17,500,000
Verde Golf Development Corp (Verde Golf)	100	100	3,125,000	3,125,000
Roxas Land Corp (RLC)	100	50	296,022,960	137,272,960
OLC Development Corporation	100	-	2,273,434,127	-
Allysonia International Ltd.	100	-	2,000,000	-
Vesta Property Holdings, Inc. (VPHI)	88	88	2,294,273,333	2,294,273,333
Aurora Properties Incorporated	81	81	1,199,997,664	1,199,997,664
Accendo Commercial Corp. (Accendo)	67	67	874,697,062	874,697,062
Ceci Realty, Inc. (Ceci)	60	60	699,785,665	699,785,665
Lagdigan Land Corp. (Lagdigan)	60	60	99,000,000	99,000,000
Ayalaland- Tagle Properties, Inc.	55	55	2,008,325,000	2,008,325,000
Taft Punta Engaño Property Inc. (TPEPI)	55	55	550,000,000	550,000,000
Altaraza Development Corporation	51	51	392,062,500	188,062,500
AKL Properties, Inc. (AKL)	50	50	3,083,523,294	3,083,523,294
Aviana Development Corporation	50	50	966,000,000	966,000,000
Solinea, Inc.	35	35	124,250,000	124,250,000
Amaia Southern Properties, Inc. (ASPI)	35	35	93,100,000	93,100,000
Serendra, Inc.	28	28	266,027,100	266,027,100
BGWest Properties (BGW)	12	12	1,340,000,000	1,340,000,000
Ayala Hotels, Inc. (AHI)	-	100	-	13,763,396,233
Amorsedia Development Corporation and Subsidiaries (ADC)	-	100	-	2,274,943,627
Red Creek Properties, Inc. (RCPI)	-	100	-	431,511,128
Southportal Properties, Inc. (Southportal)	-	100	-	290,000,000

(forward)

	Percentages of direct ownership		Carrying amounts	
	2025	2024	2025	2024
Crimson Field Enterprises, Inc.	-	100	-	219,714,272
Altaraza Prime Realty Corporation (Altaraza)	-	100	-	4,000,000
Buendia Landholdings, Inc. (BLI)	-	100	-	2,833,562
Corporate Business:				
AyalaLand Offices, Inc. and Subsidiaries (ALO)	100	100	5,174,986,376	5,622,486,376
Makati Cornerstone Leasing Corp.(MCLC)	100	100	2,213,961,000	2,213,961,000
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100	300,000,000	300,000,000
AREIT Property Management, Inc, (formerly Next Urban Alliance Development Corp.)	100	100	365,500	365,500
Prow Holdings, Inc. (Prow)	55	55	670,273,870	670,273,870
Nuevo Centro, Inc. (Nuevo Centro)	54	54	819,223,620	819,223,620
AREIT, Inc. (AREIT) (formerly One Dela Rosa Property Development, Inc.(ODR)) (Note 20)	40	41	48,544,968,711	41,431,976,726
ALO Prime Realty Corporation	-	100	-	549,676,554
Sunnyfield E-Office Corporation (Sunnyfield)	-	100	-	173,000,000
Hillsford Property Corporation (Hillsford)	-	100	-	150,000,000
Shopping Centers:				
Summerhill E-Office Corporation (Summerhill)	100	100	6,579,990,035	6,579,990,035
Bay City Commercial Ventures Corp. (BCCVC)	100	100	6,229,421,699	6,229,421,699
North Ventures Commercial Corp. (NVCC)	-	100	-	3,784,145,284
AyalaLand MetroNorth, Inc. (AMNI)	100	100	3,145,726,210	3,445,726,210
Capitol Central Commercial Ventures Corp. (CCCVC)	100	100	2,517,000,000	2,517,000,000
Arvo Commercial Corporation (Arvo)	100	100	1,800,000,000	1,800,000,000
AyalaLand Malls, Inc. (ALMI) (formerly ALI Commercial Center, Inc.)	100	100	1,697,680,000	1,697,680,000
Cavite Commercial Town Center, Inc. (CCTCI)	100	100	1,216,860,793	1,496,390,793
Northbeacon Commercial Corporation (NBCC)	100	100	1,138,100,000	1,188,100,000
Westview Commercial Ventures Corp. (Westview)	-	100	-	510,160,572
Subic Bay Town Centre, Inc. (SBTCI)	100	100	334,500,000	478,500,000
Primavera Towncentre, Inc. (PTI)	-	100	-	248,420,000
AMSI, Inc. (formerly Ayalaland Malls Synergies, Inc.) (AMSI)	100	100	235,000,000	235,000,000
Cebu Leisure Company, Inc. (CLCI)	-	100	-	46,000,000
Ayala Malls Zing, Inc.	100	100	21,875,000	21,875,000
Ayala Theatres Management, Inc. (ATMI)	100	100	864,559	864,559
Five Star Cinema, Inc. (FSCI)	-	100	-	250,000
Glensworth Development, Inc.	100	-	68,890,000	-
Cebu Business Park Theater Management Inc. (CBPTMI)	100	100	62,500	62,500
North Triangle Depot Commercial Corporation (NTDCC)	73	73	2,567,568,402	2,567,568,402
AyalaLand Logistics Holdings Corp. and Subsidiaries (ALLHC)	71	71	10,582,725,757	10,582,725,757
Cagayan de Oro Gateway Corp. (CDOGC)	70	70	867,680,000	867,680,000
Station Square East Commercial Corporation (SSECC)	69	69	461,825,050	461,825,050
Soltea Commercial Corp. (Soltea)	60	60	904,416,740	796,416,740
Adauge Commercial Corporation (Adauge)	60	60	600,000,000	600,000,000
Alabang Commercial Corporation (ACC)	-	50	-	258,431,769
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50	191,300,000	191,300,000
ALI-CII Development Corporation (ALI-CII)	50	50	102,765,300	102,765,300
Hotels and Resorts:				
AyalaLand Hotels and Resorts Corporation and Subsidiaries (AHRC)	100	100	15,171,460,837	16,760,432,000
Ecoholdings Company, Inc. (ECI)	-	100	-	718,368,400
Integrated Eco-resort, Inc. (IERI)	-	100	-	492,922,224
Central Bloc Hotel Ventures, Inc.	100	100	9,500,000	47,500,000
Ten Knots Development, Corporation and Subsidiaries (TKDC)	100	60	1,262,214,523	495,000,000
Ten Knots Phils., Inc. (TKPI)	100	60	299,566,529	93,131,600
Cebu Insular Hotel Company, Inc. (CIHCI)	37	37	239,302,475	239,302,475
ALI Makati Hotel Property, Inc.	20	20	584,702,865	584,702,865
ALI Makati Hotel & Residences, Inc. (AMHRI)	20	20	22,097,135	22,097,135
Construction:				
Makati Development Corporation and Subsidiaries (MDC)	100	100	750,958,813	750,958,813
Property Management:				
Ayala Property Management Corporation (APMC)	100	100	1,912,026	1,912,026
Others:				
Regent Wise Investment Ltd. and Subsidiary (Regent Wise) (HongKong Company)	100	100	16,654,593,355	16,654,593,355
ALI Capital Corp. (ALICap) (formerly Varejo Corp.)	100	100	2,625,000,000	2,625,000,000
Darong Agricultural And Development Corporation (DADC)	100	100	1,722,601,620	1,722,601,620
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100	854,500,000	854,500,000
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100	167,923,610	167,923,610
Arca South Integrated Terminal, Inc.	100	100	151,000,000	151,000,000
Ayala Land International Sales, Inc. (ALISI)	100	100	138,700,000	138,700,000
Ayalaland Medical Facilities Leasing, Inc. (AMFLI)	-	100	-	128,000,000
AyalaLand Business Solutions, Inc. (ABSI)	100	100	40,000,000	40,000,000
DirectPower Services, Inc. (DirectPower)	100	100	40,000,000	40,000,000
Whiteknight Holdings, Inc. (WHI)	-	100	-	1,000,000
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100	52	52
Anvaya Cove Golf & Sports Club, Inc. (Anvaya Cove Golf)	74	74	487,265,118	499,416,789
Anvaya Cove Beach & Nature Club Inc. (Anvaya Cove Beach)	73	73	495,349,449	496,367,712
Joint Ventures:				
Property Development				
ALI-ETON Property Development Corporation	50	50	9,306,500,000	9,306,500,000
Cebu District Property Enterprise, Inc. (CDPEI)*	-	-	-	-
Emerging City Holdings, Inc. (ECHI)	50	50	1,555,004,550	1,555,004,550
Berkshires Holdings, Inc. (BHI)	50	50	666,430,520	666,430,520

(forward)

	Percentages of direct ownership		Carrying amounts	
	2025	2024	2025	2024
Associates:				
Property Development				
Lagoon Development Corporation (LDC)	30	30	37,050,000	37,050,000
Ortigas Land Corporation (OLC)	21	21	7,190,241,827	7,190,241,827
Bonifacio Land Corp. (BLC)	5	5	346,881,016	346,881,016
Hotels and Resorts				
Sicogon Island Tourism Estate Corp.	5	5	203,581,200	203,581,200
			205,651,654,730	221,657,883,888
Allowance for probable losses			(319,959,706)	(319,959,706)
			205,331,695,024	221,337,924,182

**The Parent Company reclassified the amount from investment in joint venture to investment in subsidiaries in 2024 due to acquisition of control.*

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

As at December 31, 2025 and 2024, the Parent Company had no commitments to its interests in joint ventures.

The movement in the investment in subsidiaries, associates and joint ventures for the years ended December 31 follow:

	2025	2024
At January 1	221,337,924,182	210,165,412,168
Additions	11,335,087,798	21,457,280,242
Statutory merger	(20,180,554,993)	-
Disposals	(7,160,761,963)	(10,284,768,228)
At December 31	205,331,695,024	221,337,924,182

(i) Additions

The following are the material additions to investments in subsidiaries, associates and joint ventures for the years ended December 31:

2025

- Investment in AREIT, Inc.

  On September 25, 2025, the Securities and Exchange Commission's (SEC) approved the property-for share swap with Ayala Land, Inc. (ALI) and its related entities, involving the issuance of AREIT primary common shares in exchange for four commercial buildings. The properties of ALI relevant to the transaction, and its corresponding increase in investment in subsidiaries amount, are as follows:

Property	Note	Parties	Number of shares	Issue price	Investment amount
Central Bloc Office 1		ALI and AREIT	54,513,642	41.5	2,262,316,163
Central Bloc Office 2		ALI and AREIT	64,155,784	41.5	2,662,465,043
Seda Central Bloc		ALI and AREIT	35,346,486	41.5	1,466,879,163
Ayala Malls Central Bloc		ALI and AREIT	106,115,360	41.5	4,403,787,429
	9				10,795,447,798

- Investment in Roxas Land Corp. (RLC)

  In 2025, ALI acquired 3,600,000 shares of stocks constituting the remaining 50% of the total outstanding capital stock in RLC from the existing investor for a consideration amounting to P158.75 million. As a result, RLC became a wholly owned subsidiary.

- Investment in Glensworth Development, Inc.

  Through a share purchase agreement in 2025, ALI acquired 100% of the outstanding capital stock in GDI from AyalaLand Offices, Inc. for a consideration totaling P68,890,000.

2024

- Investment in AREIT, Inc.

  On September 26, 2024, the Securities and Exchange Commission's (SEC) approved the property-for share swap with Ayala Land, Inc. (ALI) and its related entities, involving the issuance of AREIT primary common shares in exchange for four commercial buildings. The properties of ALI relevant to the transaction, and its corresponding increase in investment in subsidiaries amount, are as follows:

Property	Note	Parties	Number of shares	Issue price	Investment amount
Ayala Triangle Garden Tower 2		ALI and AREIT	367,081,054	34	12,480,755,836
Greenbelt 3 & 5 Malls		ALI and AREIT	159,236,012	34	5,414,024,408
	9				17,894,780,244

- Investment in Cebu District Property Enterprise, Inc. (CDPEI)

  Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014, and is a 50:50 venture between the Company and Aboitiz Land, Inc. On Nov. 4, 2024, ALI acquired the shares of Aboitiz Land, Inc. ("Aboitiz Land") and Aboitiz Equity Ventures Inc. ("AEV") in Cebu District Property Enterprise Inc. ("CDPEI") for a consideration of P1.81 billion. As a result, CDPEI became a wholly owned subsidiary of ALI and reclassified the amount from investment in joint venture to investment in subsidiaries.

- Investment in Bay City Commercial Ventures Corp.

  On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity. Accordingly, the cost of investment in Bay City Commercial Ventures Corp. increased by P1.3 billion.

(ii) Disposals

The following are the material disposals of investments in subsidiaries, associates and joint ventures for the years ended December 31:

2025

- Statutory merger

  On March 13, 2025, the SEC approved the articles of merger of ALI and the following subsidiaries (the "Absorbed Corporations"). Based on the Articles of Merger, the Parent Company shall issue to the Absorbed Corporations' shareholders such number of common shares such that the subsidiaries' operations and its assets and liabilities have been absorbed by ALI effective April 1, 2025. ALI shall be the surviving entity in the merger and shall possess all the rights, privileges and immunities of the Absorbed Corporations and all properties and liabilities, and all and every other interest of or belonging to the Absorbed Corporations shall be taken and deemed transferred to ALI without further act or deed. The method used in the merger of accounts of the merged entities is the "Pooling-of-Interest" method.

  The impact of the statutory merger resulted in an increase of share capital and share premium amounting to P981.40 million and P22.59 billion, respectively.

The number of common shares issued as consideration and the corresponding amount follows:

Company Name	No. of common shares issued	Amount
ALI Triangle Hotel Ventures, Inc. *(b)*	50,030,946	1,513,451,269
ALO Prime Realty Corporation *(a)*	3,879,400	26,924,012
Altaraza Prime Realty Corporation *(a)*	44,000	2,820,298
Amorsedia Development Corporation *(a)*	40,941,748	4,055,780,266
Arcasouth Hotel Ventures, Inc. *(b)*	10,240,000	250,087,841
Asiatown Hotel Ventures, Inc. *(b)*	19,000	1,547,380
Ayala Hotels Inc. *(a)*	499,625,628	7,697,601,898
Ayalaland Medical Facilities Leasing Inc. *(a)*	2,040,000	144,537,354
Buendia Landholdings, Inc. *(a)*	7,004,633	7,505,331
Cebu Leisure Co. Inc. *(a)*	12,282,000	140,110,536
Circuit Makati Hotel Ventures, Inc. *(b)*	9,000,000	532,324,411
Crimson Field Enterprises, Inc. *(a)*	21,375,680	72,244,283
Ecoholdings Company, Inc. *(a)*	10,519,790	731,735,443
Enjay Hotels, Inc. *(b)*	5,940,000	404,199,350
FIVE STAR Cinema Inc. *(a)*	329,740	519,668
Hillsford Property Corporation *(a)*	27,000,000	237,604,796
HLC Development Corporation *(d)*	30,736,706	34,572,071
Integrated Eco-Resort Inc *(a)*	8,325,809	596,466,073
North Ventures Commercial Corp. *(a)*	105,956,068	4,522,633,407
One Makati Hotel Ventures, Inc. *(b)*	19,398,554	19,125,912
Prima Gaedi Development Corp. *(c)*	11,500	821,264
Primavera Towncentre, Inc. *(a)*	2,232,440	148,833,275
Red Creek Properties, Inc. *(a)*	36,629,520	333,616,437
Regent Horizons Conservation Company, Inc. *(b)*	21,269,539	1,285,506,082
Seda Colleges Inc. *(b)*	400,000	22,889,257
Southportal Properties, Inc. *(a)*	7,550,440	369,160,098
Sunnyfield E-Office Corp *(a)*	14,878,000	164,216,108
Westview Commercial Ventures Corp. *(a)*	33,227,403	220,286,675
Whiteknight Holdings, Inc. *(a)*	511,000	37,942,043
TOTAL	981,399,544	23,575,062,838

(a) Previously owned by Ayala Land, Inc.
(b) Previously a direct subsidiary of Ayalaland Hotels and Resorts Corp.
(c) Previously a direct subsidiary of Ayalaland Estates Inc.
(d) Previously a direct subsidiary of Amorsedia Development Corporation

As a result of the above merger, the following investments owned by the Absorbed Corporations were absorbed by ALI:

Company Name	Previously held by	%	Amount
Allysonia International Ltd.	Amorsedia Development Corporation	100%	2,000,000
OLC Development Corporation and Subsidiaries	Amorsedia Development Corporation	100%	2,273,434,127
Ten Knots Development, Corporation and Subsidiaries (TKDC)	Regent Horizons Conservation Company, Inc.	40%	1,097,214,523
Ten Knots Phils., Inc. (TKPI)	Regent Horizons Conservation Company, Inc.	40%	206,434,929

As at April 1, 2025, the effectivity date of the merger, the carrying amounts of the identifiable assets and liabilities of the absorbed entities follows:

Company Name	Amount
Current assets	15,284,644,009
Non-current assets	25,464,555,205
Current liabilities	(14,004,018,654)
Non-current liabilities	(3,170,117,722)

- Investment in AREIT, Inc.

  In 2025, ALI entered into block sale transactions to sell its common shares of AREIT with details as follows:

Quarter	Date	Number of shares sold by ALI	Price	Proceeds from sale	Investment cost	Gain
Q3	July 3, 2025	12,000,000	40.78	489,360,000	376,769,250	112,590,750
Q4	November 26, 2025	100,000,000	41.90	4,190,000,000	3,307,489,293	882,510,707
				4,679,360,000	3,684,258,543	995,101,457

  All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

  The gain on block sale of AREIT shares are included within other income in statement of comprehensive income (Note 18).

- Investment in Alabang Commercial Corp.

  On December 23, 2025, the Parent Company completed the sale of its entire interest in Alabang Commercial Corp. (the owner of South Innovative Theater Management Inc.) for an aggregate consideration of P13.50 billion. The related gain recognized by the Parent Company from the transaction amounting to P12.35 billion is presented within other income (Note 18).

2024

- Investment in AREIT, Inc.

  In 2024, ALI entered into block sale transactions to sell its common shares of AREIT with details as follows:

Quarter	Date	Number of shares sold by ALI	Price	Proceeds from sale	Investment cost	Gain
Q1	January 26, 2024	22,561,034	31.10	701,648,157	672,310,645	29,337,512
Q2	May 20, 2024	60,556,687	32.45	1,965,064,493	1,804,567,346	160,497,147
Q3	September 20, 2024	75,000,000	36.20	2,715,000,000	2,217,407,949	497,592,051
Q4	December 9, 2024	75,000,000	37.00	2,775,000,000	2,354,807,801	420,192,199
				8,156,712,650	7,049,093,741	1,107,618,909

  All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

  The gain on block sale of AREIT shares are included within other income in statement of comprehensive income (Note 18).

- Investment in Northeastern Commercial Corp. (NECC)

  On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity. Accordingly, the cost of investment in Northeastern Commercial Corp. (NECC) decreased by P1.3 billion.

- Investment in AyalaLand Offices, Inc. and subsidiaries (ALOI Group)

  On November 13, 2024, ALOI Group redeemed its shares from ALI amounting to P900.0 million, thereby resulting to a decrease in the cost of investment in investment in AyalaLand Offices, Inc.

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of the total net assets of the Parent Company as at reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Parent Company and the materiality of the carrying value of the investments in associates and joint ventures.

The summarized financial information, as presented in thousands, of the Parent Company's significant associate with material interest follows:

OLC

	2025	2024
Current assets	33,312,460	32,528,276
Non-current assets	35,821,157	35,260,570
Current liabilities	(15,863,498)	(22,512,719)
Non-current liabilities	(29,655,435)	(25,894,993)
Equity	23,614,684	19,381,134
Proportion of Parent Company's ownership	21.0%	21.0%
Parent Company's share in identifiable net assets	4,959,083	4,070,038
Carrying amount of the investment	7,190,242	7,190,242

	2025	2024
Revenue	16,186,724	14,802,433
Cost and expenses	(11,569,790)	(10,938,871)
Net income (continuing operations)	4,616,934	3,863,562
Parent Company's share in net income for the year	962,556	811,348
Total comprehensive income	4,792,614	3,834,466
Parent Company's share in total comprehensive income for the year	1,006,449	805,238

The summarized financial information, as presented in thousands, of the Parent Company's significant joint venture with material interest follows:

ALI Eton

	2025	2024
Current assets	25,304,969	26,718,451
Non-current assets	10,657,899	4,305,942
Current liabilities	(10,134,461)	(10,249,747)
Non-current liabilities	(5,241,930)	(814,444)
Equity	20,586,477	19,960,202
Proportion of Parent Company's ownership	50.0%	50.0%
Parent Company's share in identifiable net assets	10,293,239	9,980,101
Carrying amount of the investment	9,306,500	9,306,500

	2025	2024
Revenue	4,523,899	4,488,688
Cost and expenses	(3,867,296)	(3,862,224)
Net income (continuing operations)	656,603	626,464
Parent Company's share in net income for the year	328,302	313,232
Total comprehensive income	656,603	626,464
Parent Company's share in total comprehensive income for the year	328,302	313,232

As at December 31, 2025 and 2024, there are no other significant associates and joint venture considered to be with material interest.

9 Investment properties, net

The composition and movement of the account follows:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2024		28,551,436,691	37,089,215,161	39,056,717,243	104,697,369,095
Additions		1,363,717,366	2,931,852,606	8,029,592,724	12,325,162,696
Transfers from inventories	5	2,193,621,415	14,513	-	2,193,635,928
Transfers from (to) property and equipment		44,000	-	(1,078,960,607)	(1,078,916,607)
Transfers within investment properties	10	1,865,188,883	3,829,726,168	(5,694,915,051)	-
Transfer to others		(926,285,080)	(33,392,526)	(1,242,454,514)	(2,202,132,120)
Disposals		(451,954,783)	(3,698,256,358)	-	(4,150,211,141)
Transfers through property-for-share swap		-	(10,757,488,694)	-	(10,757,488,694)
At December 31, 2024		32,595,768,492	29,361,670,870	39,069,979,795	101,027,419,157
Additions		1,819,833,566	4,364,989,573	11,637,819,911	17,822,643,050
Additions through merger		2,932,070,527	3,963,286,749	10,911,684,597	17,807,041,873
Transfers (to) from inventories	5	(1,342,298,938)	134,723,580	(530,180,698)	(1,737,756,056)
Transfers from property and equipment	10	-	81,938,298	23,224,698	105,162,996
Transfers within investment properties		-	925,993,586	(925,993,586)	-
Transfers through finance lease		-	(1,702,263,233)	-	(1,702,263,233)
Transfers through property-for-share swap		-	(9,156,146,671)	-	(9,156,146,671)
At December 31, 2025		36,005,373,647	27,974,192,752	60,186,534,717	124,166,101,116
Accumulated depreciation					
At January 1, 2024		-	18,787,441,095	-	18,787,441,095
Depreciation	18	-	1,327,813,917	-	1,327,813,917
Transfers to property and equipment		-	(31,000,000)	-	(31,000,000)
Disposals		-	(1,897,615,100)	-	(1,897,615,100)
At December 31, 2024		-	18,186,639,912	-	18,186,639,912
Accumulated depreciation absorbed through merger		-	2,409,234,640	-	2,409,234,640
Depreciation	18	-	1,363,114,656	-	1,363,114,656
Transfers through property-for-share swap		-	(739,798,282)	-	(739,798,282)
At December 31, 2025		-	21,219,190,926	-	21,219,190,926
Accumulated impairment losses					
At December 31, 2024 and January 1, 2025		153,825,482	225,208,159	-	379,033,641
Provision for impairment loss	18	-	-	101,299,033	101,299,033
At December 31, 2025		153,825,482	225,208,159	101,299,033	480,332,674
Net book value					
At December 31, 2024		32,441,943,010	10,949,822,799	39,069,979,795	82,461,745,604
At December 31, 2025		35,851,548,165	6,529,793,667	60,085,235,684	102,466,577,516

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction-in-progress pertains to buildings under construction to be leased as retail, office and hotel spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets. The Parent Company capitalized borrowing costs and other expenditures arising from lease transaction for its investment properties under construction as follows:

	Note	2025	2024
Capitalized borrowing costs		1,038,454,691	614,785,619
Capitalized expenditure from lease transaction	27	67,009,279	-
		1,105,463,970	614,785,619

As at December 31, 2025, the capitalization rate of the capitalized borrowing costs is 5.5% (2024- 5.4%).

The aggregate fair value of the Parent Company's investment properties as at December 31, 2025 amounted to P385,035.6 million (2024 - P368,299.3 million). The fair value hierarchy of the Parent Company's investment properties is disclosed in Note 24.

The Parent Company assesses whether there are any indicators of impairment for its investment properties. These are tested for impairment when there are indicators that the carrying amounts may not be recoverable. In 2025 the Parent Company recognized an impairment loss amounting to P101.30 million (2024 - nil).

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than those already reflected or disclosed in the financial statements.

Certain long-term debts are secured by real estate mortgages covering both land and building. Net book value of these investment properties used as collateral amounted to P2,405.0 million and as at December 31, 2025 (2024 - P2,144.4 million) (Note 13).

Capital commitments are disclosed in Note 16 and Note 28.

The relevant amounts in the parent company statement of income for the years ended December 31, as relevant to investment properties, follow:

	Note	2025	2024
Rental income from investment properties	17	7,546,336,412	5,294,572,624
Direct operating expenses		2,466,368,702	2,593,850,899

Transfers through property for share-swap

During the years ended December 31, 2025 and 2024, the Parent Company entered into property-for-share swap transactions for certain investment properties in exchange of investment in stocks of AREIT (Note 8), with details as follows:

	Notes	2025			2024
		Rights transferred	Rights retained	Total	Rights transferred / Total
Fair value of consideration received	8	6,391,660,369	4,403,787,429	10,795,447,798	17,894,780,244
Less: Carrying value of properties disposed		5,190,949,007	3,225,395,661	8,416,344,668	10,757,488,694
Gain on property for share swap		1,200,711,362	-	1,200,711,362	7,137,291,550
Less: Other incidental costs		23,174,437	-	23,174,437	137,365,756
Net gain on property for share swap	18	1,177,536,925	-	1,177,536,925	6,999,925,794
Right-of-use assets recognized	27	-	3,225,395,661	3,225,395,661	-
Lease liabilities recognized	27	-	4,403,787,429	4,403,787,429	-

In 2025, the property for share swap pertains to four investment properties (Note 8). Three properties were transferred outright, and the related gains and losses were recognized as other income (Note 18); while one property was transferred and subsequently leased back under a non-cancellable lease arrangement by the Parent Company. While legal ownership is transferred to AREIT, as the buyer-lessor, the Parent Company concluded that the transaction lacked commercial substance and the rights were retained, as it did not result in a substantive change in the Parent Company's economic position. As a result, the gain arising from the disposal of this property was not recognized, and the Parent Company recognized a right-of-use asset and a lease liability (Note 27).

In 2024, the property for share swap transferred disposed pertain to two investment properties, of which all of the rights were transferred. Accordingly, the related gain on property for share swap is recognized as other income (Note 18).

Transfers through finance lease

In 2025, the Parent Company has acquired New World Hotel Makati amounting to P1.70 billion and consequently leased it out to Ayala Makati Hotels Residences, Inc., a related party, under a finance lease arrangement (Note 27).

10 Property and equipment, net

The composition and the movement of the account as at and for the year ended follows:

	Notes	Land, buildings and improvements	Furniture, fixtures and equipment	Transportation equipment	Total
Cost					
At January 1, 2024		2,796,698,574	1,935,504,108	637,482,149	5,369,684,831
Additions		185,009,281	208,387,529	81,739,035	475,135,845
Disposals		-	-	(156,931,094)	(156,931,094)
Transfers from investment properties	9	1,076,432,607	2,484,000	-	1,078,916,607
At December 31, 2024		4,058,140,462	2,146,375,637	562,290,090	6,766,806,189
Additions		939,296,300	290,075,117	73,082,940	1,302,454,357
Additions through merger		340,265,690	104,829,455	380,357	445,475,502
Disposals		(2,165,019)	-	-	(2,165,019)
Transfers to investment properties	9	(105,162,996)	-	-	(105,162,996)
Transfer within property and equipment		(126,522)	126,522	-	-
At December 31, 2025		5,230,247,915	2,541,406,731	635,753,387	8,407,408,033
Accumulated depreciation and amortization					
At January 1, 2024		1,054,008,732	1,638,530,300	515,749,007	3,208,288,039
Depreciation	18	47,834,065	66,692,957	58,604,182	173,131,204
Disposals		-	-	(144,324,435)	(144,324,435)
Adjustments		31,000,000	-	-	31,000,000
At December 31, 2024		1,132,842,797	1,705,223,257	430,028,754	3,268,094,808
Accumulated depreciation absorbed through merger		78,381,765	100,577,897	380,357	179,340,019
Depreciation	18	63,776,600	89,515,559	60,325,063	213,617,222
Disposals		(171,664)	-	-	(171,664)
At December 31, 2025		1,274,829,498	1,895,316,713	490,734,174	3,660,880,385
Net book value					
December 31, 2024		2,925,297,665	441,152,380	132,261,336	3,498,711,381
December 31, 2025		3,955,418,417	646,090,018	145,019,213	4,746,527,648

As at December 31, 2025, assets under construction amounting to P3.609.3 million (2024 - P2,639.2 million) are included in the land, buildings and improvements. There are no interest on borrowings capitalized in 2025 and 2024 for property and equipment under construction.

As at December 31, 2025, the Parent Company has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for building improvement and hotel buildings in the course of construction amounted to P4,519.5 million (2024 - P1,026.6 million).

In 2025, the total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to P1,849.5 million (2024 - P2,278.6 million).

As at December 31, 2025, the Parent Company performed impairment testing on its property and equipment, with a carrying value of P4,746.5 million (2024 - P3,498.7 million), by assessing its recoverable amount. In 2025 and 2024, the Parent Company did not recognize any impairment loss on its property and equipment.

11 Other non-current assets

The account as at December 31 consists of:

	2025	2024
Prepayments	3,154,033,188	3,884,383,885
Advances to contractors and supplies	3,757,633,974	2,414,033,270
Deposit on land purchases	1,346,399,671	1,346,399,671
Deferred charges	900,315,199	375,289,106
Recoverable deposits	317,307,129	260,009,562
Others	6,198,417,373	6,267,468,921
	15,674,106,534	14,547,584,415

Prepayments mainly pertain to project costs incurred for unlaunched projects.

Advances to contractors and supplies represents prepayments for the construction of investment property and property and equipment.

Deposit on land purchases refer to prepayments for acquisition of land.

Deferred charges consist of advance rental payments, and non-current prepaid management fees. As at December 31, 2025, non-current portion of cost to obtain contracts, which includes prepaid commissions, amounted P690.8 million (2024 - P188.2 million).

Recoverable deposits pertain to various utility deposits and security deposits for leases.

Other assets mainly comprise of upfront payments and related unamortized VAT portion for purchases of capital goods.

12 Accounts and other payables

The account as at December 31 consists of:

	Note	2025	2024
Accounts payable		44,121,483,698	31,935,604,663
Payable to related parties	20	23,441,855,688	16,283,318,401
Accrued expenses			
Salaries and employee benefits		6,593,791,135	5,628,620,162
Professional and management fees		1,127,709,367	1,555,173,426
Project costs		1,401,322,174	922,884,365
Utilities		629,527,722	575,628,163
Commissions		540,561,464	476,741,267
Representation		387,252,178	387,428,816
Advertising and promotions		349,914,842	936,744,168
Repairs and maintenance		280,943,922	74,559,784
Rentals		26,533,067	32,743,247
Others		489,529,741	375,558,501
Deferred output VAT		9,503,719,491	7,481,126,467
Liability for purchased land - current portion		2,802,077,414	2,015,507,230
Retentions payable		2,413,501,708	1,214,043,966
Final tax payable		2,071,756,908	49,631,486
Interest payable		1,908,819,532	1,767,672,414
Withholding and other taxes payable		49,468,356	459,305,532
		98,139,768,407	72,172,292,058

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30-60 days.

Accrued project costs are billings not yet received from suppliers for direct materials, and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead, and provision for repairs and maintenance. Other accrued expenses consist mainly of transportation and travel, janitorial and security, postal and communication, insurance and supplies.

Deferred output VAT pertains to output VAT arising from deferred sales for VAT recognition purposes.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertains to the amount withheld by the Parent Company on contractor's billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Final taxes payable includes capital gains tax arising from the sale of investment in a subsidiary (Note 8).

13 Short-term and long-term debts

As at December 31, 2025, unsecured short-term debts of P25,342.5 million (2024 - P9,267.0 million) represent peso-denominated bank loans. Peso-denominated short-term loans have a weighted average cost of 5.40% (2024 - 6.07%).

Below is the summary of the outstanding long-term debts issued by the Parent Company, net of related unamortized debt issuance costs:

	Maturity year	Term (Years)	Interest rate	Principal amount	Outstanding balance 2025	Outstanding balance 2024	Features
Bonds							
2013	2033	20	6.00%	2,000,000,000	1,990,288,360	1,989,334,337	Unsecured ; fixed; interest payable semi-annually
2016	2026	10	4.85%	8,000,000,000	7,996,664,341	7,987,266,355	Unsecured ; fixed; interest payable semi-annually
2016	2025	9.5	4.75%	7,000,000,000	-	6,992,500,678	Unsecured ; fixed; interest payable semi-annually
2017	2027	10	5.26%	7,000,000,000	6,994,188,418	6,990,112,422	Unsecured ; fixed; interest payable semi-annually
2019	2026	7	6.37%	8,000,000,000	7,994,047,725	7,977,617,571	Unsecured ; fixed; interest payable quarterly
2019	2027	7.3	4.99%	1,000,000,000	991,272,695	983,758,018	Unsecured ; fixed; interest payable quarterly
2020	2025	5	3.86%	6,250,000,000	-	6,237,892,582	Unsecured ; fixed; interest payable quarterly
2021	2025	4	3.63%	10,000,000,000	-	9,989,593,932	Unsecured ; fixed; interest payable quarterly
2021	2031	10	4.08%	3,000,000,000	2,985,740,358	2,983,627,162	Unsecured ; fixed; interest payable quarterly
2022	2028	6	5.81%	12,000,000,000	11,960,999,082	11,945,937,004	Unsecured ; fixed; interest payable quarterly
2022	2027	5	6.21%	7,000,000,000	6,973,574,845	6,957,383,378	Unsecured ; fixed; interest payable quarterly
2022	2029	7	6.80%	14,000,000,000	13,911,598,275	13,890,083,223	Unsecured ; fixed; interest payable quarterly
2023	2028	5	6.03%	10,075,000,000	10,008,082,994	9,983,971,278	Unsecured ; fixed; interest payable quarterly
2023	2033	10	6.29%	4,925,000,000	4,875,876,158	4,870,923,987	Unsecured ; fixed; interest payable quarterly
2024	2034	10	6.99%	6,000,000,000	5,930,796,359	5,925,273,705	Unsecured ; fixed; interest payable quarterly
2024	2034	10	6.13%	8,000,000,000	7,909,206,017	7,901,777,643	Unsecured ; fixed; interest payable quarterly
2025	2030	5	6.07%	7,500,000,000	7,412,542,079	-	Unsecured ; fixed; interest payable quarterly
2025	2035	10	6.32%	7,500,000,000	7,414,236,097	-	Unsecured ; fixed; interest payable quarterly
					105,349,113,803	113,607,053,275	
Loans 2017 - 2024	2027 - 2034	6 - 10 years	3.75% - 6.40%	116,649,700,000	112,373,362,132	96,303,799,174	Unsecured except for P238.0 million principal loan amount secured with investment property; Fixed interest rates; Floating BVAL + margin; denominated in either PHP or USD
					217,722,475,935	209,910,852,449	
Current portion of long-term debt					17,468,932,016	23,831,437,922	
Non-current portion of long-term debt					200,253,543,919	186,079,414,527	

The movement in unamortized debt issuance cost for the years ended December 31 follows:

	2025	2024
At January 1	1,153,622,551	1,122,427,353
Addition	343,132,368	306,569,340
Amortization	(252,530,854)	(275,374,142)
At December 31	1,244,224,065	1,153,622,551

Amortization of debt issuance cost is presented within interest expense and other financing charges in the statement of income.

Since its launch in 2024, the Parent Company raised a total of P56.0 billion in debt capital through its Sustainability-Linked Financing (SLF) Program. In 2024, the Parent Company issued P28.2 billion which comprised of P6.0 billion ASEAN Sustainability-Linked Bond (SL-Bond) issued on July 18, 2024, P14.2 billion Sustainability-Linked Loan (SL-Loan) (included within long-term loans) from the International Finance Corporation (IFC) completed on October 11, 2024 and P8 billion 10-year SL-Bond issued on November 13, 2024. On October 23, 2025, the Parent Company issued another tranche of SL-Bond amounting to P15.0 billion with tenors of five years and ten years at P7.5 billion each. Subsequently, on November 27, 2025, the Parent Company availed P12.9 billion SL-Loan with IFC.

All SL-Bonds are listed on the Philippine Dealing & Exchange Corp. (PDEx) and were issued under the existing P50.00 billion Securities Program rendered effective on June 13, 2023. The SLF Program aligns with ALI's financial commitments with its environmental targets. The interest rates of the SL-Bond and SL-Loan are linked to ALI's performance on key sustainability metrics of which the applicable interest rate shall be equal to the original interest rate plus 0.05% for each occurrence of unmet key sustainability metrics.

These key sustainability metrics include achieving EDGE Zero Carbon certification for 1.5 million square meters by 2025 and reducing greenhouse gas emissions by 42% across malls, offices, and hotels by 2030. As at December 2025, ALI achieved IFC EDGE Zero Carbon certification for more than 1.5 million square meters of commercial office properties located across Metro Manila, Laguna, Cebu, Baguio, Iloilo, and Bacolod. These properties include a mix of corporate and BPO office buildings.

The long-term loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the Parent Company is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Parent Company as at December 31, 2025 and 2024.

The Parent Company is required to maintain a debt-to-equity ratio not exceeding 3:1. As at December 31, 2025 and 2024, the Parent Company has complied with the debt covenants (Note 24.2).

14 Deposits and other current liabilities

The account as at December 31 consists of:

	2025	2024
Deposits	2,439,254,139	2,462,147,624
Current portion of customers' deposits	2,347,533,875	3,600,416,748
Unearned income	499,695,411	553,873,986
	5,286,483,425	6,616,438,358

Deposits are equivalent to three to six months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion. The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to P3,507.8 million (2024 - P5,328.6 million).

Unearned income pertains to rents and other charges paid in advance by the tenants and are being amortized monthly.

15 Deposits and other non-current liabilities

The account as at December 31 consists of:

	2025	2024
Liability for purchased land	6,244,657,115	2,015,507,230
Deposits	5,374,554,377	5,746,643,124
Retentions payable, net of current portion	1,008,969,584	1,214,043,966
Customers' deposits, net of current portion	626,669,042	1,951,416,499
Subscriptions payable	25,875,052	25,875,052
Others	153,742,081	57,225,856
	13,434,467,251	11,010,711,727

Liability for purchased land pertains to the portion of unpaid investment in land acquired during the year. It is payable in annual installment payments within five years.

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three to six months' rent of long-term tenants with non-cancellable leases. These will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Parent Company for the processing of title are charged to this account.

Retentions payable pertain to retentions from the contractors' progress billings which will be released after the guarantee period, usually one year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Customers' deposits consist of excess of collections over the recognized revenue based on percentage of completion.

Subscription payable mainly pertains to the Parent Company's subscription payable to its subsidiaries and associates. The outstanding balance pertains to subscriptions to Brightnote Assets Corporation formerly known as Batangas Assets Corporation., Crimson Field Enterprises, Regent Time and Las Lucas Development Corp.

Others pertain to non-trade payables which are expected to be paid beyond 12 months.

16 Equity

Paid-in capital

The composition and movement of paid-in capital, excluding treasury stock, follow:

	Capital stock (including subscribed shares)	Additional paid-in capital	Subscriptions receivables	Total
Balances at January 1, 2024	17,028,175,104	83,583,728,875	(2,496,861,957)	98,115,042,022
Cost of stock options	-	107,467,521	-	107,467,521
Stock options exercised	9,894,677	275,26 9,914	(285,164,591)	-
Collection of subscription receivable	-	(31,017,224)	432,437,846	401,420,622
Collection of VPS conversion	-	84,494	-	84,494
Balances at December 31, 2024	17,038,069,781	83,935,533,580	(2,349,588,702)	98,624,014,659
Cost of stock options	-	25,002,908	-	25,002,908
Stock options exercised	-	-	(172,319,398)	(172,319,398)
Issuance due to merger (Note 8)	981,399,544	22,593,663,294	-	23,575,062,838
Collection of subscription receivable	-	(305,123,607)	530,818,374	225,694,767
Collection of VPS conversion	-	(18,635,028)	-	(18,635,028)
Balances at December 31, 2025	18,019,469,325	106,230,441,147	(1,991,089,726)	122,258,820,746

The details of the number of shares and amount of capital stock follow:

	2025				Total capital stock (at par)
	Number of shares		Amount		
	Preferred	Common	Preferred	Common	Amount
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000	
Issued*	13,066,494,759	16,601,169,900	1,306,649,476	16,601,169,900	17,907,819,376
Subscribed	-	111,649,949	-	111,649,949	111,649,949
	13,066,494,759	16,712,819,849	1,306,649,476	16,712,819,849	18,019,469,325

	2024				Total capital stock (at par)
	Number of shares		Amount		
	Preferred	Common	Preferred	Common	Amount
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000	
Issued*	13,066,494,759	15,611,430,926	1,306,649,476	15,611,430,926	16,918,080,402
Subscribed	-	119,989,379	-	119,989,379	119,989,379
	13,066,494,759	15,731,420,305	1,306,649,476	15,731,420,305	17,038,069,781

** The number of issued shares include treasury shares.*

Preferred Shares (P.10 par value per share)

The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, non-cumulative; (c) non-participating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that non-voting shares do not count as equity when computing for a company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of P0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by P1,300.0 million creating new voting preferred shares and a stock right offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges (a) voting; (b) dividend rate of 4.75% per annum, equivalent to 90% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by P1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
b. The amendments to Articles of Incorporation reflecting the decrease in capital stock

As at December 31, 2025, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2024 - P1,244 million) at P0.10 par value.

Common Shares (P1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The roll forward analysis of the common shares follows:

	Number of shares (in thousands)		Amount (in thousands)	
	2025	2024	2025	2024
Issued capital stock				
At beginning of year	15,611,430	15,595,195	15,611,430	15,595,195
Issued shares	989,739	16,235	989,739	16,235
At end of year	16,601,169	15,611,430	16,601,169	15,611,430
Subscribed capital stock				
At beginning of year	119,990	126,331	119,990	126,331
Issued shares	(8,340)	(16,236)	(8,340)	(16,236)
Additional subscriptions	-	9,895	-	9,895
At end of year	111,650	119,990	111,650	119,990
	16,712,819	**15,731,420**	**16,712,819**	**15,731,420**
Less: Treasury shares at par	(2,321,385)	(1,031,445)	(2,321,385)	(1,031,445)
Issued and outstanding	14,391,434	14,699,975	14,391,434	14,699,975

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ offer price	Date of approval
Class B shares	800,000,000	Par Value - P1.00/ Issue Price P26.00	April 18, 1991
Class B shares	400,000,000	Par Value - P1.00*	July 6, 1992
Class A shares	900,000,000	Par Value - P1.00**	July 5, 1993
Class B shares	600,000,000	Par Value - P1.00**	July 5, 1993

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997
**Increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000.00*
***Increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*
****In absolute number*

The following are the number of holders of securities as of December 31:

	2025	2024	2023
Number of holders of securities****	12,857	12,960	13,115

*****Net of treasury shares*

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2025, the Parent Company has 12,857 existing shareholders (2024 - 12,960 existing shareholders, and 2023 - 13,115 existing shareholders).

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of P1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On July 10, 2012, the Parent Company's Executive Committee approved the placement of 680 million listed common shares of stock with par value of P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of P13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to P200.0 million.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P162.4 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of P33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of P16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P194.0 million.

Equity Reserves

In 2025, the movement in equity reserves mainly pertains to the effect of statutory merger as follows:

	Amount
Consideration issued to Absorbed Corporations directly owed by ALI	19,545,110,072
Less: Carrying amount of investment previously held directly by ALI	25,853,077,401
Net change in equity reserves	(6,307,967,329)

Treasury Shares

The composition and movement of the account follow:

	Common				Preferred				
	Number of shares	Par value	Average share price	Amount	Number of shares	Par value	Average share price	Amount	Total amount of treasury shares
	(in absolute amount)				*(in absolute amount)*				
At January 1, 2023	642,283,806	P1.00	-	19,017,795,938	623,970,536	P0.10	-	62,917,592	19,080,713,530
Acquisition of treasury shares	137,066,108	-	P26.96	3,695,617,876	29,192	-	P1.00	29,192	3,695,647,068
At December 31, 2023	779,349,914	P1.00	-	22,713,413,814	623,999,728	P0.10	-	62,946,784	22,776,360,598
Acquisition of treasury shares	252,094,900	-	P29.16	7,351,388,432	2,500	-	P1.00	2,500	7,351,390,932
At December 31, 2024	1,031,444,814	P1.00		30,064,802,246	624,002,228	P0.10		62,949,284	30,127,751,530
Statutory merger	865,090,005	P1.00	P22.59	19,545,110,072	-	-	-	-	19,545,110,072
Acquisition of treasury shares	433,454,800	P1.00	P22.99	9,983,699,386	-	-	-	-	9,983,699,386
VPS Conversion	(164,224)	P1.00	-	(21,879,244)	164,224	P0.10	-	(532,639)	(22,411,883)
Issuance of treasury shares	(8,439,996)	P1.00	P27.70	(233,787,889)	-	-	-	-	(233,787,889)
At December 31, 2025	2,321,385,399			59,337,944,571	624,166,452			62,416,645	59,400,361,216

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at P30.50 per share resulting in additional paid-in capital of P1,601.6 million.
On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation in its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 million.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company's current share buyback program bringing the available balance to P26.1 billion. The program has been implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

The Board of Directors, at its special meeting held on March 12, 2024, approved the retirement of 1,374,477,380 common Treasury Shares arising from the internal mergers as follows:

- 883,171,005 Treasury Shares arising from the merger with wholly owned entities, subject to regulatory approvals on the merger and issuance of shares: and

- 491,306,375 Treasury Shares arising from the merger with Cebu Holdings, Inc. and its former subsidiaries, Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp. and Central Block Developers, Inc.

Effective April 1, 2025, ALI issued and consequently held back a total of 865,090,005 common shares (amounting to P19.55 billion) as a result of merger between ALI and certain subsidiaries (Note 8).

Accumulated other comprehensive gain (loss)

The composition and movement of the account follows:

	Fair Value Reserve of Financial Assets at FVOCI (Note 7)	Remeasurement Loss on Defined Benefit Plans (Note 21)	Total
Balances at January 1, 2024	177,443,320	(711,908,373)	(534,465,053)
Other comprehensive income (loss)	65,000,000	(44,529,769)	20,470,231
Balances at December 31, 2024	242,443,320	(756,438,142)	(513,994,822)
Other comprehensive (loss) income	(3,159,872)	161,102,198	157,942,326
Balances at December 31, 2025	239,283,448	(595,335,944)	(356,052,496)

Retained Earnings

The composition of retained earnings as at December 31 is as follows:

	2025	2024
Appropriated	25,000,000,000	25,000,000,000
Unappropriated	129,148,035,551	108,561,893,904
	154,148,035,551	133,561,893,904

(i) Appropriated Retained Earnings

As at December 31, 2025 and 2024, retained earnings of P25,000.0 million are appropriated for future expansion.

The increase of P17,000 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, and other commercial components. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 60k sqm Gross Leasable Area (GLA), and 2 office towers with 31k sqm GLA with total estimated cost of P14 billion, for phased completion until 2027.

b) Vertis North is a 29-hectare estate positioned as the Central Business District of the North, comprising residential, office, retail, and hotel components. Phase 1 of the mixed-use development was approved by the Board on October 11, 2013. This phase includes the completed Vertis Mall with approximately 40,000 square meters of gross leasable area (GLA), three office towers with a combined 125,000 square meters of GLA, and the 438-room Seda Vertis North Hotel. To further support economic growth in Quezon City, One Vertis Plaza, a 43-storey, state-of-the-art office building under Ayala Land Premier (ALP) broke ground in 2022 and commenced operations in 2024, welcoming its initial tenants. Future development plans include two additional office towers with approximately 46,000 square meters of GLA, an estimated development cost of P5 billion, and a target completion year of 2029.

c) Vermosa, a 750-hectare master-planned estate that integrates mixed-use components. This development highlights spaces with a focus on active lifestyle which include prime commercial lots, various residential communities, the De La Salle Zobel-Vermosa campus, Ayala Malls Vermosa as the retail anchor, and the Ayala Vermosa Sports Hub which features world-class sports amenities. Ongoing and upcoming projects include the San Sebastian Church, the Central Park, Philippine Red Cross-Cavite Chapter Headquarters, and the largest campus of The Abba's Orchard Montessori School, all of which are expected to complement the institutional needs of the estate community.

d) Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2026.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares. The Parent Company's retained earnings available for dividend declaration, in accordance with SEC regulations, as at December 31, 2025 amounted to P86.33 billion (2024 - P74.97 billion).

(ii) Unappropriated Retained Earnings

The Parent Company declared dividends as follows:

Dividends for the year ended December 31, 2025

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 28, 2025	November 12, 2025	November 26, 2025	P0.2928	4,240.47
Unlisted voting preferred share	June 13, 2025	June 20, 2025	June 27, 2025	P0.0063	78.74
Common share	February 19, 2025	March 5, 2025	March 21, 2025	P0.2888	4,221.53
					8,540.74

Dividends for the year ended December 31, 2024

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 24,2024	November 8,2024	November 22,2024	P0.2913	4,289.78
Unlisted voting preferred share	May 28,2024	June 11,2024	June 25,2024	P0.0063	78.74
Common share	February 20,2024	March 5,2024	March 21,2024	P0.2050	3,063.15
					7,431.67

Dividends for the year ended December 31, 2023

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 25,2023	November 13,2023	November 24,2023	P0.2231	3,334.40
Unlisted voting preferred share	May 30,2023	June 13,2023	June 27,2023	P0.006	78.75
Common share	February 1,2023	March 7,2023	March 23,2023	P0.1495	2,249.00
					5,662.15

17 Real estate revenue

The account for the years ended December 31 consists of:

	Note	2025	2024
Revenue from contracts with customers			
Residential development		29,313,572,597	25,196,718,945
Management and marketing fees		2,387,070,508	2,333,559,129
Rental income	9	7,546,336,412	5,294,572,624
		39,246,979,517	32,824,850,698

The Parent Company's disaggregation of each source of revenue from contracts with customers are presented below:

Residential development

	2025	2024
Type of product		
Condominium	11,031,726,133	15,524,625,844
House and lot	9,226,074,046	8,331,150,487
Lot only	9,055,772,418	1,340,942,614
	29,313,572,597	25,196,718,945

Management and marketing fees

	2025	2024
Segment		
Property development	1,369,937,525	1,445,094,309
Shopping centers	564,140,622	661,443,694
Offices	452,992,361	227,021,126
	2,387,070,508	2,333,559,129

18 Costs and expenses; Other income

Cost of real estate sales

The account for the years ended December 31 consists of:

	Notes	2025	2024
Cost of real estate sales	5	13,144,211,459	13,049,101,918
Depreciation	9,27	1,482,088,806	1,380,048,645
Manpower costs		444,180,393	391,510,702
Rental		540,559,979	232,903,253
Direct operating expenses:			
Commissions		1,836,240,250	1,864,825,256
Taxes and licenses		958,694,284	999,457,960
Security		582,879,530	497,881,849
Service fees		414,328,375	303,746,768
Repairs and maintenance		296,617,863	385,795,371
Insurance		115,028,192	96,035,257
Transportation and travel		65,285,570	42,008,491
Supplies		15,320,600	10,688,960
Others		1,586,325,505	1,006,443,176
		21,481,760,806	20,260,447,606

Others consist of utilities expense pertaining to light and power, water, gas, aircon, and miscellaneous expense for the parent company's development projects.

General and administrative expenses

The account for the years ended December 31 consists of:

	Note	2025	2024
Manpower costs		1,269,762,934	726,096,937
Professional fees		726,657,345	602,567,635
Depreciation	10	213,617,222	173,131,204
Advertising		75,431,135	58,139,757
Repairs and maintenance		46,497,173	26,564,757
Transportation and travel		35,476,397	29,285,502
Security and janitorial		35,827,884	22,154,384
Utilities		33,796,447	34,801,745
Entertainment, amusement and recreation		23,578,088	24,051,410
Rentals		10,438,979	34,228,179
Donations and contribution		2,520,000	8,357,108
Supplies		9,071,058	6,934,166
Others		112,650,472	98,463,575
		2,595,325,134	1,844,776,359

Depreciation and amortization expense for the years ended December 31 included in the statement of income follows:

	Notes	2025	2024
Included in:			
Real estate costs and expenses	9	1,363,114,656	1,327,813,917
Amortization of right-of-use asset	27	118,974,150	52,234,728
General and administrative expenses	10	213,617,222	173,131,204
		1,695,706,028	1,553,179,849

Interest expense and other financing charges

The account for the years ended December 31 consists of:

	Note	2025	2024
Interest expense on:			
Long-term debt		10,375,811,378	10,173,366,863
Short-term debt		1,516,066,368	829,818,738
Intercompany loans		120,006,209	172,508,151
Accretion of interest from lease liabilities	27	258,312,482	28,346,303
Other financing charges		1,088,443,155	910,396,447
		13,358,639,592	12,114,436,502

Other financing charges pertain mainly to processing fees attributable to the discount on cost to sell financing arising from assignment of accounts receivable to banks (Note 4). It includes transaction costs from availment of short-term and intercompany loans and bank charges.

Other charges and expenses

The account for the years ended December 31 consists of:

	Note	2025	2024
Net provision for impairment losses on:			
Other assets		600,000,000	150,000,000
Receivables	4	345,591,716	46,076,792
Investment properties	9	101,299,033	-
Others		191,133,462	476,579,695
		1,238,024,211	672,656,487

Others pertain to charges incidental to the Parent Company's operations.

Other income

The account for the years ended December 31 consists of:

	Notes	2025	2024
Gain on sale of investment in subsidiaries associates and joint ventures	8	13,449,051,192	1,371,803,663
Gain on property-for-share swap	9	1,177,536,925	6,999,925,794
Gain on sale of property and equipment	10	1,038,998	1,000,759
Others		513,813,536	445,440,548
		15,141,440,651	8,818,170,764

Others include income from sponsorships, forfeited deposits arising from cancellations due to backout, income recognized from project close out and other various transactions.

19 Income tax

Income tax expense (benefit) consists of:

	2025	2024
Current	306,788,606	287,803,302
Current - final	2,067,808,168	47,676,121
Deferred	(386,168,421)	(576,991,536)
	1,988,428,353	(241,512,113)

Reconciliation between the statutory and the effective income tax (benefit) expense rates follows:

	2025	2024
Statutory income tax rate	25.00%	25.00%
Tax effects of:		
Interest income and capital gains taxed at lower rates	(1.76)	(0.05)
Dividend income	(11.93)	(18.60)
Others - net	(4.92)	(7.23)
	6.39%	(0.88%)

Others mainly pertain to the non-taxable income generated from block sale of AREIT shares and proper-for-share swap (Note 8).

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The components of deferred tax assets, net are as follows:

	2025	2024
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	400,239,503	1,344,239,694
Allowance for probable losses	862,103,155	682,075,667
Net operating loss carryover (NOLCO)	816,317,096	448,548,355
Employee benefits	363,404,798	427,381,974
Minimum corporate income tax (MCIT)	539,362,823	249,172,839
Allowance for impairment losses	267,914,666	165,855,278
Unrealized foreign exchange gain	39,345,563	119,495,472
Lease liability	36,612,947	43,296,152
	3,325,300,551	3,480,065,431
Deferred tax liabilities on:		
Deferred tax liabilities on capitalized interest	(460,261,967)	(427,727,857)
Right-of-use assets	(12,572,631)	(32,020,989)
	(472,834,598)	(459,748,846)
	2,852,465,953	3,020,316,585

The Parent Company has incurred NOLCO in taxable year 2025 and 2024 which can be claimed as deduction from the regular income tax over a period of three years as follows, with related deferred tax asset recognized:

Year incurred	Amount	Used/Expired	Balance	Expiry year
2024	1,964,470,004	-	1,964,470,004	2027
2025	1,300,798,374	-	1,300,798,374	2028
			3,265,268,378	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows, with related deferred tax asset recognized:

Year incurred	Amount	Used/Expired	Balance	Expiry year
2024	249,172,839	-	249,172,839	2027
2025	290,189,984	-	290,189,984	2028
			539,362,823	

As at December 31, 2025, the deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to P53.7 million (2024 - P14.8 million loss). There are no income tax consequences for the payment of dividends by the Parent Company to its shareholders.

20 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

In its regular conduct of business, the Parent Company has entered into transactions with its subsidiaries, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, loans, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except if otherwise indicated, at a gross basis, based on normal billing period of monthly or quarterly. There have been no guarantees provided or received for any related party receivables or payables.

The Parent Company does not provide any allowance relating to receivable from related parties. The Parent Company also has an active intercompany lending program and are short-term in nature. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements. These are subject to prevailing market rates and collectible/payable on varying terms generally within a year.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Transactions with Bank of the Philippine Islands (BPI), an associate of AC:

As at December 31, 2025 and 2024, the Parent Company maintains current and savings account, money market placements, UITF investments, short-term debt and long-term debt payable with BPI broken down as follows:

	2025	2024
Cash in bank	293,523,473	148,341,897
Financial assets at FVTPL	67,170,373	308,477,770
Short-term debt	6,865,000,000	-
Long-term debt	237,747,905	254,593,752

As at December 31, the fair value of the financial assets at FVTPL (in millions):

	2025	2024
BPI Money Market Fund	2,757	1.7
BPI USD Short Term Fund	22.3	306.8

As at December 31, 2025 and 2024, the Parent Company has outstanding interest payable to BPI amounting to P20.2 million and P3.6 million, respectively.

Income earned and expenses incurred with BPI are as follows:

	2025	2024
Interest income	21,434,162	27,325,567
Interest expense	426,018,790	122,334,480

b. Outstanding balances with AC, subsidiaries, associates, joint ventures and other related parties (entities under common control).

Receivables from and payables to related parties pertain mostly to development and management fees, advances and reimbursements of operating expenses related to development cost, working capital requirements and land acquisitions which are due and demandable.

Receivables from and payables to related parties as at December 31 are as follow:

	2025			2024			
	Current	Noncurrent	Total	Current	Noncurrent	Total	Terms and conditions
Due from related parties (Note 4)							
Finance lease receivables							
Subsidiaries	227,689,750	2,474,095,743	2,701,785,493	41,692,021	920,420,351	962,112,372	Balances are due quarterly or annually. These are non-interest bearing and secured with the related investment properties
Other receivables							
AC	80,496,156	-	80,496,156	60,272,908	-	60,272,908	Balances relating to trade receivables are due and demandable. These are interest and non-interest bearing, and unsecured. No impairment is recognized. The Company also provides interest-bearing loans to related parties with terms of 1 day up to 90 days and with interest ranging from 4% to 6% (2024 - 5.94% to 7.15%) per annum.
Subsidiaries	50,444,214,085	-	50,444,214,085	47,384,997,972	-	47,384,997,972	
Associates	1,549,426,110	-	1,549,426,110	1,342,130,115	-	1,342,130,115	
Joint ventures	44,234,886	-	44,234,886	44,234,886	-	44,234,886	
Other related parties	438,688,072	-	438,688,072	417,323,126	-	417,323,126	
	52,784,749,059	2,474,095,743	55,258,844,802	49,290,651,028	920,420,351	50,211,071,379	
Due to related parties (Note 12)							
AC	784,782	-	784,782	796,117	-	796,117	Balances are due and demandable. These are interest and non-interest bearing, and unsecured.
Subsidiaries	23,109,841,383	-	23,109,841,383	15,998,207,668	-	15,998,207,668	
Associates	218,933,698	-	218,933,698	217,920,043	-	217,920,043	
Joint ventures	26,880	-	26,880	26,880	-	26,880	
Other related parties	112,268,945	-	112,268,945	66,367,694	-	66,367,694	
	23,441,855,688	-	23,441,855,688	16,283,318,402	-	16,283,318,402	

c. Revenue from related parties

The revenue from the Parent Company, subsidiaries, associates, joint ventures and other related parties pertains mainly to income from leasing and development projects, dividend income, marketing and management fees, while expenses composed of service fees, commission, and training expenses. Transactions are settled within one year, non-interest bearing and assessed for impairment. There is no impairment on these related receivables.

Revenue for the years ended December 31 are as follows:

2025	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC	-	-	-	-	-
Subsidiaries	14,150,055,813	1,618,538,073	2,338,761,304	436,735,302	18,544,090,492
Joint ventures	503,000,000	-	-	-	503,000,000
Associates	193,003,339	445,419,621	-	-	638,422,960
Other related parties	-	315,628,958	193,081,932	5,141,121	513,852,011
Total	14,846,059,152	2,379,586,652	2,531,843,236	441,876,423	20,199,365,463

2024	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC	-	-	-	-	-
Subsidiaries	19,787,484,974	1,569,073,776	1,206,167,573	376,633,952	22,939,360,275
Joint ventures	367,345,130	-	-	-	367,345,130
Associates	165,714,539	656,008,821	-	9,741,758	831,465,118
Other related parties	-	-	304,978,597	4,371,945	309,350,542
Total	20,320,544,643	2,225,082,597	1,511,146,170	390,747,655	24,447,521,065

Costs and expenses for the years ended December 31 are as follows:

2025	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	575,027	-	-	-	575,027
Subsidiaries	389,262,217	546,041,508	389,259,595	328,742,311	1,653,305,631
Joint ventures	-	-	-	-	-
Associates	-	-	-	563,697	563,697
Other related parties	48,938	75,047	-	238,310,203	238,434,188
Total	389,886,182	546,116,555	389,259,595	567,616,211	1,892,878,543

2024	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	-	75,000	-	-	75,000
Subsidiaries	2,049,784	942,667,231	385,078,647	202,057,034	1,531,852,696
Joint ventures	-	-	-	-	-
Associates	-	113,144	-	79,548	192,692
Other related parties	132,406	2,502,168	-	303,868,248	306,502,822
Total	2,182,190	945,357,543	385,078,647	506,004,830	1,838,623,210

The following describes the nature of the material transactions of the Parent Company with related parties as at December 31, 2025 and 2024:

- Parent Company lent to and borrowed funds from various subsidiaries and affiliates on an interest-bearing basis. Outstanding intercompany peso-denominated loans of the Parent Company to subsidiaries and affiliates amounted P3,797.6 million (2024 - to P2,794.2 million). Interest rates in 2025 ranges from 4% to 6% (2024 - 5.94% to 7.15%), with terms of 1 day up to 90 days.

- The Parent Company sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, in 2025 amounting to P3,070.4 million. Proceeds of receivables sold to BPI amounted to P2,755.4 million and loss on sale recognized amounted to P315 million. The loss on sale is recorded within other financing charges in the Costs and expenses and other income (charges).

- In 2025, the Parent Company entered into a memorandum of agreement with a related party to purchase a portion of the related party's main office upon completion of the construction thereof. As at December 31, 2025, the related party is yet to receive regulatory approvals on the transaction, and the main office is still under construction stage. Necessary recognition and disclosures in the separate financial statements of the Parent Company will be made when risks and rewards are transferred to the Parent Company. The expected amount of assets, upon turnover, is not material to the consolidated financial statements of the Parent Company.

- Receivables from/payables to MDC pertain to advances and retentions in relation to construction contracts involving the Parent Company's real estate projects, with MDC being the primary contractor.

- Transaction with APMC pertain to agreements to administer properties of the Parent Company for stipulated fees. Under this agreement, APMC shall manage, maintain, preserve and provide services for the efficient use of such properties. Further, APMC leases its carpark facilities (Ayala Center Carparks and Central Business District Carparks) under lease agreements with the Parent Company. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of net operating income, whichever is higher. The lease agreements are renewed annually upon mutual agreement of the parties. Aside from the property management services provided by APMC and the leases discussed above, transactions with the Parent Company include noninterest-bearing advances and reimbursements of expenses incurred in connection with the maintenance of the administered properties.

- Receivable from ALISI pertains to lease agreement with the Parent Company for office and parking spaces.

- Receivables from Alveo pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. These are generally trade related.

d. Notes receivable pertains to housing, car, salary and other loans granted to the Parent Company's officers and employees which are collectible through salary deduction, bears 6% interest p.a. and have various maturity dates ranging from 2020 to 2040 (Note 4).

e. Compensation of key management personnel by benefit type follows:

	2025	2024
Short-term employee benefits	335,276,760	212,544,400
Post-employment benefits	40,451,396	27,573,406
	375,728,156	240,117,806

Key management personnel of the Parent Company include all officers with position of vice president and up.

21 Retirement plan

The Parent Company has funded, non-contributory tax-qualified defined benefit type of retirement plan (the Plan) covering substantially all of its employees. The benefits are based on a defined benefit formula. The latest actuarial valuation report is as at December 31, 2025.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns.

The Parent Company's fund is in the form of a trust fund being maintained by the trustee bank, BPI Asset Management and Trust Parent Company (the "Retirement Fund"). The primary objective of the Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of pension expense for the years ended December 31 (included within manpower costs under "General and administrative expenses") in the Parent Company statement of income follows:

	2025	2024
Current service cost	202,806,984	182,400,652
Net interest cost on benefit obligation	95,527,475	88,173,763
Total pension expense	298,334,459	270,574,415

The remeasurement effects recognized in other comprehensive loss income in the Parent Company statement of comprehensive income follow:

	2025	2024
(Loss) gain on plan assets (excluding amount included in net interest)	(80,176,182)	37,591,898
Actuarial gain (loss) due to changes in experience assumption	439,622,042	(99,718,260)
Actuarial (loss) gain due to changes in economic liability assumption	(144,642,929)	2,753,337
Remeasurements in other comprehensive gain (loss)	214,802,931	(59,373,025)
Tax effect	(53,700,733)	14,843,256
Remeasurements in other comprehensive gain (loss), net of tax	161,102,198	(44,529,769)

As at December 31, the funded status and amounts recognized in the Parent Company statement of financial position for the pension plans are as follows:

	2025	2024
Defined benefit obligation	2,171,303,276	2,623,223,997
Plan assets	(1,202,997,703)	(1,195,309,572)
Net defined liability	968,305,573	1,427,914,425

Changes in the present value of defined benefit obligation follow:

	2025	2024
At January 1	2,623,223,997	2,504,738,226
Net benefit cost in statement of income		
Current service cost	202,806,984	182,400,652
Interest expense	175,493,685	160,666,771
	3,001,524,666	2,847,805,649
Remeasurements in other comprehensive income:		
Remeasurement loss due to liability experience	144,642,929	99,718,260
Remeasurement gain due to liability assumption changes	(439,622,042)	(2,753,337)
Net remeasurement (gain) loss	(294,979,113)	96,964,923
Benefits paid	(535,242,277)	(222,028,969)
Transfer out	-	(99,517,606)
At December 31	2,171,303,276	2,623,223,997

Changes in the fair value of plan assets follow:

	2025	2024
At January 1	1,195,309,572	1,085,224,666
Contribution by employer	543,140,380	284,418,069
Interest income	79,966,210	72,493,008
Benefits paid	(535,242,277)	(222,028,969)
Actuarial (loss) gain on plan assets	(80,176,182)	37,591,898
Transfer in	-	(62,389,100)
At December 31	1,202,997,703	1,195,309,572

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

As at December 31, 2025, the fair value of plan assets by each class are as follows:

	2025	2024
Cash and cash equivalents	340	12,232
Equity investments		
Unit investment trust funds	157,422,746	165,913,743
Holding firms	-	79,149,037
Property	317,893,239	269,916,986
Preferred shares	102,738,147	46,492,594
	578,054,132	561,472,360
Debt investments		
Government securities	206,831,173	207,184,545
AAA rated debt securities	230,737,146	219,500,000
Others	187,374,912	207,140,435
	624,943,231	633,824,980
	1,202,997,703	1,195,309,572

The Retirement Fund's investments are appropriately diversified to control overall risk and exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the Plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Parent Company expects to make contributions of P370.00 million to its retirement fund in 2026.

The allocation of the fair value of plan assets as at December 31 follows:

	2025	2024
Investments in debt securities	50.8464%	48.7898%
Investments in equity securities	34.9653%	33.0936%
Others	14.1883%	18.1166%

Funds invested in debt securities include government securities, corporate notes and bonds, and special deposit accounts. Investments in equity securities consist of investments in PSE-listed stocks and equity securities held by unit investment trust funds. Others were in the form of cash and cash equivalents.

The Parent Company's transactions with the Fund mainly pertain to contributions, benefit payments and settlements.

As at December 31, 2025 and 2024, the carrying amount of plan assets approximates its fair value.

As at December 31, 2025, the plan assets include shares of stock of the Parent Company with fair value amounting to P293.5 million (2024 - P108.2 million). It also includes shares of stocks of related parties within the AC Group with fair value as at December 31, 2025 amounting to P10 million (2024 - P33.9 million). The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company as at December 31, 2025 amounting to P99.7 million (2024 - P59.7 million). In 2025, the fund incurred is P7.7 million (2024 - P19.2 million).

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2025	2024
Discount rate	6.71%	6.69%
Future salary increase	8.00%	10.00%

The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2025		2024	
	Effect on defined benefit obligation Increase (decrease)			
Change in basis points	+ 100 basis points	- 100 basis point	+ 100 basis points	- 100 basis point
Discount rate	(185,362,765)	216,192,790	(252,507,379)	296,400,284
Salary increase rate	201,178,206	(177,055,976)	271,409,115	(237,919,955)

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

Year ending	2025	2024
1 year and less	59,447,925	75,933,643
More than 1 year to 5 years	615,741,221	623,049,783
More than 5 years to 10 years	2,120,017,325	2,714,456,498
More than 10 years	8,475,350,307	12,298,200,094

The weighted average duration of the defined benefit obligation as at December 31, 2025 and 2024 is 15 years.

22 Earnings per share

The following table presents information necessary to compute Earnings per share (EPS):

	2025	2024
Net income attributable to equity holders of Ayala Land, Inc.	29,126,882,966	27,803,335,791
Less: Dividends on preferred stock	(78,742,768)	(78,743,807)
Net income for the year	29,048,140,198	27,724,591,984
Weighted average number of common shares for basic EPS	14,544,526,292	14,798,707,716
Add: Dilutive shares arising from stock options	7,339,877	21,825,903
Adjusted weighted average number of common shares for diluted EPS	14,551,866,169	14,820,533,619
Basic and diluted EPS	2.00	1.87

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an antidilutive effect on the computation of diluted EPS.

23 Stock options and ownership plans

The Parent Company has stock option plans for key employees covering 3.0% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

Employee Stock Ownership Plan (ESOWN)

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period.

In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula, taking into account the terms and conditions upon which the options were granted. The BSM Formula requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2025	WAEP	2024	WAEP
At January 1	114,437,102	-	121,751,919	-
Granted	8,439,996	20.42	9,894,677	28.82
Exercised	(8,339,431)	-	(16,235,865)	-
Forfeitures	(9,879,274)	-	(973,629)	-
At December 31	104,658,393		114,437,102	

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	May 26, 2025	May 1, 2024	March 31, 2023	March 31, 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017
Number of unsubscribed shares	-	-	-	-	-	-	-	-	-
Fair value of each option (BTM)	-	-	-	-	-	-	-	-	8.48
Fair value of each option (BSM)	8.86	8.30	9.42	12.62	9.25	9.12	17.13	12.71	-
Weighted average share price	24.02	33.91	29.04	35.63	39.17	32.61	44.70	41.02	39.72
Exercise price	20.42	28.82	24.68	30.29	33.29	27.72	44.49	45.07	35.81
Expected volatility	28.16%	25.80%	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%
Dividend yield	2.46%	1.426%	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%
Interest rate	5.24%	5.55%	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%

In 2025, the total expense included under General and administrative expenses recognized in the parent company statement of income arising from share-based payments amounted to P86.47 million (2024 - P107.5 million) (Note 18).

24 Financial risk and capital management

The Parent Company's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Parent Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Parent Company's financial performance.

The Parent Company's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Parent Company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

24.1 Financial risk management

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments comprise cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI quoted and unquoted equity securities, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Parent Company's operations. The Parent Company has various financial assets such trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, foreign currency risks and equity price arise in the normal course of the Parent Company's business activities. The main objectives of the Parent Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Parent Company's financial risk exposures. It is the Parent Company's policy not to enter into derivative transactions for speculative purposes.

The Parent Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Parent Company.

There were no changes in the Parent Company's financial risk management objectives and policies in 2025 and 2024.

24.1.1 Credit risk management

Credit risk

Credit risk is a risk that counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss. The Parent Company's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Parent Company maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect to installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Parent Company also undertakes supplemental credit review procedures for certain installment payment structures. The Parent Company's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements.

Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and anticipated default is minimal given the profile of the buyers. Moreover, to the extent allowed by regulations, payments made by customers are forfeited in favor of ALI in the event of a default, except certain amounts as mandated by laws.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Parent Company security deposits and advance rentals which helps reduce the Parent Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Parent Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets comprise cash and cash equivalents, excluding cash on hand, financial assets at FVTPL and financial assets at FVOCI. The Parent Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Parent Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

As at December 31, 2025 and 2024, the Parent Company's maximum exposure to credit risk is equal to the carrying values of its financial assets.

The Parent Company considers the following credit quality classification:

- Stage 1 are considered to be neither past due nor impairment;
- Stage 2 are considered to be past due but not impaired; and
- Stage 3 are considered to be impaired.

As at December 31, the credit quality of the Parent Company's financial assets are as follows:

	2025							
	Neither past due nor impaired					Past due but		
	High grade	Medium grade	Low grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	2,591,289,620	-	-	-	2,591,289,620	-	-	2,591,289,620
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	38,661,178,162	-	-	-	38,661,178,162	4,895,329,862	-	43,556,508,024
Shopping centers	1,460,325,901	-	-	-	1,460,325,901	31,073,191	286,225,175	1,777,624,267
Corporate business	1,634,457,639	-	-	-	1,634,457,639	961,345,844	308,616,612	2,904,420,096
Others	1,647,303,033	-	-	-	1,647,303,033	-	-	1,647,303,033
Receivable from related parties	55,258,844,802	-	-	-	55,258,844,802	-	-	55,258,844,802
Advances to other companies	14,934,763,662	-	-	-	14,934,763,662	-	570,181,623	15,504,945,285
Dividends receivable	3,354,028,702	-	-	-	3,354,028,702	-	-	3,354,028,702
Receivable from employees	208,665,456	-	-	-	208,665,456	-	-	208,665,456
Interest receivable	19,338,599	-	-	-	19,338,599	-	-	19,338,599
	117,178,905,956	-	-	-	117,178,905,956	5,887,748,897	1,165,023,410	124,231,678,264
	119,770,195,576				119,770,195,576	5,887,748,897	1,165,023,410	126,822,967,883

	2024							
	Neither past due nor impaired					Past due but		
	High grade	Medium grade	Low grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	889,587,753	-	-	-	889,587,753	-	-	889,587,753
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	25,623,522,080	-	-	-	25,623,522,080	3,835,785,587	-	29,459,307,667
Shopping centers	2,472,422,608	-	-	-	2,472,422,608	23,403,615	216,468,348	2,712,294,571
Corporate business	2,006,001,473	-	-	-	2,006,001,473	470,131,994	273,536,188	2,749,669,655
Others	907,100,697	-	-	-	907,100,697	-	-	907,100,697
Receivable from related parties	50,211,071,378	-	-	-	50,211,071,378	-	-	50,211,071,378
Advances to other companies	7,182,354,267	-	-	-	7,182,354,267	-	199,975,376	7,382,329,643
Dividends receivable	4,833,528,702	-	-	-	4,833,528,702	-	-	4,833,528,702
Receivable from employees	208,774,329	-	-	-	208,774,329	-	-	208,774,329
Interest receivable	14,600,170	-	-	-	14,600,170	-	-	14,600,170
	93,459,375,704	-	-	-	93,459,375,704	4,329,321,196	689,979,912	98,478,676,812
	94,348,963,457	-	-	-	94,348,963,457	4,329,321,196	689,979,912	99,368,264,565

As at December 31, the aging analysis of past due but not impaired trade receivables presented per class, is as follows:

2025	Neither past due nor impaired	Past due but not impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Trade:									
Residential, commercial and office development	38,661,178,162	1,908,768,736	958,375,423	807,491,679	236,662,331	984,031,693	4,895,329,862	-	43,556,508,024
Shopping centers	1,460,325,901	3,285,250	1,975,096	2,757,437	4,302,827	18,752,581	31,073,191	286,225,175	1,777,624,267
Corporate business	1,634,457,639	37,649,484	156,477,270	18,480,969	92,202,524	656,535,597	961,345,844	308,616,612	2,904,420,095
Others	1,647,303,033	-	-	-	-	-	-	-	1,647,303,033
Receivable from related parties	55,258,844,802	-	-	-	-	-	-	-	55,258,844,802
Advances to other companies	14,934,763,662	-	-	-	-	-	-	570,181,623	15,504,945,285
Dividends receivable	3,354,028,702	-	-	-	-	-	-	-	3,354,028,702
Receivable from employees	208,665,456	-	-	-	-	-	-	-	208,665,456
Interest receivable	19,338,599	-	-	-	-	-	-	-	19,338,599
	117,178,905,956	1,949,703,470	1,116,827,789	828,730,085	333,167,682	1,659,319,871	5,887,748,897	1,165,023,410	124,231,678,263

2024	Neither past due nor impaired	Past due but not impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Trade:									
Residential, commercial and office development	25,623,522,080	1,519,033,357	706,708,271	147,163,466	331,870,888	1,131,009,605	3,835,785,587	-	29,459,307,667
Shopping centers	2,472,422,608	2,754,701	5,694,212	4,188,724	9,746,646	1,019,332	23,403,615	216,468,348	2,712,294,571
Corporate business	2,006,001,473	26,891,976	110,009,622	10,053,440	38,951,992	284,224,964	470,131,994	273,536,188	2,749,669,655
Others	907,100,697	-	-	-	-	-	-	-	907,100,697
Receivable from related parties	50,211,071,378	-	-	-	-	-	-	-	50,211,071,378
Advances to other companies	7,182,354,267	-	-	-	-	-	-	199,975,376	7,382,329,643
Dividends receivable	4,833,528,702	-	-	-	-	-	-	-	4,833,528,702
Receivable from employees	208,774,329	-	-	-	-	-	-	-	208,774,329
Interest receivable	14,600,170	-	-	-	-	-	-	-	14,600,170
	93,459,375,704	1,548,680,034	822,412,105	161,405,630	380,569,526	1,416,253,901	4,329,321,196	689,979,912	98,478,676,812

Given the Parent Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents - based on the nature of the counterparty and the Parent Company's internal rating system.

The unquoted financial assets at FVOCI are unrated.

Receivables - high grade pertains to receivables with no default in monthly payment; medium grade pertains to receivables with up to three (3) defaults in payment in the past; and low grade pertains to receivables with more than three (3) defaults in payment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Intercompany receivables are also evaluated for impairment. The security deposits and advance rental are considered in the calculation of impairment as recoveries.

As at December 31, 2025, the exposure at default amounted to P1,992.5 million (2024 - P1,796.8 million). The average expected credit loss rates (over total receivable) is 0.94% (2024 - 0.7%) that resulted in the ECL of P1,165.0 million (2024 - P689.9 million).

24.1.2 Liquidity risk management

Liquidity risk

Liquidity risk is defined by the Parent Company as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Parent Company that makes it difficult for the Parent Company to raise the necessary funds or that forces the Parent Company to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities; or collect account receivables into cash immediately or in instances where conversion to cash is possible but at loss due to wider than normal bid-offer spreads.

The Parent Company employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Parent Company has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Parent Company ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

There is no material liquidity risk as cash flows from operating and financing activities are forecasted to be adequate to settle all maturing future obligations.

Credit line

As at December 31, 2025, the Parent Company has a total available credit line up to P64.8 billion (2024 - P80.6 billion) with various local banks.

Cash and cash equivalents and financial assets at FVTPL are used for the Parent Company's liquidity requirements. Please refer to the terms and maturity profile of these financial statements under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as at December 31, 2025 and 2024.

The tables below summarize the maturity profile of the Parent Company's financial assets and liabilities as at December 31 based on contractual undiscounted payments:

2025	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	2,591,289,620	-	-	-	2,591,289,620
Financial assets at FVTPL	67,170,373	-	-	-	67,170,373
Accounts and notes receivable	87,789,374,753	36,442,303,511	-	-	124,231,678,264
Total undiscounted financial assets	90,447,834,746	36,442,303,511	-	-	126,890,138,257
Financial liabilities					
Accounts and other payables*	85,962,462,515	-	-	-	85,962,462,515
Short-term debt	25,342,500,000	-	-	-	25,342,500,000
Long- term debt	16,262,831,244	119,302,499,182	133,288,273,702	-	268,853,604,128
Lease liabilities	745,195,577	3,263,823,909	6,285,654	-	4,015,305,140
Deposits and other current liabilities	4,786,788,014	-	-	-	4,786,788,014
Deposits and other non-current liabilities**	25,875,052	13,408,592,200	-	-	13,434,467,252
Total undiscounted financial liabilities	133,125,652,402	135,974,915,291	133,294,559,356	-	402,395,127,049
Net liquidity position	(42,677,817,656)	(99,532,611,780)	(133,294,559,356)	-	(275,504,988,792)

2024	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	889,587,753	-	-	-	889,587,753
Financial assets at FVTPL	-	-	-	308,477,770	308,477,770
Accounts and notes receivable	98,478,676,812	-	-	-	98,478,676,812
Total undiscounted financial assets	99,368,264,565	-	-	308,477,770	99,676,742,335
Financial liabilities					
Accounts and other payables*	67,114,124,907	-	-	-	67,114,124,907
Short-term debt	9,267,000,000	-	-	-	9,267,000,000
Long- term debt	23,828,089,087	107,625,209,607	123,409,622,773	-	254,862,921,467
Lease liabilities	1,292,908,472	8,474,404,504	3,799,035,297	-	13,566,348,273
Deposits and other current liabilities	6,062,564,372	-	-	-	6,062,564,372
Deposits and other non-current liabilities**	25,875,052	8,969,329,445	-	-	8,995,204,497
Total undiscounted financial liabilities	107,590,561,890	125,068,943,556	127,208,658,070	-	359,868,163,516
Net liquidity position	(8,222,297,325)	(125,068,943,556)	(127,208,658,070)	308,477,770	(260,191,421,181)

**excludes payable to government agencies*
***excludes deferred output vat*

The Parent Company projects that the collection from sale of real estate inventories, revenue from hotel operations, rental payments from its leasing business, and all other revenue streams will be sufficient to fund maturing obligation.

24.1.3 Market risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Parent Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio.

As at December 31, 2025, the Parent Company's ratio of fixed to floating rate debt stood at 81:19 (2024 - 89:11).

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

	2025	2024
Effect on income tax	Changes in floating rate borrowings	
+ 100 basis points increase	(460,055,000)	(245,220,000)
- 100 basis points increase	460,055,000	245,220,000

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Parent Company's equity other than those already affecting the net income.

2025	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	2,591,289,620	2,591,289,620	-	-	2,591,289,620
Accounts and notes receivable	Fixed at the date of sale	date of sale	208,665,456	70,106,822	138,558,634	-	208,665,456
			2,799,955,076	2,661,396,442	138,558,634		2,799,955,076
Short- term debt							
Floating-Peso	Variable	Monthly	25,342,500,000	25,342,500,000	-	-	25,342,500,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	20 years	2,000,000,000	-	-	1,990,288,360	1,990,288,360
Peso	Fixed at 4.85%	10 years	8,000,000,000	7,996,664,341	-	-	7,996,664,341
Peso	Fixed at 5.2624%	10 years	7,000,000,000	-	6,994,188,418	-	6,994,188,418
Peso	Fixed at 4.9899% to 6.369%	7 and 7.25 years	9,000,000,000	7,994,047,725	991,272,695	-	8,985,320,420
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	3,000,000,000	-	11,960,999,083	2,985,740,358	14,946,739,441
Peso	Fixed at 5.8086% to 6.8045%	5, 6 and 7 years	33,000,000,000	-	20,885,173,121	-	20,885,173,121
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000,000	-	10,008,082,994	4,875,876,158	14,883,959,152
Peso	Fixed at 6.9931% to 6.1334%	10 years	14,000,000,000	-	-	13,840,002,376	13,840,002,376
Peso	Fixed at 6.0671% to 6.3192%	5 and 10 years	15,000,000,000	-	7,412,542,079	7,414,236,097	14,826,778,176
Peso	Fixed at 3.75% to 6.40405312%	6 to 10 years	90,540,000,000	-	43,421,159,322	46,673,834,686	90,094,994,008
Floating-Peso	Variable	3 months	20,663,000,000	-	237,747,905	20,294,653,714	20,532,401,619
US Dollars	Fixed at 5.0608%	4 years	1,763,700,000	-	1,745,966,505	-	1,745,966,505
			244,309,200,000	41,333,212,066	103,657,132,122	98,074,631,749	243,064,975,937

2024	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	485,558,770	889,587,753	-	-	889,587,753
Accounts and notes receivable	Fixed at the date of sale	date of sale	208,774,329	94,231,919	114,542,409	-	208,774,328
			694,333,099	983,819,672	114,542,409	-	1,098,362,081
Short- term debt							
Floating-Peso	Variable	Monthly	9,267,000,000	9,267,000	-	-	9,267,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	20 years	2,000,000,000	-	-	1,989,334,337	1,989,334,337
Peso	Fixed at 4.75% to 4.85%	9.5 and 10 years	15,000,000,000	6,992,500,678	7,987,266,355	-	14,979,767,033
Peso	Fixed at 5.2624%	10 years	7,000,000,000	-	6,990,112,422	-	6,990,112,422
Peso	Fixed at 4.9899% to 6.369%	7 and 7.25 years	9,000,000,000	-	8,961,375,589	-	8,961,375,589
Peso	Fixed at 3.862%	5 years	6,250,000,000	6,237,892,582	-	-	6,237,892,582
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000,000	9,989,593,932	-	2,983,627,162	12,973,221,094
Peso	Fixed at 5.8086% to 6.8045%	5, 6 and 7 years	33,000,000,000	-	32,793,403,605	-	32,793,403,605
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000,000	-	11,945,937,004	2,983,627,162	14,929,564,166
Peso	Fixed at 6.9931% to 6.1334%	10 years	14,000,000,000	-	-	13,827,051,348	13,827,051,348
Peso	Fixed at 3.75% to 6.40405312%	6 to 10 years	81,210,000,000	594,606,770	28,042,542,802	49,347,578,906	77,984,728,478
Floating-Peso	Variable	3 months	15,306,000,000	16,843,959	237,749,793	14,808,333,043	15,062,926,795
US Dollars	Fixed at 5.0608%	4 years	3,181,475,000	-	3,181,475,000	-	3,181,475,000
			223,214,475,000	23,840,704,921	100,139,862,570	85,939,551,958	209,920,119,449

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The financial assets and credit facilities of the Parent Company, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. As such, the Parent Company's foreign currency risk is minimal.

As at December 31, the Parent Company's foreign currency-denominated monetary assets and liabilities and their peso equivalents are as follow:

	2025		2024	
Financial assets	US Dollar	PHP Equivalent	US Dollar	PHP Equivalent
Cash and cash equivalents	235,728	13,858,423	79,532	4,600,509
Financial liabilities				
Long-term debt	30,000,000	1,763,700,000	55,000,000	3,181,475,000
	30,000,000	1,763,700,000	55,000,000	3,181,475,000
Net foreign currency-denominated liabilities	(29,764,272)	(1,749,841,577)	(54,920,468)	(3,176,874,491)

In translating the foreign currency-denominated monetary assets in Peso amounts, the Philippine Peso - USD exchange rates as at December 31, 2025 used P58.79 to US$1.00 (2024 - P57.84 to US$1.00).

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine Peso - U.S. Dollar exchange rate, with all variables held constant, on the Parent Company's profit before tax (due to changes in the fair value of monetary assets and liabilities):

	Effect on profit before tax	
	Decrease (increase)	
Change in exchange rate	2025	2024
+ 100 basis points	(17,498,415)	(31,768,745)
- 100 basis points	17,498,415	31,768,745

There is no other impact on the Parent Company's equity other than those already affecting the net income.

Equity price risk

Quoted financial assets are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability and domestic inflation rates, the change in price reflect how market participants view the developments.

The Parent Company's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

The analysis below demonstrates the sensitivity to a reasonably possible change of market index with all other variables held constant, of the Parent Company's equity.

	Effect on equity increase (decrease)	
Change in PSEi index 2025	2025	2024
+5%	317,952	284,571
-5%	(317,952)	(284,571)

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As at December 31, 2025 and 2024, the impact on net income and equity as a result of a 100 basis points (decrease) increase in interest rates is as follow when all other variables are held constant:

	2025		2024	
	Net income, and equity (in millions)	Duration	Net income, and equity (in millions)	Duration
BPI UITF Money Market	+/- 1.33	0.15 year	+/-0.02	0.36 year
BPI UITF Short Term	+/- 0.67	0.42 year	+/-3.07	0.29 year

24.1.4 Fair value information

The following tables set forth the carrying values and estimated fair values of the Parent Company's financial assets and liabilities recognized:

	Notes	2025		2024	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVTPL	3	67,170,373	67,170,373	308,477,770	308,477,770
Financial assets at FVOCI	7				
Unquoted equity securities		473,913,089	473,913,089	469,057,497	469,057,497
Quoted equity securities		339,387,497	339,387,497	312,280,000	312,280,000
		880,470,959	880,470,959	1,089,815,267	1,089,815,267
Financial assets at amortized cost					
Cash and cash equivalents	2	2,593,237,830	2,593,237,830	891,172,963	891,172,963
Accounts and notes receivable	4	123,066,654,854	122,266,528,220	97,788,696,900	96,331,120,072
Other current assets	6	28,790,682,874	28,790,682,874	22,827,565,321	22,827,565,321
		154,450,575,558	153,650,448,924	121,507,435,184	120,049,858,356
Other financial liabilities					
Short-term debt		25,342,500,000	25,342,500,000	9,267,000,000	9,267,000,000
Accounts and other payables*		85,962,462,515	85,962,462,515	73,605,642,502	73,605,642,502
Lease liabilities		5,963,949,583	5,963,949,583	327,347,380	327,347,380
Long-term debt	13	217,722,475,935	204,242,070,262	209,910,852,449	193,812,761,402
Deposits and other liabilities	14,15	18,720,950,676	18,320,225,257	17,627,150,085	17,071,282,858
		353,712,338,709	339,831,207,617	310,737,992,416	294,084,034,142

**Excluding deferred output VAT*

The methods and assumptions used by the Parent Company in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, current receivables, accounts and other payables, current payables and short-term debt - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in fund. The fair value of the fund is based on net asset values as of reporting dates.

Financial assets at FVOCI - Fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities - Fair values are based on the latest selling price available.

Non-current accounts receivable - The fair values of residential accounts receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments.

Liabilities - The fair value of non-current unquoted instruments are estimated using the discounted cash flow methodology using the Parent Company's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged from 5.19% to 5.66% and 5.89% to 6.13% as of December 31, 2025, and 2024, respectively. The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair value hierarchy

The Parent Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable in the market, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The Parent Company categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

The fair value hierarchy of financial assets measured at fair value, as at December 31, follows:

December 31, 2025 *(Amounts in millions)*	Level 1	Level 2	Level 3	Total fair value
Investment in UITF	-	67.70	-	67.70
Investment in FVOCI - quoted	323.30	-	-	323.30
Investment in FVOCI - unquoted	-	-	489.90	489.90

December 31, 2024 *(Amounts in millions)*	Level 1	Level 2	Level 3	Total fair value
Investment in UITF	-	308.7	-	308.7
Investment in FVOCI - quoted	312.8	-	-	312.8
Investment in FVOCI - unquoted	-	-	469.1	469.1

There have been no reclassifications to and from Level 1, Level 2, and Level 3, categories in 2025 and 2024 for financial assets at FVTPL and FVOCI.

Investment properties

The fair values of the investment properties were determined by independent professionally qualified appraisers. The values of the land and buildings were derived using the Market Data Approach and the Income Approach, respectively.

For the market data approach, the fair value is calculated by comparing the asset with identical or comparable assets for which price information is available which are mainly listings and offerings from the market.

For the income approach, the fair value is calculated taking into consideration significant inputs and assumptions which are mainly the discount rate and growth rate. the significant unobservable inputs pertain to discount rate ranging from 9.51% to 9.78%.

The following tables provide the fair value hierarchy of the Parent Company's investment properties as at December 31:

	Level 1	Level 2	Level 3	Total fair value
2025	-	-	385,035,645,660	385,035,645,660
2024	-	-	368,299,303,475	368,299,303,475

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date.

24.2 Capital management

Capital is defined by the Parent Company as the total equity as shown in the statement of financial position. The primary objective of the Parent Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Parent Company establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks. The Parent Company considers debt as a stable source of funding. The Parent Company lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Parent Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both gross debt and net debt basis. As at December 31, the Parent Company had the following ratios:

	2025	2024
Debt to equity	1.138:1	1.070:1
Net debt to equity	1.126:1	1.064:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents and financial assets at FVTPL. Equity, which the Parent Company considers as capital, pertains to the total equity. The Parent Company excludes the Fair value reserve of financial assets at FVOCI in computing the debt to equity ratio.

The Parent Company is subject to externally imposed debt-to-equity or net debt to equity ratios, and other certain requirements due to loan covenants (Note 13). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2025 and 2024.

25 Segment information

The industry segments where the Parent Company operates follow:

Core business:
- Property development - sale of high-end and upper middle-income residential lots and units, and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Parent Company's share in properties made available to subsidiaries for development.
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Corporate business - development and lease of office buildings
- Corporate - company-wide activities not catering to specific business units

Support Business:
- Property management - facilities management of the Parent Company

Assets, liabilities, revenues and expenses of the Strategic Landbank Management and Visayas-Mindanao segment were reallocated to other business segments namely shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. For the years ended December 31, 2025 and 2024, there were no revenue transactions with a single external customer which accounted for 10% or more of the revenue from external customers.

Business segments

As at and for the years ended December 31, the following tables regarding business segments present the assets and liabilities, and revenue and profit information (in millions):

2025	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Revenue						
Revenues from contracts with customers	28,895	564	453	1,789	-	31,701
Rental income	328	4,861	2,352	4	-	7,545
Total revenue	29,223	5,425	2,805	1,793	-	39,246
Real estate costs and expenses	16,909	3,673	952	17	(69)	21,482
Operating profit	12,314	1,752	1,853	1,776	69	17,764
General and administrative expenses	(1,126)	(769)	(230)	(139)	(331)	(2,595)
Interest expense and other financing charges	(347)	(68)	(94)	-	(12,850)	(13,359)
Interest income	-	124	64	-	367	555
Other income	319	12,462	18	220	2,123	15,142
Dividend income	-	-	-	-	14,846	14,846
Other charges and expenses	(1,011)	(211)	-	-	(16)	(1,238)
Provision for income tax	(607)	(1,820)	(343)	-	781	(1,989)
Net income	9,542	11,470	1,268	1,857	4,989	29,126
Other Information						
Segment assets	337,491	104,329	52,941	17,598	65,244	577,603
Deferred tax assets	-	-	-	-	2,852	2,852
Total assets	337,491	104,329	52,941	17,598	68,096	580,455
Segment liabilities	(77,079)	(114,193)	(45,325)	(104,325)	(25,936)	(366,858)
Segment additions to:						
Property and equipment	164	655	147	-	336	1,302
Investment properties	1,168	12,200	2,769	-	1,686	17,823
Depreciation and amortization	104	1,058	403	3	128	1,696
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	(554)	(304)	(291)	-	(16)	(1,165)

2024	Property development	Shopping centers	Offices	Property Management and others	Corporate	Total
Revenue						
Revenues from contracts with customers	25,989	661	227	653	-	27,530
Rental income	213	3,531	1,541	10	-	5,295
Total revenue	26,202	4,192	1,768	663	-	32,825
Real estate costs and expenses	17,283	1,866	820	10	281	20,260
Operating profit	8,919	2,326	948	653	(281)	12,565
General and administrative expenses	(1,047)	(422)	(188)	(84)	(103)	(1,844)
Interest expense and other financing charges	(586)	154	(44)	-	(11,639)	(12,115)
Interest income	9	-	61	-	420	490
Other income	546	3,708	3,293	-	1,272	8,819
Dividend income	-	-	-	-	20,320	20,320
Other charges and expenses	(159)	(3)	(36)	-	(475)	(673)
Provision for income tax	(717)	(1)	(224)	-	1,183	241
Net income	6,965	5,762	3,810	569	10,697	27,803
Other Information						
Segment assets	235,066	108,689	68,653	28,877	71,722	513,007
Deferred tax assets	-	-	-	-	3,020	3,020
Total assets	235,066	108,689	68,653	28,877	74,742	516,027
Segment liabilities	(53,811)	(98,487)	(49,916)	(82,875)	(26,141)	(311,230)
Segment additions to:						
Property and equipment	18	232	15	-	210	475
Investment properties	986	5,093	2,456	-	3,790	12,325
Depreciation and amortization	70	935	444	3	101	1,553
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	(206)	(232)	(258)	(5)	11	(690)

26 Performance obligations

Information about the Parent Company's performance obligations are summarized below:

Real estate sales

The Parent Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and the Parent Company concluded that there is one performance obligation in each of these contracts. The Parent Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Parent Company provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Parent Company as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) for the years ended December 31 are as follows:

	2025	2024
Within one year	7,718,654,299	9,927,402,223
More than one year	12,196,310,911	5,067,097,692
	19,914,965,210	14,994,499,915

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Parent Company's real estate projects. The Parent Company's condominium units are completed within three to five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

27 Leases

Operating Leases - Parent Company as Lessor

The Parent Company entered into lease agreements with third parties covering its investment properties portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under non-cancellable operating leases of the Parent Company follows:

	2025	2024
Within one year	1,049,641,194	1,292,908,472
After one year but not more than five years	4,351,846,619	8,474,404,504
More than five years	275,982,274	3,799,035,297
	5,677,470,087	13,566,348,273

On January 1, 2015, the Parent Company and ACCI entered into a lease contract for the lease of parcels of land and buildings within the Greenbelt and Glorietta development located at the Ayala Center, Makati City. The lease shall be for a period of two years from January 1, 2015 until December 31, 2016, renewable for another two years upon the written agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month. The lease was renewed for twenty (20) years from January 1, 2022 to December 31, 2041.

In 2017, the Parent Company and NECC entered into a lease contract for the lease of a 24-storey building with a total construction floor area of 146,830 sq. m. located at 30 Meralco Ave., Pasig City. The lease shall be for a period of 40 years which commenced on February 1, 2016 for Phase 1 and August 1, 2017 for Phase 2. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month. In 2024, NECC has been merged with Bay City, accordingly the lease agreement was transferred to Bay City.

On December 27, 2017, the Parent Company signed a lease agreement with MCLC for the lease on the parcels of land it owns where the buildings bought by MCLC were constructed (Notes 9 and 20).

On December 28, 2017, the Parent Company signed a lease agreement with ASCVC for the lease on the parcels of land it owns where the Arca South BPO and Mall were constructed. (Notes 9 and 20).

The Parent Company granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to P341.0 million in 2022. These rent concessions did not qualify as a lease modification, thus, were accounted for as variable lease payments and reported as reduction of lease income (Note 32.16).

Operating Leases - Parent Company as Lessee

Future minimum rental payable under non-cancellable operating leases of the Parent Company follows:

	2025	2024
Within one year	170,703,356	60,617,893
After one year but not more than five years	556,240,581	143,527,879
More than five years	2,975,805,400	311,684,153
	3,702,749,337	515,829,925

Set out below are the carrying amounts of right-of-use assets recognized and the movements:

Cost	2025	2024
At January 1	642,383,475	642,383,475
Additions	3,227,628,727	-
Additions absorbed through merger	1,223,369,060	-
At December 31	5,093,381,262	642,383,475
Accumulated depreciation and amortization		
At January 1	355,623,094	303,388,366
Accumulated depreciation absorbed through merger	23,409,619	-
Depreciation expense	136,575,154	52,234,728
At December 31	515,607,867	355,623,094
Net Book Value	4,577,773,395	286,760,381

The roll forward analysis of lease liabilities follows:

	2025	2024
At January 1	327,347,380	365,852,408
Additions	4,404,023,418	-
Additions absorbed through merger	1,207,431,844	-
Accretion of interest expense	307,720,757	28,346,303
Payments	(282,573,816)	(66,851,331)
At December 31	5,963,949,583	327,347,380
Less: Current portion of lease liabilities	(58,787,818)	(46,606,885)
Lease liabilities, net of current portion	5,905,161,765	280,740,495

The following are the amounts recognized in the Parent Company's statement of income and as additions to investment properties:

	Note	2025	2024
Depreciation expense of right-of-use assets			
Recognized in profit or loss	18	118,974,150	52,234,728
Capitalized in investment properties	9	17,601,004	-
		136,575,154	52,234,728
Interest expense on lease liabilities			
Recognized in profit or loss	18	258,312,482	28,346,303
Capitalized in investment properties	9	49,408,275	-
		307,720,757	28,346,303
Rent expense - variable lease payments			
Recognized in profit or loss		263,416,799	170,433,902

The Parent Company has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Parent Company's variable lease payments, including the magnitude in relation to fixed payments:

	2025		
	Fixed payments	Variable payments	Total
Fixed	116,088,863	-	116,088,863
Variable rent only	-	263,416,799	263,416,799
At December 31	116,088,863	263,416,799	379,505,662

	2024		
	Fixed payments	Variable payments	Total
Fixed	66,851,331	-	66,851,331
Variable rent only	-	170,433,902	170,433,902
At December 31	66,851,331	170,433,902	237,285,233

The significant leases entered into by the Parent Company are as follows:

Effectivity Date				
From	To	Lessee	Leased property	Terms
Jan 2017	Mar 2040	Philippine Racing Club, Inc.	Land (AyalaMalls Circuit Makati, Brgy. Carmona, Makati City)	• The term of the lease shall be twenty-three years and three months commencing from Delivery Date; • The Lessee shall have the option to renew the lease for another period of five years, provided that renewal period shall be mutually agreed by the Parties; • For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor a fixed amount; • Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to a % of the Gross Income of the Lessee.
Jan 2020	Jan 2074	Dunes & Eagle Land Development Corporation	Large tract of land (Brgy. Mactan, Lapu-Lapu City, Mactan Island, Cebu)	• In 2025, following the merger of Asiatown Hotel Ventures, Inc. with ALI, the lease contract's rights and obligations were transferred, resulting in ALI becoming the new lessee under the agreement. • The term of the lease shall be fifty-six years commencing from date of execution of the Amendment Agreement; • The Lessee shall use the Leased Property for the construction, development and operation of a hotel, resort, and tourism estate. • The Lessee shall pay the lessor a total of seventy million pesos as security deposit and shall be refundable at the end of the lease term; • The Lessee shall have an option to purchase the Leased Property at any time during the term of its Agreement at a purchase price and other such terms and conditions to be agreed upon the exercise of such option.
Jul 2025	Jun 2050	AREIT, Inc.	AyalaMalls Central Bloc (Cebu IT Park, Cebu City)	• On May 19, 2025, ALI executed a Deed of Exchange to transfer all rights, title, and interests of this property to AREIT, Inc. through Tax-Free Exchange, while retaining ownership of the land on which the structure stands. Subsequent to this transfer, ALI manifested its intent to lease the premises, thereby entering into a sublease agreement with AREIT, Inc as the Lessor and ALI as the Lessee. • The term of the lease shall commence on July 1, 2025 and end on June 30, 2050, unless earlier terminated. • Leased Premises shall refer to the five (5)-storey mall known as "AyalaMalls Central Bloc" located in Cebu IT Park, Cebu City, with a gross floor area of 112,429.06 sqm and equipment.

The discount rate used to calculate the lease liability ranges from 5.87% - 9.30%.

Finance Leases - Parent Company as Lessor

The rollforward of finance receivables (under receivable from related parties) follows:

	Note	2025	2024
At January 1		962,112,372	939,965,500
Additions		1,702,263,233	-
Interest income		169,865,613	62,011,753
Payments		(132,455,725)	(39,864,881)
As at December 31		2,701,785,493	962,112,372
Less: Current lease receivable	20	227,689,750	41,692,021
Non-current lease receivable	20	2,474,095,743	920,420,351

The maturity analysis of the receivables, including undiscounted lease payments to be received are as follows:

	2025	2024
Within one year	227,689,750	41,692,021
After one year but not more than five years	1,259,700,512	241,893,471
More than five years	7,756,533,637	2,486,384,337
Total undiscounted lease payments	9,243,923,899	2,769,969,829
Less: Unearned finance income	6,955,357,446	2,067,114,694
Net investment in the lease	2,288,566,453	702,855,135

The significant finance leases with Parent Company as the lessor are as follows:

Effectivity Date	Term (in years)	Lessor		Leased property	Terms
From	To				
Feb 2020	Dec 2054	34	AREIT, Inc.	Mckinley Exchange Corporate Center (Land and building)	• The Leased property shall be used for the maintenance and operation of office and retails spaces, subject to the applicable laws and guidelines by the government, and Construction Guidelines and House Rules for McKinley Exchange. • Subject to conditions established, the lease is not deemed to be extended beyond the date specified for its termination for any reason. • The Lessor shall be paid quarterly rental payment, subject to 5% escalation rate to be applied on every anniversary date of the lease.
July 2025	Jun 2050	25	Ayala Makati Hotels Residences, Inc.	New World Makati Hotel	• The Leased property shall be used for the maintenance and operation of a hotel development, subject to the applicable laws, rules, issuances and guidelines. • The Lessor shall be paid a monthly rate, subject to 3% escalation every year on the rent commencement anniversary or 3.5% Gross Revenues, whichever is higher.

In 2025 and 2024, the discount rate used to calculate the net investment in lease ranges from 6.66% - 12.48%.

28 Long-term commitments and contingencies

Commitments:

a. On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc, for the waterworks of Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31, 2021 to amend certain provisions. The original MOA and its amendment were signed by Parent Company and its subsidiaries and affiliates.

b. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company named, ALI-ETON Property Development Corporation, was incorporated on March 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower.

   On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

c. On August 11, 2015, the Parent Company won the bid for the Integrated Transport System Project-South Terminal ("ITS South Project"). The Parent Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57 hectare former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Parent Company is developing an integrated mixed-use estate.

d. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Parent Company and CHI (together with the Parent Company collectively referred to as the "ALI Group"). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, the Parent Company has fully paid P4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384 sqm development and the construction of road networks and underground utilities commence on February 18, 2020.

   As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

   The development is positioned to be "The Gateway and Epicenter of Growth in Central Visayas".

   It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

e. On February 26, 2021, the Parent Company entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively to a 5-year loan with interest rate of 4% per annum

Contingencies

The Parent Company has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Parent Company's financial position and results of operations. Accordingly, no provision for any liability has been made in the parent company financial statements.

Moreover, the Parent Company's subsidiary has an existing claim for damages against a government agency arising from a nullified Joint Venture Agreement. Gains, if any, will be recognized in the financial statements when the claim is virtually certain. Management does not expect it to have a material impact on the financial statements.

Disclosures required by PAS 37, Provisions, Contingent Liabilities and Contingent Assets, were not provided as it may prejudice the Parent Company's position in ongoing claims, and it can jeopardize the outcome of the claims and contingencies.

29 Notes to statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

2025

	January 1,2025	Cash flows	Other changes	Foreign exchange movement	December 31,2025
Short-term debt	9,267,000,000	16,075,500,000	-	-	25,342,500,000
Current portion of long-term debt (a)	23,831,437,922	(25,496,125,000)	19,133,619,094	-	17,468,932,016
Long-term debt, net of current portion (a)	186,079,414,527	33,026,867,632	(18,881,088,240)	28,350,000	200,253,543,919
Lease liabilities (a)	327,347,380	(282,573,815)	5,919,176,018	-	5,963,949,583
Dividends payable (b)	43,385,740	(8,509,627,671)	8,540,741,319	-	74,499,388
Deposits and other non-current liabilities	11,010,711,727	2,423,755,524	-	-	13,434,467,251
Total liabilities from financing activities	230,559,297,296	17,237,796,670	14,712,448,191	28,350,000	262,537,892,157

Other changes pertain to:
(a) Interest expense and reclassification from non-current to current
(b) Dividends declaration

2024

	January 1,2024	Cash flows	Other changes	Foreign exchange movement	December 31,2024
Short-term debt	7,005,000,000	2,262,000,000	-	-	9,267,000,000
Current portion of long-term debt (a)	18,495,800,819	(18,951,355,000)	24,286,992,103	-	23,831,437,922
Long-term debt, net of current portion (a)	178,825,121,828	31,436,355,000	(24,046,212,301)	(135,850,000)	186,079,414,527
Lease liabilities (a)	365,852,408	(66,851,331)	28,346,303	-	327,347,380
Dividends payable (b)	1,798,771	(7,390,081,473)	7,431,668,442	-	43,385,740
Deposits and other non-current liabilities	13,141,106,486	(2,130,394,758)	-	-	11,010,711,728
Total liabilities from financing activities	217,834,680,312	5,159,672,438	7,700,794,547	(135,850,000)	230,559,297,297

Other changes pertain to:
(a) Interest expense and reclassification from non-current to current
(b) Dividends declaration

The non-cash investing and financing activities of the Parent Company pertain to the following:

For the year ended December 31, 2025

Investing

- Transfer from property and equipment to investment properties amounting to P105.16 million
- Transfer from investment properties to inventories amount to P1,737.76 million
- Capitalized interest and other expenditures amounted to P1,105.46 million
- Sale of investment in a subsidiary resulting in an increase in receivable of P8,107.98 million

Investing/Financing

- Property-for-share swap transaction amounted to P9,593.89 million
- Statutory merger between ALI and its subsidiaries (Note 8) resulting mainly in an increase of investment properties amounting to P15,397.81 million; property and equipment amounting to P266.14 million; right of use assets amounting to P1,199.96 million; lease liabilities amounting to P1,207,.44 million; and deposits and other non-current liabilities of P1,510.77 million.

For the year ended December 31, 2024

Investing

- Transfer from property and equipment to investment properties amounting to P1,078.92 million
- Transfer from inventories to investment properties amounting to P2,193.64 million
- Capitalized interest amounted to P614.8 million
- The acquisition of the partners' 50% shares in CDPEI resulted in the assumption of the fair values of its inventory, investment property and payables amounting to P6,930.6 million, P854.8 million and P7,759.0 million, respectively.

Investing/Financing

- Property-for-share swap transactions amounted to P17,894.78 million

30 Events after the reporting date

Post year-end events that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

On February 20, 2026, the Board of Directors of ALI approved the following:

a. The amendment of Articles of Incorporation on:
   - The Second Article to include the cold storage business in the Parent Company's secondary purpose, and
   - The Seventh Article to decrease the authorized capital stock from P20,437,602,946 to P19,937,602,946 through the retirement of 500,000,000 common shares held in Treasury.

b. The raising of up to P40 billion with tenor of up to 10 years through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or bilateral term loans primarily for the purpose of debt refinancing and to partially finance general corporate requirements.

c. The filing with the Securities and Exchange Commission of a new 5-year shelf registration for debt securities of up to P50 billion.

d. The declaration of cash dividends totaling Php0.3513 per common share consisting of a regular cash dividend of Php0.3194 per common share and a special cash dividend of Php0.0319 per common share for the first half of 2026. The record date is March 6, 2026, and the payment date is March 19, 2026.

e. The allocation of 10,000,000 common shares for the ALI Performance Shares to vest over three years.

31 Critical accounting judgments and estimates

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

31.1 Critical accounting Judgments

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

Existence of a contract

The Parent Company's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Parent Company before revenue recognition is to assess the probability that the Parent 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, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age 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.

Revenue recognition method and measure of progress

The Parent Company concluded that revenue for real estate sales is to be recognized over time because: (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Parent Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Parent Company has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

Determining transaction price of sale of real estate

The Parent Company determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Parent Company applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the Parent Company determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

Distinction of land between real estate inventories, property and equipment and investment properties

The Parent Company determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Parent Company considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Parent Company also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Control of entities in which the Parent Company holds only 50% or less than majority of voting rights

The Parent Company considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

BGWest Properties
For the BG entities, wherein Parent Company and the other shareholder each own 50% of the voting rights, Parent Company controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL and LAIP
ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL and LAIP.

Contingencies

The Parent Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Parent Company currently does not believe that these proceedings will have a material effect on the Parent Company's financial statements (Note 28).

Sale of real estate receivables

The Parent Company has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Parent Company believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Parent Company continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets

The Parent Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria:

The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for those financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Parent Company, for economic or contractual reasons relating to the customer's financial difficulty (e.g., Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Parent Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Parent Company's expected loss calculation.

Incorporation of forward-looking information:

The Parent Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Parent Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Parent Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Parent Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Parent Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Parent Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Parent Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options - Parent Company as a lessee

The Parent Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Parent Company has several lease contracts that include extension and termination options. The Parent Company applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Parent Company has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Parent Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Uncertainties in the determination of taxable profit

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements. Upon adoption of the Interpretation, the Parent Company has assessed whether it has any uncertain tax position. The Parent Company applies significant judgement in identifying uncertainties over its income tax treatments. The Parent Company determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Determination of embedded derivative in financial liabilities

The Parent Company determines whether there is an embedded derivative in its sustainability linked financial liabilities based on certain criteria such as:

- whether the contractual cash flows that could arise both before and after the contingent event is consistent with basic lending arrangement;
- whether the nature of the contingent event directly related to a change in basic lending risks and costs; and
- whether the cash flows would be significantly different from those of an identical instrument without the contingent feature in any contractually possible scenario.

31.2 Critical accounting estimates and assumptions

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

Revenue recognition on real estate projects

The Parent Company's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Parent Company's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the percentage of completion (POC) is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the POC is applied to the standard cost which is regularly reviewed and adjusted to actual cost.

Estimation of significant financing component

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

Effective January 1, 2024, the Parent Company adopted the PIC Q&A No. 2018-12. The Parent Company followed the allowed modified retrospective approach allowing it to adjust the beginning balance of equity in 2024. The adjustment on the 2024 beginning balance of Retained earnings is an increase of P151.09 million. As at December 31, 2025 and 2024, the Parent Company assessed that the overall impact of the requirement of PIC Q&A No. 2018 12 pertaining to significant financing component is not material to the financial statements of the Parent Company.

Evaluation of net realizable value of real estate inventories

The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Parent Company in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. In evaluating NRV, recent market conditions and current market prices have been considered. See Note 5 for the related balances.

Share-based payments

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Parent Company (Note 23).

Estimating pension liabilities and other retirement benefits

The determination of the Parent Company's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 21 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Parent Company Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Parent Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations (Note 21).

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology (Note 24).

Provision for expected credit losses of trade receivables

The Parent Company uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Parent Company estimates expected credit losses on its residential, commercial, and office development receivables using a vintage analysis approach. Under this method, trade receivables are grouped based on the period in which they originated, and historical loss patterns for similar groups are reviewed to determine cumulative loss rates. These historical trends, including observed defaults at various points in the contract life, are used to assess the probability of default for each pool of receivables. This approach allows the Parent Company to incorporate the expected loss experience over the life of the receivables in measuring expected credit losses

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Parent Company's trade receivables is disclosed in Notes 4 and 24.

Estimating the incremental borrowing rate for leases

The Parent Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Parent Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Parent Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Parent Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

As at December 31, 2025, the Parent Company's lease liabilities amounted to P5,963.9 million (2024 - P327.3 million) (Note 27).

Finance lease commitments - Parent Company as lessor

The Parent Company has entered into a lease agreement on the parcel of land and building pertaining to MECC. The Parent Company has determined, based on evaluation of the terms and arrangement, particularly on the economic life, that the Parent Company has transferred substantially all the significant risks and rewards of ownership of this property to the lessee and accounts for the agreement as finance lease (Note 27).

Evaluation of impairment of non-financial assets

The Parent Company assesses whether there are any indicators of impairment for all nonfinancial assets (i.e., investment in subsidiaries, associates and joint ventures, property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

For investment in subsidiaries, associates and joint ventures, the Parent Company calculates the amount of impairment as the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.

No impairment loss was recognized in 2025 and 2024.

Useful lives of property and equipment and investment properties

The useful life of each item of the Parent Company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets. In 2025 and 2024, there were no changes in the estimated useful lives of property and equipment.

Determination of fair values of investment properties

The determination of fair values of the Parent Company's properties are defined in Note 24.1.4 "Fair Value Information". It defined the various approaches used by the Company to estimate the fair value based on the nature and factors affecting each type of properties.

32 Summary of material accounting policies

32.1 Basis of preparation

Statement of compliance

The separate financial statements of the Parent Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards; and
- interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

The Parent Company also prepared and issued consolidated financial statements for the same period as the parent company financial statements presented in compliance with PFRS Accounting Standards. These may be obtained the registered office address of the Parent Company or at the SEC.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets at FVTPL and financial assets at FVOCI that have been measured at fair value.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Parent Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Parent Company. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 31.

Functional and presentation currency

The financial statements of the Parent Company are presented in Philippine Peso (Php or P).

32.2 Adoption of new and amended accounting standards and interpretations

(a) Amendments to existing standards adopted by the Parent Company effective January 1, 2025

The following amendments to existing standards have been adopted by the Parent Company effective January 1, 2025:

- Lack of Exchangeability - Amendments to PAS 21;

  On 15 August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

  The adoption of the above amendment did not result in a material impact to the financial statements of the Parent Company.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have a material impact on the Parent Company's financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Parent Company

The following amendments to existing standards are not mandatory for December 31, 2025 reporting period and have not been early adopted by the Parent Company:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 *(Effective beginning on or after January 1, 2026)*

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Parent Company except on the timing of derecognition of financial liability through electronic fund transfers and checks.

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

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

  Management is currently assessing the detailed implications of applying the new standard on the Parent Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

  - Although the adoption of PFRS 18 will have no impact on the Parent Company's net profit, the Parent Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Parent Company has performed, the following items might potentially impact operating profit; and
  - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

  The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Parent Company will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

  The Parent Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
  - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

  From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

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

  Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at December 31, 2025 reporting period that are considered to be relevant or have a material impact on the Parent Company's financial statements.

32.3 Current versus non-current classification

The Parent Company presents assets and liabilities in parent company statement of financial position based on current and non-current classification:

An asset is current when it is:

a. expected to be realized or intended to be sold or consumed in normal operating cycle;
b. held primarily for the purpose of trading;
c. expected to be realized within twelve (12) months after reporting date; or
d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is current when:

a. it is expected to be settled in the normal operating cycle;
b. it is held primarily for the purpose of trading;
c. it is due to be settled within 12 months after reporting date; or
d. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Parent Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

32.4 Fair value measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Parent Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Parent Company, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

32.5 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

32.6 Financial instruments

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Parent Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognized on a trade date basis. Financial liabilities are recognized when cash is received by the Parent Company.

(a) Financial assets

i. Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognized at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on *Revenue from contracts with customers*.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

The classification requirements for financial assets are described below:

a. Financial assets at amortized cost (debt instruments);
b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at fair value through profit or loss

ii. Subsequent measurement

(a) Financial assets at amortized cost

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

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

The Parent Company's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Parent Company accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognized over the life of the financial assets through the recognition of interest income.

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

When financial assets at amortized cost are disposed, these are assessed whether the Parent Company is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (Note 4).

(b) Financial assets at FVOCI (debt instruments)

The Parent Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Parent Company's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Parent Company holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognized in profit or loss).

The Parent Company's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognized when the Parent Company enter into contracts with counterparties, which is generally on trade date, and are normally derecognized when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognized when the Parent Company enters into contracts with counterparties, which is generally on settlement date, and are normally derecognized when extinguished. Subsequent changes in fair values are recognized in profit or loss.

The Parent Company's financial assets at FVTPL includes investments in UITF.

iii. Impairment of financial assets

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

For trade receivables, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company recognizes allowance for impairment loss based on lifetime ECL at each reporting date. The Parent Company has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Parent Company applies the low-credit-risk simplification. These are considered to carry low credit risk. Accordingly, the Parent Company measures expected credit losses on a 12-month basis.

The Parent Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Parent Company's definition of default and historical data of three years for the origination, maturity date and default date. The Parent Company considers trade receivables in default when contractual payments 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 which may extend the definition of default to 90 days and beyond. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

iv. Determining the stage for impairment

At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

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

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

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

vi. Modification of financial assets

The Parent Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Parent Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

(b) **Financial liabilities**

i. Initial recognition, classification and measurement

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized costs, net of directly attributable transaction costs. Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Parent Company's financial liabilities include accounts and other payables (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities.

The Parent Company has no financial liabilities at FVTPL.

ii. Subsequent measurement

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

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

This category generally applies to short-term and long-term debt.

iii. Derecognition

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

iv. *Offsetting*

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

There are no offsetting of financial instruments as at December 31, 2025 and 2024.

32.7 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and NRV. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and estimated costs to sell.

Cost of inventories represents accumulated costs of the various real estate projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the statement of comprehensive income.

Inventories are derecognized when they are sold or there are no future benefits to the Parent Company. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

The Parent Company applies the approach presented in Philippine Interpretations Committee Questions and Answers (PIC Q&A) No. 2020-05 and accounts for repossession as a modification of the contract and reverses the previously recognized revenues and related cost of real estate sales recognized.

32.8 Construction materials, parts and supplies

Construction materials used in the Parent Company's development activities are carried at the lower of cost or net realizable value (NRV). Cost is determined using the moving average method. NRV is assessed based on the estimated selling price of the related real estate inventory in the ordinary course of business, less the estimated costs of completion and the costs necessary to sell. The evaluation of NRV considers the expected recoverability of these materials when incorporated into the Parent Company's ongoing and future development projects.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

32.9 Investments in subsidiaries, associates and joint ventures

The Parent Company's investments in its subsidiaries, associates and joint ventures are accounted for under the cost method and are carried at cost less accumulated provisions for impairment losses, if any. A subsidiary is an entity over which the Parent Company has control. The Parent Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. An associate is an entity in which the Parent Company has a significant influence and which is neither a subsidiary nor a joint venture.

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Parent Company disposes the investment or the investee reacquires its own equity instruments from the Parent Company.

The Parent Company accounts for combinations of entities or businesses under common control using the "Pooling-of-Interest" method.

32.10 Investment properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Parent Company. It also includes land intended as investment property or with unintended future use.

The Parent Company uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Parent Company.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

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

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

As at December 31, 2025 and 2024, the Parent Company engages independent valuation specialist to assess the fair value. The Parent Company's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

32.11 Property and equipment

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

Land is carried at cost less any impairment in value.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5

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

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

32.12 Impairment of non-financial assets

The Parent Company assesses at each reporting date whether there is an indication that an asset may be impaired (investments in subsidiaries, associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Parent Company's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Parent Company determines at each reporting date whether there is any objective evidence that the investment in subsidiaries, associates or joint ventures is impaired. If this is the case, the Parent Company calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.

32.13 Pension cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

32.14 Share-based payments

The Parent Company has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 23.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as at grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 22).

Employee Stock Ownership Plan

The Parent Company has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

32.15 Equity

When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the statement of financial position (Note 16).

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

32.16 Revenue from contract with customers

The Parent Company primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Parent Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

Residential development revenue (part of real estate sales in the statement of income)

The Parent Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

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

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as trade receivables under residential, commercial and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the customers' deposit account in the liabilities section of the parent company statement of financial position.

The Parent Company determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Parent Company applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the Parent Company determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

The calculation of financing component in a transaction price is based on various inputs such as transaction price, cash discount, payment scheme, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

Rental income (part of real estate sales in the statement of income)

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. No rental income is recognized when the Parent Company waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment.

The contract for the commercial spaces leased out by the Parent Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common use service area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the Parent Company determined that it is acting as an agent because the promise of the Parent Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Parent Company, are primarily responsible for the provisioning of the utilities while the Parent Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Parent Company acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Parent Company has the discretion on how to price the CUSA and air-conditioning charges.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Parent Company's right to receive the payment is established.

32.17 Cost recognition

The Parent Company recognizes pre-launch costs relating to satisfied performance obligations. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction work. Upon full completion of the project, all project costs are recognized based on actual costs incurred.

Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Construction costs (part of cost of real estate sales in the statement of income)

Cost of real estate sold are determined using output method based on POC consistent with the manner of revenue recognition. Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Customers' deposit

Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Parent Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent Company transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Parent Company which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Parent Company from the customers for which revenue recognition has not yet commenced.

32.18 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Parent Company expects to recover them. The Parent Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Real estate costs and expenses” account in the statement of income.

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

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

Following the pattern of real estate revenue recognition, the Parent Company amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Parent Company determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Parent Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Parent Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Parent Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

32.19 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Investment properties” and “Property and equipment” accounts in the statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Parent Company’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The Parent Company capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

32.20 Leases

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

Parent Company as lessee

Except for short-term leases and leases of low-value assets, the Parent Company applies a single recognition and measurement approach for all leases. The Parent Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Parent Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Parent Company's right-of-use assets include lease of land which is depreciated based on the term of the lease ranging from 5 to 47 years.

If ownership of the leased asset transfers to the Parent Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

Lease liabilities

At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating the lease, if the lease term reflects the Parent Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Parent Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Parent Company as lessor

Leases where the Parent Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Parent Company as a lessor

Leases in which the Parent Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

32.21 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

32.22 Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of MCIT over the regular corporate income tax and unused NOLCO, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

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

32.23 Base Erosion and Profit Shifting (BEPS) Pillar 2

Pillar Two legislation has been implemented in certain jurisdictions. Legislation applicable to the Parent Company is effective on January 1, 2024. Given this, the Parent Company has assessed the applicable tax legislation in all the countries in which the Parent Company operates to determine whether or not a Pillar Two 'top-up' tax liability needs to be recognized.

The relevant set of rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbor ("TSH") that applies for the first three fiscal years following the entry into force of the relevant regulation; the TSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TSH tests is met for a jurisdiction in which the Parent Company operates, the top-up tax due for such jurisdiction will be deemed to be zero.

A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test of 15%); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

Based on the management assessment performed, the Parent Company, as an entity within the Philippines, passed the TSH test/s, thus, these jurisdictions are not subject to the detailed Pillar Two calculations and the top-up taxes are deemed to be zero.

32.24 Foreign currency transactions

Each entity in the Parent Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The exchange differences arising on the translation are taken directly to a separate component of equity under "Cumulative translation adjustments" account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Parent Company's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

32.25 Earnings per share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

32.26 Contingencies

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

32.27 Events after the reporting period

Post year-end events that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the Parent Company financial statements. Post year-end events that are not adjusting events are disclosed in the Parent Company financial statements when material.

32.28 Comparative information

Certain reclassifications have been made in the prior year's statement of cash flows to confirm to the current year's presentation. These did not affect the cash flows from operating, investing and financing activities that were previously reported.

33 Supplemental information required by the Bureau of Internal Revenue (BIR)

In compliance with the requirements set forth by Revenue Regulations 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Value Added Tax (VAT)

The Parent Company is a VAT-registered company with VAT output tax declaration as follows:

	Net sales/receipts	Output VAT paid
Taxable sales:		
Sale of goods	22,529,037,398	2,703,484,488
Leasing income	6,837,437,523	820,492,503
Sales to government	-	-
Others	7,275,818,561	873,098,227
Exempted sales	81,750,051	-
Zero-rated sales	1,013,975,689	-
	37,738,019,222	4,397,075,218

The sale of goods is recorded under Land and residential sales account while leasing income is recorded under Rental income. The amount of VAT Input taxes claimed are broken down as follows:

	Amount
Balance at beginning of year (net input VAT position)	
Input tax carried over from 2024	105,243,621
Input tax carried over from merged companies	1,256,042,998
Current year's purchases:	
Capital goods subject to amortization	68,219,837
Goods other than capital goods	1,350,638,172
Capital goods not subject to amortization	-
Services lodged under other accounts	3,892,104,840
Services rendered by non-residents	-
Total available input VAT	6,672,249,468
Less: Input tax on purchase of capital goods exceeding P1 million for the succeeding period	577,264
Input tax attributable to VAT exempt sales	20,841,788
Total allowable input VAT	6,650,830,416
VAT payments for the year	147,639,603
Output VAT during the year	(4,397,075,218)
Balance at the end of the year	2,401,394,801

Documentary Stamp Tax (DST)

The DST paid or accrued on the following transactions are:

Transaction	Amount	DST
Interest expense and other financing charges		
DST on loans	48,626,257,156	364,696,929
DST on Intercompany loan	3,238,707,537	24,290,307
DST on leases and other hiring agreements	19,668,882,728	40,298,656
DST on original issue of shares of stock	981,399,544	9,813,995
General and administrative expenses		
DST on leases and other hiring agreements	5,735,352	127,386
DST on original issue of all debt instrument	248,890,000	1,866,675
Capitalized DST		
DST on promissory note	12,870,000,000	96,525,000
Others		
DST on leases and other hiring agreements	9,167,248,716	18,624,091
DST on transfer of real property	227,776,240	17,228,489
Balance at the end of the year	95,034,897,273	573,471,528

The following are the taxes, licenses and permit fees in 2025:

	Direct operating expenses	General and administrative expenses	Total
Local			
Real property tax	493,232,572	1,633,214	494,865,786
License and permit fees	412,226,741	22,533,867	434,760,608
Inspection fees	2,333,399	71,040	2,404,439
Motor vehicle registration fees		638,952	638,952
Professional tax		36,189	36,189
Community tax		10,500	10,500
Transfer tax	1,262,000	29,424,863	30,686,863
Others	31,166,867	8,189,871	39,356,738
	940,221,579	62,538,496	1,002,760,075
National			
Fringe benefits tax	-	64,456,705	64,456,705
Documentary stamp tax*	18,472,705	1,994,061	20,466,766
	958,694,284	128,989,262	1,087,683,546

**Included in the Documentary Stamp Taxes above*

Withholding Taxes

Details of withholding taxes in 2025 are as follows:

	Amount
Final withholding taxes	1,550,780,202
Expanded withholding taxes	1,196,054,908
Withholding taxes on compensation and benefits	449,925,068
Withholding VAT and other percentage taxes	25,228,083
Balance at end of year	3,221,988,261

Tax assessments and cases

The Parent Company has no deficiency tax assessments whether protested or not. The Parent Company has not been involved in any tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the BIR.

AyalaLand

February 20, 2026

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the 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.

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

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

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

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors

ANNA MARIA MARGARITA B. DY
President and Chief Executive Officer

JOSE EDUARDO A. QUIMPO II
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this February 20, 2026, at Makati City, affiants exhibited to me their passports as competent evidence of their identities, as follows:

Name	Passport No.	Date/Place of Issue
Jaime Augusto Zobel de Ayala	[redacted]	
Anna Maria Margarita B. Dy		
Jose Eduardo A. Quimpo II		

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc. No. 9
Page No. 3
Book No. III
Series of 2026.

Notarial DST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on copy submitted to the court.

REYNA FAITH B. DEPASUCAT
NOTARY PUBLIC
ROLL NO. 55471
MAKATI CITY, PHILIPPINES

REYNA FAITH B. DEPASUCAT
Notary Public – Makati City

[redacted]

Calda, Silvano

From: Catindig,Tess F. <catindig.tess@ayalaland.com.ph>
Sent: Monday, April 13, 2026 11:02 AM
To: ABSI Mendoza, Reynaldo R.
Subject: FW: Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Monday, April 13, 2026 10:28 AM
To: YARRA.LORRAINE@APRISA.COM.PH
Cc: Catindig,Tess F. <catindig.tess@ayalaland.com.ph>
Subject: Your BIR AFS eSubmission uploads were received

CAUTION: This email originated outside of the organization. Please exercise care before clicking any links, scanning any QR codes, or opening attachments unless verified safe. For security concerns, please email to security@ayalaland.com.ph.

Hi AYALA LAND INC.,

Valid files

- EAFS000153790AFSTY122025.pdf
- EAFS000153790ITRTY122025.pdf
- EAFS000153790OTHTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-PXPW4S3Y0988995F5M3VWY4NM0BJJJKF6B**
Submission Date/Time: **Apr 13, 2026 10:28 AM**
Company TIN: **000-153-790**

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

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

This is a system-generated e-mail. Please do not reply.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: April 13, 2026 01:38:46 PM

Company Information

SEC Registration No.: 0000152747
Company Name: AYALA LAND, INC.
Industry Classification: K70120
Company Type: Stock Corporation

Document Information

Document ID: OST104132026811179854
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2025
Submission Type: Parent
Remarks: None

Acceptance of this document is subject to review of forms and contents

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Ground Floor, Secretariat Building, PICC
City Of Pasay, Metro Manila

COMPANY REG. NO. CS201739596

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

CAPITOL CENTRAL COMMERCIAL VENTURES CORP.

(Amending Article III thereof)

copy annexed, adopted August 01, 2018 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing/lending company and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 27th day of November, Twenty Eighteen.

DANIEL P. GABUYO
Assistant Director
SO Order 1198 Series of 2018

NSC/mii

BUWIS DST DSJ2017 19811400

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COVER SHEET

for Applications at

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application	SEC Registration Number
AMENDMENT OF AOI	CS201739596

Company Name

CAPITOL CENTRAL COMMERCIAL
VENTURES CORP.

Principal Office (No./Street/Barangay/City/Town/Province)

5TH FLOOR, GLORIETTA 4, AYALA
CENTER, MAKATI CITY, 1224,
METRO MANILA

AMENDED TO:

Principal Office (No./Street/Barangay/City/Town/Province)

3RD FLOOR, CAPITOL CENTRAL
MALL, CORNER GATUSLAO STREET
AND NORTH CAPITOL ROAD,
BACOLOD CITY, 6100, NEGROS
OCCIDENTAL

Company's Telephone Number/s

(02) 755-7900 local 8057

Contact Person	Contact Person's Telephone Number
Cathy Pagulo	

Contact Person's Address

5th Floor, Glorietta 4, Ayala Center, Makati City

To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor		

Document I.D.

Recived by Corporate Filing and Records Division (CFRD)

Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Divison
- ☐ Licensing Unit
- ☐ Compliance Monitoring Division

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AMENDED ARTICLES OF INCORPORATION

OF

CAPITOL CENTRAL COMMERCIAL VENTURES CORP.

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY THAT:

FIRST. The name of the Corporation shall be:

CAPITOL CENTRAL COMMERCIAL VENTURES CORP.

SECOND. That the purposes for which the Corporation is formed are:

PRIMARY PURPOSE

To develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial or agricultural lands, buildings, structures or apertures, to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing.

SECONDARY PURPOSES

1. To deposit or invest its funds in any banking institutions, savings, and loan associations, or realty estate corporations and to withdraw or dispose of any deposits or investments so made.

2. To engage in the business of promoting, managing, administering, or assisting in any operation or business whose underlying securities or assets consists chiefly of real property or any interest therein including the discounting or land purchases contracts without acting as stock broker or dealer in securities.

3. To promote, underwrite, contract for, manage, or administer, alone or jointly with others, any building operation, mortgage bond issues, real estate developments or any other transactions, or any other transactions involving rights to real estate or any interest therein without acting as managers of real estate investment trusts.

4. Insofar as the laws of the Philippines, to permit, purchase, invest or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of personal properties of every kind and description, including shares of stock, bonds, debentures, contracts, or obligations of any corporation, association, domestic or foreign, engaged in dealing in the same or similar business.

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5. To establish and conduct a general amusement or entertainment enterprise and to furnish amusement or entertainment to the public, as well as to acquire, establish, own, hold, sell, lease, conduct and manage fairs, cinema houses, carnivals, exhibitions, contests, theatrical productions or amusement or entertainment enterprises of every kind and nature.

6. To deal, engage, and transact, directly or indirectly, in all forms of activities and mercantile acts and transactions concerning all kinds of real or personal property, goods, wares, chattel, choses in action, tangible and intangible properties, technical and industrial equipment, personal and real rights, commercial papers, evidence of indebtedness, or other forms of obligations, services, and all other things including future ones, which are not excluded from the commerce of men or which are not contrary to law or good morals.

7. To carry and undertake any business transactions or operation commonly carried on by persons, natural or artificial, engaged in the manufacture, production, exportation, importation, wholesale, retail, promotion and merchandising of any and all kinds of merchandise, goods and wares which are lawful objects of commerce.

8. In general, to carry on any other lawful activity whatsoever in connection with the foregoing or which is calculated, directly or indirectly, to promote the interest of the Corporation or to enhance the value of its properties and do each and everything necessary, suitable or proper for the accomplishment of any of the purposes, or which shall at any time appear conducive to, or expedient for, the protection or benefit of the Corporation.

THIRD. The place where the principal office of the Corporation is to be established is at the 3rd Floor, Capitol Central Mall, corner Gatuslao Street and North Capitol Road, Bacolod City, 6100, Negros Occidental, but it may establish branch offices in any part of the Philippines as may be approved by the Board of Directors. *(As amended on 1 August 2018)*

FOURTH. The term for which the Corporation is to exist is fifty (50) years from and after the date of issuance of the certificate of incorporation.

FIFTH. The names, nationalities, and residences of the incorporators are as follows:

Name	Nationality	Residence
Maria Rowena M. Tomeldan	Filipino	[redacted]
Myrna Lynne C. Fernandez	Filipino	
Ruby P. Chiong	Filipino	
Maria Clavel G. Tongco	Filipino	
Roann F. Hinolan-Batoon	Filipino	

SIXTH. The number of directors of the Corporation is five (5) who are also the incorporators.

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SEVENTH. That the authorized capital stock of the Corporation is Two Billion Five Hundred Seventeen Million Pesos (PhP2,517,000,000.00), Philippine Currency, consisting of:

(i) Two Hundred Fifty-One Million Seven Hundred Thousand (251,700,000) Common Shares with a par value of One Peso (Php1.00) per share or a total par value of Two Hundred Fifty-One Million Seven Hundred Thousand Pesos (PhP251,700,000.00);

(ii) Two Billion Two Hundred Sixty-Five Million Three Hundred Thousand (2,265,300,000) Redeemable Preferred Shares with a par value of One Peso (Php1.00) per share or a total par value of Two Billion Two Hundred Sixty-Five Million Three Hundred Thousand Pesos (Php2,265,300,000.00), provided that the Redeemable Preferred Shares shall have the following features:

(a) With voting rights;

(b) Participate in dividends declared for Common Shares, as may be determined and approved by the Board of Directors;

(c) Preference over holders of Common Shares in the distribution of corporate assets in the event of dissolution and liquidation of the Corporation and in the payment of dividend;

(d) Redeemable at the option of the Corporation at issue value and under such terms that the Board of Directors may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the Board of Directors.

EIGHTH. The subscribers to the capital stock and the amount paid-in to their subscriptions are as follows:

Name	Nationality	Type of Share	No. of Shares Subscribed	Amount Subscribed (in PhP)	Amount Paid (in PhP)
Ayala Land, Inc.	Filipino	Common	62,924,995	62,924,995.00	15,731,245.00
TIN No. 000-153-790-000		Preferred	566,325,000	566,325,000.00	141,581,250.00
Maria Rowena M. Tomeldan	Filipino	Common	1	1.00	1.00
Myrna Lynne C. Fernandez	Filipino	Common	1	1.00	1.00
Ruby P. Chiong	Filipino	Common	1	1.00	1.00
Maria Clavel G. Tongco	Filipino	Common	1	1.00	1.00
Roann F. Hinolan-Batoon	Filipino	Common	1	1.00	1.00
TOTAL		Common	62,925,000	62,925,000.00	15,731,250.00
		Preferred	566,325,000	566,325,000.00	141,581,250.00
			629,250,000	629,250,000.00	157,312,500.00

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NINTH. No transfer of stock or interest which would reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Corporation and this restriction shall be indicated in all the stock certificates issued by the Corporation.

TENTH. Ruby P. Chiong has been elected by the subscribers as treasurer of the Corporation to act as such until her successor is duly elected and qualified to receive for and in the name and for the benefit of the Corporation, all subscriptions paid in by the subscribers.

ELEVENTH. The incorporators undertake to change the name of the Corporation as herein provided, or as amended thereafter, immediately upon receipt of notice of directive from the Securities and Exchange Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that the name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good customs or public policy.

[Signature page follows]

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IN WITNESS WHEREOF, we have set our hands this November 10, 2017 at Makati City.

MARIA ROWENA M. TOMELDAN
[redacted]

MYRNA LYNNE C. FERNANDEZ
[redacted]

RUBY P. CHIONG
[redacted]

ROANN F. HINOLAN-BATOON
[redacted]

MARIA CLAVEL G. TONGCO
[redacted]

WITNESSES:

_____

MARY MICHELLE P. PRADO

[Acknowledgment page follows]

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ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

I certify that, on this date November 10, 2017, before me, a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

		Competent Evidence of Identity	
Name	*TIN*	*Government ID No.*	*Date/Place Issued*
Maria Rowena M. Tomeldan Myrna Lynne C. Fernandez Ruby P. Chiong Roann F. Hinolan-Batoon Maria Clavel G. Tongco	[redacted]		

who are personally known to me to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date at the place hereinabove written.

Doc. No. 135;
Page No. 28;
Book No. III;
Series of 2017.

NIMFA L. PEREZ-PARAS
NOTARY PUBLIC
ROLL NO. 37625
MAKATI CITY, PHILIPPINES

NIMFA L. PEREZ-PARAS
Notary Public – Makati City
[redacted]

Notarial DST pursuant to
Sec. 188 of the Tax Code
affixed on Notary Public's copy.

SCANNED COPY FROM ARCHIVES

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

SECRETARY'S CERTIFICATE

I, **NIMFA AMBROSIA L. PEREZ-PARAS**, being the duly elected and incumbent Corporate Secretary of **CAPITOL CENTRAL COMMERCIAL VENTURES CORP.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, after having been duly sworn in accordance with law, do hereby certify that to the best of my knowledge and based on the records of the Corporation, no action or proceeding has been filed or is pending before any court or tribunal involving an intra-corporate dispute and/or claim by any person or group against the Board of Directors, individual directors, and major corporate officers of the Corporation in their capacity as such directors and officers of the Corporation.

IN WITNESS HEREOF, I have signed this Certificate this SEP 19 2018 at Makati City.

NIMFA AMBROSIA L. PEREZ-PARAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this SEP 19 2018 at Makati City, affiant exhibited to me as competent evidence of identity her [redacted] at the DFA Manila.

Doc. No. 319;
Page No. 65;
Book No. VI;
Series of 2018.

MARIA PAULA G. ROMERO-BAUTISTA
NOTARY PUBLIC
ROLL NO. 58336
MAKATI CITY, PHILS.

MARIA PAULA G. ROMERO-BAUTISTA
Notary Public - Makati City
[redacted]

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

SCANNED COPY FROM ARCHIVES

OFFICIAL RECEIPT

Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Accountable Form No. 51 Revised 2006	ORIGINAL
DATE October 25, 2018	No. 1719703

PAYOR CAPITOL CENTRAL COMMERCIAL VENTURES CORP.
MAKATI CITY

NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
LRF (A0823)		CRMD	10.00
AMENDED ARTICLES		CRMD	1,000.00
		TOTAL	PHP 1,010.00

SECURITIES AND EXCHANGE COMMISSION • COMPANY REGISTRATION AND MONITORING DEPT. • APPROVED - 11 - 19 - 18 - RECEIVED

AMOUNT IN WORDS
ONE THOUSAND TEN PESOS AND 0/100

Received ☐ Cash ☐ Treasury Warrant ☐ Check ☐ Money Order	Received the Amount Stated Above
Treasury Warrant, Check, Money Order Number	Mary Jane Dominguez COLLECTING OFFICER
Date of Treasury Warrant, Check, Money Order	O.R. No. 1719703

NOTE: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

SCANNED COPY FROM ARCHIVES

SECURITIES AND EXCHANGE COMMISSION
Extension Unit CRMD
OCT 25 2018
RECEIVED
By:
Time:

CAPITOL CENTRAL COMMERCIAL VENTURES CORP.
(SEC Reg. No. CS201739596)

DIRECTORS' CERTIFICATE
OF AMENDMENT OF THE ARTICLES OF INCORPORATION

WE, the undersigned, being a majority of the Board of Directors, Chairman and the Corporate Secretary of **CAPITOL CENTRAL COMMERCIAL VENTURES CORP.** (the "Corporation"), do hereby certify that –

1. At its organizational meeting on 1 August 2018 at the CBG Boardroom, 5th Floor, Glorietta 4, Ayala Center, Makati City, a majority of the Board of Directors approved the amendment of the Third Article of the Corporation's Articles of Incorporation for the purpose of changing the principal office address of the Corporation from 5th Floor, Glorietta 4, Ayala Center, Makati City 1224, Metro Manila to 3rd Floor, Capitol Central Mall, corner Gatuslao Street and North Capitol Road, Bacolod City, 6100, Negros Occidental;

2. At the special stockholders' meeting of the Corporation on 1 August 2018 at the CBG Boardroom, 5th Floor, Glorietta 4, Ayala Center, Makati City, the stockholders owning at least two-thirds (2/3) of the outstanding capital stock of the Corporation approved the amendment of the Third Article of the Corporation's Articles of Incorporation for the purpose of changing the principal office address of the Corporation from 5th Floor, Glorietta 4, Ayala Center, Makati City 1224, Metro Manila to 3rd Floor, Capitol Central Mall, corner Gatuslao Street and North Capitol Road, Bacolod City, 6100, Negros Occidental.

3. The Corporation has complied with all the requirements of Section 16 of the Corporation Code.

4. Attached herewith is a copy of the Articles of Incorporation of the Corporation as amended.

IN WITNESS WHEREOF, the parties have hereunto set their hands this OCT 12 2018 at Makati City, Philippines.

[Signature page follows]

SCANNED COPY FROM ARCHIVES

Attested by:

JENNYLLE S. TUPAZ
Chairman
[redacted]

MARIANA ZOBEL DE AYALA
Director
[redacted]

MA. TERESA R. FAMY
Director
[redacted]

ROANN F. HINOLAN-BATOON
Director
[redacted]

NIMFA AMBROSIA L PEREZ-PARAS
Corporate Secretary
[redacted]

SUBSCRIBED AND SWORN to before me this OCT 12 2018 at Makati City, the affiants exhibited to me their Competent Evidence of Identity issued on the dates and at the places hereinafter stated:

NAME	COMPETENT EVIDENCE OF IDENTITY NO.	DATE/PLACE ISSUED
Jennylle S. Tupaz Ma. Teresa R. Famy Mariana Zobel de Ayala Roann F. Hinolan-Batoon Nimfa Ambrosia L. Perez-Paras	[redacted]	

Doc. No. 142;
Page No. 34;
Book No. VII;
Series of 2018.

MARIA PAULA G. ROMERO-BAUTISTA
Notary Public – Makati City
[redacted]

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

SCANNED COPY FROM ARCHIVES

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: John Denver De Guzman
Receipt Date and Time: December 01, 2025 04:06:14 PM

Company Information

SEC Registration No.: CS201739596
Company Name: CAPITOL CENTRAL COMMERCIAL VENTURES CORP.
Industry Classification: K70100
Company Type: Stock Corporation

Document Information

Document ID: OST11201202583833702
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: October 30, 2025
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: CAPITOL CENTRAL COMMERCIAL VENTURES CORP.	**DATE REGISTERED:** DECEMBER 4, 2017
BUSINESS/TRADE NAME: CAPITOL CENTRAL COMMERCIAL VENTURES CORP.	**FISCAL YEAR END:** DECEMBER 31
SEC REGISTRATION NUMBER: CS201739596	
DATE OF ANNUAL MEETING PER BY-LAWS: 15TH DAY OF MARCH EACH YEAR	**CORPORATE TAX IDENTIFICATION NUMBER (TIN)** 009-902-434
ACTUAL DATE OF ANNUAL MEETING: OCTOBER 30, 2025	**WEBSITE/URL ADDRESS:** N.A.
COMPLETE PRINCIPAL OFFICE ADDRESS: 3RD FLOOR, CAPITOL CENTRAL MALL, CORNER GATUSLAO STREET AND NORTH CAPITOL ROAD, BACOLOD CITY, 6100, NEGROS OCCIDENTAL	**E-MAIL ADDRESS:** N.A.
COMPLETE BUSINESS ADDRESS: 3RD FLOOR, CAPITOL CENTRAL MALL, CORNER GATUSLAO STREET AND NORTH CAPITOL ROAD, BACOLOD CITY, 6100, NEGROS OCCIDENTAL	**FAX NUMBER:** N.A.

OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
ali.ccsg@amicassa.com.ph	ayalamallscapitolcentral@ayalamalls.com.ph	0945-208-8045	0917-803-9140

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: ISLA LIPANA & CO. / ROSE DALE M. ANDO		**SEC ACCREDITATION NUMBER (if applicable):** N.A.	**TELEPHONE NUMBER(S):** N.A.
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: Please see Annex "A"		**INDUSTRY CLASSIFICATION:** REAL ESTATE ACTIVITIES WITH OWN OR LEASED PROPERTY	**GEOGRAPHICAL CODE:** N.A.

========== INTERCOMPANY AFFILIATIONS ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
AYALA LAND, INC.	152747	31ST FLOOR, TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
N.A.		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: **CAPITOL CENTRAL COMMERCIAL VENTURES CORP.**

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ◉ Yes ○ No

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☑ None of the above

Describe nature of business: REAL ESTATE AS PROVIDED UNDER RA 11521

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ◉ Yes ○ No

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **CAPITOL CENTRAL COMMERCIAL VENTURES CORP.**

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	251,700,000	1.00	251,700,000.00
	PREFERRED***	2,265,300,000	1.00	2,265,300,000.00
	TOTAL	**2,517,000,000**	**TOTAL P**	**2,517,000,000.00**

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	251,700,000	N.A.	1.00	251,700,000.00	10%
	1	PREFERRED	2,265,300,000	N.A.	1.00	2,265,300,000.00	90%
		TOTAL	**2,517,000,000**	**TOTAL**	**TOTAL P**	**2,517,000,000.00**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N.A.							
Percentage of Foreign Equity :	0%	**TOTAL**		**TOTAL**	**TOTAL P**	-	**0%**
					TOTAL SUBSCRIBED P	**2,517,000,000.00**	**100%**

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	251,700,000	1.00	251,700,000.00	10%
	1	PREFERRED	2,265,300,000	1.00	2,265,300,000.00	90%
		TOTAL	**2,517,000,000**	**TOTAL P**	**2,517,000,000.00**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N.A.						
		TOTAL		**TOTAL P**	-	**0%**
				TOTAL PAID-UP P	**2,517,000,000.00**	**100%**
				ADDITIONAL PAID UP CAPITAL P	-	
				TOTAL CAPITALIZATION P	**2,517,000,000.00**	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

*** With voting rights.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: **CAPITOL CENTRAL COMMERCIAL VENTURES CORP.**

D I R E C T O R S / O F F I C E R S

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. PAUL A. BIRKETT [redacted]	BRITISH	N	C	M	Y	CHAIRMAN	N.A.	[redacted]
2. JANICE A PARRENO [redacted]	FILIPINO	N	M	F	Y	N.A.	N.A.	[redacted]
3. ANGELITA C. DELA ROSA [redacted]	FILIPINO	N	M	F	Y	TREASURER	N.A.	[redacted]
4. MYRON LAWRENCE T. YAO [redacted]	FILIPINO	Y	M	M	Y	N.A.	N.A.	[redacted]
5. JOSE RAMON E. KATIPUNAN [redacted]	FILIPINO	N	M	M	Y	PRESIDENT	N.A.	[redacted]
6. MA. KRISELVA V. FERRER [redacted]	FILIPINO	N	-	F	N	CHIEF FINANCE OFFICER	N.A.	[redacted]
7. MARIA PAULA G. ROMERO-BAUTISTA [redacted]	FILIPINO	N	-	F	N	CORPORATE SECRETARY	N.A.	[redacted]
8. TRIXIE CARMELA J. GONZALES [redacted]	FILIPINO	N	-	F	N	ASSISTANCE CORPORATE SECRETARY	N.A.	[redacted]
9. - NOTHING FOLLOWS-								
10.								
11.								
12.								
13.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME: CAPITOL CENTRAL COMMERCIAL VENTURES CORP.

TOTAL NUMBER OF STOCKHOLDERS: 6 | **NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: 1**

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: PhP 5,401,200,763.00

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1 AYALA LAND, INC. FILIPINO 31ST FLOOR, TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY	COMMON	251,699,995	251,699,995.00	100.00%	2,516,999,995.00	000-153-790-000
	PREFERRED	2,265,300,000	2,265,300,000.00			
	TOTAL	**2,516,999,995**	**2,516,999,995.00**			
2. PAUL A. BIRKETT BRITISH [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
3. JANICE A PARREÑO FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
4. ANGELITA C. DELA ROSA FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
5. MYRON LAWRENCE T. YAO FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
6. JOSE RAMON E. KATIPUNAN FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
7. - NOTHING FOLLOWS-						
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			2,517,000,000.00	**100.00%**	**2,517,000,000.00**	
TOTAL AMOUNT OF PAID-UP CAPITAL						
ADDITIONAL PAID-IN CAPITAL					-	
TOTAL CAPITALIZATION					**2,517,000,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**CAPITOL CENTRAL COMMERCIAL VENTURES CORP.**		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	1
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PhP 5,401,200,763.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. N.A.						
9.						
10.						
11.						
12.						
13.						
14.						
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			2,517,000,000.00	**100.00%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**2,517,000,000.00**	
ADDITIONAL PAID-IN CAPITAL					**-**	
TOTAL CAPITALIZATION					**2,517,000,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**CAPITOL CENTRAL COMMERCIAL VENTURES CORP.**		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	1
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PhP 5,401,200,763.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15. N.A.				0.00%		
16.				0.00%		
17.				0.00%		
18.				0.00%		
19.				0.00%		
20.				0.00%		
21.				0.00%		
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			2,517,000,000.00	**100%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**2,517,000,000.00**	
ADDITIONAL PAID-IN CAPITAL					**-**	
TOTAL CAPITALIZATION					**2,517,000,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **CAPITOL CENTRAL COMMERCIAL VENTURES CORP.**

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	N.A.	N.A.
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N.A.	N.A.
1.3 LOANS/ CREDITS/ ADVANCES	N.A.	N.A.
1.4 GOVERNMENT TREASURY BILLS	N.A.	N.A.
1.5 OTHERS	N.A.	N.A.

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N.A.		

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
	N.A.	N.A.

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: PhP (217,195,485.00)

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: N.A.

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH		
5.2 STOCK		
5.3 PROPERTY		
TOTAL	0.00	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD: N.A.

DATE	NO. OF SHARES	AMOUNT

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	N.A.	N.A.	N.A.
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT*
N.A.	7	0	150

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**Manpower complement is composed of service providers engaged by the Company.*

I, MARIA PAULA G. ROMERO-BAUTISTA, Corporate Secretary of CAPITOL CENTRAL COMMERCIAL VENTURES CORP., declare under penalty of perjury that all matters set forth have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this NOV 2 8 2025 in Makati City.

MARIA PAULA G. ROMERO-BAUTISTA
Corporate Secretary

SUBSCRIBED AND SWORN TO to me this NOV 2 8 2025 at Makati City, the affiant exhibited to me, as competent evidence of identity, her [redacted] Department of Foreign Affairs in Manila, Philippines.

DOC NO.: 159;
PAGE NO.: 33;
BOOK NO.: IV;
SERIES OF 2025.

Notanal DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Court's copy.

KATRINA G. RIVERA
NOTARY PUBLIC
ROLL NO. 66011
MAKATI CITY, PHILIPPINES

KATRINA G. RIVERA
Notary Public – Makati City

[redacted]

ANNEX "A"

CAPITOL CENTRAL COMMERCIAL VENTURES CORP.
Primary Purpose

TO DEVELOP, SELL, OWN, ACQUIRE, LEASE, HOLD, MORTGAGE, ADMINISTER, OR OTHERWISE DEAL WITH OR INVEST IN COMMERCIAL, RESIDENTIAL, INDUSTRIAL OR AGRICULTURAL LANDS, BUILDINGS, STRUCTURES OR APPERTURES, TO ENGAGE OR INVEST IN ANY OTHER PROFITABLE BUSINESS ENTERPRISE, VENTURE OR ESTABLISHMENT, AND TO OWN, HOLD IN OWNERSHIP, MANAGE, DEAL AND ENGAGE IN OTHER ALLIED BUSINESSES, AND TO THE LIMIT AND EXTENT PERMITTED BY LAW, ALONE OR JOINTLY, WITH OTHER PERSONS, NATURAL OR ARTIFICIAL EXCEPT FINANCIAL LEASING. *****00000*****

BENEFICIAL OWNERSHIP DECLARATION

FOR THE YEAR: 2025

SEC REGISTRATION NUMBER: **CS201739596**

CORPORATE NAME: **CAPITOL CENTRAL COMMERCIAL VENTURES CORP.**

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"**Beneficial Owner**" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]	TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
BIRKETT, PAUL, ANDREW	[redacted]	BRITISH	[redacted]	[redacted]	0%	I	I (CHAIRMAN)
PARREÑO, JANICE, ANFONE	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR)
DELA ROSA, ANGELITA, CABALLERO	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR & TREASURER)
YAO, MYRON LAWRENCE, TAN	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR)
KATIPUNAN, JOSE RAMON, ESCOLIN	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR & PRESIDENT)

**The company intends to re-file the GIS with the complete details of the directors*

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.

[2] For Non-Stock Corporations.

[3] For Stock Corporations.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	9	5	9	6	

COMPANY NAME

C	A	P	I	T	O	L		C	E	N	T	R	A	L		C	O	M	M	E	R	C	I	A	L		V	E	N
T	U	R	E	S		C	O	R	P	.																			

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

3	R	D		F	L	O	O	R	,		C	A	P	I	T	O	L		C	E	N	T	R	A	L		M	A	L
L	,		C	O	R	N	E	R		G	A	T	U	S	L	A	O		S	T	R	E	E	T		A	N	D	
N	O	R	T	H		C	A	P	I	T	O	L		R	O	A	D	,		B	A	C	O	L	O	D			
C	I	T	Y		6	1	0	0		N	E	G	R	O	S		O	C	C	I	D	E	N	T	A	L			

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
N/A	700-7303	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	15th day of March	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Emma G. Mawe	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

3rd Floor Capitol Central Mall Corner Gatuslao Street and North Capitol Road Bacolod 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 the 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*

Independent Auditor's Report

To the Board of Directors and Shareholders of
Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
3rd Floor Capitol Central Mall corner Gatuslao Street and North Capitol Road
Barangay 8, Bacolod City

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Capitol Central Commercial Ventures Corp. (the "Company") as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at December 31, 2023
- the statement of total comprehensive income for the year ended December 31, 2023;
- the statement of changes in equity for the year ended December 31, 2023;
- the statement of cash flows for the year ended December 31, 2023; and
- the notes to the financial statements, which include material accounting policy information.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Other matter

The financial statements of the Company as at and for the year ended December 31, 2022 were audited by another auditor whose report dated April 5, 2023 expressed an unmodified opinion on those financial statements.

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 PFRS, 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.

Auditor's Responsibilities 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 auditor's 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 ability of each entity within the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required in Note 18 to the financial statements are presented for the purposes of filing with the BIR and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Dennis M. Malco
Partner
[redacted]

Makati City
May 1, 2024

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
3rd Floor Capitol Central Mall corner Gatuslao Street and North Capitol Road
Barangay 8, Bacolod City

We have audited the financial statements of Capitol Central Commercial Ventures Corp. (the "Company") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated May 1, 2024

In compliance with Revised SRC Rule 68, based on the certification received from the Company's corporate secretary and the results of our work done, the Company has one (1) shareholder owning one hundred (100) or more shares as at December 31, 2023.

Isla Lipana & Co.

Dennis M. Malco
Partner
[redacted]

Makati City
May 1, 2024

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	14,309,131	29,766,570
Trade and other receivables	3	76,330,169	81,575,075
Other current assets	4	142,156,032	385,509,865
Total current assets		232,795,332	496,851,510
Non-current assets			
Investment property	5	3,981,639,319	4,040,672,075
Property and equipment	6	13,046,730	18,931,589
Right-of-use assets	11	273,940,796	280,645,575
Other non-current assets	7	874,459,779	595,602,749
Total non-current assets		5,143,086,624	4,935,851,988
Total assets		5,375,881,956	5,432,703,498
Liabilities and Equity			
Current liabilities			
Trade and other payables	8	2,545,373,989	2,624,441,647
Deposits	9	28,092,552	35,054,185
Lease liability	11	20,311,201	31,072,825
Total current liabilities		2,593,777,742	2,690,568,657
Non-current liabilities			
Deposits, net of current portion	9	138,325,244	132,144,171
Lease liability, net of current portion	11	430,455,182	412,235,646
Retention payable	9	513,807	513,807
Advance rent		2,439,368	2,439,368
Total non-current liabilities		571,733,601	547,332,992
Total liabilities		3,165,511,343	3,237,901,649
Equity			
Share capital	10	2,517,000,000	2,517,000,000
Deficit		(306,629,387)	(322,198,151)
Total equity		2,210,370,613	2,194,801,849
Total liabilities and equity		5,375,881,956	5,432,703,498

The notes on pages 1 to 22 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statement of Total Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Revenue			
Rental income	5	395,513,696	286,490,551
Dues	11	103,202,240	84,041,961
Other income		35,658,976	34,762,822
		534,374,912	405,295,334
Costs and expenses			
Direct operating expenses	12	(374,604,793)	(337,476,428)
General and administrative expenses	12	(37,967,624)	(38,745,940)
Cost of sales	12	(7,634,693)	(4,308,636)
		(420,207,110)	(380,531,004)
Other income (charges)			
Interest income	2,5	634,838	11,240
Interest and other financing charges	9,11,14	(97,597,891)	(73,518,135)
		(96,963,053)	(73,506,895)
Profit (loss) before income tax		17,204,749	(48,742,565)
Income tax expense	13	(1,635,985)	(2,248)
Net income (loss)		15,568,764	(48,744,813)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		15,568,764	(48,744,813)

The notes on pages 1 to 22 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Share capital (Note 10)			
	Common shares	**Preferred shares**	**Retained earnings (deficit)**	**Total equity**
Balances at January 1, 2022	251,700,000	2,265,300,000	(273,453,338)	2,243,546,662
Comprehensive income				
Net loss for the year	-	-	(48,744,813)	(48,744,813)
Total comprehensive loss for the year	-	-	(48,744,813)	(48,744,813)
Balances at December 31, 2022	251,700,000	2,265,300,000	(322,198,151)	2,194,801,849
Comprehensive income				
Net income for the year	-	-	15,568,764	15,568,764
Total comprehensive income for the year	-	-	15,568,764	15,568,764
Balances at December 31, 2023	251,700,000	2,265,300,000	(306,629,387)	2,210,370,613

The notes on pages 1 to 22 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Income (loss) before income tax		17,204,749	(48,742,565)
Adjustments for:			
Depreciation	5,6,11	153,909,664	151,966,696
Interest expense	9,11,14	97,597,891	73,514,535
Provision for credit losses	3		5,235,783
Interest income	2	(634,838)	(11,240)
Operating income before working capital changes		268,077,466	181,963,209
Decrease (increase) in:			
Trade and other receivables		12,131,712	(30,122,567)
Due from related parties		(6,886,806)	(2,833,682)
Other current assets		240,298,206	(65,332,767)
Other non-current assets		(278,857,030)	4,749,958
Increase (decrease) in:			
Trade and other payables		75,932,342	27,778,317
Deposits		(4,413,313)	987,582
Retention payable		-	(3,225,656)
Advance rent		-	1,673,674
Net cash flows generated from operations		306,282,577	115,638,068
Interest received		634,838	11,240
Final tax paid		-	(2,248)
Net cash generated from operating activities		306,917,415	115,647,060
Cash flows from investing activities			
Advances to suppliers and contractors		1,419,642	-
Additions to investment property	5	(81,617,579)	(14,781,886)
Additions to property, plant and equipment	6	(669,691)	-
Net cash used in investing activities		(80,867,628)	(14,781,886)
Cash flows from financing activities			
Payment of lease liabilities	11	(32,613,041)	(32,613,043)
Availment of intercompany loans	14	1,843,175,000	-
Principal payment of intercompany loans	14	(1,998,175,000)	(31,387,727)
Interest paid for intercompany loans	14	(53,894,185)	(27,274,525)
Net cash used in financing activities		(241,507,226)	(91,275,295)
Net (decrease) increase in cash		(15,457,439)	9,589,879
Cash at beginning of year		29,766,570	20,176,691
Cash at end of year	2	14,309,131	29,766,570

The notes on pages 1 to 22 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Notes to the Financial Statements
As at and for the year ended December 31, 2023
(With comparative figures as at and for the year ended December 31, 2022)
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 Corporate information

Capitol Central Commercial Ventures Corp. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on December 4, 2017. The Company is a wholly-owned subsidiary of Ayala Land Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is a publicly-listed company which is 47.86% owned by Mermac, Inc. and the rest by the public as of December 31, 2023.

The Company is organized primarily to develop, sell, own, acquire, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial or agricultural lands, buildings, structures or apertures, to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal and engage in other allied businesses, and to limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing.

The Company's registered office and principal place of business is at 3rd Floor Capitol Central Mall corner Gatuslao Street and North Capitol Road Barangay 8 Bacolod City.

The Company does not have any employee. The accounting and administrative functions are performed by employees of AyalaLand Malls, Inc. (ALMI) (Note 14).

Approval for issuance of the Company's financial statements

The financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 30, 2024. There were no significant events that occurred from April 30 to May 1, 2024 requiring adjustment or disclosure in the financial statements.

2 Cash

Cash as at December 31 consist of:

	2023	2022
Cash on hand	215,000	215,000
Cash in bank	14,094,131	29,551,570
	14,309,131	29,766,570

Cash in bank earns interest at the prevailing bank deposit rate.

The details of interest income from cash and short-term investments are as follow:

	2023	2022
Cash in bank	13,069	11,240
Interest income from short term investments	2,280	-
	15,349	11,240

There are no restrictions on the Company's cash balances as at December 31, 2023 and 2022.

Other interest income amounting to P619,489 (2022 - nil) pertain to interest from penalties incurred by merchants.

3 Trade and other receivables

Trade and other receivables as at December 31 consist of:

	Note	2023	2022
Trade receivables		77,757,755	90,515,342
Advances to employees		1,176,140	550,265
Due from related parties	14	9,808,051	2,921,245
		88,741,946	93,986,852
Allowance for expected credit losses (ECL)		(12,411,777)	(12,411,777)
		76,330,169	81,575,075

Trade receivables represent rentals on retail and exhibit spaces and recovery charges for common area, utilities and other direct operating expenses with a term of 10 to 20 days from invoice date.

Advances to employees pertain to noninterest-bearing advances to ALMI employees assigned to the Company which is subject to liquidation within 30 days.

Movements in the allowance for ECL are as follows:

	Note	2023	2022
Balance at beginning of year		12,411,777	7,175,994
Provisions during the period	12	-	5,235,783
		12,411,777	12,411,777

4 Other current assets

Other current assets as at December 31 consist of:

	2023	2022
Input VAT	67,589,708	325,375,251
Creditable withholding tax	46,217,025	31,406,331
Prepaid taxes	28,110,128	28,110,128
Materials, parts & supplies	239,171	527,001
Prepaid commission	-	91,154
	142,156,032	385,509,865

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

Creditable withholding taxes refer to taxes which can be applied against future income tax payable.

Prepaid taxes are advance payment of real property tax.

Prepaid commission pertains to the commission paid by the Company to its real estate agent for the lease of an office space and applied evenly throughout the lease term.

5 Investment property

Investment properties as at December 31 are as follows:

	Building and improvements
Balance at January 1, 2022	
Cost	4,593,394,657
Accumulated depreciation	(427,007,821)
Net carrying amount	4,166,386,836
Year ended December 31, 2022	
Opening net carrying amount	4,166,386,836
Additions	14,781,886
Adjustments	(1,255,740)
Depreciation (Note 12)	(139,240,907)
Closing net carrying amount	4,040,672,075
Balance at December 31, 2022	
Cost	4,606,920,803
Accumulated depreciation	(566,248,728)
Net carrying amount	4,040,672,075
Year ended December 31, 2023	
Opening net carrying amount	4,040,672,075
Additions	81,617,579
Depreciation (Note 12)	(140,650,335)
Closing net carrying amount	3,981,639,319
Balance at December 31, 2023	
Cost	4,688,538,382
Accumulated depreciation	(706,899,063)
Net carrying amount	3,981,639,319

The Company's investment property pertains to Ayala Malls Capitol Central building. It is a seven-storey commercial mall composed of five levels of retail development and two parking levels stacked on top of the retail development.

Rental income derived from investment property amounted to P395,513,696 in 2023 (2022 - P286,490,551).

The Company engaged an independent accredited appraiser to determine the fair value of its investment property. The fair value of the investment property is valued using the income approach through the discounted cash flow method. This approach measures the current value of an asset by calculating the present value of its future economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with the particular investment.

The fair value of the investment property is categorized under Level 3 of the fair value hierarchy. Fair value of the investment property amounted to P4,429,612,868 as at December 31, 2023 and 2022, respectively which was determined through an appraisal made on December 8, 2022.

There are no investment properties as at December 31, 2023 and 2022 that are pledged as security to liabilities.

6 Property and equipment

Property and equipment as at December 31 are as follows:

	Machinery and equipment	Furniture and fixtures	Office equipment	Total
Balance at January 1, 2022				
Cost	14,824,442	24,421,562	591,588	39,837,592
Accumulated depreciation	(4,393,235)	(10,196,460)	(295,300)	(14,884,995)
Net carrying amount	10,431,207	14,225,102	296,288	24,952,597
Year ended December 31, 2022				
Opening net carrying amount	10,431,207	14,225,102	296,288	24,952,597
Depreciation (Note 12)	(1,647,170)	(4,255,520)	(118,318)	(6,021,008)
Closing net carrying amount	8,784,037	9,969,582	177,970	18,931,589
Balance at December 31, 2022				
Cost	14,824,442	24,421,562	591,588	39,837,592
Accumulated depreciation	(6,040,405)	(14,451,980)	(413,618)	(20,906,003)
Net carrying amount	8,784,037	9,969,582	177,970	18,931,589
Year ended December 31, 2023				
Opening net carrying amount	8,784,037	9,969,582	177,970	18,931,589
Additions	-	-	669,691	669,691
Depreciation (Note 12)	(1,647,170)	(4,798,716)	(108,664)	(6,554,550)
Closing net carrying amount	7,136,867	5,170,866	738,997	13,046,730
Balance at December 31, 2023				
Cost	14,824,442	24,421,562	1,261,279	40,507,283
Accumulated depreciation	(7,687,575)	(19,250,696)	(522,282)	(27,460,553)
Net carrying amount	7,136,867	5,170,866	738,997	13,046,730

There are no property and equipment items that are pledged as security for liabilities of the Company as at December 31, 2023 and 2022.

There are no contractual purchase commitments for property and equipment as of December 31, 2023 and 2022.

Details of depreciation recognized in the statements of comprehensive income are as follows:

	Note	2023	2022
Direct operating expenses	12	5,402,553	5,902,690
General and administrative expenses	12	1,151,997	118,318
		6,554,550	6,021,008

7 Other non-current assets

Other non-current assets as at December 31 consist of:

	2023	2022
Accrued lease receivable	473,870,110	428,416,005
Input VAT, non-current	235,324,734	-
Deferred input VAT	163,052,154	163,554,321
Advances to suppliers and contractors	2,077,430	3,497,072
Others	135,351	135,351
	874,459,779	595,602,749

Accrued lease receivable pertains to the non-current portion of the impact of straight-line recognition of lease income from covered lessees.

Input VAT, non-current pertains to non-current portion of input VAT expected to be utilized beyond 12 months after year-end.

Deferred input VAT pertains to VAT on capital goods to be amortized in future periods as required by Philippine taxation laws and regulations and purchases not yet paid as at year-end.

Advances to suppliers and contractors pertain to prepayments of the Company for construction of building and are applied to the progress billings of services rendered.

8 Trade and other payables

Trade and other payables as at December 31 consist of:

	Note	2023	2022
Due to related parties	14	2,370,409,075	2,536,645,472
Trade payables		102,290,143	50,799,911
Accrued expenses		59,844,942	24,554,636
VAT payable		5,607,172	-
Deferred output VAT		4,560,052	9,837,799
Taxes payable		2,494,653	2,603,829
Others		167,952	-
		2,545,373,989	2,624,441,647

Trade payables consist of amounts payable to suppliers which are noninterest-bearing and are normally settled on 15- to 60-day terms. This also includes the unpaid lease liability to the Province of Bacolod (Note 11).

Accrued expenses consist mainly of accruals for utilities, repairs and maintenance and professional fees.

Deferred output VAT which relates to output VAT on the Company's income on rental and recoveries from its tenants which are not yet collected as at year-end.

Taxes payable consists of various taxes to be paid by the Company such as amusement taxes paid to the Local Government Unit (LGU) and expanded withholding taxes paid to Bureau of Internal Revenue (BIR), and are remitted within 30 days.

9 Deposits and retention payable

Deposits and retention payable as at December 31 consist of:

	2023	2022
Deposits		
Deferred credits	82,565,647	85,646,025
Security deposits	66,810,956	57,549,505
Construction bond	17,041,193	24,002,826
	166,417,796	167,198,356
Retention payable	513,807	513,807
	166,931,603	167,712,163

	2023	2022
Deposits	166,417,796	167,198,356
Less: Non-current deposits	138,325,244	132,144,171
Deposits - current portion	28,092,552	35,054,185

Security deposits represent rent payments from tenants which are to be returned upon termination of the related lease contracts. Security deposits are recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of investments. The difference between the cash received and its fair value is recorded as "Deferred credits".

Movements in the deferred credits follow:

	2023	2022
At beginning of year	57,549,505	42,510,099
Additions	13,245,890	24,739,457
Amortization	(3,984,439)	(9,700,051)
At end of year	66,810,956	57,549,505

The accretion of the deposits which amounted to P3,632,753 (2022 - P6,810,486) is included in the statement of comprehensive income under “Interest and other financing charges”.

Construction bonds represent cash bonds to be used as guarantees against damages to properties resulting from the construction, renovation or improvements being undertaken therein. The bond will be refunded after full completion of the construction, renovation or improvements and inspection by the Company.

Retention payable pertains to the portion of the progress billings of contractors withheld by the Company payable a year after full completion of a project. Retentions are applicable to major repairs and improvements of the building and machineries that were capitalized.

10 Equity

The details of the Company’s share capital as at December 31 follow:

	Common	Preferred
Authorized capital stock	251,700,000	2,265,300,000
Issued and outstanding	251,700,000	2,265,300,000
Par value per share	1.00	1.00

Preferred Shares

The redeemable preferred shares shall have the following features:

a. With voting rights;
b. Participate in dividends declared for Common Shares, as may be determined and approved by the Board of Directors;
c. Preference over holders of Common Shares in the distribution of corporate assets in the event of dissolution and liquidation of the Company and in the payment of dividend; and
d. Redeemable at the option of the Company at issue value and under such terms that the Board of Directors may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the Board of Directors.

Capital management

The primary objectives of the Company’s capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks, to ensure that it maintains its premier credit rating so the access to the financial markets are unhampered, and to maximize stakeholder value. The Company will manage its capital structure and make adjustments to it, in light of changes in economic conditions.

No changes were made in the Company’s objectives, policies or processes, for managing capital for the years ended December 31, 2023 and 2022.

The Company considers its equity amounting to P2,210,370,613 as at December 31, 2023 (2022 - P2,194,801,849) as its capital employed.

The Company is not subject to externally imposed capital requirements.

11 Leases

Operating Leases - Company as Lessor

The Company entered into non-cancellable lease agreements with third parties on its investment property portfolio, covering the Company's retail units. These agreements have lease terms normally ranging from 1 to 5 years, with option to renew or extend, and generally provide for either: (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

All lease agreements include a clause to enable upward revision on the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases of the Company as at December 31 are as follows:

	2023	2022
Within one year	135,896,040	132,748,275
After one year but not more than five years	592,596,235	570,001,569
More than five years	3,892,110,173	4,049,426,827
	4,620,602,448	4,752,176,671

Lease agreement - Company as Lessee

In April 2012, ALI entered into a contract of lease for 50 years with the Province of Negros Occidental for Capitol Central land area in Bacolod City. In December 2017, ALI assigned the contract of lease to the Company. The contract is subject to renewal by mutual agreement of the parties.

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

	2023	2022
Current	20,311,201	31,072,825
Non-current	430,455,182	412,235,646
	450,766,383	443,308,471

Details and movements of lease liabilities as at and for the years ended December 31 are as follows:

	2023	2022
Balance at beginning of year	443,308,471	436,491,990
Payment of lease liabilities	(32,613,041)	(32,613,043)
Non-cash financing activity:		
Interest expense	40,070,953	39,429,524
Balance at end of year	450,766,383	443,308,471

Details of right-of-use assets as at December 31 and their movements for the years then ended follow:

As at January 1, 2022	
Cost	307,483,067
Accumulated amortization	(20,132,711)
Net carrying amount	287,350,356
Year ended December 31, 2022	
Opening net carrying amount	287,350,356
Amortization (Note 12)	(6,704,781)
Closing net carrying amount	280,645,575
As at December 31, 2022	
Cost	307,483,067
Accumulated amortization	(26,837,492)
Net carrying amount	280,645,575
Year ended December 31, 2023	
Opening net carrying amount	280,645,575
Amortization (Note 12)	(6,704,779)
Closing net carrying amount	273,940,796
As at December 31, 2023	
Cost	307,483,067
Accumulated amortization	(33,542,271)
Net carrying amount	273,940,796

Following are the amounts recognized in statements of comprehensive income:

	2023	2022
Depreciation expense of right-of-use asset	6,704,779	6,704,781
Interest expense on lease liability	40,070,953	39,429,524
	46,775,732	46,134,305

Total minimum lease payments for the lease of the land are as follows:

	2023	2022
Within one year	33,156,593	32,613,042
After one year but not more than five years	143,497,385	140,779,631
More than five years	1,901,855,470	1,937,729,816
	2,078,509,448	2,111,122,489

Starting January 1, 2021, the Company adopted PIC Q&A No. 2018-12-H which prescribed the guidelines on the accounting for CUSA charges using the modified retrospective approach.

For 2023, dues pertain to CUSA and air-conditioning charges amounting to P65,146,682 and P38,055,558, respectively (2022 - P51,675,225 and P32,366,736, respectively).

12 Cost and expenses

Direct operating expenses consist of:

	Notes	2023	2022
Depreciation and amortization	5,6,11	152,757,667	151,018,420
Light, power and utilities		104,480,122	91,063,867
Repairs and maintenance		35,883,994	30,005,150
Taxes		32,143,847	30,465,138
Film share		24,024,913	15,764,515
Marketing		18,857,991	11,579,307
Insurance		4,002,837	3,827,893
Rent		478,790	556,101
Others		1,974,632	3,196,037
		374,604,793	337,476,428

General and administrative expenses consist of:

	Notes	2023	2022
Professional fees		24,104,333	19,428,491
Taxes and licenses		6,162,747	7,116,090
Repairs and maintenance		3,056,479	4,821,912
Postal and communication		1,749,274	890,194
Depreciation	6	1,151,997	948,276
Contracted services		852,124	-
Transportation and travel		324,000	57,258
Office supplies		253,545	58,650
Meetings		93,930	71,816
Provision for credit losses	3	-	5,235,783
Others		219,195	117,470
		37,967,624	38,745,940

Cost of sales pertain to the cost of the sold ice and beverage amounting to P7,634,693 in 2023 (2022 - P4,308,636).

13 Income tax

The component of income tax expense as shown in the statement of total comprehensive income for the years ended are as follows:

	2023	2022
Current (MCIT)	1,635,985	-
Final	-	2,248
	1,635,985	2,248

The components of net deferred tax assets (liabilities) are as follows:

	Notes	2023	2022
Deferred tax assets on:			
Lease liability	11	112,691,596	110,827,118
NOLCO		54,064,944	55,704,543
Accrued expenses	8	14,961,236	6,138,659
Advance rent		609,842	609,842
Security deposits, net		(113,820)	882,289
Provision for expected credit losses	3	3,102,944	3,102,944
Minimum corporate income tax (MCIT)		1,635,985	-
		186,952,727	177,265,395
Deferred tax liabilities on:			
Right-of-use asset	11	(68,485,199)	(70,161,394)
Accrued lease revenue		(118,467,528)	(107,104,001)
		(186,952,727)	(177,265,395)
Net deferred tax		-	-

As at December 31 the reconciliation of statutory income tax to the effective income tax follows:

	2023	2022
Statutory income tax	4,301,187	(12,185,641)
Tax effects of:		
Movement in unrecognized deferred tax asset	(2,662,325)	12,187,889
Nondeductible interest expense	960	562
Interest income subject to final tax	(3,837)	(562)
Provision for income tax	1,635,985	2,248

The Company has recognized deferred tax asset (DTA) on NOLCO amounting to P54,064,944 as at December 31, 2023 (2022 - P55,704,543), to the extent of the deferred tax liability.

As at December 31, 2023, the expired portion and unexpired NOLCO that can be claimed as deduction from future taxable income are as follows:

Year incurred	Amount	Applied	Expired	Balance	Expiry
2020	141,002,836	(17,207,690)	-	123,795,146	2025
2021	160,379,294	-	-	160,379,294	2026
2022	112,396,731	-	-	112,396,731	2025
	413,778,861	(17,207,690)	-	396,571,171	

14 Related party transactions

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

The Company, in its regular conduct of business, has entered into transactions with related parties consisting of advances and development, management, marketing and leasing and administrative service agreements. Transactions with related parties are on an arm's lengths basis, similar with transactions with third parties. Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company does not provide any allowance relating to receivable from related parties in prior years. There is also no ECL recognized for related party receivables in the current year since there are no history of default payments. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

Related party transactions and balances as at and for the year ended December 31 are as follows:

Due from related parties (Note 3):

	2023		2022	
	Transactions	Outstanding balance	Transactions	Outstanding balance
Parent company (a)	765,010	8,612,647	2,695,811	2,413,460
Affiliates (b)	14,892,091	1,195,404	15,304,729	507,785
	15,657,101	9,808,051	18,000,540	2,921,245

Due to related parties (Note 8):

	2023		2022	
	Transactions	Outstanding balance	Transactions	Outstanding balance
Parent company (a)	5,812,543	1,553,464,780	8,094,541	1,586,438,845
Affiliates (c) (d)	170,774,543	816,944,295	138,827,688	950,206,627
	176,587,086	2,370,409,075	146,922,229	2,536,645,472

Significant related party transactions include the following:

(a) Due from parent company pertains to reimbursement for parent company's share in training expenses and other allocated costs.

The Company obtains operating advances from parent company to support its working capital requirements. The amounts due to parent company are noninterest-bearing, unsecured and due and demandable.

(b) Due from affiliates mainly pertain to receivables arising from lease of retail and exhibit spaces to related party tenants. The receivables pertain to monthly rent, common area charges and other recoveries. These are noninterest-bearing and unsecured.

(c) Due to affiliates mainly pertain to payables arising from accounting, administrative and other functions performed by affiliates for the Company and other expenses incurred by the Company from its affiliates. The amounts due to affiliates are noninterest-bearing and unsecured.

(d) The Company obtained loans from its parent and affiliates to pay for its payables pertaining to the construction of commercial mall.

As at December 31, 2023, the outstanding balance of intercompany loans amounted to P777,595,000 (2022 - P932,595,000). Interest expense from these loans amounted to P53,894,185 for the year ended December 31, 2023 (2022 - P27,274,525).

Movement of intercompany loans during the year are as follows:

	2023	2022
Beginning	932,595,000	965,500,000
Availments	1,843,175,000	949,135,000
Payments	(1,998,175,000)	(982,040,000)
Ending	777,595,000	932,595,000

These intercompany loans are interest-bearing, unsecured and payable on demand.

Transactions with BPI, an associate of AC

Cash in bank deposited to BPI amounted to P14,094,131 as at December 31, 2023 (2022 - P29,551,570). Interest income from cash in bank amounted to P15,349 in 2023 (2022 - P11,240) (Note 2).

Key management personnel

The key management personnel of the Company are employees of ALI. The compensation of the said employees is paid by ALI and as such, the necessary disclosures required by PAS 24, *Related Party Disclosures,* are included in ALI's financial statements.

15 Financial instruments

The carrying values of cash in bank, trade and other receivables, and trade and other payables (excluding statutory liabilities) approximate their fair values due to the short-term nature of these financial instruments.

15.1 Fair value hierarchy

Except for the Company's security deposits, carrying values of the other financial instruments of the Company approximate their fair values due to the short-term nature of the transactions.

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

15.2 Financial risk management objectives and policies

The main purpose of the Company's financial instruments is to fund its operations. The main risks arising from the use of the financial instruments are credit risk and liquidity risk.

Exposure to credit and liquidity risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's credit risk is primarily attributable to cash in bank and trade and other receivables. To manage credit risks, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

The Company's maximum credit exposure on its financial assets is equivalent to the carrying amount of the assets.

For cash in bank, the Company adheres to fixed limits and guidelines in its dealings with counterparty bank. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty bank, management does not expect the financial institution to fail in meeting their obligations. Nevertheless, the Company closely monitors developments over counterparty bank and adjusts its exposure accordingly while adhering to pre-set limits.

For receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rate based on days past due of all customers as they have similar loss patterns. An allowance for doubtful accounts amounting to P12,411,777 was recognized as at December 31, 2023 and 2022 (Note 3).

As at December 31, 2023 and 2022, cash in bank is classified as neither past due nor impaired and are graded as high quality. The rating is based on the nature of the counterparty.

Liquidity risk

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

The Company actively manages its liquidity position and guarantee that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments and holds a sufficient level of cash reserves.

The tables summarize the maturity profile of the Company's financial instruments based on contractual undiscounted payments:

	Less than 1 year	1 to 5 years	More than 5 years	Total
2023				
Financial assets				
Cash in bank	14,094,131	-	-	14,094,131
Trade and other receivables:	76,330,169	-	-	76,330,169
	90,424,300	-	-	90,424,300
Financial liabilities				
Trade and other payables:				
Due to related parties	2,370,409,075	-	-	2,370,409,075
Trade and other payables	102,326,919	-	-	102,326,919
Accrued expenses	59,844,942	-	-	59,844,942
Retention payable	513,807	-	-	513,807
Deposits	28,092,552	138,325,244	-	166,417,796
	2,561,187,295	138,325,244	-	2,699,512,539

	Less than 1 year	1 to 5 years	More than 5 years	Total
2022				
Financial assets at amortized cost				
Cash on hand and in bank	29,551,570	-	-	29,551,570
Trade and other receivables:	81,575,075	-	-	81,575,075
	111,126,645	-	-	111,126,645
Financial liabilities at amortized cost				
Trade and other payables:				
Due to related parties	2,536,645,472	-	-	2,536,645,472
Trade and other payables	50,799,911	-	-	50,799,911
Accrued expenses	24,554,636	-	-	24,554,636
Retention payable	513,807	-	-	513,807
Deposits	35,054,185	132,144,171	-	167,198,356
	2,647,568,011	132,144,171	-	2,779,712,182

16 Significant accounting judgments, estimates and assumptions

The preparation of the accompanying financial statements in accordance with PFRS requires the Company to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of changes are reflected in the financial statements as they become reasonably determinable.

16.1 Judgments

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

Classification of financial instruments

The Company exercises judgment in classifying financial instruments. The Company classifies a financial instrument, or its component, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a fin ancial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the Company's statements of financial position.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Determination of lease term of contract with renewal options - Company as a lessee

The Company has a lease contract that include extension options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its lease of land as the renewal option is based on mutual agreement, thus not enforceable.

Determination of type of lease - Company as lessee

The Company has entered into a contract with Province of Negros Occidental for the land where its investment properties are located. The Company has determined that all significant risks and rewards of ownership of these properties are retained by the lessor.

In determining whether a lease contract is cancellable or not, the Company considers among others, the significance of the penalty, including the economic consequence to the lessee. The Company accounts for the lease agreement with Province of Negros Occidental as a non-cancellable lease.

Distinction between investment property and owner-occupied property

The Company determines whether a property qualifies as an 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 the other assets used in the supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciations and another portion that is held for use in the supply of services or for administrative purposes. If these portions cannot be sold separately as at reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or 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.

Impairment assessment of nonfinancial assets

The Company assesses at each reporting date whether there is any indication that the nonfinancial assets may be impaired. The Company considers indications of impairment such as significant changes in asset usage, significant decline in market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. If such indication exists, the Company estimates the recoverable amount of the asset, which is the higher of the asset's fair value less cost to sell and value in use.

As at December 31, 2023 and 2022, no impairment indicators were identified for the Company's non-financial assets.

16.2 Estimates and assumptions

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

Provision for expected credit losses of trade receivables

The Company applies a simplified approach in calculating ECLs for receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Company has considered the impact of COVID-19 pandemic in determining the macroeconomic variables and loss rates in the computation of ECL.

Allowance for impairment loss on receivables amounted to P12,411,777 as at December 31, 2023 and 2022. The carrying amounts of receivables are disclosed in Note 3.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to financial statements cannot be derived from active markets, they are determined using internal valuation techniques and generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. The fair values of the Company's financial instruments are disclosed in Note 15.

Estimating useful lives of investment property, right-of-use assets and property and equipment

The Company estimates the useful lives of its investment property, right-of-use assets and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above.

Estimating the incremental borrowing rate for leases

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

The Company's lease liabilities amounted to P450,766,383 as at December 31, 2023 (2022 - P443,308,472) (Note 11).

Recognition of deferred tax assets

The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company looks at its projected performance in assessing the sufficiency of future taxable income.

The Company has recognized deferred tax assets amounting to P186,952,727 as at December 31, 2023 (2022 - P180,853,488) (Note 13).

17 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

17.1 Basis of preparation

The accompanying financial statements have been prepared using the historical cost basis and are presented in Philippine Peso, the Company's functional currency. All amounts are rounded off to the nearest peso unless otherwise indicated.

Statement of compliance

The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 16.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

The Company has applied the following standards and amendments to existing standards in the financial statements effective beginning January 1, 2023:

- Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies
- Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The disclosure of accounting policies, accounting estimates and judgments was updated as a result of the amendments listed above. The remainder of the amendments to the standards effective beginning January 1, 2023 did not have significant impact to the Company's financial statements.

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

There are no other standards, amendments and interpretations which are effective for the financial period after January 1, 2023 that are relevant to and have a material impact on the Company's financial statements.

17.2 Financial instruments

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The Company classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Company applies the simplified approach permitted by PFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

17.3 Security deposits

Deposits are measured initially at fair value. After initial recognition, deposits are subsequently measured at amortized cost using the effective interest method.

17.4 Investment properties

The Company uses the cost model in measuring its investment properties. Amortization is computed on a straight-line method over the estimated useful life of the investment property which is 40 years.

17.5 Property and equipment

Property and equipment is carried at cost less accumulated depreciation and impairment. Depreciation is computed on a straight-line method over the following estimated useful lives of the property and equipment:

	In years
Machinery and equipment	5 to 7
Furniture and fixtures	5
Office equipment	5

17.5 Impairment of nonfinancial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

17.6 Current and deferred income tax

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the uncertainty.

DIT assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized.

17.7 Revenue Recognition

Rental income

Rental income under noncancellable and cancellable leases on investment properties is recognized in the statement of total comprehensive income on a straight-line basis over the lease term and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

Common usage service area charges and other income

CUSA and other income are recognized over time when the related services have been rendered and right to receive payments are established.

Interest income

Interest income is recognized as it accrues using the effective interest method.

17.8 Leases

(a) Company as lessee

The Company considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;

- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

On the other hand, the Company measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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.
On the statement of financial position, right-of-use assets have been presented as part of investment property while lease liabilities have been presented separately.

(b) Company as lessor

Rent income from operating leases is recognized in the statements of total comprehensive income on a straight-line basis over the lease term. Rent income is shown net of value-added tax. Any difference between the rent income determined on a straight-line basis and the actual lease payment is recognized as a rent receivable or unearned rent income as the case may be. These are included in non-current assets or liabilities, except if the remaining lease period is within one year after the reporting period, which are then classified as current assets or liabilities.

18 Supplementary information required under Revenue Regulations 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010 hereunder are the information on taxes, duties and licenses fees paid and/or accrued during the taxable year 2023:

(i) Value-added tax (VAT)

a. The Company has declared output VAT amounting to P55,446,230 on its sale of services amounting to P462,051,914 in 2023.

b. Details of input VAT follow:

Balance at January 1, 2023:	306,937,568
Capital Goods subject to amortization	18,437,685
Domestic purchases/payments for:	
Domestic purchases of services	30,618,876
Purchase of capital goods not exceeding 1,000,000	526,872
Purchase of goods other than capital goods	2,747,712
	359,268,713
Applied against Output VAT during the year	(55,446,230)
Input VAT on capital goods exceeding 1M deferred for the succeeding period	(908,040)
Balance at December 31, 2023	302,914,443

(ii) Importations

The Company did not have any importations for the year ended December 31, 2023.

(iii) Excise taxes

The Company has not entered into any transactions subject to excise tax in 2023.

(iv) Documentary stamp tax

The Company paid documentary stamp taxes for the year ended December 31, 2023 amounting to P6,162,247 in relation to its intercompany loans.

(v) Withholding taxes

Details of withholding taxes paid and accrued and/or withheld for the year ended December 31, 2023 are as follows:

	Paid	Accrued	Total
Expanded withholding taxes	16,009,145	2,088,383	18,097,528
Final withholding taxes	80,363	-	80,363
Total	16,089,508	2,088,383	18,177,891

(vi) All other local and national taxes

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees included as “Taxes and licenses” under “Direct operating expenses” and “General and administrative expenses” account in the statements of comprehensive income.

The details of other taxes and licenses in 2023 follow:

	Amount
Real property taxes	28,110,128
Licenses and other filing fees	4,023,159
Community tax	10,500
Annual registration fee	500
	32,144,287

(vii) Tax assessments and cases

The Company has no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at December 31, 2023.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7					

Company Name

A	Y	A	L	A		L	A	N	D	,		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)

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Form Type	Department requiring the report	Secondary License Type, if applicable
A F S	S E C	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
investorrelations@ayalaland.com.ph	7 908-3677	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
12,960	04/27	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Ma. Luisa D. Chiong	[redacted]	[redacted]	

Contact Person's Address

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Note: 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.

Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries (the "Group") as at December 31, 2024 and 2023, and their financial performance and their cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of income for the years ended December 31, 2024 and 2023;
- the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the consolidated statements of changes in equity for the years ended December 31, 2024 and 2023;
- the consolidated statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the consolidated financial statements, comprising material accounting policy information.

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Other Matter

The financial statements of the Group for the year ended December 31, 2022 were audited by another firm of auditors whose report, dated February 21, 2023, expressed an unmodified opinion on those statements.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Real estate revenue recognition based on PoC as a measure of progress	
Refer to Note 35.2 to the consolidated financial statements for the discussion on critical accounting estimates and assumptions. The real estate revenue from residential development for the year ended December 31, 2024 amounts to P112.9 billion, which accounts for approximately 64% of the consolidated total revenue. It is therefore material to the consolidated financial statements. Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, Revenue from contracts with customers, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2018-12. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical accomplishment through completion of the project. Hence, real estate revenue recognition requires significant estimates and assumptions.	We addressed the matter by understanding and evaluating the processes and controls employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows: • Evaluated the design and tested the operating effectiveness of key controls surrounding the project budgeting, project costing and project milestone measurement activities. Further, we performed reasonableness testing and validation of key inputs and assumptions used in the project budgeting and project costing activities, through site visits, inspection of bill of quantity and other relevant supporting documents. • Substantiated the milestone percentage per project by agreeing the details with underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Performed test of details on incurred project costs through corroboration with supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Performed mathematical accuracy check of PoC applied to each project and individually sold units and verified that the PoC is accurately used in the calculation of the Group's real estate revenue.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's 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 audit, or otherwise appears to be materially misstated.

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

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

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

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

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

[redacted]

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited the consolidated financial statements of Ayala Land, Inc. (the "Parent Company") and its Subsidiaries as at and for the years ended December 31, 2024 and 2023, on which we have rendered the attached report dated February 19, 2025. The supplementary information shown in the Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Parent Company belongs, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Roderick M. Danao
Partner
[redacted]

Makati City
February 19, 2025

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Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Ayala Land, Inc. and its Subsidiaries (the "Group") as at and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated February 19, 2025. Our audits were 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 purpose of complying with the Revised SRC Rule 68 issued by the 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 and for the years ended December 31, 2024 and 2023 and no material exceptions were noted.

Isla Lipana & Co.

Roderick M. Danao
Partner
[redacted]

Makati City
February 19, 2025

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Ayala Land, Inc. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	2	21,507,916	17,066,330
Short-term investments	3	72,029	333,610
Financial assets at fair value through profit or loss (FVTPL)	4	651,008	419,802
Accounts and notes receivable, net	5	108,062,933	105,530,428
Inventories	6	226,560,077	209,316,511
Other current assets, net	7	78,807,069	80,290,824
Total current assets		435,661,032	412,957,505
Non-current assets			
Accounts and notes receivables, net of current portion	5	80,249,296	58,453,299
Financial assets at fair value through other comprehensive income (FVOCI)	8	1,272,606	1,121,969
Investments in associates and joint ventures	9	30,777,755	31,212,698
Right-of-use assets, net	31	10,945,824	11,808,541
Investment properties, net	10	267,920,463	241,061,619
Property and equipment, net	11	38,886,923	41,261,219
Deferred tax assets, net	21	14,852,448	15,345,133
Other non-current assets	12	38,188,645	33,410,499
Total non-current assets		483,093,960	433,674,977
Total assets		918,754,992	846,632,482

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in thousands of Philippine Peso)

(continuation)

	Notes	2024	2023
Liabilities and Equity			
Current liabilities			
Short-term debts	14	20,671,000	16,905,106
Accounts and other payables	13	180,064,265	162,475,442
Income tax payable		523,526	586,605
Current portion of lease liabilities	31	1,843,218	1,108,553
Current portion of long-term debts	14	26,238,534	18,969,421
Deposits and other current liabilities	15	19,782,420	34,131,984
Total current liabilities		249,122,963	234,177,111
Non-current liabilities			
Long-term debts, net of current portion	14	235,246,428	222,379,734
Pension liabilities	24	3,147,264	2,769,457
Lease liabilities, net of current portion	31	16,934,795	17,414,070
Deferred tax liabilities, net	21	10,467,663	7,324,267
Deposits and other non-current liabilities	16	45,340,064	42,638,781
Total non-current liabilities		311,136,214	292,526,309
Total liabilities		560,259,177	526,703,420
Equity	17		
Equity attributable to equity holders of Ayala Land, Inc.			
Paid-in capital		98,624,014	98,115,042
Equity reserves		7,184,556	(2,589,586)
Treasury stock		(30,127,752)	(22,776,361)
Accumulated other comprehensive loss		(523,878)	(1,269,969)
Retained earnings		224,238,823	202,381,286
		299,395,763	273,860,412
Non-controlling interests		59,100,052	46,068,650
Total equity		358,495,815	319,929,062
Total liabilities and equity		918,754,992	846,632,482

Ayala Land, Inc. and Subsidiaries

Consolidated Statements of Income
For the years ended December 31, 2024 and 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso, except earnings per share)

	Notes	2024	2023	2022
Income				
Real estate revenue	18	176,532,787	145,501,249	123,051,312
Equity in net earnings of associates and joint ventures	9	2,030,302	1,575,295	1,429,795
		178,563,089	147,076,544	124,481,107
Interest and investment income	19	844,187	689,548	387,083
Other income	19	1,330,251	1,091,317	1,687,624
		2,174,438	1,780,865	2,074,707
		180,737,527	148,857,409	126,555,814
Costs and expenses	20			
Cost of real estate sales		110,207,577	87,138,671	75,628,711
General and administrative expenses		9,216,233	8,910,449	7,264,339
Interest and other financing charges		15,851,111	13,498,847	11,446,669
Other expenses		2,692,447	2,849,234	3,996,044
		137,967,368	112,397,201	98,335,763
Income before income tax		42,770,159	36,460,208	28,220,051
Income tax expense	21			
Current tax expense		5,856,277	7,407,869	6,943,074
Deferred tax expense (benefit)		2,677,649	48,761	(1,247,276)
		8,533,926	7,456,630	5,695,798
Net income for the year		34,236,233	29,003,578	22,524,253
Net income attributable to:				
Equity holders of Ayala Land, Inc.	25	28,232,553	24,507,581	18,617,234
Non-controlling interest		6,003,680	4,495,997	3,907,019
		34,236,233	29,003,578	22,524,253
Earnings Per Share				
Net income attributable to equity holders of Ayala Land, Inc.				
Basic and diluted	25	1.90	1.63	1.26

The notes on pages 1 to 113 are an integral part of these financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023	2022
Net income for the year		34,236,233	29,003,578	22,524,253
Other comprehensive income (loss)				
Item that will be subsequently reclassified to profit or loss:				
Cumulative translation adjustment		744,460	(529,265)	229,224
Items that will not be subsequently reclassified to profit or loss:	17			
Changes in fair value reserve of financial assets at FVOCI	8	57,054	205,077	(16,905)
Remeasurement (loss) gain on defined benefit plan, net of tax	24	(229,250)	(588,612)	140,221
		572,264	(912,800)	352,540
Total comprehensive income for the year		34,808,497	28,090,778	22,876,793
Total comprehensive income attributable to:				
Equity holders of Ayala Land, Inc.		28,978,644	23,570,587	18,936,821
Non-controlling interests		5,829,853	4,520,191	3,939,972
		34,808,497	28,090,778	22,876,793

The notes on pages 1 to 113 are an integral part of these financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Attributable to equity holders of Ayala Land, Inc.							
	Paid-in Capital (Note 17)	Equity Reserves (Note 17)	Treasury Stock (Note 17)	Accumulated Other comprehensive loss (Note 17)	Retained Earnings (Note 17)	Total	Non-Controlling Interests	Total Equity
Balances at January 1, 2022	**79,897,468**	**1,289,611**	**(16,894,380)**	**(652,562)**	**168,980,632**	**232,620,769**	**37,881,552**	**270,502,321**
Comprehensive income								
Net income for the year	-	-	-	-	18,617,234	18,617,234	3,907,019	22,524,253
Other comprehensive income	-	-	-	319,587	-	319,587	32,953	352,540
Total comprehensive income for the year	**-**	**-**	**-**	**319,587**	**18,617,234**	**18,936,821**	**3,939,972**	**22,876,793**
Transactions with owners								
Share-based compensation	78,860	-	-	-	-	78,860	-	78,860
Issuance of shares	274,372	-	-	-	-	274,372	-	274,372
Stock issuance for properties	4,187,541	-	-	-	-	4,187,541	-	4,187,541
Acquisition of treasury shares		-	(2,186,334)	-	-	(2,186,334)	-	(2,186,334)
Acquisition of non-controlling interest	13,198,623	(7,796,456)	-	-	-	5,402,167	-	5,402,167
Net change in non-controlling interest	-	-	-	-	-	-	(1,755,347)	(1,755,347)
Cash dividends declared	-	-	-	-	(4,062,008)	(4,062,008)	(1,653,840)	(5,715,848)
Total transactions with owners	**17,739,396**	**(7,796,456)**	**(2,186,334)**	**-**	**(4,062,008)**	**3,694,598**	**(3,409,187)**	**285,411**
Balances at December 31, 2022	**97,636,864**	**(6,506,845)**	**(19,080,714)**	**(332,975)**	**183,535,858**	**255,252,188**	**38,412,337**	**293,664,525**
Comprehensive income								
Net income for the year	-	-	-	-	24,507,581	24,507,581	4,495,997	29,003,578
Other comprehensive income	-	-	-	(936,994)	-	(936,994)	24,194	(912,800)
Total comprehensive income for the year	**-**	**-**	**-**	**(936,994)**	**24,507,581**	**23,570,587**	**4,520,191**	**28,090,778**
Transactions with owners								
Share-based compensation	149,456	-	-	-	-	149,456	-	149,456
Issuance of shares	328,722	-	-	-	-	328,722	-	328,722
Acquisition of treasury shares	-	-	(3,695,647)	-	-	(3,695,647)	-	(3,695,647)
Acquisition of non-controlling interest	-	489,276	-	-	-	489,276	(31,511)	457,765
Net change in non-controlling interest	-	3,427,983	-	-	-	3,427,983	6,121,631	9,549,614
Cash dividends declared	-	-	-	-	(5,662,153)	(5,662,153)	(2,953,998)	(8,616,151)
Total transactions with owners	**478,178**	**3,917,259**	**(3,695,647)**	**-**	**(5,662,153)**	**(4,962,363)**	**3,136,122**	**(1,826,241)**
Balances at December 31, 2023	**98,115,042**	**(2,589,586)**	**(22,776,361)**	**(1,269,969)**	**202,381,286**	**273,860,412**	**46,068,650**	**319,929,062**
Impact of adoption of PFRS 15 covered by PIC Q&A 2018-12-D (Note 36.3)	-	-	-	-	1,056,652	1,056,652	292,136	1,348,788
Restated balance, January 1, 2024	**98,115,042**	**(2,589,586)**	**(22,776,361)**	**(1,269,969)**	**203,437,938**	**274,917,064**	**46,360,786**	**321,277,850**
Comprehensive income								
Net income for the year	-	-	-	-	28,232,553	28,232,553	6,003,680	34,236,233
Other comprehensive income	-	-	-	746,091	-	746,091	(173,827)	572,264
Total comprehensive income for the year	**-**	**-**	**-**	**746,091**	**28,232,553**	**28,978,644**	**5,829,853**	**34,808,497**
Transactions with owners								
Share-based compensation	107,468	-	-	-	-	107,468	-	107,468
Issuance of shares	401,504	-	-	-	-	401,504	-	401,504
Acquisition of treasury shares	-	-	(7,351,391)	-	-	(7,351,391)	-	(7,351,391)
Acquisition of non-controlling interest	-	-	-	-	-	-	(1,020,346)	(1,020,346)
Net change in non-controlling interest	-	9,774,142	-	-	-	9,774,142	12,040,930	21,815,072
Cash dividends declared		-	-	-	(7,431,668)	(7,431,668)	(4,111,171)	(11,542,839)
Total transactions with owners	**508,972**	**9,774,142**	**(7,351,391)**	**-**	**(7,431,668)**	**(4,499,945)**	**6,909,413**	**2,409,468**
Balances at December 31, 2024	**98,624,014**	**7,184,556**	**(30,127,752)**	**(523,878)**	**224,238,823**	**299,395,763**	**59,100,052**	**358,495,815**

The notes on pages 1 to 113 are an integral part of these financial statements.

Ayala Land, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023	2022
Cash flows from operating activities				
Income before income tax		42,770,159	36,460,208	28,220,051
Adjustments for:				
Interest and other financing charges	20	15,851,111	13,498,847	11,446,669
Depreciation and amortization	20	10,275,064	9,505,083	9,688,718
Dividends received from investees	9	624,899	915,983	589,221
Provision for impairment losses	20	214,850	595,646	253,738
Cost of share-based compensation		107,468	149,456	78,860
Unrealized (gain) loss on financial assets at fair value through profit or loss	4	(20,508)	(108,589)	333,413
Equity in net earnings of associates and joint ventures	9	(2,030,302)	(1,575,295)	(1,429,795)
Interest income	19	(844,187)	(6,049,074)	(7,082,013)
Operating income before working capital changes		66,948,554	53,392,265	42,098,862
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts and notes receivable - trade		(2,390,003)	(5,054,003)	(2,046,107)
Inventories		(11,922,789)	(18,291,371)	(15,136,166)
Other current assets	7	1,726,664	(15,576,013)	509,713
Increase (decrease) in:				
Accounts and other payables		9,060,470	17,129,876	14,018,427
Deposits and other current liabilities	15	(14,349,564)	2,922,441	(3,542,142)
Pension liabilities	24	148,557	309,659	(92,328)
Cash generated from operations		49,221,889	34,832,854	35,810,259
Interest received		896,220	6,016,868	6,638,191
Interest paid		(13,945,572)	(11,793,508)	(9,495,457)
Income tax paid		(4,960,924)	(7,695,965)	(6,604,639)
Net cash from operating activities		31,211,613	21,360,249	26,348,354
Cash flows from investing activities				
Proceeds from:				
Sale/redemption of short-term investments		300,165	327,150	-
Sale/redemption of financial assets at FVTPL		1,524,888	3,568,193	4,065,795
Sale of investments in FVOCI	8	-	42,894	16,371
Disposal of property and equipment	11	1,641,492	1,598,122	1,390,786
Disposal of investment properties	10	866,933	1,080,985	764,475
Disposal of investments in associates and jointly controlled entities		61,574	52,935	-
Additions to:				
Short-term investments	3	-	(3,617)	-
Financial assets at FVTPL	4	(1,735,586)	(3,604,552)	(4,179,683)
Financial assets at FVOCI	8	(2,534)	(2,124)	-
Investments in associates and joint ventures	9	(366,495)	(1,920,000)	(2,705,023)
Investment properties	10	(29,526,256)	(19,634,549)	(15,587,700)
Property and equipment	11	(4,823,210)	(1,819,873)	(4,424,285)
Net (increase) decrease in:				
Accounts and notes receivables - non-trade	5	(20,438,586)	(9,427,421)	(5,210,278)
Other non-current assets	12	(2,185,551)	(444,331)	2,944,192
Net cash used in investing activities		(54,683,166)	(30,186,188)	(22,925,350)

(forward)

Ayala Land, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

(continuation)

	Notes	2024	2023	2022
Cash flows from financing activities				
Proceeds from:				
Short and long-term debts		213,460,230	125,434,426	162,816,824
Capital stock subscriptions	17	401,504	328,722	274,373
Payments of short and long-term debts		(189,663,795)	(103,062,150)	(149,899,033)
Payments of principal portion of lease liabilities	31	(508,931)	(2,065,425)	(1,316,469)
Increase (decrease) in deposits and other non-current liabilities		2,374,313	(4,451,799)	(12,584,594)
Increase in non-controlling interest		10,846,567	6,114,435	1,675,369
Increase in equity reserves	17	9,774,142	3,917,259	2,004,323
Acquisition of treasury shares	17	(7,351,391)	(3,695,647)	(2,186,334)
Dividends paid to non-controlling interests		(4,111,171)	(2,953,998)	(1,653,840)
Dividends paid to equity holders of Ayala Land, Inc.	17	(7,391,801)	(5,679,961)	(4,667,960)
Net cash from (used in) financing activities		27,829,667	13,885,862	(5,537,341)
Net increase (decrease) in cash and cash equivalents		4,358,114	5,059,923	(2,114,337)
CASH AND CASH EQUIVALENTS				
At January 1		17,066,330	11,885,329	13,971,437
Effect of exchange rate changes on cash and cash equivalents		83,472	121,078	28,229
At December 31	2	21,507,916	17,066,330	11,885,329
Non-cash investing and financing activities	33			

The notes on pages 1 to 113 are an integral part of these financial statements.

1 General information

Corporate information

Ayala Land, Inc. (the "Parent Company", the "Company" or "ALI") is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. Its immediate Parent Company is Ayala Corporation (AC). AC is a publicly listed company which is 47.57%-owned by Mermac, Inc. and the rest by the public as at December 31, 2024. The Parent Company's registered office and principal place of business is at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company and its Subsidiaries (the "Group") are incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Group or of other persons; and to engage or act as real estate broker. The Group is also involved in hotels and resorts operations.

The consolidated financial statements represent the consolidation of the financial statements of the Parent Company and the following domestic and foreign entities:

	2024	2023
	Group effective ownership	
Property Development:		
AyalaLand Premier, Inc.	100%	100%
Ayala Hotels, Inc. (AHI)	100	100
Southportal Properties, Inc. (Southportal)	100	100
Verde Golf Development Corp.	100	100
Ayalaland-Tagle Properties, Inc.	55	55
AKL Properties, Inc.	50	50
BGWest Properties, Inc. (BGW/BG West) *(c)*	50	50
BGNorth Properties, Inc. (BGN/BG North) *(c)*	-	50
BGSouth Properties, Inc. (BGS/BG South) *(c)*	-	50
Roxas Land Corporation (RLC)	50	50
Alveo Land Corporation (Alveo)	100	100
Portico Land Corp. (Portico) *(d)*	100	60
Solinea, Inc. (Solinea)	100	100
Serendra, Inc.	67	67
Avida Land Corporation (Avida)	100	100
Amaia Land Co. (Amaia)	100	100
Amaia Southern Properties, Inc. (ASPI)	100	100
Amicassa Process Solutions, Inc.	100	100
BellaVita Land Corporation (BellaVita)	100	100
Avencosouth Corp.	90	90
AyalaLand Estates, Inc	100	100
Alchiba Development Corp. *(g)*	100	-
Allysonia International Ltd.	100	100
Altaraza Prime Realty Corporation	100	100
Amorsedia Development Corporation (ADC)	100	100
Balitiger Inc. *(g)*	100	-

(forward)

	2024	2023
	Group effective ownership	
Buendia Landholdings, Inc.	100	100
Cebalrai Development Corp. *(g)*	100	-
Cebu District Property Enterprise, Inc (CDPEI) *(i)*	100	50
Crans Montana Holdings, Inc.	100	100
Crimson Field Enterprises, Inc.	100	100
Froston Inc. *(g)*	100	-
Gomaisa Development Corp. *(g)*	100	-
HLC Development Corporation	100	100
Javantiger, Inc.	100	100
OLC Development Corporation	100	100
Praecipua Development Corp. *(g)*	100	-
Prima Gaedi Development Corp	100	100
Red Creek Properties, Inc.	100	100
Redheap Holdings Inc.	100	100
Rookwood Properties, Inc.	100	100
Southcreston Holdings Inc. *(g)*	100	-
Wedgemore Property Inc	100	100
Vesta Property Holdings, Inc. (VPHI)	88	88
Aurora Properties Incorporated	81	81
Torcello Holdings, Inc. *(g)*	80	-
Kleysha Development Corp. *(g)*	80	-
Accendo Commercial Corp. (Accendo)	67	67
Arabica Midland Holdings, Inc. *(g)*	60	-
Ceci Realty, Inc. (Ceci)	60	60
Lagdigan Land Corp. (Lagdigan)	60	60
Erinome Holdings, Inc. *(g)*	60	-
Aviana Development Corporation	57	57
Prow Holdings, Inc.	55	55
Taft Punta Engaño Property Inc. (TPEPI)	55	55
Nuevo Centro, Inc. (Nuevo Centro)	54	54
Altaraza Development Corporation	51	51
Alviera Country Club, Inc. (Alviera)	50	50
Ayala Greenfield Development Corp. (AGDC)	50	50
CMPI Holdings, Inc. *(e)*	-	60
Corporate Business:		
AyalaLand Offices, Inc. (ALO)	100	100
ALO Prime Realty Corporation	100	100
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)	100	100
First Gateway Real Estate Corp.	100	100
Glensworth Development, Inc. (Glensworth)	100	100
Hillsford Property Corporation (Hillsford)	100	100
Makati Cornerstone Leasing Corp. (MCLC)	100	100
Sunnyfield E-Office Corporation (Sunnyfield)	100	100
UP North Property Holdings, Inc.	100	100
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) *(b)*	55	66
Shopping Centers:		
Ayalaland Malls Inc. (formerly ALI Commercial Center, Inc.) (ALMI)	100	100
Arvo Commercial Corporation (Arvo)	100	100
Ayala Malls Zing (AMZING), Inc.	100	100
Ayala Theatres Management, Inc. (ATMI)	100	100
Ayalaland Malls Synergies, Inc.	100	100
AyalaLand Malls Vismin, Inc.	100	100
Ayalaland MetroNorth, Inc. (AMNI)	100	100
Bay City Commercial Venture Corp. (BCCVC)	100	100
Capitol Central Commercial Ventures Corp.	100	100

(forward)

	2024	2023
	Group effective ownership	
Cavite Commercial Town Center, Inc. (CCTCI)	100	100
CBP Theatre Management Inc.	100	100
Cebu Leisure Company, Inc.	100	100
Five Star Cinema, Inc.	100	100
Kitrino Koudini Holdings Inc.	100	100
North Ventures Commercial Corporation	100	100
NorthBeacon Commercial Corporation (NBCC)	100	100
Primavera Towncentre, Inc. (PTI)	100	100
South Ralston Properties, Inc.	100	100
Subic Bay Town Centre, Inc. (SBTCI)	100	100
Summerhill Commercial Ventures Corporation (Summerhill)	100	100
Westview Commercial Ventures Corp. (Westview)	100	100
Soltea Commercial Corp.	88	88
North Triangle Depot Commercial Corporation (NTDCC)	73	73
Alogis Artico, Inc. (formerly Ecozone Power Management, Inc.)	71	71
AyalaLand Logistics Holdings Corp. (ALLHC)	71	71
Laguna Technopark, Inc. and Subsidiary	71	71
LCI Commercial Ventures, Inc.	71	71
Orion Beverage Inc.	71	71
Orion Land, Inc.	71	71
Orion Maxis, Inc.	71	71
Orion Property Development, Inc.	71	71
Orion Solutions, Inc.	71	71
Tutuban Properties, Inc.	71	71
Unity Realty & Development Corp. (URDC)	71	71
Cagayan de Oro Gateway Corp. (CDOGC)	70	70
Station Square East Commercial Corporation (SSECC)	69	69
Adauge Commercial Corporation (Adauge)	60	60
FLT Prime Insurance Corporation	56	56
Alabang Commercial Corporation (ACC)	50	50
ALI-CII Development Corporation (ALI-CII)	50	50
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50
South Innovative Theater Management (SITMI)	50	50
A-Flow Land I Corp.	43	43
North Eastern Commercial Corp. (NECC) *(a)*	-	100
Luck Hock Venture Holdins, Inc. *(e)*	-	71
Orion I Holdings Philippines, Inc. *(e)*	-	71
TPI Holdings Corporation *(e)*	-	71
Hotels and Resorts:		
AyalaLand Hotels and Resorts Corporation (AHRC)	100	100
ALI Makati Hotel and Residences, Inc.	100	100
ALI Makati Hotel Property, Inc.	100	100
ALI Triangle Hotel Ventures, Inc.	100	100
Arca South Hotel Ventures, Inc.	100	100
Asiatown Hotel Ventures, Inc.	100	100
Bacuit Bay Development Corporation	100	100
Bay Area Hotel Ventures,Inc.	100	100
Bonifacio Hotel Ventures, Inc.	100	100
Capitol Central Hotel Ventures, Inc.	100	100
Cebu Insular Hotel Company, Inc. (CIHCI)	100	100
Central Bloc Hotel Ventures, Inc.	100	100
Chirica Resorts Corp.	100	100
Circuit Makati Hotel Ventures, Inc.	100	100
Ecoholdings Company, Inc. (ECI)	100	100
Econorth Resorts Ventures, Inc.	100	100
Ecosouth Hotel Ventures, Inc.	100	100

(forward)

	2024	2023
	Group effective ownership	
Enjay Hotels, Inc. (Enjay)	100	100
Greenhaven Property Venture, Inc. (GPVI)	100	100
Integrated Eco-Resort Inc.	100	100
Lio Resort Ventures, Inc.	100	100
Lio Tourism Estate Management Corporation	100	100
Makati North Hotel Ventures, Inc.	100	100
North Liberty Resort Ventures, Inc.	100	100
North Triangle Hotel Ventures, Inc.	100	100
One Makati Hotel Ventures, Inc. (OMHVI)	100	100
Pangulasian Island Resort Corporation	100	100
Regent Horizons Conservation Company, Inc.	100	100
Seda College, Inc. (formerly One Makati Residential Ventures, Inc.)	100	100
Sentera Hotel Ventures, Inc.	100	100
Sicogon Town Hotel, Inc.	100	100
Ten Knots Development, Corp. (TKDC)	100	100
Ten Knots Phils., Inc. (TKPI)	100	100
Turista.ph (formerly Paragua Eco-Resort Ventures Inc.)	100	100
Sicogon Island Tourism Estate Corp. (SITE Corp.)	82	82
Northgate Hotel Ventures, Inc.	70	70
Southcrest Hotel Ventures, Inc.	67	67
Kingfisher Capital Resources Corp. *(e)*	-	60
Construction:		
Makati Development Corporation (MDC)	100	100
MDC Build Plus, Inc.	100	100
MDC Conqrete, Inc. (MCI)	100	100
MDC Equipment Solutions, Inc. (MESI)	100	100
MDC Subic, Inc.	100	100
MDBI Construction Corp.	67	67
MDTK Corporation *(f)*	67	-
Property Management:		
Ayala Property Management Corporation (APMC)	100	100
Prime Support Services, Inc.	100	100
Others:		
ALI Capital Corp. (formerly Varejo Corp.) (ALICap)	100	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100	100
Ayalaland Medical Facilities Leasing, Inc.	100	100
Arca South Integrated Terminal, Inc. (ASITI)	100	100
Anvaya Cove Golf and Sports Club, Inc. (Anvaya Cove Golf)	74	76
Anvaya Cove Beach and Nature Club, Inc. (Anvaya Cove Beach)	73	73
Ayala Land International Sales, Inc. (ALISI)	100	100
Ayala Land International (Singapore) Pte. Ltd	100	100
Ayala Land International Marketing (Hong Kong) Ltd	100	100
Ayala Land International Marketing, Inc. (AIMI)	100	100
Ayala Land International Marketing, SRL (ALIM SRL)	100	100
Ayala Land International Marketing London	100	100
AyalaLand Advisory Broadway Inc. (Canada)	100	100
AyalaLand Development (Canada) Inc.	100	100
AyalaLand Real Estate Investments Inc. (Canada)	100	100
Blue Horizons Holdings PTE, Ltd (Singapore)	100	100
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100	100
Darong Agricultural Development Corporation (DADC)	100	100
Direct Power Services, Inc. (Direct Power)	100	100
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100
Green Horizons Holdings Limited	100	100
Horizon Wealth Holding Lmited (British Virgin Island Company)	100	100

(forward)

	2024	2023
	Group effective ownership	
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100
Swift Aerodrome Services, Inc. (SASI)	100	100
Whiteknight Holdings, Inc.	100	100
Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd.) (Malaysia) and subsidiaries	66	66
Airswift Transport, Inc. (formerly Island Transvoyager, Inc.) (Airswift) *(h)*	-	100

The ownership interest presented above represents Group effective ownership based on combined direct and indirect ownership.

The above companies are domiciled in the Philippines except for the foreign entities which are domiciled and incorporated in the country as mentioned above.

The Parent Company, through its 50.0% effective ownership and by virtue of a management contract or shareholders' agreement, exercises control over the operations and management of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP, AGDC and AKL, a newly consolidated entity. Accordingly, the accounts of ACC, BGWest, BGNorth, BGSouth, RLC, ALI-CII, LAIP, AGDC and AKL are consolidated to the accounts of the Parent Company (Note 36).

The following were the changes in the group structure during 2024:

a. On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity.

   On January 26, 2024, Ayala Land, and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181,000,000 common shares of AREIT at a transaction price of P31.10/share, equivalent to P5.63 billion. On May 20, 2024, ALI, and its wholly-owned subsidiary, Westview Commercial Ventures Corp., sold an aggregate of 98,000,000 common shares of AREIT at a transaction price of P32.45/share, equivalent to P3.18 billion. On September 20, 2024, ALI sold 75,000,000 common shares of AREIT at a transaction price of P36.20/share, equivalent to P2.72 billion. On December 9, 2024, ALI sold 75,000,000 common shares of AREIT at a transaction price of P37.00/share, equivalent to P2.78 billion. All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

   On September 26, 2024, the Securities and Exchange Commission's (SEC) approved the property-for share swap with Ayala Land, Inc. (ALI), Greenhaven Property Ventures, Inc. (Greenhaven), Cebu Insular Hotel Co., Inc. (Cebu Insular), and Buendia Christiana Holdings Corp. (BCHC), involving the issuance of 841,259,412 AREIT primary common shares to ALI, Greenhaven, Cebu Insular, and BCHC, in exchange for four (4) commercial buildings located in Ayala Center Makati and Ayala Center Cebu, and a 276-hectare parcel of industrial land located in Zambales, with an aggregate value of P28.6 billion. In line with this, the parties have executed an Amendment to the Deed of Exchange for AREIT to recognize the income from the new assets effective July 1, 2024.

   As a result, the Group's holding in AREIT was reduced from 66% to 55%.

b. On January 31, 2024, the SEC approved the merger of BGWest Properties, Inc. (BGW), BGNorth Properties, Inc. (BGN) and BGSouth Properties, Inc. (BGS) with BGW as the surviving entity. As a result, the effective holdings of the group on BGW remains at 50% broken down into ownership of 27% by Avida, 11% by Alveo, and 12% by ALI.

c. On March 14, 2024 Alveo Land Corp. acquired 1,370,400 common shares and 6,589,600 preferred shares of Portico Land Corp from the remaining investor for a purchase price of P534.30 million. The acquisition is accounted as involving entities under common control. As a result, Portico became a wholly owned subsidiary.

d. The following subsidiaries were dissolved in 2024.

- On April 17, 2024, CMPI Holdings Inc. was dissolved following the approval of SEC of the shortening of its corporate life.
- Kingfisher Capital Resources Corp., a subsidiary of Ten Knots Development Corp, has been dissolved effective June 28, 2024.
- The following subsidiaries of AyalaLand Logistics Holdings Corp. (ALLHC) were dissolved in August 2024:
    - Orion I Holdings Philippines, Inc., a wholly owned subsidiary of ALLHC
    - Luck Hock Venture Holdins, Inc., a wholly owned subsidiary of Orion Land Inc. which is 100% owned by ALLHC
    - TPI Holdings Corporation, a wholly owned subsidiary of Tutuban Properties Inc. which is 100% owned by ALLHC

e. MDTK Corporation was incorporated on April 25, 2024. The company is 67% owned by Makati Development Corp. (MDC), a wholly owned subsidiary of ALI.

f. Ayalaland Estates, Inc. (ALEI) acquired equity interest in the following companies for a total consideration of P9.80 million.

Company Name	Acquisition Date	No. of Common Shares	Equity Interest	Amount
Cebalrai Development Corp.	09/27/2024	100,000	100%	1,000,000
Southcreston Holdings Inc.	09/18/2024	100,000	100%	1,000,000
Alchiba Development Corp.	10/28/2024	100,000	100%	1,000,000
Balitiger Inc.	10/25/2024	100,000	100%	1,000,000
Froston Inc.	10/22/2024	100,000	100%	1,000,000
Gomaisa Development Corp.	10/25/2024	100,000	100%	1,000,000
Kleysha Development Corp.	10/22/2024	80,000	80%	800,000
Praecipua Development Corp	10/22/2024	100,000	100%	1,000,000
Arabica Midland Holdings, Inc.	12/17/2024	60,000	60%	600,000
Torcello Holdings, Inc.	12/18/2024	80,000	80%	800,000
Erinome Holdings, Inc.	12/19/2024	60,000	60%	600,000
				9,800,000

g. ALI Capital Corp., a wholly owned subsidiary of ALI, sold its 100% ownership in AirSWIFT Transport Inc. to Cebu Air Inc. (Cebu Pacific) for a total share price of P120.0 million resulted into a recovery of accumulated losses amounting to P914.3 million.

h. On Nov. 4, 2024, ALI acquired the shares of Aboitiz Land, Inc. (“Aboitiz Land”) and Aboitiz Equity Ventures Inc. (“AEV”) in Cebu District Property Enterprise Inc. (“CDPEI”) for P1.81 billion. As a result, CDPEI, which was accounted from investment in associates and joint ventures became a wholly owned subsidiary of ALI. (Note 9)

Approval and authorization for issuance of consolidated financial statements

The consolidated financial statements of the Group have been approved and authorized for issue by the Parent Company’s Board of Directors (BOD) on February 19, 2025.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2024	2023
Cash on hand	43,963	38,699
Cash in banks	10,390,395	10,615,507
Cash equivalents	11,073,558	6,412,124
	21,507,916	17,066,330

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term rates.

There are no restrictions on the Group's cash and cash equivalents balances as at December 31, 2024 and 2023.

3 Short-term investments

Short-term investments consist of money market placements made for varying periods of more than three months and up to one year and earn interest at the respective short-term investment rates.

4 Financial assets at fair value through profit or loss (FVTPL)

The account as at December 31 consists of:

	2024	2023
Investment in Unit Investment Trust Funds (UITFs)	471,010	228,674
Investment in ARCH Capital Fund	179,998	191,128
	651,008	419,802

The Group's investment in UITFs consists of investments in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds") which aim to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

The Group's investments in UITFs are maintained with the Bank of the Philippine Islands, a related party (Note 23).

Investment in ARCH Capital Fund pertains to monetary interest in a fund in which the Group takes the view that these are held for trading, and it is a portfolio of identified property funds invested and managed by professional managers.

The details of the movement of fair value measurement of Investment in UITF as at December 31 is shown below:

	Notes	2024	2023
At January 1		228,674	84,793
Additions		1,735,586	3,604,552
Redemptions		(1,524,888)	(3,470,828)
Unrealized gains included in Other income	19	31,638	27,292
Reclassification to escrow account included under Other current assets	7	-	(17,135)
At December 31		471,010	228,674

The details of the movement of fair value measurement of Investment in ARCH Fund as at December 31 is shown below:

	2024	2023
At January 1	191,128	207,196
Net redemptions	-	(97,365)
Unrealized (loss) gain included in Other income	(11,130)	81,297
At December 31	179,998	191,128

The fair value of the investment in UITF is based on net asset values, which is equivalent to its fair value, as at reporting date.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund valuation, the value is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

5 Accounts and notes receivable

The account as at December 31 consists of:

	Note	2024	2023
Trade receivables from:			
Residential, commercial and office development		135,178,205	112,185,536
Corporate business		6,734,608	3,775,841
Construction contracts		5,472,311	4,039,336
Shopping centers		3,993,312	5,033,715
Management fees		176,144	187,566
Others		4,515,347	4,503,181
Advances to other companies		17,383,575	18,359,495
Accrued receivables		10,933,858	11,096,749
Receivables from related parties	23	5,874,676	6,537,813
Receivables from employees		1,064,716	1,048,211
		191,326,752	166,767,443
Allowance for impairment losses		(3,014,523)	(2,783,716)
		188,312,229	163,983,727
Less: Non-current portion		(80,249,296)	(58,453,299)
Current portion of accounts and notes receivable		108,062,933	105,530,428

The terms and conditions of the above receivables are as follows:

- Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the prevailing market rates. Titles to real estate properties are transferred to buyers once full payment has been made.

- Receivables from corporate business, construction contracts, shopping centers and management fees are collectible based on various terms of payments either monthly or quarterly upon billing.

- Advances to other companies mainly comprise of advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The advances are non-interest bearing and are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

Advances to other companies also include receivables from MRT Development Corporation (MRTDC) shareholders which pertain to interest-bearing advances made by NTDCC to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. As at December 31, 2024, receivables including interest from MRTDC shareholders amounted to P238.8 million (2023 - P309.5 million). On December 17, 2014, NTDCC and MRTDC shareholders executed a "funding and repayment agreement" wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables). Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro-rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from the Group. Set off shall be effective as at the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

- Accrued receivables, which are mainly arising from accrued rent and interest, and receivables from related parties are non-interest bearing and are due on demand.

- Receivables from employees pertain to housing, car, salary and other loans granted to the Group's employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates. In 2024, the Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P52.6 million (2023 - P45.0 million). The transactions were without recourse and did not result in any gain or loss (Note 23).

The movement in the allowance for impairment losses follow:

	Trade							
	Residential and office development	Shopping centers	Construction contracts	Corporate business	Management fees	Others	Advances to other companies	Total
At January 1, 2023	64,092	1,217,417	155,697	670,113	16,630	225,446	190,008	2,539,403
Provision during the year (Note 20)	46,803	65,210	-	262,887	-	103,434	-	478,334
Recoveries	-	(27,324)	(68,695)	-	(5,889)	(47,391)	-	(149,299)
Accounts written-off	(2,386)	-	-	-	(3,606)	(78,730)	-	(84,722)
At December 31, 2023	108,509	1,255,303	87,002	933,000	7,135	202,759	190,008	2,783,716
Provision during the year (Note 20)	30,266	63,221	-	154,816	-	-	-	248,303
Recoveries		(8,020)	-	(4,817)	-	(767)	-	(13,604)
Accounts written-off	(2,289)	-	-	(25,000)	-	-	-	(27,289)
Others	(13,298)	23,880	(50,171)	(8,360)	5,978	49,583	15,785	23,397
At December 31, 2024	123,188	1,334,384	36,831	1,049,639	13,113	251,575	205,793	3,014,523

In 2024, recoveries of previously impaired accounts amounting to P13.6 million is recognized within other income in the consolidated statement of income (2023 - P149.30 million).

In 2024, the Group sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party (Note 23), as follows:

	2024	2023
Proceeds from sale of receivables	13,076,317	13,303,623
Carrying amount	(14,782,227)	(15,110,443)
Loss on sale	(1,705,910)	(1,806,820)

The loss on sale is presented as financing expenses and other charges within other expenses in the consolidated statement of income.

6 Inventories

The account as at December 31 consists of:

	2024	2023
Real estate - at cost		
Residential and commercial lots	117,722,517	102,006,925
Residential and condominium units	106,878,200	104,852,762
Offices - at cost	1,959,360	2,456,824
	226,560,077	209,316,511

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and Condominium units	Offices	Total
At January 1, 2023		80,333,348	98,094,649	1,920,477	180,348,474
Land acquired during the year		1,199,505	2,463,675	-	3,663,180
Construction and development costs incurred		34,152,455	26,025,306	1,022,282	61,200,043
Cost of real estate sold	20	(23,080,092)	(21,730,868)	(485,935)	(45,296,895)
Transfers from investment properties	10	9,401,709	-	-	9,401,709
At December 31, 2023		102,006,925	104,852,762	2,456,824	209,316,511
Land acquired during the year		643,150	-	-	643,150
Construction and development costs incurred		42,154,642	40,104,709	-	82,259,351
Cost of real estate sold	20	(25,146,250)	(38,079,271)	(497,464)	(63,722,985)
Transfers (to) from investment properties	10	(1,935,950)	-	-	(1,935,950)
At December 31, 2024		117,722,517	106,878,200	1,959,360	226,560,077

As at December 31, 2024 and 2023, the Group has no purchase commitments, liens and encumbrances pertaining to its inventories.

7 Other current assets, net

The account as at December 31 consists of:

	2024	2023
Advances to contractors and suppliers	24,460,575	27,585,010
Prepayments	22,328,361	20,824,812
Creditable withholding taxes	15,526,236	12,220,825
Input value-added tax (VAT)	9,969,889	13,537,622
Materials, parts and supplies	1,650,821	1,505,046
Others, net	4,871,187	4,617,509
	78,807,069	80,290,824

Advances to contractors and suppliers pertain to prepayments for the construction inventories. These are recouped as application of payment to contractors and suppliers, which are expected to occur within 12 months.

Prepayments mainly consist of prepaid commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. In 2024, the cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to P2,364.6 million (2023 - P3,443.8 million). If a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract specific key performance indicators that could trigger variable consideration, or service credits.

Creditable withholding taxes are to be applied against income tax payable.

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

Materials, parts and supplies are expected to be used in the construction and maintenance of projects.

Others, net of related allowance for impairment loss, include deferred charges and letters of credit. Deferred charges pertain to project-related costs already paid but not yet consumed in the actual construction activities. These are expected to be utilized within one year.

8 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	Note	2024	2023
Shares of stock:			
Quoted		686,334	759,308
Unquoted		1,212,444	1,043,281
		1,898,778	1,802,589
Net unrealized fair value loss	17	(626,172)	(680,620)
		1,272,606	1,121,969

Investments in quoted shares of stock include shares held in clubs wherein the Group does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Group will continue to hold as part of the infrastructure that it provides to its real estate projects.

The movement in the financial assets at FVOCI for the years ended December 31 follows:

	2024	2023
At January 1	1,121,969	1,033,481
Additions	2,534	2,124
Disposal	-	(36,394)
Fair value changes during the year	57,054	205,077
Foreign exchange gain (loss) during the year	91,049	(82,319)
At December	1,272,606	1,121,969

There was no disposal of equity securities in 2024 (2023 - P42.9 million, recorded a gain of P6.5 million).

9 Investment in associates and joint ventures

The account as at December 31 consists of:

	Note	2024	2023
Investment in stocks - cost			
At January 1		24,435,142	25,651,600
Additions		366,648	1,920,000
Disposals		(55,500)	(52,935)
Reclassification to investment in subsidiary due to acquisition of control	1	(1,810,000)	(3,083,523)
At December 31		22,936,290	24,435,142
Accumulated equity in net earnings			
At January 1		6,449,193	5,921,822
Equity in net earnings		2,030,302	1,575,295
Dividends received		(624,899)	(915,983)
Disposals		(6,227)	-
Reclassification to investment in subsidiary due to acquisition of control	1	117,473	(131,941)
Impairment		(152,166)	-
Others		27,789	328,363
At December 31		7,841,465	6,777,556
Net carrying value		30,777,755	31,212,698

Details of the Group's investments in associates and joint ventures and the related effective percentages of ownership are shown below:

	Percentage of Ownership		Carrying amounts	
	2024	2023	2024	2023
Joint ventures:				
ALI-ETON Property Development Corporation (ALI ETON)	50%	50%	10,024,903	9,652,505
Emerging City Holdings, Inc. (ECHI)	50%	50%	4,420,137	4,190,077
Berkshires Holdings, Inc. (BHI)	50%	50%	2,151,267	2,052,670
Cebu District Property Enterprise, Inc. (CDPEI)*	100%	50%	-	1,704,003
Alveo-Federal Land Communities, Inc.	50%	50%	557,015	539,381
AyaGold Retailers, Inc. (AyaGold)	50%	50%	135,433	135,552
SIAL Specialty Retailers, Inc. (SIAL Specialty)	50%	50%	26,462	26,462
A-FLOW Properties I Corp	36%	36%	527,094	177,001
BYMCW, Inc.	-	30%	-	59,100
			17,842,311	18,536,751
Associates:				
Ortigas Land Corporation (OLC)	21%	21%	10,814,620	10,143,892
Bonifacio Land Corp. (BLC)	10%	10%	1,602,036	1,527,981
Rize-Ayalaland (Kingsway) GP, Inc. (Rize-Ayalaland)	49%	49%	473,542	804,166
Tianjin Eco-City Ayala Land Development Co., Ltd. (Tianjin Eco-City)	40%	40%	-	149,477
Lagoon Development Corporation (LDC)	30%	30%	45,246	50,431
			12,935,444	12,675,947
			30,777,755	31,212,698

**The Group reclassified the amount from investment in joint venture to investment in subsidiaries in 2024 (Note 1).*

The Parent Company considers an associate and a joint venture with material interest if its net assets exceed 5% of the total consolidated net assets of the Group as at reporting period and considers the relevance of the nature of activities of the associate and joint venture compared to other operations of the Group. The financial information of the Parent Company's significant associates and joint ventures with material interest follows:

The financial information of the associates with material interest:

OLC

ALI has a 21% stake in OLC that was purchased from existing OLC shareholders. OLC owns 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Set out below is the summarized financial information for OLC:

	2024	2023
Current assets	32,528,276	32,554,643
Non-current assets	35,260,570	28,827,055
Current liabilities	(22,512,719)	(23,147,183)
Non-current liabilities	(25,894,993)	(21,253,275)
Equity	19,381,134	16,981,240
Proportion of Group's ownership	21.0%	21.0%

	2024	2023
Group's share in identifiable net assets	4,070,038	3,566,060
Carrying amount of the investment	(10,814,620)	(10,143,892)
Fair value adjustments	(6,744,582)	(6,577,832)
Negative goodwill	(148,046)	(148,046)
Dividends received	99,856	77,592

	2024	2023
Revenue	14,802,433	12,769,959
Cost and expenses	(10,938,871)	(9,529,626)
Net income (continuing operations)	3,863,562	3,240,333
Parent Company's share in net income for the year	811,348	680,470
Total comprehensive income	3,834,466	2,553,524
Parent Company's share in total comprehensive income for the year	805,238	536,240

BLC

The Group has a 10% interest in BLC, which is involved in the purchase, subscription or otherwise disposal of real and personal properties. BLC is a private company incorporated on October 20, 1994. Its registered office and principal place of business is Taguig City, Philippines.

Set out below is the summarized financial information for BLC:

	2024	2023
Current assets	14,693,660	12,196,122
Non-current assets	34,390,233	34,509,206
Current liabilities	(2,838,176)	(2,976,354)
Non-current liabilities	(10,135,298)	(9,187,034)
Equity	36,110,419	34,541,940
Less: Non-controlling interest of BLC	(16,230,852)	(15,513,945)
Equity attributable to the equity holders of BLC	19,879,567	19,027,995
Proportion of Group's ownership	10.1%	10.1%
Group's share in identifiable net assets	2,007,836	1,921,828
Carrying amount of the investment	(1,602,036)	(1,527,981)
Fair value adjustments	405,800	393,847
Negative goodwill	405,800	393,847
Dividends received	125,043	84,877

	2024	2023
Revenue	9,264,350	6,969,474
Cost and expenses	(5,076,460)	(3,587,994)
Net income (continuing operations)	4,187,890	3,381,480
Less: Net income attributable to non-controlling interest of BLC	(1,831,378)	(1,593,209)
Net income attributable to the equity holders of BLC	2,356,512	1,788,271
Group's share in net income for the year	238,008	180,615
Total comprehensive income attributable to the equity holders of BLC	2,356,512	1,788,271
Group's share in total comprehensive income for the year	238,008	180,615

Aggregate financial information on the associates with immaterial interest (Rize-Ayalaland, Tianjin Eco-City and LDC) follows:

	2024	2023
Carrying amount	518,787	1,004,074
Share in net income from continuing operations	(32,546)	26,739
Share in total comprehensive income	(32,546)	26,739
Dividends received	-	53,323

The financial information of the joint ventures with material interest:

ALI Eton

	2024	2023
Current assets	26,718,451	22,043,118
Non-current assets	4,305,942	4,289,259
Current liabilities	(10,249,747)	(6,426,059)
Non-current liabilities	(814,444)	(371,951)
Equity	19,960,202	19,534,367
Proportion of Group's ownership	50.0%	50.0%
Group's share in identifiable net assets	9,980,101	9,767,184
Carrying amount of the investment	(10,024,903)	(9,652,505)
Fair value adjustments	(44,802)	114,679
Dividends received	-	-

	2024	2023
Revenue	4,488,688	3,617,321
Cost and expenses	(3,862,224)	(3,077,696)
Net income (continuing operations)	626,464	539,625
Group's share in net income for the year	313,232	269,813
Total comprehensive income	626,464	539,625
Group's share in total comprehensive income for the year	313,232	269,813

ECHI

	2024	2023
Current assets	14,763,273	12,240,523
Non-current assets	34,390,233	34,509,206
Current liabilities	(3,310,160)	(3,305,063)
Non-current liabilities	(10,135,298)	(9,187,034)
Equity	35,708,048	34,257,632
Less: Non-controlling interest of ECHI	(25,396,687)	(25,219,280)
Equity attributable to the equity holders of ECHI	10,311,361	9,038,352
Proportion of Group's ownership	50.0%	50.0%
Group's share in identifiable net assets	5,155,681	4,519,176
Carrying amount of the investment	(4,420,137)	(4,190,077)
Fair value adjustments	735,544	329,099
Dividends received	280,000	220,000

	2024	2023
Revenue	9,079,175	6,971,791
Cost and expenses	(5,205,348)	(3,595,568)
Net income (continuing operations)	3,873,827	3,376,223
Less: Net income attributable to non-controlling interest of ECHI	(2,819,570)	(2,455,573)
Net income attributable to the equity holders of ECHI	1,054,257	920,650
Group's share in net income for the year	527,129	460,325
Total comprehensive income attributable to the equity holders of ECHI	1,055,597	922,112
Group's share in total comprehensive income for the year	527,799	461,056

Aggregate financial information on joint ventures with immaterial interest (BHI, CDPEI*, Alveo-Federal, AyaGold,SIAL Specialty, A-Flow and BYMCW) is as follows:

	2024	2023
Carrying amount	3,397,271	4,694,169
Share in net income from continuing operations	210,708	132,130
Share in total comprehensive income	210,708	132,130
Dividends received	120,000	447,535

**The financial information of CDPEI is only presented in full year 2023 and for the10-month period in 2024 as investment in joint venture as the Group reclassified the amount from investment in joint venture to investment in subsidiaries in 2024 (Note 1).*

The following are the significant transactions affecting the Group's investments in associates and joint ventures:

Investments in BLC, ECHI, and BHI

As at December 31, 2024 and 2023, the Group's effective interest in BLC is 45.1%. The Parent Company's 5.3% direct investment in BLC and 4.8% through Regent Time aggregating 10.1% are accounted for using the equity method because the Parent Company has significant influence over BLC.

On April 17, 2003, the following transactions were consummated pursuant to the terms and conditions of the Assignment Agreement (Agreement), dated February 8, 2003, among the Parent Company, Evergreen Holdings, Inc. (EHI), Greenfield Development Corporation and Larouge, B.V. (Larouge), as amended, and the Agreement, dated November 23, 2002, among the Company, EHI and Neo Oracle Holdings, Inc. [formerly Metro Pacific Corporation (MPC)] as amended:

1. The assignment to the Parent Company and EHI of the rights and obligations of Larouge under the loan agreement between Larouge and Neo Oracle Holdings, Inc., pursuant to which, Larouge extended Neo Oracle Holdings, Inc. a loan in the principal amount of US$90.0 million, together with all the rights, title and interests of Larouge in the pledge constituted 50.4% of the outstanding shares in BLC. The consideration paid by the Company and EHI for such assignment was approximately US$90.0 million, subject in part to foreign exchange adjustment.

2. The assignment to the Parent Company and EHI, acting in this instance through the joint venture corporation, Columbus Holdings, Inc. (Columbus), of the controlling interest in BLC represents 50.4% of BLC's outstanding capital stock. This assignment was effected by Neo Oracle Holdings, Inc. under a dacion en pago arrangement, and included an assignment of payables of BLC in the principal amount of P655.0 million together with its underlying security in the form of shares in Fort Bonifacio Development Corporation (FBDC) representing 5.6% of its outstanding capital stock.

The Agreement, as amended, also provides for the constitution of a pledge over 5.0% of BLC's unencumbered shares as security for contingent liabilities and breach of representation and warranties. The pledge or lien over the 5.0% BLC shares shall continue to subsist until the third anniversary of the closing date.

The Parent Company and EHI jointly hold the 50.4% equity interest in BLC through ECHI and BHI. The Parent Company and EHI assigned the notes receivable from Neo Oracle Holdings, Inc. to ECHI and BHI, which acquired the shares of stock of Columbus. Columbus directly owns the 50.4% interest in BLC. BLC owns 55.0% interest in FBDC, the primary developer of certain areas in Fort Bonifacio Global City for residential, commercial and business development. Columbus accounted for the acquisition of the 50.4% interest in BLC using the purchase method.

Subsequent to this, the Parent Company and EHI acquired additional shares of BLC through a combination of direct acquisition and through its associates at varying dates.

On July 31, 2008, the Group acquired, through the Parent Company, Regent Time and Columbus, additional 4,360,178 shares of BLC from FBDC amounting to P689.0 million, equivalent to 7.7% ownership in BLC. In January and October 2009, a total of 2,295,207 BLC shares were acquired from Development Bank of the Philippines and MPC, pertaining to the pledged shares, through Columbus amounting to P362.6 million. This resulted in an increase in Group's effective interest in BLC to 45.4% and unchanged thereafter.

Investment in Rize-Ayalaland

Rize-Ayalaland (Kingsway) GP, Inc. was incorporated on January 25, 2013 under the laws of British Columbia, Canada. The Company's effective ownership is 49.0% through its Vancouver-based subsidiary, AyalaLand Real Estate Investments, Inc.

Investment in Tianjin Eco-City

Tianjin Eco-City is a registered Sino-foreign equity joint venture between RWIL and Sino-Singapore Tianjin Eco-City Investment & Development Co. (SSTEC) under the laws of the People's Republic of China to operate for 50 years until 2060. The agreement was entered into to develop a 19-tower residential complex in China, marking its initially foray into the growing China market. Its principal activities include property development rental, management property and parking lot management.

In 2024, the Group provided an allowance for impairment on the investment amounting to P152.17 million.

Investment in A-Flow Properties I Corp

On October 4, 2022, ALLHC entered into joint venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (FLOW PropCo)., a joint venture that will engage in the business of providing data center, co-location and other related services, including both space and power, to various entities such as hyperscalers and domestic enterprises, and will acquire and/or construct data center.

ALLHC's capital commitments is to fund equity required for the joint venture pari passu and on a pro rata basis to their agreed ownership ratio and in accordance with the terms of the agreement, provided that if there are shareholders of the A-FLOW PropCo other than FLOW, ALLHC and where applicable, their respective affiliates, the shareholders will fund equity based on their prevailing ownership ratio.

In 2024, ALLHC made additional infusions to A-Flow amounting to P366.65 million.

Investment in BYMCW, Inc.

On August 2, 2017, Bouygues Travaux Publics Philippines Inc. (BYTPPI) incorporated BYMCW Inc. (BYMCW) to engage in general building and contracting business. BYMCW's registered office address is at Unit 708 Tower One and Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City.

The Board of Directors, on August 25, 2020, approved the shortening of life of the entity up to October 31, 2021. This was ratified by the Stockholders on the same date. In October 2024, the entity has been completely liquidated and dissolved. Accordingly, net investment amount has been derecognized amounting to P49.27 million.

Investment in ALI-ETON Property Development Corporation

ALI-ETON Property Development Corporation was incorporated on March 13, 2016. The company is a joint venture between ALI and LT Group, Inc. ALI and LT Group, Inc. entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

In 2023, the Parent Company and LT Group, Inc. made additional equity infusions to ALI-Eton to fund the development requirements of Parklinks amounting to P1,920 million. There was no equity infusion made in 2024.

Investment in Cebu District Property Enterprise, Inc.

Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 venture between the Company and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4-hectare property in Subangdaku, Mandaue. In 2021, the Group made additional equity infusions to CDPEI amounting to P217.0 million.

On Nov. 4, 2024, ALI acquired the shares of Aboitiz Land, Inc. (“Aboitiz Land”) and Aboitiz Equity Ventures Inc. (“AEV”) in Cebu District Property Enterprise Inc. (“CDPEI”). As a result, CDPEI became a wholly owned subsidiary of ALI. The Group reclassified the amount from investment in joint venture to investment in subsidiaries in 2024 (Note 1). The fair value of previously held equity interest at acquisition date amounts to P1.68 billion, thereby recognizing P12.0 million remeasurement gain of previously held interest in the statement of comprehensive income. The fair value of net assets acquired amounts to P1.68 billion, recognizing goodwill (recognized within other assets) of P31.0 million.

Investment in Alveo-Federal Land Communities, Inc.

Alveo Land Corp. signed a Joint Venture Agreement (JVA) with Federal Land, Inc. last April 29, 2015 for equal ownership over AFLCI. The JV is for the development of Venido and Aveia projects located in Laguna near Nuvali.

Investment in AyaGold Retailers, Inc.

AyaGold Retailers, Inc., a joint venture between Entenso Equities Incorporated (EEI, a wholly owned subsidiary of Puregold Price Company, Inc.) and ALI Capital Corp. (a wholly-owned subsidiary of the Company and the holding company for its retail-related initiatives), was incorporated on October 2, 2013. It is organized primarily to finance, build and operate mid-market supermarkets for some of Company’s new integrated and mixed-use developments. The mid-market supermarkets will be carried under a new brand to be jointly developed by both ALI Capital Corp. and EEI. The partnership with EEI will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

Investment in SIAL Specialty

SIAL Specialty was incorporated on September 27, 2012 as a joint venture between ALI Capital Corp. and Store Specialist, Inc. (SSI). ALI Capital Corp. is a wholly-owned subsidiary of the Parent Company. SSI is one of the largest specialty retail companies in the Philippines with the exclusive distribution rights to a variety of brands from around the world.

The partnership, which combines ALI Capital Corp.’s expertise in developing mixed-use developments and SSI’s proven track record in retail, is aimed at pursuing retail solutions to address the growing and changing lifestyle needs of the market.

SIAL Specialty was organized primarily for the investment and operation of mid-market department stores and to pursue other investment opportunities in the Philippine retail sector.

On March 28, 2023, SEC approved the application to shorten the corporate life of SIAL Specialty up to June 30, 2024. As of December 31, 2024, the company is in the process of liquidation which has to be completed within the three-year cutoff period.

Investment in AKL Properties Inc.

The Parent Company’s investments in AKL is a 50:50 venture between Ayala Land, Inc. and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

In 2023, the Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the Group. The Group reclassified the amount from investment in joint venture to investment in subsidiaries beginning 2023.

10 Investment properties, net

The account as at December 31 consists of:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2023		69,198,105	155,499,303	67,258,139	291,955,547
Additions		6,698,242	5,851,111	3,220,622	15,769,975
Disposals		(738,648)	(831,255)	-	(1,569,903)
Transfers	6, 11	(15,217,749)	8,734,644	(6,328,729)	(12,811,834)
At December 31, 2023		59,939,950	169,253,803	64,150,032	293,343,785
Additions		14,961,538	3,101,327	11,463,391	29,526,256
Disposals		(530,720)	(335,552)	(22,668)	(888,940)
Transfers	6, 11	4,652,712	7,593,420	(6,974,634)	5,271,498
At December 31, 2024		79,023,480	179,612,998	68,616,121	327,252,599
Accumulated depreciation					
At January 1, 2023		-	45,921,444	-	45,921,444
Depreciation	20	-	5,669,598	-	5,669,598
Disposals		-	(488,916)	-	(488,916)
Transfers	11	-	671,444	-	671,444
At December 31, 2023		-	51,773,570	-	51,773,570
Depreciation	20	-	6,317,816	-	6,317,816
Disposals		-	(22,007)	-	(22,007)
Transfers	11	-	754,161	-	754,161
At December 31, 2024		-	58,823,540	-	58,823,540
Accumulated impairment losses					
December 31, 2023		160,378	348,218	-	508,596
December 31, 2024		160,378	348,218	-	508,596
Net book value					
December 31, 2023		59,779,572	117,132,015	64,150,032	241,061,619
December 31, 2024		78,863,102	120,441,240	68,616,121	267,920,463

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction-in-progress pertain to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets. The Group capitalized borrowing costs for investment properties under construction. In 2024, interest capitalized amounted to P614.8 million (2023 - P683.1 million). The capitalization rates are 3.09% to 6.22% (2023 - P4.5% to 6.0%) (Note 14).

The aggregate fair value of the Group's investment properties as at December 31, 2024 amounted to P694,884.8 million (2023 - P658,425.3 million) and is considered to be level 3 fair value.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancement, other than those already reflected or disclosed in the consolidated financial statements.

Certain short-term and long-term debts are secured by real estate mortgages covering both land and building. As at December 31, 2024, net book value of these investment properties amounted to P3,796.1 million (2023 - P3,154.5) (Note 14).

For the capital commitments, please refer to Note 27.

The relevant amounts in the consolidated statement of income for the years ended December 31, as relevant to investment properties, follow:

		(Amounts in millions)		
	Note	2024	2023	2022
Rental income from investment properties	18	35,863	32,896	27,197
Direct operating expenses		11,918	10,119	8,885

11 Property and equipment, net

The account as at December 31 consists of:

	Notes	Land, Buildings and Improvements	Machinery and Construction Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Hotel Property and Equipment	Total
Cost							
At January 1, 2023		14,248,088	14,099,735	10,102,612	3,642,124	25,342,896	67,435,455
Additions		856,253	1,519,063	1,212,661	871,384	1,232,393	5,691,754
Disposals		(264,780)	(512,673)	(274,539)	(16,845)	(1,539,616)	(2,608,453)
Transfers	10	3,223,868	-	175,296	10,961	-	3,410,125
At December 31, 2023		18,063,429	15,106,125	11,216,030	4,507,624	25,035,673	73,928,881
Additions		2,338,013	1,001,913	354,274	126,091	1,002,919	4,823,210
Disposals		(304,907)	(1,175,224)	(192,507)	(2,148,852)	(114,930)	(3,936,420)
Transfers		1,016,034	57,523	8,977	(5,697)	(4,412,385)	(3,335,548)
At December 31, 2024		21,112,569	14,990,337	11,386,774	2,479,166	21,511,277	71,480,123
Accumulated depreciation and amortization							
At January 1, 2023		8,392,816	10,932,813	5,265,276	1,847,419	4,843,292	31,281,616
Depreciation and amortization		736,456	750,001	559,352	275,238	746,775	3,067,822
Disposals	20	(115,576)	(436,643)	(311,367)	(14,115)	(132,631)	(1,010,332)
Transfers		(713,741)	(12,054)	56,350	(1,999)	-	(671,444)
At December 31, 2023		8,299,955	11,234,117	5,569,611	2,106,543	5,457,436	32,667,662
Depreciation and amortization	20	850,603	630,342	464,540	180,103	832,986	2,958,574
Disposals		(56,014)	(942,928)	(84,082)	(1,167,837)	(28,015)	(2,278,876)
Transfers		36,020	-	(1,022)	(2,806)	(786,352)	(754,160)
At December 31, 2024		9,130,564	10,921,531	5,949,047	1,116,003	5,476,055	32,593,200
Net book value							
December 31, 2023		9,763,474	3,872,008	5,646,419	2,401,081	19,578,237	41,261,219
December 31, 2024		11,982,005	4,068,806	5,437,727	1,363,163	16,035,222	38,886,923

As at December 31, 2024, assets under constructions amounting to P11,690.65 million (2023 - P9,391.20 million) are included in the buildings and improvements and hotel property. In 2024, the Group capitalized borrowing costs for property and equipment under construction amounted to P67.9 million (2023 - nil). The capitalization rates are 3.09% to 6.22% (Note 14).

As at December 31, 2024, the Group has no restrictions on its property and equipment and none of these have been pledged as security for its obligations. Capital expenditures for hotel buildings in the course of construction amounted to P1,215.4 million (2023 - P923.4 million).

In 2024, the total contractual commitments arising from awarded contracts for the acquisition, development and construction of property and equipment amounted to P2,212.7 million (2023 - P1,242.1 million).

12 Other non-current assets

The account as at December 31 consists of:

	Note	2024	2023
Prepayments		22,446,159	16,744,120
Advances to contractors and suppliers		8,640,107	8,508,364
Leasehold rights		3,048,807	3,226,493
Deposits - others		2,220,404	2,839,321
Deferred input VAT		1,132,445	1,240,951
Net pension assets	24	158,054	352,313
Development rights		37,678	37,678
Others		504,991	461,259
		38,188,645	33,410,499

Prepayments consist of project costs incurred for unlaunched projects of the Group, advance rental payments and non-current prepaid management fees. Project costs related to unlaunched projects pertain to pre-construction costs or pre-development costs such as prepayments on professional fees, mobilization costs, and technical due diligence, among others, which will be reclassified to appropriate account upon project launch. This also includes the non-current portion of cost to obtain contracts which includes prepaid commissions and advances to brokers, which amounted to P974.5 million in 2024 (2023 - P856.82 million).

Advances to contractors and suppliers represent prepayments for the construction of investment properties and property and equipment.

Leasehold rights mainly consist of the following:

- Through the acquisition of ALLHC, the Group acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) which amounted to P2,554.8 million as at December 31, 2024 (2023 - P2,711.8 million) (Note 31).
- TKPI's leasehold rights pertains to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029 which amounted to P33.4 million as at December 31, 2024 (2023 - P40.1 million).
- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center which amounted to P451.2 million as at December 31, 2024 (2023 - P471.2 million).

Movements in leasehold rights follow:

	2024	2023
At January 1	3,226,493	3,293,473
Additions	9,167	-
Amortizations	(186,853)	(66,980)
At December 31	3,048,807	3,226,493

Deposits - others pertain to various utility deposits and security deposits for leases.

Deferred input VAT pertains to unamortized VAT portion from purchases of capital goods.

Development rights pertain to the saleable and non-saleable development rights acquired by the Parent Company. The non-saleable portion is allocated to the gross floor area of a structure in a particular lot that can be developed in the future. The amortization of development rights is capitalized as additional cost of the structure once the development commences.

Others pertain to prepayments for expenses that are amortized for more than one year.

13 Accounts and other payables

The account as at December 31 consists of:

	Note	2024	2023
Accounts payable		131,593,280	112,906,119
Taxes payable		24,166,328	22,798,500
Liability for purchased land		4,963,944	7,508,478
Accrued salaries and employee benefits		4,388,340	4,575,640
Retentions payable		4,097,484	4,109,606
Interest payable		2,559,132	2,204,982
Accrued utilities		1,805,480	1,870,260
Accrued advertising and promotions		997,008	927,854
Accrued professional and management fees		815,660	1,381,895
Payable to related parties	23	758,025	714,068
Accrued repairs and maintenance		206,114	454,402
Dividends payable		103,089	63,222
Accrued rentals		96,189	9,959
Other accrued expenses		3,514,192	2,950,457
		180,064,265	162,475,442

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30 to 60 days.

Taxes payable pertain to the Group's output VAT, expanded withholding tax, capital gains tax and fringe benefit tax payable.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired. These are normally payable in quarterly or annual installment payments, or upon demand.

Retentions payable pertain to the amount withheld by the Group on contractor's billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as security from the contractor should there be defects in the project.

Other accrued expenses consist mainly of accruals from commissions, royalty, transportation, and travel, janitorial and security, postal and communication and other expenses.

14 Short-term and long-term debts

As at December 31, 2024, short-term debts amounting to P20,671.0 million (2023 - P16,905.1 million) represent both Peso and foreign currency-denominated bank loans. Philippine Peso-denominated short-term bank loans have a weighted average cost of 6.22% per annum in 2024 (2023 - 6.00%).

Certain long-term debts, availed from a related party entity (Note 23), are secured by real estate mortgages on investment properties (Note 10).

The outstanding long-term debts issued by the Group, net of related unamortized debt issuance cost follows:

Year Issued	Maturity year	Term (Years)	Interest Rate	Principal Amount	Carrying Value 2024	Carrying Value 2023	Features
Bonds							
Parent Company							
2013	2033	20	6.00%	2,000,000	1,989,334	1,988,434	Unsecured ; fixed; interest payable semi-annually
2016	2026	10	4.85%	8,000,000	7,987,266	7,978,689	Unsecured ; fixed; interest payable semi-annually
2016	2025	9	4.75%	7,000,000	6,992,501	6,984,430	Unsecured ; fixed; interest payable semi-annually
2017	2027	10	5.26%	7,000,000	6,990,112	6,986,235	Unsecured ; fixed; interest payable semi-annually
2019	2024	5	4.76%	3,000,000	-	2,993,838	Unsecured ; fixed; interest payable quarterly
2019	2026	7	6.37%	8,000,000	7,977,618	7,962,227	Unsecured ; fixed; interest payable quarterly
2019	2027	8	4.99%	1,000,000	983,758	976,665	Unsecured ; fixed; interest payable quarterly
2020	2025	5	3.86%	6,250,000	6,237,893	6,222,200	Unsecured ; fixed; interest payable quarterly
2021	2025	4	3.63%	10,000,000	9,989,594	9,959,900	Unsecured ; fixed; interest payable quarterly
2021	2031	10	4.08%	3,000,000	2,983,627	2,981,600	Unsecured ; fixed; interest payable quarterly
2022	2024	2	4.40%	12,000,000	-	11,964,602	Unsecured ; fixed; interest payable quarterly
2022	2028	6	5.81%	12,000,000	11,945,937	11,931,740	Unsecured ; fixed; interest payable quarterly
2022	2027	5	6.21%	7,000,000	6,957,383	6,942,199	Unsecured ; fixed; interest payable quarterly
2022	2029	7	6.80%	14,000,000	13,890,083	13,870,013	Unsecured ; fixed; interest payable quarterly
2023	2028	5	6.03%	10,075,000	9,983,971	9,961,324	Unsecured ; fixed; interest payable quarterly
2023	2033	10	6.29%	4,925,000	4,870,924	4,866,279	Unsecured ; fixed; interest payable quarterly
2024	2034	10	6.99%	6,000,000	5,925,274	-	Unsecured ; fixed; interest payable quarterly
2024	2034	10	6.13%	8,000,000	7,901,778	-	Unsecured ; fixed; interest payable quarterly
Subsidiary							
2024	2029	5	4.50%	3,840,000	3,883,463	-	Unsecured ; fixed; interest payable semi-annually
					117,490,516	114,570,375	
Loans							
Parent Company							
2017-2024	2027 - 2034	6 - 10 years	3.75% - 6.40%	99,697,475	96,303,799	82,750,548	Unsecured except for P306.0 million principal loan amount secured with investment property; Fixed interest rates; Floating BVAL + margin
Subsidiaries							
2016 - 2024	2025 - 2032	3 - 10 years	2.40% - 7.26%	50,359,620	47,690,647	44,028,232	Unsecured except for P15.51 billion principal loan amount secured with various collaterals; Fixed interest rates; Floating BVAL + margin
					261,484,962	241,349,155	
Current portion of long-term debts					26,238,534	18,969,421	
Long-term debts, net of current portion					235,246,428	222,379,734	

The movement in unamortized debt issuance cost of the Group for the years ended December 31 follows:

	2024	2023
At January 1	1,328,536	1,350,890
Addition	306,569	371,208
Amortization (included within interest expense and other financing charges)	(275,709)	(393,562)
At December 31	1,359,396	1,328,536

On July 18, 2024, the ALI raised P20.5 billion in debt capital through its Sustainability-Linked Financing (SLF) Program. The funding package includes a P6.0 billion Sustainability-Linked Bond (SL - Bond) and P14.5 billion Sustainability-Linked Loan (SL-Loan) (included in the long-term loans) from the International Finance Corporation (IFC). Subsequently, on October 23, 2024, ALI listed an P8 billion 10-year SL-Bond on the Philippine Dealing & Exchange Corp. (PDEx), issued under the existing ₱50.00 Billion Securities Program rendered effective on June 13, 2023. The SLF Program aligns with ALI's financial commitments with its environmental targets. The interest rates of the SL-Bond and SL-Loan are linked to ALI’s performance on key sustainability metrics of which the applicable interest rate shall be equal to the original interest rate plus 0.05% for each occurrence of unmet key sustainability metrics. Based on reasonably possible change in interest rates resulting from potential unmet sustainability metrics, total contractual interests may increase by 4.13% to 4.88%.

On August 8, 2024, the Group made a first issuance of RM300 million in nominal value pursuant to its Sukuk Murabahah Programme.

The long-term loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the Company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Group as at December 31, 2024 and 2023.

The Group is required to maintain a debt-to-equity ratio not exceeding 3:1. The Group has complied with the debt covenants as at December 31, 2024 and 2023 (Note 27.2).

15 Deposits and other current liabilities

This account as at December 31 consists of:

	2024	2023
Current portion of customers' deposits	14,906,785	29,988,271
Security deposits	3,696,065	3,065,471
Others	1,179,570	1,078,242
	19,782,420	34,131,984

Customers' deposits consist of collections from real estate customers who have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized revenue based on percentage of completion. In 2024, the amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to P21,492.2 million (2023 - P20,873.4 million and 2022 - P16,779.9 million).

Security deposits are equivalent to three to six months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. These will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Other current liabilities mainly pertain to accrued project costs and unearned income.

16 Deposits and other non-current liabilities

This account consists of:

	2024	2023
Deposits	17,037,170	14,745,702
Customers' deposits, net of current portion	10,060,199	9,289,576
Retentions payable	5,773,894	4,905,747
Contractors' payable	5,637,478	4,629,579
Liability for purchased land	5,044,725	7,043,929
Deferred output VAT	559,285	768,641
Subscriptions payable	507,550	507,550
Other liabilities	719,763	748,057
	45,340,064	42,638,781

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three to six months' rent of long-term tenants with non-cancellable leases. These will be refunded to the lessees at the end of the lease term or applied to the last months' rentals on the related contracts. Deferred credits which are also recognized under "Deposits" account pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Group for the processing of title are charged to this account.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion.

Liability for purchased land pertains to the non-current portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three or five years.

Retentions payable pertain to the amount withheld by the Group on contractors' billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retentions payable serve as security from the contractors when there are claims for defects in projects requiring rework.

Contractors' payable represent accrued costs incurred for property development that are not yet billed.

Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

The Group's subscription payable pertains mainly to ALLHC's investment in Cyber Bay.

- On April 25, 1995, Central Bay, a wholly owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project (the Project) consisting of three partially reclaimed and substantially eroded islands (the Three Islands) along Emilio Aguinaldo Boulevard in Parañaque and Las Piñas, Metro Manila with a combined total area of 157.8 hectares, another area of 242.2 hectares contiguous to the Three Islands and, at Central Bay's option as approved by the PRA, an additional 350 hectares more or less to regularize the configuration of the reclaimed area.

- On March 30, 1999, the PRA and Central Bay executed an Amended Joint Venture Agreement (AJVA) to enhance the Philippine Government's share and benefits from the Project which was approved by the Office of the President of the Philippines on May 28, 1999.

- On July 9, 2002, the Supreme Court (SC) (in the case entitled "Francisco Chavez vs. Amari Coastal Bay and Reclamation Corp.") issued a ruling declaring the AJVA null and void. Accordingly, PRA and Central Bay were permanently enjoined from implementing the AJVA.

- On July 26, 2002, Central Bay filed a Motion for Reconsideration (MR) of said SC decision. On May 6, 2003, the SC En Banc denied with finality Central Bay's MR. On May 15, 2003, Central Bay filed a Motion for Leave to Admit Second MR. In an En Banc Resolution of the SC dated July 8, 2003, the SC resolved to admit the Second MR of Central Bay.

- On November 11, 2003, the SC rendered a 7-7 split decision on Central Bay's Second MR. Because of the new issues raised in the SC's latest resolution that were never tried or heard in the case, Central Bay was constrained to file on December 5, 2003 a Motion for Re-deliberation of the SC's latest resolution which motion was denied with finality by the SC.

- With the nullification of the AJVA, Central Bay has suspended all project operations. On August 10, 2007, in view of the failure by the PRA to comply with its obligations and representations under the AJVA, Cyber Bay and Central Bay have filed their claims for reimbursement of Project expenses in the amount of P10,200.0 million with the PRA. Cyber Bay and Central Bay provided the PRA with the summary and details of their claims on September 5, 2007. On July 15, 2008, Cyber Bay sent a follow-up letter to the PRA. The PRA, in its letter dated July 18, 2008, informed Cyber Bay that its claim is still being evaluated by the PRA.

- A series of petitions and motion for reconsideration were filed by Central Bay. In a Decision dated April 5, 2022, the Supreme Court declared the Compromise Agreement between Central Bay Reclamation and Development Corporation (Central Bay) and the Philippine Reclamation Authority void ab initio for being contrary to the 1987 Constitution, Executive Order No. 292, Administrative Code of 1987, and the Government Auditing Code of the Philippines. Further, the Supreme Court disallowed Central Bay's money claims except for the amount of Seven Hundred Fourteen Million Nine Hundred Thirty-Seven Thousand Seven Hundred Ninety and 29/100 Pesos (Php714,937,790.29) representing advance payment for the reclamation and project development. Central Bay then filed a Motion for Reconsideration dated December 15, 2022.

- In a Resolution dated February 7, 2023, the Supreme Court denied with finality Central Bay's Motion for Reconsideration dated December 15, 2022, and affirmed the Commission on Audit's (COA) Decision dated 23 May 2019 in COA CP Case No. 2010-350. In the Notice, it stated that Entry of Judgment will be made immediately.

- As at December 31, 2024 and 2023, the Group has unpaid subscription in Cyber Bay amounting to P481.7 million.

Other liabilities include non-trade payables, accrued payables and warranty payables.

17 Equity

Paid in capital

The composition and movement of paid-in capital excluding treasury shares follow:

	Capital stock (including subscribed stock)	Additional paid in capital	Subscriptions receivables	Total paid-in capital
Balances at January 1, 2022	16,687,844	65,494,263	(2,284,639)	79,897,468
Share-based compensation	-	78,860	-	78,860
Stock options exercised	14,172	451,829	(466,001)	-
Collection of subscription receivable	-	-	274,372	274,372
Stock issuance for properties	75,046	4,112,495	-	4,187,541
Acquisition of non-controlling interest	236,534	12,962,089	-	13,198,623
Balances at December 31, 2022	17,013,596	83,099,536	(2,476,268)	97,636,864
Share-based compensation	-	149,456	-	149,456
Stock options exercised	14,579	317,960	(332,539)	-
Collection of subscription receivable	-	-	311,945	311,945
Collection of VPS conversion	-	16,777	-	16,777
Balances at December 31, 2023	17,028,175	83,583,729	(2,496,862)	98,115,042
Share-based compensation	-	107,468	-	107,468
Stock options exercised	9,894	275,270	(285,164)	-
Collection of subscription receivable	-	(31,017)	432,437	401,420
Collection of VPS conversion	-	84	-	84
Balances at December 31, 2024	17,038,069	83,935,534	(2,349,589)	98,624,014

The details of the number of shares and amount of capital stock follow:

	2024				Total capital stock (at par)
	Number of Shares*		Amount*		
	Preferred	Common	Preferred	Common	Amount
Authorized	15,000,000	20,000,000	1,500,000	20,000,000	
Issued**	13,066,495	15,611,430	1,306,649	15,611,430	16,918,079
Subscribed	-	119,990	-	119,990	119,990
	13,066,495	15,731,420	1,306,649	15,731,420	17,038,069

	2023				Total capital stock (at par)
	Number of Shares*		Amount		
	Preferred	Common	Preferred	Common	Amount
Authorized	15,000,000	20,000,000	1,500,000	20,000,000	
Issued**	13,066,495	15,595,195	1,306,649	15,595,195	16,901,844
Subscribed	-	126,331	-	126,331	126,331
	13,066,495	15,721,526	1,306,649	15,721,526	17,028,175

	2022				Total capital stock (at par)
	Number of Shares*		Amount		
	Preferred	Common	Preferred	Common	Amount
Authorized	15,000,000	20,000,000	1,500,000	20,000,000	
Issued**	13,066,495	15,580,699	1,306,649	15,580,699	16,887,348
Subscribed	-	126,248	-	126,248	126,248
	13,066,495	15,706,947	1,306,649	15,706,947	17,013,596

**Number of shares and amount are expressed in thousands.*
***The number of issued shares include treasury shares.*

(i) Preferred Shares (P0.10 par value per share)

The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, non-cumulative; (c) non-participating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that non-voting shares do not count as equity when computing for a Parent Company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of P0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by P1,300.0 million creating new voting preferred shares and a stock rights offer of 13,000 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges: (a) voting; (b) dividend rate of 4.7% per annum, equivalent to 90.0% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and, (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by P1,303.5 million, the aggregate par value of the 13,034.6 million preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
b. The amendments to Articles of Incorporation reflecting the decrease in capital stock.

On June 24, 2022, 623,392,160 Voting Preferred Shares (VPS) were redeemed. The remaining number of outstanding VPS is 12,443,102,599. All of the redeemed VPS will be retired subject to the final approval of the SEC.

As at December 31, 2024, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2023 - P1,244 million and 2022 - P1,244 million) at P0.10 par value.

(ii) Common Shares (P1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The roll forward analysis of the common shares follows:

	Number of Shares			Amount		
	2024	2023	2022	2024	2023	2022
	(in thousands)			(in thousands)		
Issued capital stock						
At beginning of year	15,595,195	15,580,699	15,257,294	15,595,195	15,580,699	15,257,294
Issued shares	16,235	14,496	323,405	16,235	14,496	323,405
At end of year	15,611,430	15,595,195	15,580,699	15,611,430	15,595,195	15,580,699
Subscribed capital stock						
At beginning of year	126,331	126,248	123,901	126,331	126,248	123,901
Issued shares	(16,236)	(14,496)	(11,825)	(16,236)	(14,496)	(11,825)
Additional subscriptions	9,895	14,579	14,172	9,895	14,579	14,172
At end of year	119,990	126,331	126,248	119,990	126,331	126,248
	15,731,420	**15,721,526**	**15,706,947**	**15,731,420**	**15,721,526**	**15,706,947**
Less: Treasury shares at par	(1,031,445)	(779,350)	(642,284)	(1,031,445)	(779,350)	(642,284)
Issued and outstanding	14,699,975	14,942,176	15,064,663	14,699,975	14,942,176	15,064,663

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ Offer price	Date of approval
Class B shares	800,000,000	Par Value - P1.00/ Issue Price P26.00	April 18, 1991
Class B shares	400,000,000	Par Value - P1.00*	July 6, 1992
Class A shares	900,000,000	Par Value - P1.00**	July 5, 1993
Class B shares	600,000,000	Par Value - P1.00**	July 5, 1993

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997
**Increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000.00*
***Increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*
****In absolute number*

The following are the number of holders of securities as of December 31:

	2024	2023	2022
Number of holders of securities****	12,960	13,115	13,181

*****Net of treasury shares*

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2024, the Parent Company has 12,960 existing shareholders (2023 - 13,115 existing shareholders, and 2022 - 13,181 existing shareholders).

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of P1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On July 10, 2012, the Parent Company's Executive Committee approved the placement of 680 million listed common shares of stock with par value of P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of P13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to P200.0 million.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P162.4 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of P33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of P16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P194.0 million.

Equity Reserves

The increase in equity reserve from 2024 transactions amounted to P9,774.1 million is resulting from the following transactions:

- On January 26, 2024, Ayala Land, and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181,000,000 common shares of AREIT at a transaction price of P31.10/share, equivalent to P5.63 billion. On May 20, 2024, ALI, and its wholly-owned subsidiary, Westview Commercial Ventures Corp., sold an aggregate of 98,000,000 common shares of AREIT at a transaction price of P32.45/share, equivalent to P3.18 billion. Lastly, in the last quarter of 2024, ALI sold an aggregate of 150,000,000 common shares of AREIT at an average transaction price of P36.60/share, equivalent to P5.49 billion. All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control. Impact to to equity reserves amounted to increase of P9,774.1 million.

The increase in equity reserve from 2023 transactions amounted to P3,917.0 million is resulting from the following transactions:

- On March 29, 2023, ALI sold 205,000,000 shares of AREIT at a transaction price of P32.10 per share, equivalent to P6.58 billion with an increase to equity reserves amounting to P4,406.5 million, in relation to its P22.5 billion property-for-share swap transaction with AREIT.

- The Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of P31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 36). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. The impact to equity reserves is a decrease of P357.13 million in 2023.

- On November 14, 2023, the Parent Company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of P203.58 million from the existing investor which is equivalent to a 5% stake in the company. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves is a decrease of P132.15 million.

The decrease in equity reserve from 2022 transactions amounted to P7,796.5 million is resulting from the following transactions:

- On January 20, 2022, the Board of Directors of ALI approved a property-for-share swap with AC and Mermac, Inc. (Mermac). Under the transaction, AC will subscribe to 309,597,711 primary common shares for assets valued at P17,275.55 million, and Mermac will subscribe to 1,982,289 primary common shares for assets worth P110.61 million, totaling 311,580,000 primary common shares at a value of P55.80 per share, as validated by a third-party fairness opinion. The primary common shares issued by ALI to AC and Mermac came from the unissued shares in the 1-Billion Common Shares Carve Out approved by ALI shareholders in 2014. The said shares are not subject to pre-emptive rights and do not require stockholders' approval under the Seventh Article of the Articles of Incorporation of ALI. On April 27, 2022, ALI sold 87,370,000 shares of AREIT at a transaction price of P39.70 per share, equivalent to P3.47 billion (exclusive of fees and taxes). ALI’s net equity reserve from the sale of AREIT shares aggregated to a decrease of P2.53 billion out of the P3.40 billion net proceeds. This transaction was executed in relation to the property-for-share swap transaction with AREIT.

  On May 19, 2022, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction involving the issuance of 252,136,383 primary common shares of AREIT to ALI, at an issue price of P44.65 per share in exchange for identified properties valued at P11,257.89 million. This was approved by the SEC on December 29, 2022.

  On December 29, 2022, the property-for-share swap has been approved by the SEC. As a result, ALI received 258,023,645 common share of Ayala Hotels Inc. (AHI) representing 50% ownership of the entity. This transaction was regarded as acquisition involving common control with an impact to equity reserves amounting to P9,800.78 million in 2022.

  On December 29, 2022, ALI and AREIT executed the Amendment to the Deed of Exchange to set October 1, 2022 as the effective date of assignment by ALI of the income of the properties and the tenant lease contracts and permits to AREIT.

- ALI acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022. The acquisition involved entities under control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. Impact to equity reserves as a result of this transaction amounted to P523.36 million.

Treasury shares

The composition and movement of the account follow:

	Common				Preferred				Total Amount of Treasury Shares
	Number of shares	Par Value	Average share Price	Amount	Number of shares	Par Value	Average share Price	Amount	
	(in absolute amount)			*(in thousands)*	*(in absolute amount)*			*(in thousands)*	
Balances at January 1, 2022	571,069,282	P1.00		16,894,380	-	-		-	16,894,380
Acquisition of treasury shares	71,214,524		P29.82	2,123,937	623,970,536		P0.10	62,397	2,186,334
Balances at December 31, 2022	642,283,806	P1.00		19,018,317	623,970,536	P0.10		62,397	19,080,714
Acquisition of treasury shares	137,066,108		P26.96	3,695,618	29,192		P1.00	29	3,695,647
Balances at December 31, 2023	779,349,914	P1.00		22,713,935	623,999,728	P0.10		62,426	22,776,361
Acquisition of treasury shares	252,094,900		P29.16	7,351,388	2,500		P1.00	3	7,351,391
Balances at December 31, 2024	1,031,444,814	P1.00		30,065,323	624,002,228	P0.10		62,429	30,127,752

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at P30.50 per share resulting in additional paid-in capital of P1,601.6 million.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation in its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 million.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company's current share buyback program bringing the available balance to P26.1 billion. The program has been implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

The Board of Directors, at its special meeting held on March 12, 2024, approved the retirement of 1,374,477,380 common Treasury Shares arising from the internal mergers as follows:

a. 883,171,005 Treasury Shares arising from the merger with wholly owned entities, subject to regulatory approvals on the merger and issuance of shares: and
b. 491,306,375 Treasury Shares arising from the merger with Cebu Holdings, Inc. and its former subsidiaries, Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp. and Central Block Developers, Inc.

Accumulated comprehensive loss

The composition and movement of the account follows:

	Attributable to equity holders of Ayala Land, Inc.			
	Remeasurement gain (loss) on Defined Benefit Plans (Note 24)	Fair value reserve of financial assets at FVOCI (Note 8)	Cumulative Translation Adjustments	Total
Balances at January 1, 2022	(33,279)	(880,895)	261,612	(652,562)
Other comprehensive income attributable to equity holders of Ayala Land, Inc.	140,221	2,982	176,384	319,587
Balances at December 31, 2022	106,942	(877,913)	437,996	(332,975)
Other comprehensive (loss) income attributable to equity holders of Ayala Land, Inc.	(588,612)	197,293	(545,675)	(936,994)
Balances at December 31, 2023	(481,670)	(680,620)	(107,679)	(1,269,969)
Other comprehensive income (loss) attributable to equity holders of Ayala Land, Inc.	(229,250)	54,448	920,893	746,091
Balances at December 31, 2024	(710,920)	(626,172)	813,214	(523,878)

The cumulative translation adjustments represent exchange differences arising from the translation of financial statements of the subsidiaries with foreign operations, whose functional currency is other than Philippine Peso.

Retained earnings

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

	Attributable to equity holders of Ayala Land, Inc.		
	2024	2023	2022
Appropriated	25,000,000	25,000,000	25,000,000
Unappropriated	199,238,823	177,381,286	158,535,858
	224,238,823	202,381,286	183,535,858

(i) Appropriated Retained Earnings

As at December 31, 2024 and 2023, retained earnings of P25,000.0 million are appropriated for future expansion.

The increase of P17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 20k sqm Gross Leasable Area (GLA), 2 BPO towers with 31k sqm GLA and a 265-room hotel with total estimated cost of P11 billion, for completion phase until 2027.

b) Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the Board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, three office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at P5 billion, for completion in 2027.

c) Vermosa, which is a700-hectare estate located south of Ayala Alabang. It is a mixed-use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the Board on May 19, 2017. Estimated cost for this project is at P2.5 billion, for completion in phases by 2025.

d) Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2026.

Retained earnings also include undistributed net earnings amounting to P129,355.02 million as at December 31, 2024 (2023 - 121,264.74), representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees. The Parent Company's retained earnings available for dividend declaration, in accordance with SEC regulations, as at December 31, 2024 amounted to P74.97 billion (2023 - P62.75 billion).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

(ii) Unappropriated Retained Earnings

The Parent Company declared dividends as follows:

Dividends for the year ended December 31, 2024

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 24, 2024	November 8, 2024	November 22, 2024	P0.2913	4,289.78
Unlisted voting preferred share	May 28,2024	June 11, 2024	June 25, 2024	P0.0063	78.74
Common share	February 20,2024	March 5,2024	March 21,2024	P0.2050	3,063.15
					7,431.67

Dividends for the year ended December 31, 2023

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 25,2023	November 13, 2023	November 24, 2023	P0.2231	3,334.40
Unlisted voting preferred share	May 30, 2023	June 13, 2023	June 27, 2023	P0.006	78.75
Common share	February 1, 2023	March 7, 2023	March 23, 2023	P0.1495	2,249.00
					5,662.15

Dividends for the year ended December 31, 2022

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 21, 2022	November 8, 2022	November 18, 2022	P0.1355	1,999.60
Unlisted voting preferred share	May 31, 2022	June 9, 2022	June 22, 2022	P0.0047	62.00
Common share	February 24, 2022	March 11, 2022	March 25, 2022	P0.1352	2,000.40
					4,062.00

Non-controlling interest

The Parent Company considers a subsidiary as having a material NCI if its net assets exceed 5% of the total consolidated net assets of the Group as at reporting period and considers the relevance of the nature of activities of the subsidiary compared to other operations of the Group. The financial information on the Parent Company's significant subsidiaries with material NCI are presented in the subsequent page.

AREIT

AREIT was incorporated on September 4, 2006. As at December 31, 2024, it is 41% owned by ALI (2023 - 43%), 9% owned by ALMI (2023 - 12%), 2% owned by NBCC (2023 - 12%), 2% owned by GPVI, 1% owned by CIHCI (2023 - 4% owned by ALO, 3% owned by GDI, 2% owned by WCVC) and 45% (2023 - 34%) by the public after being listed in the Philippine Stock Exchange (PSE) on August 13, 2020. It was organized primarily as a real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations and other applicable laws.

The related balances for the years ended December 31 follows:

	2024	2023
Proportion of equity interests held by non-controlling interests	45.0%	34.0%
Accumulated balances of material non-controlling interests	17,610,136	7,039,983
Net income allocated to material non-controlling interests	2,051,718	1,023,641
Comprehensive income allocated to material non-controlling interests	2,051,718	1,023,641

The summarized financial information of AREIT as at and for the years ended December 31, 2024 and 2023 are provided below. This information is based on amounts before inter-company eliminations.

	December 31, 2024	December 31, 2023
Statement of financial position		
Current assets	4,557,171	5,357,019
Non-current assets	118,665,512	87,915,273
Current liabilities	(5,506,434)	(5,926,645)
Non-current liabilities	(4,345,726)	(3,935,810)
Total equity	113,370,523	83,409,837
Attributable to:		
Equity holders of AREIT	113,370,523	83,409,837
Non-controlling interests	-	-
Dividends paid to non-controlling interests	-	-

	For the years ended December 31	
	2024	2023
Statement of comprehensive income		
Revenue	10,259,167	7,140,336
Cost and expenses	2,938,988	2,100,959
Income before income tax	7,320,179	5,039,377
Provision for income tax	(3,114)	(1,067)
Income from operations	7,317,065	5,038,310
Other comprehensive income	-	-
Total comprehensive income	7,317,065	5,038,310
Attributable to:		
Equity holders of AREIT	7,317,065	5,038,310
Non-controlling interests	-	-
Statement of cash flows		
Operating activities	7,299,118	6,545,044
Investing activities	(88,235)	(2,038,849)
Financing activities	(7,181,468)	(4,527,190)
Net (decrease) increase in cash and cash equivalents	29,415	(20,995)

The fair value of the investment in AREIT amounted to P67,475 million as at December 31, 2024 (2023 - P52,266 million).

ALLHC and Subsidiaries

ALLHC was incorporated in the Republic of the Philippines. It is engaged in real estate and property development, manufacturing and retailing/distribution, non-life insurance and other allied services, organized under a number of intermediate holding companies. The Company wholly owns Tutuban Properties, Inc., which holds the lease and development rights over Tutuban Center in downtown Divisoria.

	2024	2023
Proportion of equity interests held by non-controlling interests	28.5%	28.5%
Accumulated balances of material non-controlling interests	4,470,905	4,199,052
Net income allocated to material non-controlling interests	200,150	190,822
Comprehensive income allocated to material non-controlling interests	200,150	190,822

The summarized financial information of ALLHC is provided below. This information is based on amounts before inter-company eliminations:

	December 31, 2024	December 31, 2023
Statement of financial position		
Current assets	11,304,509	10,624,856
Non-current assets	19,444,598	17,861,463
Current liabilities	(9,856,805)	(9,028,381)
Non-current liabilities	(6,004,106)	(5,551,520)
Total equity	14,888,196	13,906,418
Attributable to:		
Equity holders of ALLHC	14,618,160	13,635,607
Non-controlling interests	270,036	270,811
Dividends paid to non-controlling interests	-	-

	For the years ended December 31	
	2024	2023
Statement of comprehensive income		
Revenue	5,187,814	3,499,326
Cost and expenses	(4,401,187)	(2,765,088)
Income before income tax	786,627	734,238
Provision for income tax	(85,970)	(99,144)
Income from operations	700,657	635,094
Other comprehensive loss	26,474	41,459
Total comprehensive income	727,131	676,553
Attributable to:		
Equity holders of ALLHC	726,572	624,208
Non-controlling interests	559	10,885
Statement of cash flows		
Operating activities	1,134,121	(851,219)
Investing activities	(1,349,177)	(1,741,259)
Financing activities	242,996	2,355,668
Net (decrease) increase in cash and cash equivalents	27,940	(236,810)

The fair value of the investment in ALLHC amounted to P7,594.1 million as at December 31, 2024 (2023 - P7,968.9 million).

18 Real estate revenue

This account for the years ended December 31 consists of:

	Note	2024	2023	2022
Revenue from contracts with customers				
Residential development		112,916,969	92,337,260	81,244,149
Construction		13,027,625	6,595,611	4,235,503
Hotels and resorts		9,732,010	8,780,374	6,194,072
Others		4,993,553	4,891,792	4,181,058
		140,670,157	112,605,037	95,854,782
Rental income	10	35,862,630	32,896,212	27,196,530
		176,532,787	145,501,249	123,051,312

The Group's disaggregation of each source of revenue from contracts with customers for the years ended December 31 are presented below:

Residential development

	2024	2023	2022
Type of product			
Middle income housing	39,171,820	32,204,567	23,539,723
Core-mid	30,657,377	25,990,604	19,831,937
Condominium	28,495,003	24,297,144	25,218,522
Lot only	14,592,769	9,844,945	12,653,967
	112,916,969	92,337,260	81,244,149

Construction

The Group's construction revenue pertains to transactions with related parties such as joint ventures, associates and external customers.

Hotels and resorts

	2024	2023	2022
Type of product			
Rooms	5,926,258	5,086,501	3,464,771
Food and beverage	3,151,353	2,727,063	1,933,309
Others	152,695	484,620	453,477
Other operated department	501,704	482,190	342,515
	9,732,010	8,780,374	6,194,072

The Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts or serviced apartments.

Others

Others are mainly composed of property management facilities of the Group and third-party projects.

19 Interest and investment income; Other income

Interest and investment income for the years ended December 31 consists of:

	2024	2023	2022
Interest income from short term investments	527,560	342,441	58,938
Interest income from banks	157,457	121,945	85,121
Interest income from advances to officers/employees and other companies	74,163	152,217	187,668
Others	85,007	72,945	55,356
	844,187	689,548	387,083

Others pertain to the interest income earned by the Group from all its other assets.

Other income for the years ended December 31 consists of:

	2024	2023	2022
Marketing and management fees	641,715	508,244	693,144
Others, net	688,536	583,073	994,480
	1,330,251	1,091,317	1,687,624

Others, net mainly pertain to reversal of allowance for impairment losses, forfeitures of deposits and penalties.

20 Cost and expenses and other charges

(a) Cost of real estate sales

The account for the years ended December 31 consists of:

	Note	2024	2023	2022
Cost of real estate sales	6	63,722,985	45,296,895	37,610,988
Manpower costs of real estate sales		8,596,273	7,499,364	5,208,820
Depreciation and amortization		8,526,343	7,779,126	7,880,751
Hotels and resorts operations		7,788,893	7,106,025	5,399,588
Marketing and management fees		2,198,331	1,835,940	860,521
Rental		1,525,616	1,616,214	305,465
Materials and overhead		1,218,754	1,239,974	258,066
Direct operating expenses:				
Taxes and licenses		4,897,827	4,247,232	4,109,408
Repairs and maintenance		2,733,462	3,151,083	2,749,054
Commission		3,128,275	2,588,564	2,720,178
Light and water		1,391,178	1,460,553	4,364,283
Insurance		311,571	385,258	298,804
Professional fees		276,025	260,963	225,795
Transportation and travel		255,903	221,671	195,121
Entertainment, amusement and recreation		64,552	64,854	42,494
Others		3,571,589	2,384,955	3,399,375
		110,207,577	87,138,671	75,628,711

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	2024	2023	2022
Manpower costs	4,863,162	4,764,329	3,876,043
Depreciation and amortization	951,409	934,691	951,210
Taxes and licenses	848,909	809,481	658,149
Professional fees	647,880	536,652	473,277
Repairs and maintenance	439,372	522,475	406,659
Utilities	260,060	276,177	239,435
Security and janitorial	174,563	162,717	126,827
Transport and travel	97,176	74,288	80,573
Advertising	91,298	104,459	70,264
Rent	82,314	90,245	99,951
Dues and fees	54,322	85,027	62,811
Training and seminars	54,276	43,080	24,207
Supplies	49,320	50,395	57,238
Insurance	48,983	40,974	85,857
Entertainment, amusement and recreation	46,244	37,087	27,105
Donations and contribution	22,993	17,531	15,212
Others	483,952	360,841	9,521
	9,216,233	8,910,449	7,264,339

Manpower costs for the years ended December 31 included in the consolidated statement of income follows:

	2024	2023	2022
Real estate costs and expenses			
Cost of real estate sales	8,596,273	7,499,364	5,208,820
Hotels and resorts operations	392,692	323,477	222,014
General and administrative expenses	4,863,162	4,764,329	3,876,043
	13,852,127	12,587,170	9,306,877

Depreciation and amortization expense for the years ended December 31 included in the consolidated statement of income follows:

	2024	2023	2022
Real estate costs and expenses			
Cost of real estate sales	8,526,343	7,779,126	7,880,751
Hotels and resorts operations	797,312	791,267	856,768
General and administrative expenses	951,409	934,691	951,210
	10,275,064	9,505,084	9,688,729

Others pertain to contracted service fees for technical support, administrative assistance, landscaping and cashiering.

(c) Interest and other financing charges

The account for the years ended December 31 consists of:

	Note	2024	2023	2022
Interest expense on:				
Long-term debt		12,128,276	10,608,421	9,198,060
Lease liabilities	31	1,551,389	1,489,221	1,439,756
Short-term debt		1,471,987	981,613	383,094
Other financing charges		699,459	419,592	425,759
		15,851,111	13,498,847	11,446,669

(d) Other expenses

The account for the years ended December 31 consists of:

	Note	2024	2023	2022
Financing expenses and other charges		2,477,597	2,253,588	3,742,306
Net provision for (recovery of) impairment losses on:				
Receivables	5	248,303	478,334	253,738
Other assets		(185,619)	117,312	-
Investment in associates and joint venture		152,166	-	-
		2,692,447	2,849,234	3,996,044

21 Income tax

(a) Deferred tax assets, net

The account for the years ended December 31 consists of:

	2024	2023
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	10,627,809	7,852,007
Lease liabilities	4,643,899	4,469,166
Net operating loss carryover (NOLCO)	502,620	1,651,180
Allowance for probable losses	358,090	668,228
Accrued expenses	284,421	3,779,561
Retirement benefits	251,694	117,925
Unrealized foreign exchange losses	1,610	63,892
Others	147,896	680,433
	16,818,039	19,282,392
Deferred tax liabilities on:		
Right-of-use assets	(1,040,606)	(2,844,490)
Unrealized foreign exchange gains	(550,725)	(38,284)
Capitalized interest and other expenses	(126,113)	(167,010)
Prepaid expenses	(17,681)	(69,477)
Others	(230,466)	(817,998)
	(1,965,591)	(3,937,259)
	14,852,448	15,345,133

(b) Deferred tax liabilities, net

The account for the years ended December 31 consists of:

	2024	2023
Deferred tax assets on:		
Lease liabilities	50,604	161,489
NOLCO	31,266	96,128
Allowance for probable losses	820,104	27,701
Accrued expense	608,262	65,457
Retirement benefits	187,294	37,070
Unrealized foreign exchange loss	67,132	294
Others	105,209	474,206
	1,869,871	862,345
Deferred tax liabilities on:		
Difference between tax and book basis of accounting for real estate transactions	(10,033,677)	(7,230,239)
Unrealized foreign exchange gain	(141,676)	(64,187)
Right-of-use assets	(1,695,850)	(107,645)
Capitalized interest and other expenses	(44,551)	(3,766)
Others	(421,780)	(780,775)
	(12,337,534)	(8,186,612)
	(10,467,663)	(7,324,267)

As at December 31, 2024 and 2023, deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

The Group has incurred NOLCO in the taxable years 2024 and 2023 which can be claimed as deduction from the regular income tax over a period of three years and NOLCO in the taxable years 2022 and 2021 which can be claimed as deduction from the regular income tax over a period of five years as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2024	2,529,827	75,813	2,454,014	2027
2023	1,671,085	171,312	1,499,773	2026
2022	2,052,441	140,109	1,912,332	2025
2021	2,039,719	771,544	1,268,175	2026
2020	3,105,402	2,115,757	989,645	2025
	11,398,474	3,274,535	8,123,939	
Less: Recognized portion of NOLCO			2,135,544	
Unrecognized portion of NOLCO			5,988,395	

The carryover MCIT that can be used as deductions against income tax liabilities is as follows:

Year incurred	Amount	Used/Expired	Balance	Expiry Year
2024	478,022	-	478,022	2027
2023	106,089	1,475	104,614	2026
2022	32,844	337	32,507	2025
2021	13,409	13,409	-	2024
	630,364	15,221	615,143	
Less: Recognized portion of MCIT			35,196	
Unrecognized portion of MCIT			579,947	

The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

The reconciliation (in %) between the statutory and the effective income tax rates follows:

	2024	2023
Statutory income tax rate	25.00	25.00
Tax effect of:		
Equity in net earnings of associates and joint ventures	(4.75)	(4.32)
Income under tax holiday and other non-taxable income	(0.32)	(0.56)
Interest income and capital gains taxed at lower rate	(0.37)	(0.33)
Others, net	0.38	0.66
Effective income tax rate	19.94	20.45

Deferred tax related to remeasurement gain on defined benefit plans recognized in OCI amounted to P76.4 million in 2024 (2023 - P196.2 million).

Board of Investments (BOI) Incentives

The Board of Investments issued certificates of registrations to the following companies in accordance with the existing Omnibus Investment Code. The projects have been granted an Income Tax Holiday (ITH) for a fixed period from the date of registration or actual start of operations, whichever is earlier.

	Registration date	Project location	ITH Start	ITH Period
Bay Area Hotel Ventures, Inc.	10-Jan-24	Seda Manila Bay	1-Jan-24	4 years
Ecosouth Hotel Ventures, Inc.	1-Mar-23	Seda Nuvali 2	1-Mar-23	5 years
Lio Resort Ventures Inc.	2-Sep-19	Huni Lio	1-Jan-22	4 years
Econorth Resort Ventures Inc.	21-Nov-17	Seda Lio	1-Mar-18	5 years
Bonifacio Hotel Ventures, Inc.	22-May-19	Seda BGC Expansion	1-May-19	3 years
Makati North Hotel Ventures, Inc.	16-Aug-19	Seda Residences Makati	1-Aug-19	4 years
Central Bloc Hotel Ventures, Inc.	16-Jun-20	Seda Central Bloc Cebu	1-Jan-21	4 years
Amaia Land Corp	31-Oct-19	Amaia Scapes Rizal	1-Oct-19	4 years
MDC Conqrete, Inc.	5-Oct-20	PBU and WallQrete	1-Jan-21	3 years
Unity Realty & Development Corporation	6-Dec-19	Pampanga Technopark Phase 1	16-Dec-19	4 years
Unity Realty & Development Corporation	3-Nov-20	Pampanga Technopark Phase 2	3-Nov-20	3 years
Unity Realty & Development Corporation	21-Sep-23	Pampanga Technopark Phase 3	21-Sep-23	3 years
Laguna Technopark, Inc.	7-Jan-20	Laguindingan Technopark Phase 1	19-Aug-20	4 years
Laguna Technopark, Inc.	19-Dec-22	Batangas Technopark Industrial Phase 1	19-Dec-22	6 years
Alogis Artico, Inc. (formerly: Ecozone Power Management Inc.)	29-Aug-24	Alogis Artico Sto. Tomas	29-Aug-24	6 years
Bay Area Hotel Ventures, Inc.	10-Jan-24	Seda Manila Bay	1-Jan-24	4 years

22 Acquisition of non-controlling interests

The acquisition of non-controlling interests from 2024 transactions amounted to P1,020.35 million is resulting from the following transactions:

- On March 14, 2024 Alveo Land Corp., a wholly owned subsidiary of ALI, acquired 1,370,400 common shares and 6,589,600 preferred shares of Portico Land Corp from the remaining investor resulting to a decrease in non-controlling interest of the Group by P1.02 billion. The acquisition is accounted as involving entities under common control. As a result, Portico became a wholly owned subsidiary.

The acquisition of non-controlling interests from 2023 transactions amounted to P31.51 million is resulting from the following transactions:

- In July 2023, the Parent Company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control (Note 1). As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares.

The Parent Company acquired additional 187,985 common shares and 149,007 preferred shares of Vesta Property Holdings, Inc. for a value of P415.62 million in April 2022. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 78% in 2021 to 84% in 2022.

The acquisition involved entities under common control. As a holder of preferred shares, the Parent Company has voting rights same as that attached to common shares. The acquisition resulted in a decrease in non-controlling interest of the Group by P31.51 million.

There are no acquisitions of non-controlling interests in 2022.

23 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

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

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except if otherwise indicated, at a gross basis, based on normal billing period of monthly or quarterly. There have been no guarantees provided or received for any related party receivables or payables.

The Group does not provide any allowance relating to receivable from related parties. The Group has an active intercompany lending program and are short-term in nature. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements. These are subject to prevailing market rates and collectible/payable on varying terms generally within a year.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

(a) Transactions with Bank of the Philippine Islands (BPI), an associate of Ayala Corporation (AC)

Cash and cash equivalents earn interest from 1.47% to 6.25% per annum for Philippine Peso-denominated and 1.50% to 5.50% per annum for USD-denominated investments. Investment in FVTPL are UITF which earns interest depending on the duration of time invested in the fund. Interest earned from investments placed with BPI amounted to P113.4 million for the year ended December 31, 2024 (2023 - P72.79 million; 2022 - P30.99 million).

Short-term debts are secured Peso denominated bank loans with interest rate ranging from 6.0% to 6.9% while long-term debts bear fixed rates ranging from 4.5% to 6.7% and floating rates ranging from 5.6% to 6.3% per annum with remaining terms ranging from less than a year to five years. Interest expense incurred on borrowings from BPI amounted to P520.11 million for the year ended December 31, 2024 (2023 - P274.3 million; 2022 - P220.7 million).

As at December 31, the Group maintains current and savings account, money market placements and short-term and long-term debt payable with BPI broken down as follows:

	2024	2023
Cash in bank	3,395,454	4,673,399
Cash equivalents	2,301,097	999,294
Marketable securities	379,341	206,772
Short-term debt	4,390,500	8,800,000
Long-term debt	5,591,703	2,225,325

As at December 31, the fair value of the Group's financial assets at FVTPL (amounts are presented in millions):

2024	2024	2023
BPI Money Market Fund	39	63
BPI USD Short Term Fund	322	166

(b) Outstanding balances with Parent Company, associates and other related parties

Receivables from/payables to other related parties pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. Payables to related parties consist of expenses incurred on utilities, professional services and other miscellaneous services as well as purchases of vehicles. These are generally trade-related, non-interest bearing and settled within one year.

Outstanding balances from/to related parties follow:

As at December 31, 2024

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	66,242	-	66,242	151,945	-	151,945
Associates	4,664,837	-	4,664,837	393,229	-	393,229
Other related parties:						
Globe Telecom (Globe)	213,483	-	213,483	9,176	-	9,176
Bank of the Philippine Islands	435,202	-	435,202	9,548	-	9,548
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	25,502	-	25,502	49,716	-	49,716
Manila Water Company Inc.	1,999	-	1,999	76,187	-	76,187
Others	424,489	-	424,489	68,224	-	68,224
	1,143,597	-	1,143,597	212,851	-	212,851
	5,874,676	-	5,874,676	758,025	-	758,025

As at December 31, 2023

	Receivable from related parties			Payable to related parties		
	Current	Non-current	Total	Current	Non-current	Total
Ayala Corporation	85,127	-	85,127	151,401	-	151,401
Associates	5,010,288	-	5,010,288	376,387	-	376,387
Other related parties:						
Globe Telecom (Globe)	234,460	-	234,460	9,648	-	9,648
Bank of the Philippine Islands	557,321	-	557,321	32,252	-	32,252
Columbus	42,922	-	42,922	-	-	-
Manila Water Philippine Ventures, Inc.	137,942	-	137,942	42,735	-	42,735
Manila Water Company Inc.	231,022	-	231,022	32,189	-	32,189
Others	238,731	-	238,731	69,456	-	69,456
	1,442,398	-	1,442,398	186,280	-	186,280
	6,537,813	-	6,537,813	714,068	-	714,068

(c) Revenues and expenses from related parties

The revenue from Parent Company, associates and other related parties pertains mostly to income from leasing and development projects while expenses composed of management fees and training expenses. These are usually non-interest bearing and are assessed for impairment on an annual basis. There are no impairment needed to be recognized on these related receivables as at December 31, 2024 and 2023. Transactions are settled within one year.

Revenues from related parties as at December 31 follow:

	2024	2023	2022
Ayala Corporation	5,574	182,235	7,727
Associates	4,808,762	3,537,610	2,254,914
Other related parties			
Bank of the Philippine Islands	1,049,082	1,129,467	764,546
Manila Water Philippine Ventures, Inc.	3,700	122,578	170,445
Globe Telecom, Inc.	98,204	104,235	103,011
Innove Communications	11,514	9,953	10,671
Manila Water Company, Inc. (MWCI)	45,857	172,530	722,225
Laguna AAA Waterworks Corp. (LAWC)	1,500	1,500	1,500
Michigan Holdings, Inc.	1,203	1,202	1,203
Others	217,077	232,752	87,685
	1,428,137	1,774,217	1,861,286
Total	6,242,473	5,494,062	4,123,927

Expenses from related parties for the years ended December 31 follow:

	2024	2023	2022
Ayala Corporation	7,636	14,330	9,913
Associates	233,856	198,592	193,082
Other related parties			
Manila Water Company, Inc.	203,387	431,531	261,417
Bank of the Philippine Islands	534,893	261,478	208,570
Innove Communications, Inc.	100,687	105,417	102,283
AG Counselors Corp.	52,666	27,213	58,823
Globe Telecom, Inc.	97,347	82,951	43,812
Manila Water Philippine Ventures, Inc.	180,131	367,350	299,329
Others	577,969	462,232	867,662
	1,747,080	1,738,172	1,841,896
Total	1,988,572	1,951,094	2,044,891

The following describe the nature of the material transactions of the Group with related parties as at December 31, 2024 and 2023:

- On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc., for the waterworks of ALI's projects nationwide. The MOA was signed by ALI and its subsidiaries and affiliates, Cebu Holdings, Inc. (CHI) and Cebu Property Ventures and Development Corp (CPVDI). CHI and CPVDI were merged to ALI in 2021. Revenue and expense in 2024 amounted to P3.7 million and P180.1 million, respectively (2023 - P122.6 million and P367.3 million, respectively; 2022 - P170.4 million and P299.3 million, respectively).

- Revenue from Manila Water Company, Inc. (MWCI) primarily pertains to MDC's project on the design & build of the Calawis Water Treatment Plant in Antipolo. The project started on March 1, 2021 and was completed on June 1, 2023.

- Certain credit facilities with BPI with a total carrying value of P5,616.5 million as at December 31, 2024 (2023 - P2,225.3 million) are secured by a real estate mortgage. This is in compliance with BSP ruling on directors, officers, stockholders and related interests.

- In October 2012 and July 2013, BG South, a subsidiary of Alveo, entered into a contract with FBDC for the purchase of land in Bonifacio Global City. In 2024 and 2023, there were no land costs were recognized in profit and loss (2022 - P117.4 million).

- On May 20, 2013, DirectPower and its customers, which are all within the Ayala Group, entered into a Retail Electricity Supply contract wherein DirectPower agreed to supply electricity at a specific rate pursuant to the provisions and implementing rules and regulations of R.A. No. 9136 or the Electric Power Industry Reform Acts of 2001. Among the customers of Direct Power are FBDC, LDC, BPI, San Lazaro BPO Complex and 6750 Ayala Ave and Manila Water Phils.

- The Group sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, amounting to P10,508.9 million in 2024 (2023 - P5,423.6 million). Proceeds of receivables sold to BPI amounted to P9,319.8 million in 2024 (2023 - P4,480.4 million). The Group recognized loss on sale (under "Other charges") amounting to P1,189.1 million in 2024 (2023 - P943.2 million and 2022 - nil).

- The Group entered into agreements with BPI Asset Management and Trust Corporation for the assignment of interest-bearing employee receivables amounting to P52.6 million in 2024 (2023 - P45.0 million) (Note 5).

- Revenue from Globe pertains to development management fee and for lease of spaces.

(d) Remuneration of key management personnel (KMP)

Key management personnel of the Group include all officers with position of vice president and up. Compensation of key management personnel amounted to P279.2 million in 2024 (2023 - P220.0 million and 2022 - P199.5 million).

Compensation of key management personnel by benefit type for the years ended December 31 follows:

	2024	2023	2022
Short-term employee benefits	245,558	201,610	183,969
Post-employment benefits	33,688	18,431	15,497
	279,246	220,041	199,466

The Related Party Transaction Review Committee approves all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

(e) Related party balances that were eliminated during consolidation

The following related party transactions and balances were eliminated for the purpose of preparing the consolidated financial statements:

	2024	2023	2022
At December 31			
Receivables from related parties	145,733,665	132,786,749	125,617,900
Payable to related parties	145,733,665	132,786,749	125,617,900
For the years ended December 31			
Management revenues fees	3,488,584	2,946,487	4,234,764
Other income	49,696	50,418	68,029
Rental income	2,017,301	2,552,274	1,060,261
Real estate revenues	8,548,360	10,475,226	2,043,962
Interest income	2,364,996	2,469,631	1,794,940
Expenses	16,468,937	18,494,036	9,201,956
Dividend income	19,787,485	9,202,904	7,471,721

24 Retirement plans

The Group has funded, non-contributory tax-qualified defined benefit type of retirement plans (the Plan) covering substantially all of their employees. The benefits are based on a defined benefit formula.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns. The target funded status is within the range of 80% to 100%.

The Group's fund is in the form of a trust funds being maintained by the trustee bank, BPI Asset Management and Trust Corporation (collectively the "Retirement Fund"). The primary objective of the Retirement Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of expense for the years ended December 31 (included in manpower costs under "General and administrative expenses") in the consolidated statement of income follows:

	2024	2023	2022
Current service cost	499,543	421,809	410,726
Past service cost	2,859	16,612	20,192
Settlement gains	-	(1,334)	(4,431)
Net interest cost on benefit obligation	185,917	127,764	107,590
Total pension expense	688,319	564,851	534,077

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement (loss) gain on defined benefit plans") in the consolidated statement of financial position follow:

	2024	2023	2022
Return (loss) on plan assets (excluding amount included in net interest)	39,863	(71,182)	12,195
Remeasurement (losses) gains due to:			
Liability experience	(114,126)	(107,816)	106,793
Liability assumption changes	(231,404)	(605,818)	67,973
Remeasurements in other comprehensive (loss) income	(305,667)	(784,816)	186,961
Tax effect	76,417	196,204	(46,740)
Remeasurements in other comprehensive (loss) income, net of tax	(229,250)	(588,612)	140,221

As at December 31, the funded status and amounts recognized in the consolidated statement of financial position for the retirement plans are as follows:

	2024	2023
Defined benefit obligations	5,139,345	4,254,616
Plan assets	(2,150,135)	(1,837,381)
Net defined benefit obligations	2,989,210	2,417,235

As at December 31, 2024, pension assets (included under “Other non-current assets”) amounted to P158.1 million (2023 - P352.1 million) and pension liabilities amounted to P3,147.3 million (2023 - P2,769.5 million).

Changes in net defined benefit liability of funded plans in 2024 are as follow:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1, 2024	4,254,616	(1,837,381)	2,417,235
Net benefit cost in consolidated statement of income			
Current service cost	499,543	-	499,543
Past service cost, net of settlement gain	2,859	-	2,859
Net interest	185,916	-	185,916
	688,318	-	688,318
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	114,126	-	114,126
Remeasurement loss due to liability assumption changes - demographic	-	-	-
Remeasurement loss due to liability assumption changes - economic	231,405	-	231,405
Return on plan assets*	-	(39,864)	(39,864)
Net remeasurement loss	345,531	(39,864)	305,667
Benefits paid	(149,120)	56,038	(93,082)
Contribution by employer	-	(372,761)	(372,761)
Transfer in	-	43,833	43,833
At December 31, 2024	5,139,345	(2,150,135)	2,989,210

**Excluding amount included in net interest*

Changes in net defined benefit liability of funded plans in 2023 are as follow:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1, 2023	3,581,087	(2,068,413)	1,512,674
Net benefit cost in consolidated statement of income			
Current service cost	421,809	-	421,809
Past service cost, net of settlement gain	15,278	-	15,278
Net interest	127,764	-	127,764
	564,851	-	564,851
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	107,816	-	107,816
Remeasurement loss due to liability assumption changes - demographic	5,166	-	5,166
Remeasurement loss due to liability assumption changes - economic	600,652	-	600,652
Return on plan assets*	-	71,182	71,182
Net remeasurement loss	713,634	71,182	784,816
Benefits paid	(604,956)	704,636	99,680
Contribution by employer	-	(549,651)	(549,651)
Transfer in	-	4,865	4,865
At December 31, 2023	4,254,616	(1,837,381)	2,417,235

**Excluding amount included in net interest*

Changes in net defined benefit liability of funded plans in 2022 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1, 2022	4,280,435	(2,187,661)	2,092,774
Net benefit cost in consolidated statement of income			
Current service cost	410,726	-	410,726
Past service cost, net of settlement gain	15,761	-	15,761
Net interest	179,848	(72,258)	107,590
	606,335	(72,258)	534,077
Remeasurements in other comprehensive income:			
Remeasurement gain due to liability experience	84,657	22,136	106,793
Remeasurement gain due to liability assumption changes - demographic	(100,616)	(8,305)	(108,921)
Remeasurement gain due to liability assumption changes - economic	(152,878)	329,772	176,894
Net remeasurement loss	(168,837)	343,603	174,766
Benefits paid	(416,320)	210,374	(205,946)
Return on plan assets*	(49,034)	61,228	12,194
Contribution by employer	(678,974)	(420,747)	(1,099,721)
Transfer in (out)	7,482	(2,952)	4,530
At December 31, 2022	3,581,087	(2,068,413)	1,512,674

**Excluding amount included in net interest*

As at December 31, the fair value of plan assets by each class are as follows:

	2024	2023
Cash and cash equivalents	6,189	11,485
Equity investments		
Property	368,590	314,771
Holding firms	209,528	239,516
Unit Investment Trust Funds	242,408	184,743
Services	14,024	9,628
Financials	24,644	7,928
Industrials	-	4,525
Mutual funds	729	2,266
	866,112	774,862
Debt investments		
Government securities	459,620	540,059
AAA rated debt securities	384,475	152,593
Unit Investment Trust Funds	141,811	60,826
Mutual funds	-	-
Unrated debt securities	298,117	309,041
	1,284,023	1,062,519
	2,150,135	1,837,381

The plan asset's investments are appropriately diversified to control overall risk and exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Group expects to make contributions of P394.9 million to its retirement fund in 2025.

The plan assets have diverse investments and do not have any concentration risk. All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have` quoted market prices in an active market.

The allocation of the fair value of plan assets as at December 31 follows:

	2024	2023
Investments in debt securities	53.12%	45.48%
Investments in equity securities	28.72%	38.50%
Others	18.16%	16.02%

Funds invested in debt securities include government securities, corporate notes and bonds and money market placements. Investments in equity securities consist of investments in PSE listed stocks and unit investment trust funds. Others were in the form of cash and cash equivalents.

The Group's transactions with the funds mainly pertain to contributions, benefit payments and settlements.

As at December 31, 2024 and 2023, the carrying amount of plan assets approximates its fair value.

The plan assets include shares of stock of the Parent Company with fair value amounting to P108.25 million as at December 31, 2024 (2023 - P90.50 million). The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company amounting to P59.7 million as at December 31, 2024 (2023 - P72.33 million). As at December 31, 2024, the loss of the fund arising from investment in debt and equity securities of the Parent Company is P34.6 million (2023 - P5.8 million gain).

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2024	2023
Discount rates	4.50% to 7.42%	6.06% to 7.71%
Future salary increases	4.79% to 10.00%	5.00% to 10.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2024		2023	
	Effect on defined benefit obligation Increase (decrease)			
Change in basis points	+100 basis points	-100 basis points	+100 basis points	-100 basis points
Discount rate	(446,301)	624,381	(381,651)	525,892
Salary increase rate	638,373	(479,165)	490,081	(362,272)

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

Year ending:	2024	2023
One year and less	185,721	149,382
More than 1 years to 5 years	1,117,964	1,013,566
More than 5 years to 10 years	3,682,043	3,439,559
More than 10 years to 15 years	23,932,677	27,416,499
More than 15 years to 20 years	4,700,229	3,396,329
More than 20 years	22,617,757	15,844,264

The weighted average duration of the defined benefit obligation is 3 to 25 years in 2024 (2023 - 5 to 29 years).

25 Earnings per share

The following table presents information necessary to compute EPS (amounts in thousands, except EPS):

EPS on net income attributable to equity holders of Ayala Land, Inc. are as follows:

	2024	2023	2022
Net income attributable to equity holders of the Parent Company	28,232,553	24,507,581	18,617,234
Less: Dividends on preferred stock	(78,744)	(78,744)	(62,038)
Net income attributable to equity holders of the Parent Company for basic and diluted earnings per share	28,153,809	24,428,837	18,555,196
Weighted average number of common shares for basic EPS	14,798,708	14,977,735	14,777,782
Add: Dilutive shares arising from stock options	21,826	8,031	5,582
Adjusted weighted average number of common shares for diluted EPS	14,820,534	14,985,766	14,783,364
Basic and diluted EPS	1.90	1.63	1.26

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an anti-dilutive effect on the computation of diluted EPS; hence, the basic and diluted EPS are the same.

26 Share-based compensation scheme

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

Employee Stock Option Plan (ESOP)

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given three (3) years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

The Parent Company has no ESOP grant and availment during 2024, 2023 and 2022.

Employee Stock Ownership Plan (ESOWN)

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period.

In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2024	WAEP	2023	WAEP
At January 1	121,751,919	-	122,528,917	-
Granted	9,894,677	28.82	14,579,091	24.68
Exercised	(16,235,865)	-	(14,496,300)	-
Forfeitures	(973,629)		(859,789)	
At December 31	114,437,102		121,751,919	

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	May 1, 2024	March 31, 2023	March 31 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016
Number of unsubscribed shares	-	-	-	-	-	-	-	-	181,304
Fair value of each option (BTM)	-	-	-	-	-	-	-	8.48	13.61
Fair value of each option (BSM)	8.30	9.42	12.62	9.25	9.12	17.13	12.71	-	18.21
Weighted average share price	33.91	29.04	35.63	39.17	32.61	44.70	41.02	39.72	35.58
Exercise price	28.82	24.68	30.29	33.29	27.72	44.49	45.07	35.81	26.27
Expected volatility	25.80%	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%
Dividend yield	1.426%	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%
Interest rate	5.55%	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%

Total expense (included under "General and administrative expenses") recognized in 2024 in the consolidated statement of income arising from share-based payments amounted to P107.47 million (2023 - P149.45 million; 2022 - P152.87 million) (Note 20).

ALLHC

ALLHC introduced the Plan wherein grantees (employees within the ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. To subscribe, the grantee must be an employee, officer or director of ALLHC as at June 30, 2015. In case the grantee resigns, unsubscribed shares are cancelled and returned to the plan pool, while the subscription payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period.

The plan does not allow sale or assignment of the shares. The BOD of ALLHC approved the allocation of 32 million shares (first tranche) for ESOWN plan which will be taken from the remaining unissued shares (with grant date in 2016) and the increase in authorized stock of ALLHC, which was approved by the SEC in July 2016. In 2017, notice of grant for the 218 million shares (second tranche of ESOWN plan) was issued to employees for the right to subscribe to the common shares of ALLHC at P1.68 per share which were fully availed as at December 31, 2018. In 2024 and 2023, ALLHC has no ESOWN grant.

27 Financial risk and capital management

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

27.1 Financial risk management

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, short-term investments, financial assets at FVTPL, FVOCI quoted and unquoted equity securities, bonds payable, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies in 2024 and 2023.

27.1.1 Credit risk management

Credit risk

Credit risk is a risk that a counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Group's credit risks are primarily attributable to installments receivable, rental receivables, and other financial assets. To manage credit risk, the Group maintains defined credit policies and monitors its exposure to credit risk on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements.

Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and anticipated default is minimal given the profile of the buyers. Moreover, to the extent allowed by regulations, payments made by customers are forfeited in favor of the Group in the event of a default, except certain amounts as mandated by laws.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short term investments, financial assets at FVTPL and financial assets at FVOCI. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Group has an active intercompany lending program and are short term in nature. To minimize credit exposures, the Group assesses the financial capacity of the affiliated entities and operating cash flows.

The Group's maximum exposure to credit risk as at December 31, 2024 and 2023 is equal to the carrying values of its financial assets.

The Group considers the following credit quality classification:

- Stage 1 are considered to be neither past due nor impairment;
- Stage 2 are considered to be past due but not impaired; and
- Stage 3 are considered to be impaired.

The table below shows the credit quality of the Company's financial assets as at December 31:

	2024							
	Neither past due nor impaired					Past due but		
	High grade	Medium grade	Low grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	21,463,953	-	-	-	21,463,953	-	-	21,463,953
Short-term investments	72,029	-	-	-	72,029	-	-	72,029
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	94,281,872	1,814,698	7,051,629	-	103,148,199	31,906,818	123,188	135,178,205
Shopping centers	876,559	731,852	305,872	-	1,914,283	744,645	1,334,384	3,993,312
Construction contracts	1,285,503	-	-	-	1,285,503	4,149,977	36,831	5,472,311
Corporate business	3,596,228	517,112	36,166	-	4,149,506	1,535,463	1,049,639	6,734,608
Management fees	62,537	-	-	-	62,537	100,494	13,113	176,144
Others	3,393,633	34,705	209,496	-	3,637,834	625,937	251,576	4,515,347
Advances to other companies	10,343,289	1,390	1,752	-	10,346,431	6,837,169	199,975	17,383,575
Accrued receivables	8,818,699	-	-	-	8,818,699	2,115,159	-	10,933,858
Related parties	5,868,859	-	-	-	5,868,859	-	5,817	5,874,676
Receivable from employees	945,771	50	182	-	946,003	118,713	-	1,064,716
	151,008,932	3,099,807	7,605,097	-	161,713,836	48,134,375	3,014,523	212,862,734

	2023							
	Neither past due nor impaired					Past due but		
	High grade	Medium grade	Low grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	17,027,631	-	-	-	17,027,631	-	-	17,027,631
Short-term investments	333,610	-	-	-	333,610	-	-	333,610
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	82,463,605	7,317,861	2,777,013	-	92,558,479	19,518,548	108,509	112,185,536
Shopping centers	1,200,732	625,542	493,318	-	2,319,592	1,458,820	1,255,303	5,033,715
Construction contracts	972,084	19,011	-	-	991,095	2,961,239	87,002	4,039,336
Corporate business	1,489,156	21,202	20,500	-	1,530,858	1,311,983	933,000	3,775,841
Management fees	66,568	-	-	-	66,568	113,863	7,135	187,566
Others	3,350,387	-	533,249	-	3,883,636	416,786	202,759	4,503,181
Advances to other companies	10,218,792	35,987	730,554	-	10,985,333	7,184,154	190,008	18,359,495
Accrued receivables	8,882,484	2,914	392,993	-	9,278,391	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	6,537,813	-	-	6,537,813
Receivable from employees	709,458	150	846	-	710,454	337,757	-	1,048,211
	133,252,320	8,022,667	4,948,473	-	146,223,460	35,121,508	2,783,716	184,128,684

As at December 31, the analysis of past due but not impaired accounts and notes receivables presented per class follow:

2024	Neither past due nor Impaired	Past due but not impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Trade:									
Residential, commercial and office development	103,148,199	2,213,763	2,214,836	983,683	16,771,238	9,723,298	31,906,818	123,188	135,178,205
Shopping centers	1,914,283	66,486	47,365	61,572	76,028	493,194	744,645	1,334,384	3,993,312
Corporate business	4,149,506	67,184	115,012	11,633	828,171	513,463	1,535,463	1,049,639	6,734,608
Construction contracts	1,285,503	3,266,114	253,803	227,469	268,220	134,371	4,149,977	36,831	5,472,311
Management fees	62,537	-	19,080	13,649	21,532	46,233	100,494	13,113	176,144
Others	3,637,834	13,423	529,242	6,196	5,524	71,552	625,937	251,576	4,515,347
Advances to other companies	10,346,431	25,113	96,277	13,001	1,580	6,701,198	6,837,169	199,975	17,383,575
Accrued receivables	8,818,699	5,338	58,927	742,505	63,205	1,245,184	2,115,159	-	10,933,858
Related parties	5,868,859	-	-	-	-	-	-	5,817	5,874,676
Receivables from employees	946,003	4,029	4,887	7,093	1,414	101,290	118,713	-	1,064,716
Total	140,177,854	5,661,450	3,339,429	2,066,801	18,036,912	19,029,783	48,134,375	3,014,523	191,326,752

2023	Neither past due nor Impaired	Past due but not impaired						Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Trade:									
Residential, commercial and office development	92,558,479	6,368,761	1,074,654	328,386	5,514,367	6,232,380	19,518,548	108,509	112,185,536
Shopping centers	2,319,592	181,947	156,016	153,425	119,099	848,333	1,458,820	1,255,303	5,033,715
Corporate business	1,530,858	-	112,659	27,031	25,686	1,146,607	1,311,983	933,000	3,775,841
Construction contracts	991,095	1,615,128	231,898	128,277	203,817	782,119	2,961,239	87,002	4,039,336
Management fees	66,568	-	21,850	16,788	30,814	44,411	113,863	7,135	187,566
Others	3,883,636	9,302	1,684	333,635	7,057	65,108	416,786	202,759	4,503,181
Advances to other companies	10,985,333	42,568	16,308	39,189	165,522	6,920,567	7,184,154	190,008	18,359,495
Accrued receivables	9,278,391	249,326	69,384	47,686	87,677	1,364,285	1,818,358	-	11,096,749
Related parties	6,537,813	-	-	-	-	-	-	-	6,537,813
Receivables from employees	710,454	210,524	8,298	7,396	2,406	109,133	337,757	-	1,048,211
Total	128,862,219	8,677,556	1,692,751	1,081,813	6,156,445	17,512,943	35,121,508	2,783,716	166,767,443

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and short-term investments - based on the nature of the counterparty and the Group's internal rating system.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to 3 defaults in payment; and low grade pertains to receivables with more than 3 defaults in payment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate is based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Intercompany receivables are also evaluated for impairment. The security deposits and advance rental from tenants are considered in the calculation of impairment as recoveries.

As at December 31, 2024, the exposure at default amounted to P37,066.7 million (2023 - P23,669.3 million). The average expected credit loss rate (over total receivables) is 1.58% resulting in the ECL of P3,014.5 million (2023 - 1.70%; P2,783.7 million) (Note 5).

27.1.2 Liquidity risk management

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that makes it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at a loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

There is no material liquidity risk as cash flows from operating and financing activities are forecasted to be adequate to settle all maturing future obligations.

Credit line

The Group has a total short term credit line up to P143.8 billion with various local banks, of which P80.6 billion remain undrawn as at December 31, 2024 (2023 - P119.0 billion, P60.0 billion undrawn).

Cash and cash equivalents, short-term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profiles of these financial assets shown on the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as at December 31, 2024 and 2023.

The table below summarizes the maturity profile of the Group's financial instruments at December 31 based on contractual undiscounted payments:

	2024				
	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	21,507,916	-	-	-	21,507,916
Short-term investments	-	-	-	72,029	72,029
Financial assets at FVTPL	-	-	-	651,008	651,008
Accounts and notes receivable	188,312,229	-	-	-	188,312,229
Total undiscounted financial assets	209,820,145	-	-	723,037	210,543,182
Financial liabilities					
Accounts and other payables*	155,787,353	-	-	-	155,787,353
Short-term debts	20,671,000	-	-	-	20,671,000
Long- term debts	26,496,369	116,732,539	119,615,450	-	262,844,358
Deposits and other current liabilities	19,782,420	-	-	-	19,782,420
Deposits and other non-current liabilities**	-	44,780,779	-	-	44,780,779
Total undiscounted financial liabilities	222,737,142	161,513,318	119,615,450	-	503,865,910
Net liquidity position	(12,916,997)	(161,513,318)	(119,615,450)	723,037	(293,322,728)

	2023				
	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	17,066,330	-	-	-	17,066,330
Short-term investments	-	-	-	333,610	333,610
Financial assets at FVTPL	-	-	-	419,802	419,802
Accounts and notes receivable	168,112,615	-	-	-	168,112,615
Total undiscounted financial assets	185,178,945	-	-	753,412	185,932,357
Financial liabilities					
Accounts and other payables*	100,114,121	-	-	-	100,114,121
Short-term debts	16,905,106	-	-	-	16,905,106
Long- term debts	18,969,421	105,341,624	118,366,646	-	242,677,691
Deposits and other current liabilities	34,131,984	-	-	-	34,131,984
Deposits and other non-current liabilities**	-	41,870,140	-	-	41,870,140
Total undiscounted financial liabilities	170,120,632	147,211,764	118,366,646	-	435,699,042
Net liquidity position	15,058,313	(147,211,764)	(118,366,646)	753,412	(249,766,685)

**Excludes payable to government agencies*
***Excludes deferred output vat*

27.1.3 Market risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by lever on its premier credit rating and increasing the fixed interest component of its debt portfolio.

As at December 31, 2024, the Company's ratio of fixed to floating rate remained at around 76:24 (2023 - 77:23).

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates as at December 31, with all variables held constant:

	2024	2023
Effect on income before tax	Changes in floating rate borrowings	
+ 100 basis points increase	(638,773)	(591,321)
- 100 basis points increase	638,773	591,321

The assumed change in rate is based on the currently observable market environment. There is no other impact on the Group's equity other than those already affecting the net income.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values as at December 31 are shown in the following table (in thousands):

	2024						
	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	21,463,953	21,463,953	-	-	21,463,953
Short- term investments	Fixed cut-of at the date of investment or revaluation	Various	72,029	72,029	-	-	72,029
Receivables from employees	Fixed at the date of sale	Date of sale	1,064,716	796,286	268,430	-	1,064,716
			22,600,698	22,332,268	268,430	-	22,600,698
Parent Company							
Short-term debts							
Floating-Peso	Variable	Monthly	9,267,000	9,267,000	-	-	9,267,000
Peso	Fixed at 6.00%	20 years	2,000,000	-	-	1,989,334	1,989,334
Peso	Fixed at 4.75% to 4.85%	9.5 and 10 years	15,000,000	6,992,501	7,987,266	-	14,979,767
Peso	Fixed at 5.2624%	10 years	7,000,000	-	6,990,112	-	6,990,112
Peso	Fixed at 4.9899% to 6.369%	7 and 7.25 years	9,000,000	-	8,961,376	-	8,961,376
Peso	Fixed at 3.862%	5 years	6,250,000	6,237,893	-	-	6,237,893
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000	9,989,594	-	2,983,628	12,973,222
Peso	Fixed at 5.8086% to 6.8045%	5, 6 and 7 years	33,000,000	-	32,793,404		32,793,404
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000	-	11,945,937	2,983,627	14,929,564
Peso	Fixed at 6.1334% to 6.9931%	10 years	14,000,000	-	-	13,827,051	13,827,051
Peso	Fixed at 3.75% to 6.4040%	6 to 10 years	81,210,000	594,607	28,042,543	49,347,578	77,984,728
Floating-Peso	Variable	6 to 10 years	15,306,000	16,844	237,750	14,808,332	15,062,926
US Dollars	Fixed at 5.0608%	4 years	3,181,475	-	3,181,475	-	3,181,475
Subsidiaries							
Short-term debts							
Peso	Variable	Monthly	11,404,000	11,404,000	-	-	11,404,000
Long-term debts							
Fixed							
Peso	Fixed at 4.25% to 6.7967%	9 to 10 years	20,866,031	1,045,773	3,003,956	15,400,353	19,450,082
MYR - Bond	Fixed at 4.5%	5 years	3,840,000	-	3,883,463	-	3,883,463
MYR - Fixed	Fixed at 2.2700% to 2.4200%	5 years	2,280,589	39,972	2,240,616	-	2,280,588
Floating-Peso	Variable	3 to 10 years	27,213,000	1,321,350	9,224,355	15,414,272	25,959,977
			288,818,095	46,909,534	118,492,253	116,754,175	282,155,962

	2023						
	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Group							
Cash and cash equivalents (excluding cash on hand)	Fixed at the date of investment	Various	17,027,631	17,027,631	-	-	17,027,631
Short- term investments	Fixed cut-of at the date of investment or revaluation	Various	333,610	333,610	-	-	333,610
Receivables from employees	Fixed at the date of sale	Date of sale	1,048,211	772,292	275,919	-	1,048,211
			18,409,452	18,133,533	275,919	-	18,409,452
Parent Company							
Short-term debts							
Floating-Peso	Variable	Monthly	7,005,000	7,005,000	-	-	7,005,000
Long-term debts							
Fixed							
Peso	Fixed at 6.00%	20 years	2,000,000	-	-	1,988,434	1,988,434
Peso	Fixed at 4.75% to 4.85%	9.5 and 10 years	15,000,000	-	14,963,119	-	14,963,119
Peso	Fixed at 5.2624%	10 years	7,000,000	-	6,986,235	-	6,986,235
US Dollars	Fixed at 4.3889%	5 years	3,045,350	3,045,350	-	-	3,045,350
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000	2,993,838	8,938,892	-	11,932,730
Peso	Fixed at 3.862%	5 years	6,250,000	-	6,222,200	-	6,222,200
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000	-	9,959,900	2,981,600	12,941,500
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000	11,964,602	18,873,939	13,870,013	44,708,554
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000	-	9,961,324	4,866,279	14,827,603
Peso	Fixed at 3.75% to 6.5312%	6 to 10 years	64,876,000	475,175	20,010,500	44,057,823	64,543,498
Floating-Peso	Variable	3 months	15,272,000	16,836	779,596	14,365,268	15,161,700
Subsidiaries							
Short-term debts							
Peso	Variable	Monthly	9,900,106	9,900,106	-	-	9,900,106
Long-term debts							
Fixed							
Peso	Fixed at 4.0% to 6.7967%	5 to 10 years	17,279,313	170,279	1,950,385	14,820,489	16,941,153
Floating-Peso	Variable	3 months	26,955,028	303,341	10,366,632	16,417,106	27,087,079
			259,582,797	35,874,527	109,012,722	113,367,012	258,254,261

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The financial instruments and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso.

	December 31, 2024		December 31, 2023	
	US Dollar	MYR ringgit	US Dollar	MYR ringgit
Foreign currency placements	13.88 million	131.46 million	26.30 million	573.73 million
Foreign currency debt	55.00 million	476.50 million	65.80 million	844.18 million

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liabilities and their Peso equivalents:

	2024			2023		
Net foreign currency denominated	US Dollar	MYR ringgit	Php Equivalent	US Dollar	MYR ringgit	Php Equivalent
Financial assets						
Cash and cash equivalents	7,770	202,522	3,069,288	6,138	142,927	2,163,601
Short-term investments	928	131,457	1,754,243	-	-	-
Accounts and notes receivable, net	7,345	517,111	7,114,220	16,370	365,066	5,315,288
Other current assets	8,015	51,189	1,125,799	3,410	58,537	890,277
Other non-current assets	-	2,268	29,333	380	7,195	104,480
Total	24,058	904,547	13,092,883	26,298	573,725	8,473,646
Financial liabilities						
Accounts and other payables	2,714	573,869	7,580,595	5,285	572,731	7,188,381
Other current liabilities	16	-	931	1,725	-	87,775
Short-term debt	-	-	-	-	129,980	1,567,106
Long- term debt	55,000	476,502	9,345,527	55,000	141,473	4,751,021
Other non-current liabilities	199	1,819	35,050	3,792	-	194,929
Total	57,929	1,052,190	16,962,103	65,802	844,184	13,789,212
Net foreign currency denominated financial instruments	(33,871)	(147,643)	(3,869,220)	(39,504)	(270,459)	(5,315,566)

In translating the foreign currency-denominated monetary assets in Peso amounts as at December 31, 2024, the Philippine Peso - US Dollar exchange rates and the Philippine Peso - Malaysian ringgit exchange rate used were P57.85 to US$1 (2023 - P55.37 to US$1.00) and P12.94 to MYR1.00 (2023 - P12.07 to MYR1.00), respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso - US dollar exchange rate and Philippine peso - Malaysian ringgit exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity as at December 31, 2024.

	Effect on income before tax	
	Increase (decrease)	
Change in exchange rate	2024	2023
USD		
+ 100 basis points	(19,594)	(21,873)
- 100 basis points	19,594	21,873
MYR		
+ 100 basis points	(19,105)	(32,644)
- 100 basis points	19,105	32,644

There is no other impact on the Group's equity other than those already affecting the net income.

Equity price risk

Quoted financial assets at FVOCI are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, and domestic inflation rates, the changes in price reflect how market participants view the developments.

The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As at December 31, 2024 and 2023, the impact on net income and equity as a result of 100 basis points decrease (increase) in interest rates is as follows:

	2024		2023	
	Net income and Equity	Duration	Net income and Equity	Duration
BPI UITF Money Market	+/- P0.39 million	0.36 year	+/- P0.63 million	0.15 year
BPI UITF USD Short Term	+/- 3.22 million	0.29 year	+/- P2.45 million	0.26 year

27.1.4 Fair value information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized:

	Note	2024		2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVTPL	4	651,008	651,008	419,802	419,802
Financial assets at FVOCI	8				
Unquoted equity securities		704,672	704,672	627,181	627,181
Quoted equity securities		567,934	567,934	372,064	372,064
		1,923,614	1,923,614	1,419,047	1,419,047
Financial assets at amortized cost					
Cash and cash equivalents	2	21,507,916	21,507,916	17,066,330	17,066,330
Short-term investments	3	72,029	72,029	333,610	333,610
Non-current trade residential, commercial and office development	5	79,980,867	78,088,578	57,090,311	56,344,737
Receivable from employees	5	1,064,716	1,022,957	1,048,211	1,007,201
Accounts and notes receivables	5	107,266,647	107,266,647	105,530,428	105,530,428
Other current assets	7	78,807,069	78,807,069	80,290,824	80,290,824
		288,699,244	286,765,196	261,359,714	260,573,130
Other financial liabilities					
Short-term debt	14	20,671,000	20,671,000	16,905,106	16,905,106
Accounts and other payables	13	155,787,353	155,787,353	162,475,441	162,475,441
Lease liabilities	31	18,778,013	18,778,013	18,522,623	18,522,623
Long-term debt	14	261,484,962	231,390,124	241,349,155	219,856,402
Deposits and other liabilities	15,16	64,563,199	64,942,765	76,002,124	76,002,124
		521,284,527	491,569,255	515,254,449	493,761,696

**Excluding deferred output VAT*

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, short-term investments and current receivables, accounts and other payables and short-term debt - Carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in funds. Fair value of the funds is based on net asset values as at reporting date.

Financial assets at FVOCI quoted equity securities - fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities - fair values are based on the latest selling price available.

The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Non-current accounts and notes receivables - The fair values of residential, commercial and office development accounts and notes receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments.

The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Liabilities - The fair value of non-current unquoted instruments (long-term debt and deposits) are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates (IBR) for similar borrowings with maturities consistent with those remaining for the liability being valued.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

The fair value hierarchy of the Group's financial instruments which are measured at fair value as at December 31 is as follows:

	2024			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	471,010	-	471,010
Investment in ARCH				
Capital Fund	-	-	179,998	179,998
	-	471,010	179,998	651,008
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	529,630	-	-	529,630
Retail	1,457	-	-	1,457
Real estate	9,389	-	-	9,389
Utilities and energy	23,318	-	-	23,318
Financial asset management	539	-	-	539
Telecommunications	3,601	-	-	3,601
Unquoted				
Tourism and leisure	-	5,000	571,369	576,369
Financial asset management	-	-	26,717	26,717
Utilities and energy	-	-	36,872	36,872
Real estate	-	-	53,042	53,042
Retail	-	-	7,468	7,468
Telecommunication	-	-	4,205	4,205
	567,934	5,000	699,673	1,272,607
	567,934	476,010	879,671	1,923,615

	2023			
	Fair value measurement using			
	Level 1	Level 2	Level 3	Total fair value
Financial assets at FVTPL				
Investment in Unit				
Investment Trust Fund (UITF)	-	228,674	-	228,674
Investment in ARCH				
Capital Fund	-	-	191,128	191,128
	-	228,674	191,128	419,802
Financial assets at FVOCI				
Shares of stock				
Quoted				
Tourism and leisure	421,880	-	-	421,880
Retail	1,457	-	-	1,457
Real estate	14,598	-	-	14,598
Utilities and energy	18,554	-	-	18,554
Financial asset management	539	-	-	539
Telecommunications	3,453	-	-	3,453
Unquoted				
Tourism and leisure	-	2,800	528,616	531,416
Financial asset management	-	-	27,755	27,755
Utilities and energy	-	-	37,497	37,497
Real estate	-	-	7,468	7,468
Retail	-	-	53,042	53,042
Telecommunication	-	-	4,309	4,309
	460,481	2,800	658,687	1,121,968
	460,481	231,474	849,815	1,541,770

There have been no reclassifications to and from Level 1, Level 2 and Level 3 categories in 2024 and 2023 for financial assets at FVTPL and FVOCI.

Investment properties

The fair values of the investment properties were determined by independent professionally qualified appraisers. The values of the land and buildings were derived using the Market Data Approach and the Income Approach, respectively.

The following tables provide the fair value hierarchy of the Group's investment properties as at December 31:

	Level 1	Level 2	Level 3	Total fair value
2024	-	-	694,884,827	694,884,827
2023	-	-	658,425,255	658,425,255

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date. There has been no transfer between levels of fair value hierarchy in 2024 and 2023.

27.2 Capital management

Capital is defined by the Group as the total equity as shown in the consolidated statement of financial position. The primary objective of the Group's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks. The Group considers debt as a stable source of funding. The Group lengthened the maturity profile of its debt portfolio and makes it a point to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As at December 31, the Group had the following ratios:

	2024	2023
Debt-to-equity	0.79:1	0.81:1
Net debt to equity	0.73:1	0.75:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and financial assets at FVTPL. Equity, which the Group considers as capital, pertains to the total equity. The Group excludes the “Fair value reserve of financial assets at FVOCI” attributable to the equity holders of the Company in computing the debt-to-equity ratio.

The Group is subject to externally imposed debt-to-equity or net debt to equity ratios, and other certain requirements due to loan covenants (Note 14). No changes were made in the objectives, policies or process on capital during the years ended December 31, 2024 and 2023.

28 Segment information

The industry segments where the Group and its associates and joint ventures operate follows:

- Property developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Company’s share in properties made available to subsidiaries for development.
- International - development and sale of residential lots and units in Avaland Berhad (formerly Modular Construction Technology (MCT) Bhd. (Malaysia)
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities, gas stations and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Offices - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Construction - land development and construction of the Group and third-party projects
- Property management and others - facilities management of the Group and third-party projects

Assets, liabilities, revenues and expenses of the Strategic Landbank Management Visayas-Mindanao segment were reallocated to other business segments namely shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. For the years ended December 31, 2024, 2023 and 2022, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Business segments

The following tables regarding business segments present assets and liabilities as at December 31 and revenue and profit information for each of the three years in the period ended December 31 (in millions):

As at December 31, 2024

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	101,682	11,235	-	-	9,732	13,028	4,994	-	-	140,671
Rental revenue	-	-	22,984	12,878	-	-	-	-	-	35,862
Intersegment sales	-	-	-	-	-	40,073	-	-	(40,073)	-
Earnings of associates and joint ventures	2,032	-	(5)	-	-	3	-	-	-	2,030
Total revenue	103,714	11,235	22,979	12,878	9,732	53,104	4,994	-	(40,073)	178,563
Real estate costs and expenses	68,443	9,263	9,406	2,751	8,836	51,616	8,995	385	(40,271)	119,424
Gross margin (loss)	35,271	1,972	13,573	10,127	896	1,488	(4,001)	(385)	198	59,139
Interest and investment income										844
Other charges										(2,692)
Interest and other financing charges										(15,851)
Other income										1,330
Provision for income tax										(8,534)
Net income										34,236
Net income attributable to:										
Equity holders of Ayala Land, Inc.										28,232
Non- controlling interests										6,004
										34,236
Other Information										
Segment assets	716,699	26,701	247,605	219,185	63,237	52,488	15,824	77,792	(546,406)	873,125
Investment in associates and joint ventures	30,571	-	45	-	-	-	162	-	-	30,778
	747,270	26,701	247,650	219,185	63,237	52,488	15,986	77,792	(546,406)	903,903
Deferred tax assets	1,792	196	2,469	367	479	216	51	2,461	6,821	14,852
Total assets	749,062	26,897	250,119	219,552	63,716	52,704	16,037	80,253	(539,585)	918,755
Segment liabilities	269,737	13,611	103,612	22,196	29,072	39,530	4,527	220,366	(152,860)	549,791
Deferred tax liabilities	5,818	-	365	305	15	4	4	141	3,816	10,468
Total liabilities	275,555	13,611	103,977	22,501	29,087	39,534	4,531	220,507	(149,044)	560,259
Segment additions to:										
Property and equipment	446	297	247	17	1,827	625	598	249	-	4,306
Investment properties	4,671	1,057	10,498	11,568	31	-	601	-	-	28,426
Depreciation and amortization	733	175	5,024	2,548	858	223	460	254	-	10,275
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	136	-	63	13	-	-	-	3	-	215

As at December 31, 2023

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	79,545	7,433	-	-	8,780	6,596	4,892	-	-	107,246
Interest income from real estate sales	5,360	-	-	-	-	-	-	-	-	5,360
Rental revenue	-	-	21,088	11,808	-	-	-	-		32,896
Intersegment sales	-	-	-	-	-	40,606	-	-	(40,606)	-
Earnings of associates and joint ventures	1,570	-	13	-	-	(2)	(6)	-	-	1,575
Total revenue	86,475	7,433	21,101	11,808	8,780	47,200	4,886	-	(40,606)	147,077
Real estate costs and expenses	57,661	5,296	8,437	3,385	7,877	44,162	8,495	362	(39,626)	96,049
Gross margin (loss)	28,814	2,137	12,664	8,423	903	3,038	(3,609)	(362)	(980)	51,028
Interest and investment income										690
Other charges										(2,849)
Interest and other financing charges										(13,499)
Other income										1,091
Provision for income tax										(7,457)
Net income										29,004
Net income attributable to:										
Equity holders of Ayala Land, Inc.										24,508
Non- controlling interests										4,496
										29,004
Other Information										
Segment assets	653,142	21,528	230,133	195,918	56,849	48,080	14,281	95,422	(515,279)	800,074
Investment in associates and joint ventures	30,942	-	50	-	-	59	162	-	-	31,213
	684,084	21,528	230,183	195,918	56,849	48,139	14,443	95,422	(515,279)	831,287
Deferred tax assets	2,269	104	3,076	289	417	194	110	1,168	7,718	15,345
Total assets	686,353	21,632	233,259	196,207	57,266	48,333	14,553	96,590	(507,561)	846,632
Segment liabilities	252,342	10,384	95,794	32,008	22,311	35,784	7,335	210,420	(146,999)	519,379
Deferred tax liabilities	2,920	-	1,274	386	12	-	-	(1,099)	3,831	7,324
Total liabilities	255,262	10,384	97,068	32,394	22,323	35,784	7,335	209,321	(143,168)	526,703
Segment additions to:										
Property and equipment	967	-	1,494	17	2,589	597	317	12	-	5,993
Investment properties	4,302	-	12,876	21,287	2	76	-	-	-	38,543
Depreciation and amortization	621	169	4,417	2,481	852	276	436	254	-	9,506
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	164	1	25	377	30	-	-	-	-	597

As at December 31, 2022

	Property Development	International	Shopping Centers	Offices	Hotels and Resorts	Construction	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
Revenue										
Revenues from contracts with customers	71,792	2,757	-	-	6,194	4,236	4,181	-	-	89,160
Interest income from real estate sales	6,695	-	-	-	-	-	-	-	-	6,695
Rental revenue	-	-	16,075	11,121	-	-	-	-	-	27,196
Intersegment sales	-	-	-	-	-	38,257	-	-	(38,257)	-
Earnings of associates and joint ventures	1,419	-	10	-	-	6	(5)	-	-	1,430
Total revenue	79,906	2,757	16,085	11,121	6,194	42,499	4,176	-	(38,257)	124,481
Real estate costs and expenses	55,795	2,074	8,239	2,992	6,029	39,117	6,497	199	(38,049)	82,893
Gross margin (loss)	24,111	683	7,846	8,129	165	3,382	(2,321)	(199)	(208)	41,588
Interest and investment income										387
Other charges										(3,996)
Interest and other financing charges										(11,447)
Other income										1,688
Provision for income tax										(5,696)
Net income										22,524
Net income attributable to:										
Equity holders of Ayala Land, Inc.										18,617
Non- controlling interests										3,907
										22,524
Other Information										
Segment assets	589,589	17,440	215,705	155,712	54,615	44,480	13,557	102,294	(459,543)	733,849
Investment in associates and joint ventures	31,252	-	37	-	-	61	349	218	-	31,917
	620,841	17,440	215,742	155,712	54,615	44,541	13,906	102,512	(459,543)	765,766
Deferred tax assets	2,074	33	1,980	341	423	126	102	1,076	7,734	13,889
Total assets	622,915	17,473	217,722	156,053	55,038	44,667	14,008	103,588	(451,809)	779,655
Segment liabilities	236,536	6,421	94,346	25,122	20,916	33,705	7,724	195,016	(139,645)	480,141
Deferred tax liabilities	1,599	-	255	354	18	-	-	(229)	3,852	5,849
Total liabilities	238,135	6,421	94,601	25,476	20,934	33,705	7,724	194,787	(135,793)	485,990
Segment additions to:										
Property and equipment	141	50	1,484	74	351	440	1,406	478	-	4,424
Investment properties	7,773	655	18,529	3,149	-	26	2	4,543	-	34,677
Depreciation and amortization	542	162	4,420	2,340	920	552	504	249	-	9,689
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Impairment losses	56	-	158	62	1	-	3	1	-	281

29 Performance obligations

Information about the Group's performance obligations are summarized below:

Real estate sales

The Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) serviced lot and house, and (iii) condominium unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two to ten years with fixed monthly payment. The amount due for collection under the amortization schedule from each of the customer does not necessarily coincide with the progress of construction, which results in either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts

Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenues from banquets and other special events are recognized when the events take place.

Construction

Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) for the years ended December 31 are as follows:

	2024	2023	2022
Within one year	74,621,596	66,739,284	31,674,330
More than one year	48,813,403	59,864,314	29,307,910
	123,434,999	126,603,598	60,982,240

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects. The Group's condominium units are completed within three to five years from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

30 Registration with Philippine Economic Zone Authority (PEZA)

The following projects/properties were registered with PEZA:

Company	Property/Project	Date of Registration	Particular
Accendo Commercial Corp.	Abreeza Corporate Center	16-Dec-2013	As developer/operator
Ayala Land Inc.	Southpark Corporate Center	13-Dec-2017	As developer/operator
Ayala Land Inc.	Vertis North IT Park	6-Nov-2017	As developer/operator
Ayala Land Inc.	Ayala North Point Technohub	17-Dec-2010	Developer/operator
Ayala Land, Inc.	Aisa Town IT Park E-Bloc	18-Dec-2007	Ecozone Facilities Enterprise
Ayala Land, Inc.	South Coast City Information Technology Park	22-Jun-2022	Developer/Operator
Ayala Land, Inc.	CBP IT Park	20-May-2010	Developer/Operator
Ayala Land, Inc.	CCTC IT Park	10-Oct-2001	Developer/Operator
Ayalaland Metro North, Inc.	UP Town Corporate Center	16-Jan-2017	As developer/operator
AyalaLand Offices, Inc.	Building K to P (UP Technohub)	25-May-2012	Ecozone Facilities Enterprise
Cagayan de Oro Gateway Corp.	Centrio Corporate Center	24-Feb-2016	As developer/operator
Ceci Realty, Inc.	Lakeside Evozone	14-Dec-2007	Developer/Operator
Central Block Developers, Inc.	Central Bloc 1 & 2	19-Jun-2017	As Ecozone Facilities Enterprise
Alogis Artico, Inc.	Alogis Artico 1	13-Dec-2021	As Ecozone Facilities Enterprise
Alogis Artico, Inc.	Alogis Sto Tomas	22-Dec-2021	Domestic Market Enterprise
Alogis Artico, Inc.	Retail Electricity Supplier	16-May-2012	Ecozone Utilities Enterprise
Ecozone Power Management Inc.	Alogis Artico 1	13-Dec-2021	As Ecozone Facilities Enterprise
Ecozone Power Management Inc.	Alogis Sto Tomas	21-Dec-2021	Domestic Market Enterprise
First Gateway Real Estate Corp.	TP Ayala/People Support Center	25-Sep-2007	Developer/Operator
Hillsford Property Corp.	Baguio Technohub	29-Jan-2009	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Cavite Technopark- SEZ	13-Jul-2016	Ecozone Developer/Operator
Laguna Technopark, Inc.	Alviera Industrial Park, Phase 1	17-Nov-2017	Ecozone Facilities Enterprise
Laguna Technopark, Inc.	Laguna Technopark	17-Oct-1991	Ecozone Developer/Operator
North Eastern Commercial Corp.	30th Corporate Center	5-Jul-2017	As developer/operator
Nuevocentro, Inc.	Alviera Industrial Park	19-Jul-2016	Developer/Operator
Pangulasian Island Resort Corporation	Green Tourism Ecozone - Pangulasian	21-Mar-2016	Operator
Subic Bay Town Center Inc	Harbor Point Mall	9-Mar-2010	Developer/ Operator
Sunnyfield E-Office Corp.	Ilo-ilo Technohub	17-Dec-2010	Ecozone Developer/Operator Enterprise

31 Leases

Operating Leases - Group as Lessor

The Group entered into lease agreements with third parties covering its investment properties portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under non-cancellable operating leases of the Group follows:

	2024	2023	2022
Within one year	15,743,963	14,225,222	3,498,321
After one year but not more than five years	18,764,311	40,592,506	12,422,006
More than five years	42,335,734	21,570,082	55,262,893
	76,844,008	76,387,810	71,183,220

In 2024, there were no rent concessions during the year (2023 - nil and 2022 - P2.36 billion). These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payment and reported as reduction of lease income in 2024, 2023 and 2022 (Note 36).

Operating leases - Group as Lessee

The Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rental payable under non-cancellable operating leases of the Group follows:

	2024	2023	2022
Within one year	1,765,353	1,533,997	3,033,292
After one year but not more than five years	5,369,018	6,940,852	7,790,454
More than five years	45,188,654	56,491,798	49,234,687
	52,323,025	64,966,647	60,058,433

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2024 and 2023:

As at December 31, 2024

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	15,876,219	875,602	1,808,032	492,309	19,052,162
Additions	29,992	49,531	-	108,228	187,751
Disposals	-	-	(1,808,032)	-	(1,808,032)
Adjustments	523,358	(19)	-	-	523,339
At December 31	16,429,569	925,114	-	600,537	17,955,220
Accumulated depreciation and amortization					
At January 1	5,085,115	759,473	1,056,890	342,143	7,243,621
Depreciation	512,521	37,363	192,688	69,250	811,822
Disposals	-	-	(1,249,578)	-	(1,249,578)
Adjustments	162,240	30,927		10,364	203,531
At December 31	5,759,876	827,763	-	421,757	7,009,396
Net book value	10,669,693	97,351	-	178,780	10,945,824

As at December 31, 2023

	Land	Building	Aircraft	Others	Total
Cost					
At January 1	16,119,347	777,178	1,701,823	419,119	19,017,467
Additions	34,350	17,977	-	149,419	201,746
Adjustments	(277,478)	80,447	106,209	(76,229)	(167,051)
At December 31	15,876,219	875,602	1,808,032	492,309	19,052,162
Accumulated depreciation and amortization					
At January 1	4,644,277	745,721	885,261	323,367	6,598,626
Depreciation	483,116	36,905	143,635	37,027	700,683
Adjustments	(42,278)	(23,153)	-	(18,337)	(83,768)
Capitalized as investment property	-	-	27,994	86	28,080
At December 31	5,085,115	759,473	1,056,890	342,143	7,243,621
Net book value	10,791,104	116,129	751,142	150,166	11,808,541

The roll forward analysis of lease liabilities follows:

	Note	2024	2023
At January 1		18,522,623	18,702,566
Additions		122,988	418,740
Accretion of interest expense	20	1,551,389	1,489,221
Capitalized interest		-	(11,793)
Foreign exchange (loss) gain		(28,386)	(10,686)
Disposals		(881,670)	-
Payments		(508,931)	(2,065,425)
As at December 31		18,778,013	18,522,623
Less: Current portion of lease liabilities		1,843,218	1,108,553
Lease liabilities, net of current portion		16,934,795	17,414,070

The following are the amounts recognized in the consolidated statement of income:

	Note	2024	2023	2022
Depreciation expense of right-of-use assets		811,822	700,683	710,380
Accretion of interest expense on lease liabilities	20	1,551,389	1,489,221	1,439,756
Rent expense - short- term leases		5,917	1,416	556
Rent expense - variable lease payments		660,711	631,292	256,331
Foreign exchange (gain) loss		(28,386)	(10,686)	127,004

The Group has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	2024		
	Fixed Payments	Variable Payments	Total
Fixed	806,242	-	806,242
Variable rent with minimum payment	-	2,689,830	2,689,830
Variable rent only	-	259,801	259,801
At December 31	806,242	2,949,631	3,755,873

	2023		
	Fixed Payments	Variable Payments	Total
Fixed	1,420,958	-	1,420,958
Variable rent with minimum payment	29,028	9,820,596	9,849,624
Variable rent only	-	1,345,824	1,345,824
At December 31	1,449,986	11,166,420	12,616,406

The significant leases entered into by the Group are as follows:

Parent Company

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to P100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027. The lessee shall pay lessor P50.53 million or 40% of lease upon execution of the contract and turnover of the premise while the remaining 60% amounting to P75.79 million shall be payable upon securing all necessary permits from Local Government of Quezon City but not later than six months from payment of preceding lease payment.

Bay City

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. Parent Company signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The Parent Company assigned the parcels of land to Bay City in December 2017.

On September 2, 2014, Parent Company signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City, with an aggregate area of 92,317sqm. Parent Company signed a 45-year lease contract with an option to renew the lease for another term of 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and the Parent Company. The rent due to the Lessor shall be either the Minimum Guaranteed Rent or Percentage Rent (7% of Gross Rental Income), whichever is higher.

ALI also assigned the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014. The lessee shall pay the lessor (a) P100/sq meters subjects to annual escalation starting year 2020 ranging from P100/sq meter for the first 3 years, and subject to 25% escalation on the 4th year then 5% escalation from the 5th year to 17th year and finally 6% escalation from 18th to 45th year per square meter, or (b) rent equal to seven percent (7%) of the Gross Rental Income, whichever is higher. The lessee shall pay P100/sq meters for the Basement Right.

AMNI

On January 28, 2011, the Board of Regents of the University of the Philippines awarded to the Parent Company the P4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Parent Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to AMNI in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

Monthly rent is equal to the higher of either: (i) P215.65/sqm of the Gross Useable Area, subject to annual escalation at the rate of 5% (Minimum Guaranteed Rent); or (ii) Seventeen percent of the Gross Rental Income.

NTDCC

The Company entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to the Company in exchange for the Company's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the Group will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the Group's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the Group to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration. As at December 31, 2024, the DRP obligation amounted to P3,562.8 million (2023 - P3,684.5 million). Additionally, the total DRP obligation paid amounted to P312.7 million (2023 - nil)

On October 29, 2015, the Company entered into a non-cancellable land lease agreement with Global-Estate Resort Inc (GERI) for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P294.4 million was paid at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent is P62.5 million.

During 2016, the Company entered into a non-cancellable land lease agreement with Anglo Philippine Holdings, DBH Inc. and Allante Realty & Development Corporation for the lease of an aggregate of 1,964.20 square meters, 687.47 square meters and 687.47 square meters, respectively, undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development's rights period. Advanced rent amounting P120.5 million, P18.4 million and P18.4 million was paid to Anglo, DBH and Allante, respectively, at the beginning of the contract. Commencing on the 3rd year and until the 10th year of the contract, annual rent payable for both DBH and Allante is P3.9 million.

ALICAP

In December 2017, the Company entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1440 was delivered to the Company in February 2018 and has started flight operations in March 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US$14.16 million.

In June 2018, the Company entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1492 was delivered to the Company on the same month and has started flight operations in August 2018. The Company, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US$14.16 million.

AHRC

On January 30, 2018, the Company signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 144,087 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) P70 million per annum for the first 5 years (b) 5% of Gross Revenues or P70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5% of Gross Revenues or P70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of P73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. The Company has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys the Company to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or P350 per square meter for the 1st year, P375 per square meter for the 2nd year and P400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. The Company entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or P575 per square meter for the 1st year, P616.06 per square meter for the 2nd year and P657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC

On August 28, 1990, the Company, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. On December 22, 2009, ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014 until 2039. The fixed rent from 2014 to 2039 is P3.8 billion and variable rent is 2% of gross revenue.

SSECC

The Company has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounted to P106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol

On April 26, 2012 Parent Company signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. The Parent Company signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and the Company. The Parent Company assigned the parcels of land to Capitol in December 2017. Lease payment is P2.47 million per month and shall be escalated every five years by ten percent (10%) of the then current rate of rent.

Arvo

On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of two years and lease payments shall commence thereafter. Lease payments shall be paid annually at P60.00 per sqm, subject to an annual escalation of 4%.

The Group performed impairment testing on its right-of-use assets with a carrying value of P1330.9 million as at December 31, 2024 (2023 - P1,365.5 million), by assessing its recoverable amount through estimation of its value-in-use. Based on the impairment testing, there is no impairment loss on the Group's hotel and resorts' right-of-use assets as at December 31, 2024 and 2023 (Note 35).

32 Concession agreement with Department of Transportation (DOTr)

On January 26, 2016, the Group through ASITI entered into a Concession Agreement (CA) with the Department of Transportation (DOTr). The CA sets forth the rights and obligations of ASITI as concessionaire, including the construction and operation of the South Integrated Transport System Project (the Project) of DOTr. During the concession period, DOTr will monitor and review the performance of the concessionaire.

The concession will run for a period of 35 years from the start of the construction of the Project. Under the terms of the concession agreement, ASITI will design, engineer, construct, operate and maintain a mass transportation intermodal terminal at the outskirts of Metro Manila. The operation of the Project includes the collection and remittance of terminal fees to DOTr of the concessionaire during the concession period. In addition, ASITI will be permitted to develop and operate commercial leasing facilities.

Upon the start of the construction of the Project, DOTr will give ASITI the full, exclusive and uninterrupted use and possession of a 5.57 hectare property known as the Project Land. Ownership of the Project Land shall remain with DOTr at all times while the possession, custody and risk of loss or deterioration of the Project and commercial assets shall vest in the concessionaire during the concession period. ASITI shall transfer the Project and the related assets, free from any liens or encumbrances, to DOTr at the end of the concession period. ASITI will be entitled to annual payments from DOTr amounting to P277.9 million during the 35-year concession period, subject to meeting benchmarks set for certain key performance indicators enumerated in the CA.

As at December 31, 2024, construction of the Project has not yet commenced.

33 Notes to consolidated statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

2024

	Notes	January 1	Cash flows	Other changes	Foreign exchange movement	December 31
Short- term debt	14	16,905,107	3,765,893	-	-	20,671,000
Current portion of long-term debt	14	18,969,421	7,269,113	-	-	26,238,534
Long-term debt, net of current portion (a)	14	222,379,734	12,761,429	(30,860)	136,125	235,246,428
Dividends payable (b)	13	63,222	(11,502,972)	11,542,839	-	103,089
Lease liabilities (c)	31	18,522,623	(508,931)	792,707	(28,386)	18,778,013
Deposits and other non-current liabilities	16	42,638,781	2,701,283	-	-	45,340,064
Total liabilities from financing activities		319,478,888	13,604,145	13,186,356	107,739	346,377,128

Other changes mainly pertain to:
(a) Debt issuance cost and related amortization
(b) Dividend declaration
(c) Additions, accretion of interest expense and disposals

2023

	Notes	January 1	Cash flows	Other changes	Foreign exchange movement	December 31
Short- term debt	14	6,547,272	10,357,835	-	-	16,905,107
Current portion of long-term debt	14	19,228,289	(258,868)	-	-	18,969,421
Long-term debt, net of current portion (a)	14	210,233,290	12,145,265	22,354	(21,175)	222,379,734
Dividends payable (b)	13	81,030	(5,679,961)	5,662,153	-	63,222
Lease liabilities (c)	31	18,702,566	(2,065,425)	1,885,482	-	18,522,623
Deposits and other non-current liabilities	16	47,519,881	(4,881,100)	-	-	42,638,781
Total liabilities from financing activities		302,312,328	9,617,746	7,569,989	(21,175)	319,478,888

Other changes pertain to:
(a) Debt issuance cost and related amortization
(b) Dividend declaration
(c) Additions and accretion of interest expense

2022

	Note	January 1	Cash flows	Other changes	Foreign exchange movement	December 31
Short- term debt	14	16,782,500	(10,235,228)	-	-	6,547,272
Current portion of long-term debt (a)	14	26,173,997	(26,173,997)	19,228,289	-	19,228,289
Long-term debt, net of current portion (a)	14	180,140,242	49,327,017	(19,463,435)	229,466	210,233,290
Dividends payable (b)	13	686,982	(4,667,960)	4,062,008	-	81,030
Lease liabilities (a)	31	17,837,354	(1,316,469)	2,181,681	-	18,702,566
Deposits and other non-current liabilities	16	60,735,602	(13,215,721)	-	-	47,519,881
Total liabilities from financing activities		302,356,677	(6,282,358)	6,008,543	229,466	302,312,328

Other changes pertain to:
(a) Interest expense
(b) Dividend declaration

The non-cash investing and financing activities of the Group pertain to the following:

For the year ended December 31, 2024

Investing

- Transfer from property and equipment to investment properties amounting to P2,581.38 million.
- Transfer from inventories to investment properties amounting to P1,935.95 million.
- Capitalized interest amounted to P683.65 million.
- The acquisition of the partners' 50% shares in CDPEI resulted in the assumption of the fair values of its inventory, investment property and payables amounting to P6,930.6 million, P854.8 million and P7,759.0 million, respectively.

Investing/Financing

- Property for share swap transaction with Buendia Christiana Holdings Corp. (BCHC) that resulted in acquisition of investment properties amounting to P6,769.72 million, in exchange for the issuance of capital stock and recognition of additional paid-in capital of AREIT, resulting to an increase in non-controlling interest.

For the year ended December 31, 2023

Investing

- Transfer from investment properties to inventories amounting to P9,411 million.
- Transfer from investment properties to property and equipment amounting to P4,072 million.
- Transfer from inventory to property and equipment amounting to P9.0 million.
- Capitalized interest amounted to P683.10million.

For the year ended December 31, 2022

Investing

- Transfer from investment properties to inventories amounting to P16,875 million.
- Transfer from property and equipment to investment properties amounting to P5,597.3 million.

Investing/Financing

- Property for share swap transaction with AC and Mermac that resulted in acquisition of investment properties amounting to P4,785.39 million and inventories amounting to P78.06 million, in exchange for the issuance of capital stock and recognition of additional paid-in capital amounting P311.58 million and P17,074.58 million, respectively. This also involved the recognition of non-cash transactions such as equity reserves amounting to P9,800.78 million and non-controlling interest amounting to P3,397.84 million.

34 Events after the reporting period

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

On February 20, 2025, the Board of Directors of ALI approved the following:

a. The subscription of the Parent Company and its subsidiaries, Accendo Commercial Corporation (Accendo) , Cagayan de Oro Gateway Corporation (CDOGC) , and Central Bloc Hotel Ventures, Inc. to 505,890,177 primary common shares of AREIT, Inc. (AREIT), in exchange for eight (8) commercial properties with an aggregate value of P20,994,442,345.50, as validated by a third-party fairness opinion.

   The proposed property-for-share swap is for approval of the AREIT shareholders at their annual meeting on April 24, 2025 and pertinent regulatory bodies.

b. The ALI Performance Shares (APS) Plan which is designed to propel the Group's three-year strategy, strengthen key talent engagement, and ensure alignment with shareholder interests. The APS supplements the Group's existing Employee Stock Ownership Plan (ESOWN). Shares issued from ALI PS will form part of the 3% allocation of the Group authorized common shares for stock options.

c. The 2025 stock option program pursuant to our ESOWN which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 8,051,731 common shares at a subscription price of P20.42 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 5-day average trading as of February 14, 2025, less a prescribed discount. A total of 12,000,000 shares is allocated for ALI PS to vest over three years.

d. The raising of up to Php75 billion in debt capital to partially finance general corporate requirements and refinance maturing debt through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or execution of bilateral term loans.

e. The declaration of a regular cash dividend of P0.2888 per common share for the first half of 2025. The record date is March 5, 2025, and the payment date is March 21, 2025.

f. The amendment of Article Seventh of the Articles of Incorporation to decrease the authorized capital stock (ACS) from Php21,437,602,946.401 to Php20,437,602,946.40 through the retirement of 1 billion common shares held in Treasury, subject to stockholders' approval.

35 Critical accounting judgments and estimates

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

35.1 Critical accounting judgments

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

Existence of a contract

The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition, is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age 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.

Revenue recognition method and measure of progress

The Group concluded that revenue for real estate sales, mainly arising from residential development, is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. 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 of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion (POC)) faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Determining transaction price of sale of real estate

The Group determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the Group determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

Distinction of land between real estate inventories, property and equipment and investment properties

The Group determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Group also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights

The Group considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC

For ACC, ALI holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BGWest

For BG West, wherein ALI and the other shareholder each own 50% of the voting rights, ALI controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL, AGDC and LAIP

ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL, AGDC and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL, AGDC and LAIP.

Service concession agreement (Note 32)

The Group has made a judgment that the concession agreement with DOTr qualifies under Philippine Interpretation IFRIC 12, Service Concession Arrangements (Note 32). Management has assessed that DOTr controls and regulates the service, determines to whom this service will be provided and controls the price. In addition, management has also determined that the DOTr has the significant control over the residual interest of the Terminal at the end of the term. Management has also made a judgment that the Terminal and commercial assets (mall facilities) are physically separable and are capable of being operated independently.

Management has further assessed that said concession agreement qualifies under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial assets (i.e., the Annual Grantor Payment) for its construction, operating and maintenance services directly from DOTr.

Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's consolidated financial statements.

Sale of real estate receivables

The Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

(i) Qualitative criteria

The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial asset has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g., Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

(ii) Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options - Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Classification of joint operations

The joint operations of the Group require unanimous consent from all parties for all relevant activities, wherein the parties have direct rights to the assets of the partnership, and they are jointly and severally liable for the liabilities incurred by the parties. The Group therefore classifies interest in joint operation, and the recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Uncertainties in the determination of taxable profit

Judgments made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements. Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Determination of embedded derivative in financial liabilities

The Group determines whether there is an embedded derivative in its sustainability linked financial liabilities based on certain criteria such as:

- whether the contractual cash flows that could arise both before and after the contingent event is consistent with basic lending arrangement;
- whether the nature of the contingent event directly related to a change in basic lending risks and costs; and
- whether the cash flows would be significantly different from those of an identical instrument without the contingent feature in any contractually possible scenario.

35.2 Critical accounting estimates and assumptions

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

Revenue recognition on real estate projects (Notes 18 and 36.25)

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate, mainly arising from residential development, is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the percentage of completion is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the percentage of completion is applied to the standard cost which is regularly reviewed and adjusted to actual cost. In view of the community quarantines and restricted mobility in 2022, the progress of the Group's performance obligation was adversely affected which resulted in lower percentage of completion as compared to previous years. In 2023 and continuing with 2024, the Group's percentage of completion posted improvement due to easing of health and travel restrictions.

Estimation of significant financing component

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

Evaluation of NRV of real estate inventories

The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell.

In evaluating NRV, recent market conditions and current market prices have been considered. See Note 6 for the related balances.

Share-based payments

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Group (Note 26).

Estimating pension liabilities and other retirement benefits

The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 24 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Group Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations (Note 24).

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology (Note 27).

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 5 and 27.

Estimating the Incremental Borrowing Rate (IBR) for leases

The Group uses its IBR to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

As at December 31, 2024, the Group's lease liabilities amounted to P18,778.01 million (2023 - P18,522.6 million) (Note 31).

Evaluation of impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (i.e., property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

In view of the improving economy that was severely impacted by the pandemic and the government's easing travel and mobility restrictions (both domestic and international), the Group's hotels and resorts segment has registered positive growth in its revenues during the year. The hotel and resorts properties continue to post significant improvements in revenues and net income from higher occupancies due to easing of health and travel restrictions, surging leisure demand and increased guests spending. In addition, many restaurants and food outlets have reopened and operated, improving the food and beverage revenues of the segment. With a better economic outlook and market forecast, the segment is expected to continue its recovery in the future. The Group performed impairment testing on its hotel property and equipment, with a carrying value of P16,035.2 million as at December 31, 2024 (2023 - P19,578.2 million), by assessing its recoverable amount through estimation of its value-in-use (VIU). VIU is the present value of the future cash flows expected to be derived from an asset. The significant assumptions used in the valuation are discount rates of 5.00% to 13.00% with an average growth rate of 3.00%. Based on the impairment testing, there is no impairment loss on the Group's hotel property and equipment.

As at December 31, 2024, the carrying value of the property and equipment and right-of-use assets of the hotels and resorts segment amounted to P16,305 million (2023 - P19,578 million) and P1,330.9 million (2023 - P1,365.5 million). There is no impairment of investment properties in 2024 and 2023.

Useful lives of property and equipment and investment properties

The useful life of each item of the Group's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimated useful life of each asset is reviewed periodically and 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 asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets.

In 2024 and 2023, there were no changes in the estimated useful lives of property and equipment.

36 Summary of material accounting policies

36.1 Basis of preparation

Statement of compliance

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

- PFRS Accounting Standards
- PAS Standards; and
- interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets at FVTPL, financial assets at FVOCI and plan assets of retirement benefit obligation that have been measured at fair value.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 35.

Functional and presentation currency

The consolidated financial statements of the Group are presented in Philippine Peso. All amounts are shown in thousands of Philippine Peso unless otherwise stated.

36.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries.

The financial statements of the subsidiaries are prepared using the same reporting date and reporting period as those of the Parent Company, using consistent accounting policies.

Investees are fully consolidated from the date when control is transferred to the Group. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full in the consolidated financial statements.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity.

Non-controlling interests are net of any outstanding subscription receivable.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and recognized as equity reserves in the consolidated statement of changes in equity (Notes 1 and 17). If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

36.3 Adoption of amended accounting standards and interpretation

(a) Amendments to existing standards adopted by the Group effective January 1, 2024

The following amendments to existing standards have been adopted by the Group effective January 1, 2024:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

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

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

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments has been applied retrospectively in accordance with the normal requirements in PAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

- Amendments to PFRS 16*, 'Lease Liability in a Sale and Leaseback'*

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

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

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

  Effective January 1, 2024, the Group adopted the PIC Q&A No. 2018-12. The Group followed the allowed modified retrospective approach allowing it to adjust the beginning balance of equity in 2024. The adjustment on the 2024 beginning balance of equity, combined effect of Retained earnings and NCI, is an increase of P1.35 billion. The Group assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018 12 pertaining to significant financing component is not material to the consolidated financial statements of the Group.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2024 that are considered to be relevant or have a material impact on the Group's consolidated financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Group

The following amendments to existing standards are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Group:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 *(Effective beginning on or after January 1, 2026)*

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The adoption of the above amendments is not expected to have a material impact on the consolidated financial statements of the Group.

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

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

  Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

  - Although the adoption of PFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - PFRS 18 has specific requirements on the category in which derivative gains or losses are recognised - which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.

  The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
- for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

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

Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at December 31, 2024 reporting period that are considered to be relevant or have a material impact on the Group's consolidated financial statements.

36.4 Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification.

An asset is current when it is:

a. expected to be realized or intended to be sold or consumed in normal operating cycle;
b. held primarily for the purpose of trading;
c. expected to be realized within twelve (12) months after reporting date; or
d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is current when:

a. it is expected to be settled in the normal operating cycle;
a. it is held primarily for the purpose of trading;
b. it is due to be settled within 12 months after reporting date; or
c. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

36.5 Fair value measurement

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Group’s Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.
The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

36.6 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

36.7 Financial instruments

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognised on a trade date basis. Financial liabilities are recognized when cash is received by the Group.

(a) Financial assets

i. Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognised at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on *Revenue from contracts with customers*.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

The classification requirements for financial assets are described below:

a. Financial assets at amortized cost (debt instruments);
b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at fair value through profit or loss

ii. Subsequent measurement

(a) Financial assets at amortized cost

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

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

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Group accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognised over the life of the financial assets through the recognition of interest income.

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

When financial assets at amortized cost are disposed, these are assessed whether the Group is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (Note 5).

(b) Financial assets at FVOCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Group holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

The Group's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Group enter into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Group enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in profit or loss.

The Group's financial assets at FVTPL includes investments in UITF and ARCH Capital Fund.

iii. Impairment of financial assets

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes allowance for impairment loss based on lifetime ECL at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payments 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 which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

iv. Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

v. Derecognition

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

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

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

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

vi. Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (EIR) (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

(b) **Financial liabilities**

i. Initial recognition, classification and measurement

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized cost, net of directly attributable transaction costs. Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Group's financial liabilities include accounts and other payables (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities. The Group has no financial liabilities at FVTPL.

ii. Subsequent measurement

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income. This category generally applies to short-term and long-term debt.

iii. Derecognition

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

iv. *Offsetting*

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

There are no offsetting of financial instruments as at December 31, 2024 and 2023.

36.8 Derivatives

The Group uses derivative financial instruments, such as non-deliverable forwards, cross currency swaps, interest rate swaps and principal only swaps contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

36.9 Concession receivable

The Group accounts for its concession arrangement with the DOTr under the Financial Asset model as it has an unconditional contractual right to receive cash or other financial asset for its construction services from or at the direction of the grantor. Under the concession arrangement, the Group is awarded the right to build and operate an integrated transport terminal for Metro Manila and its adjacent provinces. The legal title to these assets shall be transferred to the government at the end of the concession period.

The concession financial receivable (shown as part of "Other Non-current Assets") pertains to the fair value of the Annual Grantor Payment related to the operating and maintenance services and recovery of construction costs of the terminal facility. These are amortized using the effective interest rate over the life of the related concession (Note 12).

In addition, the Group recognizes and measures construction revenues and costs in accordance with 'percentage of completion method'. Contract revenue and costs from construction works are recognized as "Construction revenue" and "Construction costs", respectively, in profit or loss in the period in which the work is performed.

36.10 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and estimated costs to sell.

Cost of inventories represents accumulated costs of the unsold units of the various real estate projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the consolidated statement of comprehensive income.

Inventories are derecognized when they are sold or there are no future benefits to the Group. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

The Group applies the approach presented in Philippine Interpretations Committee Questions and Answers (PIC Q&A) No. 2020-05 and accounts for repossession as a modification of the contract and reverses the previously recognized revenues and related cost of real estate sales recognized.

36.11 Materials, parts and supplies

Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

36.12 Investments in associates and joint ventures

Investments in associates and joint ventures (investee companies) are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as subsumed goodwill and included in the carrying amount of the investment and not amortized.

Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and instead included in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the investee companies, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

36.13 Interest in joint operation

Makati Development Corporation (MDC), a subsidiary of the Parent Company, has an interest in joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. MDC recognizes its share of jointly held assets, liabilities, income and expenses of the joint operation with similar items, line by line, in its financial statements.

The financial statements of the joint operation are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

36.14 Investment properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the companies in the Group. It also includes land intended as investment property or with unintended future use.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Group.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

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

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

As at December 31, 2024 and 2023, the Group engages independent valuation specialist to assess the fair value. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

36.15 Property and equipment

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

Land is carried at cost less any impairment in value.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Machinery and construction equipment	5
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5
Hotel property and equipment	20-50

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

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

36.16 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

Leasehold rights with finite lives are amortized using the straight-line method over the estimated useful life of 20 to 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income.

As at December 31, 2024 and 2023, intangible asset pertaining to leasehold right is included under "Other non-current assets" (Note 12).

36.17 Business combinations and goodwill

Business combinations are accounted for using the acquisition method which involves recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain. The Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

36.18 Combinations of entities under common control

Business combinations of entities under common control are accounted for using the pooling of interest method.

The effects of intercompany transactions on current assets, current liabilities, revenues, and cost of sales for the current period presented and on retained earnings at the beginning of the current period presented are eliminated to the extent possible.

36.19 Asset acquisitions

If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition (Note 17). The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such transaction or event does not give rise to goodwill. Where the Group acquires a controlling interest in an entity that is not a business, but obtains less than 100% of the entity, after it has allocated the cost to the individual assets acquired, it notionally grosses up those assets and recognizes the difference as non-controlling interests.

36.20 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired (e.g., investments in associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

Investments in associates and joint ventures

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

36.21 Pension cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

36.22 Long-term commitments and contingencies

Commitments

a. On December 8, 2017, ALI assigned to NTDCC development rights on certain portions of the North Triangle lot pads covered by a Deed of Assignment and Encroachment Settlement Agreement amounting to P631.2 million.

b. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Parent Company and CHI (together with the Parent Company collectively referred to as the "ALI Group"). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, the Parent Company has fully paid P4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commenced on February 18, 2020.

   As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

   The development is positioned to be "The Gateway and Epicenter of Growth in Central Visayas".

   It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

c. On August 11, 2015, the Group won the bid for the Integrated Transport System Project - South Terminal ("ITS South Project"). The Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57-hectare of the former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

d. On August 8, 1997, an “Assignment Agreement” was executed between Department of Transportation and Communications (DOTC), Metro Rail and MRTDC whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

e. On June 4, 2014, AHRC, a wholly owned subsidiary of the Parent Company has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2027, the new Mandarin Oriental Manila will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US$5 million (P223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or on June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

f. On February 26, 2021, The Group entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively, to a 5-year loan with interest rate of 4% per annum.

g. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company, named ALI-ETON Property Development Corporation, was incorporated on May 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo’s first residential development, The Lattice, was also launched in 2019, together with ALP’s second tower, Parklinks South tower.

   On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

h. On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc, for the waterworks of Parent Company’s projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31, 2021 to amend certain provisions. The original MOA and its amendments were signed by the Parent Company and its subsidiaries and affiliates including Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Total expenses amounted to P0.2 million. As a result of the merger of CHI into CPVDC and later on CHI to the Parent Company, the Parent Company assumes the rights and obligations of CHI and CPVDC.

Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material nor adverse effect on the Group’s financial position and results of operations. Accordingly, no provision for any liability has been made in the consolidated financial statements.

Disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice the Group’s position in ongoing claims and it can jeopardize the outcome of the claims and contingencies.

36.23 Share-based payments

The Group has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 26.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as at grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 25).

ESOWN

The Parent Company has an ESOWN which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

36.24 Equity

When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the consolidated statement of financial position (Note 17).

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

36.25 Revenue from contract with customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of critical accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 35.

Residential development revenue (part of real estate sales in the consolidated statement of income)

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

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

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the "customer's deposit" account in the liabilities section of the consolidated statement of financial position.

The Group determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the Group determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

The calculation of financing component in a transaction price is based on various inputs such as transaction price, cash discount, payment scheme, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

Hotel and resorts revenue (part of real estate sales in the consolidated statement of income)

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Rooms revenue from hotel and resort operations is recognized when the services are rendered. Revenue from banquets and other special events are recognized when the events take place.

Construction revenue (part of real estate sales in the consolidated statement of income)

Revenue from fixed price construction contracts is recognized over time using the milestone-based revenue recognition which is in reference to the output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Rental income (part of real estate sales in the consolidated statement of income)

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. No rental income is recognized when the Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment (Note 31).

The contract for the commercial spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common use service area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Group, are primarily responsible for the provisioning of the utilities while the Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA and air-conditioning charges.

Other services

Revenue from other services is recognized at a point in time when services are rendered.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Group's right to receive the payment is established.

36.26 Cost recognition

The Group recognizes pre-launch costs relating to satisfied performance obligations. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Cost of hotel operations (part of cost of real estate sales in the consolidated statement of income)

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

Construction costs (part of cost of real estate sales in the consolidated statement of income)

Cost of real estate sold are determined using output method based on POC consistent with the manner of revenue recognition. Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Customers' deposit

Customers' deposit is a contract liability which is the 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 a customer pays consideration before the Group transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Group which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

36.27 Costs to obtain contract

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

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

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

Following the pattern of real estate revenue recognition, the Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

36.28 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Investment properties" and "Property and equipment" accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The Group capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

36.29 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful Life
Building	20-40
Aircraft	10
Others	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of non-financial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its IBR at the lease commencement date because the interest rate implicit in the lease is not readily determinable. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

36.30 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

36.31 Deferred tax

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

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

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

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

36.32 Base Erosion and Profit Shifting (BEPS) Pillar 2

Pillar Two legislation has been implemented in some of the jurisdictions in which subsidiaries of the Group operates. Legislation applicable to the Group is effective on January 1, 2024. Given this, the Group has assessed the applicable tax legislation in all the countries in which subsidiaries of the Group operate to determine whether or not a Pillar Two ‘top-up’ tax liability needs to be recognized.

The relevant set of rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbor (“TSH”) that applies for the first three fiscal years following the entry into force of the relevant regulation; the TSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero.

A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

Based on the management assessment performed, the entities in the Philippines, Malaysia, the United States of America, Italy, Canada, United Kingdom, Hongkong and Myanmar passed the TSH test/s, thus, these jurisdictions are not subject to the detailed Pillar Two calculations and the top-up taxes are deemed to be zero.

36.33 Foreign currency transactions

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The exchange differences arising on the translation are taken directly to a separate component of equity under “Cumulative translation adjustments” account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Group’s share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

36.34 Earnings per share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

36.35 Segment reporting

The Group’s operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 28 to the consolidated financial statements.

36.36 Contingencies

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

36.37 Events after the reporting period

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

Ayala Land, Inc. and Subsidiaries

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As of December 31, 2024

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Schedule C. Accounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements

Schedule D. Long-Term Debt

Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)

Schedule F. Guarantee of Securities of Other Issuers

Schedule G. Capital Stock

Other Supporting Schedules

Reconciliation of Retained Earnings Available for Dividend Declaration

Financial Soundness Indicators

Map of the Group of Companies within which the Parent Company belongs

Bond Proceeds

Ayala Land, Inc. and Subsidiaries

Schedule A- Financial Assets

As of December 31, 2024

Name of Issuing entity and association of each issue	Number of share or principal amount of bonds and notes (in '000)	Amount in the statement of financial position (in '000)	Income received and accrued (in '000)
Loans and Receivables			
A. Cash in Bank	-	**10,390,395**	**157,457**
BPI			
Peso	-	2,975,845	11,624
Foreign Currency	-	419,608	67
Other Banks	-	-	-
Peso	-	4,214,253	108,172
Foreign Currency	-	2,780,689	37,594
B. Cash Equivalents 1/	-	**11,073,558**	**496,309**
BPI	-	-	-
Special Savings Account	-	-	-
Time Deposits	-	2,301,097	71,874
Others	-	-	-
Other Banks	-	-	-
Special Savings Account	-	-	-
Time Deposits	-	8,772,461	424,435
Others	-	-	-
C. Loans and receivable	-	**188,312,229**	**46,633**
Trade	-	153,055,404	46,633
Advances to other companies	-	17,383,575	-
Accrued receivables	-	10,933,858	-
Related parties	-	5,874,676	-
Receivable from employees	-	1,064,716	-
D . Financial Assets at FVPL	-	**651,008**	**31,250**
Investment in UITF	-	471,010	31,250
Investment in Funds	-	179,998	-
E . Financial Assets at FVOCI		**1,272,606**	**-**
Quoted	2,744	567,934	-
Unquoted	343,831	704,673	-
TOTAL	**346,575**	**211,699,797**	**731,650**

1/ Cash equivalents are short term, highly liquid investments that are made for varying period of up to three (3) months depending on the immediate cash requirements of the group and earn interest at the respective short term rates.

Ayala Land, Inc. and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders
(Other than Related Parties)
As of December 31, 2024
in Php

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
Employees							
Notes Receivable	1,048,210,716	1,349,943,520	1,333,437,905	-	796,286,191	268,430,141	1,064,716,332

Ayala Land, Inc. and subsidiaries

Schedule C - Accounts Receivable from Related Parties which are Eliminated during the Consolidation Period

As of December 31, 2024

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Receivable by ALI Parent from related parties							
Accendo Commercial Corp	149,505	1,335,709	(1,357,532)	-	127,682	-	127,682
Adauge Commercial Corp.	4,003	9,041	(6,114)	-	6,929	-	6,929
AKL Properties Inc.	(356)	946,927	(939,651)	-	6,920	-	6,920
Alabang Commercial Corporation (Conso)	24,553	89,568	(88,973)	-	25,148	-	25,148
ALI Capital Corp. (Conso)*	146,527	5,080,236	(4,825,079)	(358,678)	43,006	-	43,006
ALI-CII Development Corporation	6,898	11,127	(10,579)	-	7,446	-	7,446
ALO Prime Realty Corporation	7,540	-	(10)	-	7,530	-	7,530
Altaraza Development Corporation	707,632	129,819	(265,801)	-	571,650	-	571,650
Altaraza Prime Realty Corporation	-	67	-	-	67	-	67
Alveo Land Corporation (Conso)	6,102,270	383,287	-	-	6,485,558	-	6,485,558
Amaia Land Corporation (Conso)	1,143,081	740,215	(676,899)	-	1,206,398	-	1,206,398
Amorsedia Development Corporation (Conso)	480,583	292,219	(411,884)	-	360,918	-	360,918
Anvaya Cove Golf and Sports Club Inc.	79,314	-	(2,314)	-	77,000	-	77,000
APRISA Business Process Solutions, Inc	1,339	-	(1,061)	-	278	-	278
Arca South Integrated Terminal, Inc	13,875	-	(142)	-	13,733	-	13,733
AREIT Fund Manager, Inc.	16,320	-	(16,242)	-	78	-	78
AREIT Property Managers, Inc.	429	67	-	-	497	-	497
AREIT, Inc.	1,541,062	981,201	(867,142)	-	1,655,121	-	1,655,121
Arvo Commercial Corporation	129,363	294,421	(181,641)	-	242,143	-	242,143
Aurora Properties, Inc.	71,943	17	-	-	71,960	-	71,960
Aviana Development Corporation	223,414	69,655	(74,251)	-	218,818	-	218,818
Avida Land Corporation (Conso)	4,315,651	862,771	(77,845)	-	5,100,577	-	5,100,577
Ayala Hotels Inc.	563,752	15,647	(23,098)	-	556,301	-	556,301
Ayala Land International Sales, Inc.(Conso)	164,808	-	(863)	-	163,945	-	163,945
Ayala Land-Tagle Property Inc.	-	-	-	-	-	-	-
Ayala Malls Zing (AMZING), Inc.	284	20,000	(19,732)	-	552	-	552
Ayala Property Management Corporation (Conso)	123,196	156,882	(72,809)	-	207,269	-	207,269
Ayala Theaters Management, Inc.	715	-	(715)	-	-	-	-
AyalaLand Estates Inc. (Conso)	2,664,174	327,645	(2,927,563)	-	64,255	-	64,255
AyalaLand Hotels and Resorts Corp. (Conso)	692,112	4,299,143	(4,174,748)	-	816,506	-	816,506
Avalaland Logistics Holdings Corp. (Conso)	1,047,985	4,149,043	(3,193,250)	-	2,003,778	-	2,003,778
Avalaland Malls Synergies, Inc.	43,976	324	-	-	44,300	-	44,300
AyalaLand Malls, Inc. (Conso)	837,393	385,700	(514,059)	-	709,034	-	709,034
Avalaland Medical Facilities Leasing Inc.	14,366	-	-	-	14,366	-	14,366
Avalaland Metro North, Inc.	5,349	-	(2,314)	-	3,035	-	3,035
AyalaLand Offices, Inc. (Conso)	324,052	49,547	-	-	373,598	-	373,598
Avalaland Premier, Inc.	91,837	6,461	-	-	98,298	-	98,298
Bay City Commercial Ventures Corp.	7,431,106	1,744,138	(810,001)	-	8,365,242	-	8,365,242
BellaVita Land Corp.	1,280,542	21,636	-	-	1,302,178	-	1,302,178
BG North Properties Inc.	13,223	-	(13,223)	-	-	-	-
BG South Properties, Inc.	28,465	-	(28,465)	-	-	-	-
BG West Properties, Inc	1,344,198	45,329	-	-	1,389,526	-	1,389,526
Buendia Landholdings, Inc.	67	270	-	-	337	-	337
Cagayan De Oro Gateway Corporation	51,562	72,106	(60,926)	-	62,741	-	62,741
Capitol Central Commercial Ventures Corp.	1,555,893	766,292	(766,757)	-	1,555,427	-	1,555,427
Cavite Commercial Towncenter, Inc.	140,792	754,600	(772,882)	-	122,511	-	122,511
Cebu District Property Enterprise, Inc.	-	944,874	(197,053)	-	747,821	-	747,821
Cebu Leisure Co. Inc.	46,394	58,314	(46,370)	-	58,338	-	58,338
CECI Realty Corp.	191,339	8,277	-	-	199,616	-	199,616
Central Bloc Hotel Ventures	7,009	16,301	-	-	23,310	-	23,310
Crans Montana Property Holdings Corporation	2,578	73,497	(47,797)	-	28,278	-	28,278
Crimson Field Enterprises, Inc.	185,776	63,649	(60,534)	-	188,891	-	188,891
Direct Power Services Inc.	788	14,709	-	-	15,497	-	15,497

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Ecoholdings Company, Inc.	703	-	(703)	-	-	-	-
First Longfield Investments Ltd.	65	-	-	-	65	-	65
FIVE STAR Cinema Inc.	65	285	(218)	-	132	-	132
Hillsford Property Corporation	(168)	790	-	-	621	-	621
Integrated Eco-Resort Inc.	247	67	-	-	314	-	314
Laguigan Land Corporation	1,393	3,060	(2,628)	-	1,825	-	1,825
Leisure and Allied Industries Phils. Inc.	5,083	6,945	(9,245)	-	2,784	-	2,784
Makati Cornerstone Leasing Corp.	5,407,323	42,912	(761,341)	-	4,688,894	-	4,688,894
Makati Development Corporation (Conso)	257,609	2,994,472	(2,470,915)	-	781,166	-	781,166
North Eastern Commercial Corp.	641,674	-	(641,674)	-	-	-	-
North Triangle Depot Commercial Corp	76,358	381,737	(350,551)	-	107,544	-	107,544
North Ventures Commercial Corp.	86,674	7,263	-	-	93,938	-	93,938
NorthBeacon Commercial Corporation	14,452	6,734	-	-	21,186	-	21,186
Nuevocentro, Inc. (Conso)	2,350,926	567,552	(516,763)	-	2,401,715	-	2,401,715
Philippine Integrated Energy Solutions, Inc.	16,751	28,351	-	-	45,103	-	45,103
Primavera Towncentre, Inc.	54,008	33,348	(35,395)	-	51,961	-	51,961
Red Creek Properties, Inc.	174,280	27,229	(27,153)	-	174,355	-	174,355
Regent Time International, Limited	98,757	641	-	-	99,399	-	99,399
Regent Wise Investments Limited(Conso)	3,207,964	223,616	(110,186)	-	3,321,394	-	3,321,394
Roxas Land Corp.	7,261	632	(1,196)	-	6,697	-	6,697
Serendra Inc.	176,170	15,162	-	-	191,332	-	191,332
Soltea Commercial Corp.	81,492	154,911	(143,198)	-	93,205	-	93,205
Southportal Properties, Inc.	119,049	-	(31,349)	-	87,700	-	87,700
Station Square East Commercial Corp	48,115	81,547	(64,694)	-	64,968	-	64,968
Subic Bay Town Center Inc.	14,411	-	(1,705)	-	12,706	-	12,706
Summerhill Commercial Ventures Corp.	61,620	5,286	-	-	66,906	-	66,906
Sunnyfield E-Office Corp	13,472	966	-	-	14,438	-	14,438
Taft Punta Engaño Property, Inc.	144,906	-	(114,661)	-	30,246	-	30,246
Ten Knots Development Corporation(Conso)	24,238	143,537	(57,605)	-	110,170	-	110,170
Ten Knots Philippines, Inc.(Conso)	86,300	413,274	(205,966)	-	293,607	-	293,607
Verde Golf Development Corporation	94,614	-	-	-	94,614	-	94,614
Vesta Property Holdings Inc.	34,269	54,484	-	-	88,753	-	88,753
Westview Commercial Ventures Corp.	22,776	2,229	(3,260)	-	21,744	-	21,744
Whiteknight Holdings, Inc.	33,219	-	-	-	33,219	-	33,219
Subtotal	**47.374.755**	**30.417.761**	**(29.086.728)**	**(358.678)**	**48.347.110**	**-**	**48.347.110**

**The write off amount refers to the irrecoverable advances arising from the completed sale of Airwsift, a 100% subsidiary of ALI Cap.*

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Makati Development Corporation							
Accendo Commercial Corp	307.705	164.332	-	-	472.037	-	472.037
Adauge Commercial Corp.	2.665	45.918	-	-	48.583	-	48.583
AKL Properties Inc.	219.257	268.481	-	-	487.738	-	487.738
Alabang Commercial Corporation (Conso)	-	19	-	-	19	-	19
ALI Capital Corp. (Conso)	14.407	-	(14.407)	-	-	-	-
Altaraza Development Corporation	50.420	164.170	-	-	214.590	-	214.590
Alveo Land Corporation (Conso)	1.843.375	57.896	(798.181)	-	1.103.089	-	1.103.089
Amaia Land Corporation (Conso)	821.154	63.370	(281.010)	-	603.514	-	603.514
Amorsedia Development Corporation (Conso)	72.578	98.065	(31.544)	-	139.099	-	139.099
Anvaya Cove Golf and Sports Club Inc.	1.985	-	(1.795)	-	190	-	190
Arca South Integrated Terminal, Inc	-	-	-	-	-	-	-
AREIT, Inc.	2.019	-	-	-	2.019	-	2.019
Arvo Commercial Corporation	56.534	62.219	(27.086)	-	91.667	-	91.667
Aurora Properties, Inc.	33.303	37.432	-	-	70.735	-	70.735
Aviana Development Corporation	282.954	34.063	(27.983)	-	289.034	-	289.034
Avida Land Corporation (Conso)	1.468.187	345.227	(632.673)	-	1.180.741	-	1.180.741
Ayala Hotels Inc.	719.927	46.362	-	-	766.289	-	766.289
Ayala Land Inc.	3.571.483	3.236.143	(2.705.540)	-	4.102.086	-	4.102.086
Ayala Land-Tagle Property Inc.	6.848	135.254	-	-	142.102	-	142.102
Ayala Malls Zing (AMZING), Inc.	280	-	-	-	280	-	280
Ayala Property Management Corporation (Conso)	2.137	2.091	-	-	4.228	-	4.228
AyalaLand Estates Inc. (Conso)	409.592	94.261	(227.709)	-	276.144	-	276.144
AyalaLand Hotels and Resorts Corp. (Conso)	239.697	130.376	(143.875)	-	226.198	-	226.198
Ayalaland Logistics Holdings Corp. (Conso)	545.181	1.092.834	(884.895)	-	753.119	-	753.119
Ayalaland Malls Synergies, Inc.	1.469	-	-	-	1.469	-	1.469
AyalaLand Malls, Inc. (Conso)	111.852	-	(31.028)	-	80.824	-	80.824
Ayalaland Medical Facilities Leasing Inc.	2.455	-	-	-	2.455	-	2.455
AyalaLand Offices, Inc. (Conso)	-	5	-	-	5	-	5
Bay City Commercial Ventures Corp.	8.801	1.388.524	(728.057)	-	669.268	-	669.268
BellaVita Land Corp.	45.001	-	(21.937)	-	23.064	-	23.064
BG North Properties Inc.	11.624	-	(11.624)	-	-	-	-
BG South Properties, Inc.	533.044	-	(533.044)	-	-	-	-
BG West Properties, Inc	358.275	795.169	-	-	1.153.444	-	1.153.444
Cagayan De Oro Gateway Corporation	69.407	-	(57.537)	-	11.870	-	11.870
Capitol Central Commercial Ventures Corp.	59.713	362.671	(339.101)	-	83.283	-	83.283
Cavite Commercial Towncenter, Inc.	124.768	288.188	(170.804)	-	242.152	-	242.152
Cebu District Property Enterprise, Inc.	-	156.727	-	-	156.727	-	156.727
Cebu Leisure Co. Inc.	-	5	-	-	5	-	5
CECI Realty Corp.	99.277	-	(54.105)	-	45.172	-	45.172
Central Bloc Hotel Ventures	-	-	-	-	-	-	-
Crans Montana Property Holdings Corporation	2.644	42.449	-	-	45.092	-	45.092
Direct Power Services Inc.	357	-	(354)	-	4	-	4
Laguidan Land Corporation	5.963	778	-	-	6.741	-	6.741
Makati Cornerstone Leasing Corp.	3.459	15.865	-	-	19.324	-	19.324
Makati Development Corporation (Conso)	50	5.371.651	(5.371.701)	-	-	-	-
North Eastern Commercial Corp.	255	-	(255)	-	-	-	-
North Triangle Depot Commercial Corp	83.055	95.574	(16.919)	-	161.709	-	161.709
NorthBeacon Commercial Corporation	-	41.371	-	-	41.371	-	41.371
Nuevocentro, Inc. (Conso)	717.822	50.206	(439.492)	-	328.536	-	328.536
Philippine Integrated Energy Solutions, Inc.	298	19	-	-	317	-	317
Primavera Towncentre, Inc.	9.923	12.026	-	-	21.949	-	21.949
Roxas Land Corp.	1.527	-	(1.200)	-	327	-	327
Serendra Inc.	85.644	469	-	-	86.113	-	86.113
Soltea Commercial Corp.	19.056	164.151	-	-	183.207	-	183.207
Southportal Properties, Inc.	18.890	1	(13.258)	-	5.632	-	5.632
Station Square East Commercial Corp	-	11	-	-	11	-	11
Summerhill Commercial Ventures Corp.	151	-	(127)	-	25	-	25
Sunnyfield E-Office Corp	227	-	(227)	-	-	-	-
Taft Punta Engaño Property, Inc.	16.504	-	(14.155)	-	2.348	-	2.348
Ten Knots Development Corporation(Conso)	13.168	68.916	-	-	82.085	-	82.085
Ten Knots Philippines, Inc.(Conso)	136.211	176.019	(52.119)	-	260.111	-	260.111
Vesta Property Holdings Inc.	6.817	33.813	-	-	40.630	-	40.630
Westview Commercial Ventures Corp.	5	-	-	-	5	-	5
Subtotal	**13.219.400**	**15.143.122**	**(13.633.746)**	**-**	**14.728.777**	**-**	**14.728.777**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Accendo Commercial Corp							
Adauge Commercial Corp.	21	-	-	-	21	-	21
Alabang Commercial Corporation (Conso)	7	-	-	-	7	-	7
ALI Capital Corp. (Conso)	31	-	(31)	-	-	-	-
Alveo Land Corporation (Conso)	2,026	2,364	(3,461)	-	929	-	929
Amaia Land Corporation (Conso)	20	-	-	-	20	-	20
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Aviana Development Corporation	2,882	455	-	-	3,338	-	3,338
Avida Land Corporation (Conso)	7,121	2,104	(1,983)	-	7,243	-	7,243
Ayala Land Inc.	14,540	-	-	-	14,540	-	14,540
Ayala Malls Zing (AMZING), Inc.	89	12	-	-	101	-	101
Ayala Property Management Corporation (Conso)	415	10	-	-	425	-	425
AyalaLand Estates Inc. (Conso)	24	-	-	-	24	-	24
AyalaLand Hotels and Resorts Corp. (Conso)	1,231	4,124	(5,473)	-	(118)	-	(118)
Ayalaland Logistics Holdings Corp. (Conso)	20	-	-	-	20	-	20
AyalaLand Malls, Inc. (Conso)	4,420	670	(1,383)	-	3,707	-	3,707
Ayalaland Metro North, Inc.	1	-	-	-	1	-	1
AyalaLand Offices, Inc. (Conso)	20	-	-	-	20	-	20
Bay City Commercial Ventures Corp.	338	-	(311)	-	27	-	27
Cagayan De Oro Gateway Corporation	205	110	(112)	-	203	-	203
Capitol Central Commercial Ventures Corp.	33	31	-	-	64	-	64
Cebu Leisure Co. Inc.	5	2	-	-	7	-	7
Leisure and Allied Industries Phils. Inc.	165	2,431	(2,461)	-	135	-	135
Makati Development Corporation (Conso)	199	-	-	-	199	-	199
North Eastern Commercial Corp.	-	-	-	-	-	-	-
North Triangle Depot Commercial Corp	39	-	-	-	39	-	39
North Ventures Commercial Corp.	-	-	-	-	-	-	-
Philippine Integrated Energy Solutions, Inc.	-	-	-	-	-	-	-
Station Square East Commercial Corp	6	-	-	-	6	-	6
Ten Knots Development Corporation(Conso)	21	-	-	-	21	-	21
Ten Knots Philippines, Inc.(Conso)	3	-	-	-	3	-	3
Westview Commercial Ventures Corp.	22	4	-	-	26	-	26
Subtotal	**33,905**	**12,318**	**(15,216)**	**-**	**31,007**	**-**	**31,007**
Amount Owed by ALI & Subsidiaries TO Adauge Commercial Corp.							
Accendo Commercial Corp	2,510	3,173	(1,550)	-	4,133	-	4,133
ALI Capital Corp. (Conso)	13,757	20,000	(33,757)	-	-	-	-
Alveo Land Corporation (Conso)	1,449	3,542	(3,555)	-	1,436	-	1,436
Amaia Land Corporation (Conso)	703	11,056	(11,008)	-	752	-	752
Arvo Commercial Corporation	387	-	-	-	387	-	387
Avida Land Corporation (Conso)	1,076	3,371	(2,892)	-	1,554	-	1,554
Ayala Land Inc.	1,505	19,001	(20,506)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	33,133	33,145	(54,477)	-	11,801	-	11,801
Ayalaland Logistics Holdings Corp. (Conso)	18,093	32,030	(33,220)	-	16,903	-	16,903
AyalaLand Malls, Inc. (Conso)	388	24	-	-	412	-	412
Ayalaland Metro North, Inc.	1	-	-	-	1	-	1
Bay City Commercial Ventures Corp.	14,254	23,835	(27,891)	-	10,198	-	10,198
Capitol Central Commercial Ventures Corp.	2	-	-	-	2	-	2
Cebu District Property Enterprise, Inc.	-	17,415	(11,401)	-	6,014	-	6,014
Direct Power Services Inc.	2	-	-	-	2	-	2
North Triangle Depot Commercial Corp	-	2,091	(2,073)	-	18	-	18
Soltea Commercial Corp.	1,012	15,110	(10,088)	-	6,033	-	6,033
Sunnyfield E-Office Corp	533	-	-	-	533	-	533
Ten Knots Philippines, Inc.(Conso)	4,991	11,381	(10,300)	-	6,071	-	6,071
Subtotal	**93,794**	**195,174**	**(222,716)**	**-**	**66,252**	**-**	**66,252**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO AKL Properties Inc.							
Ayala Land Inc.	-	2	-	-	2	-	2
Subtotal	**-**	**2**	**-**	**-**	**2**	**-**	**2**
Amount Owed by ALI & Subsidiaries TO Alabang Commercial Corporation							
Accendo Commercial Corp	20	145,950	(116,808)	-	29,163	-	29,163
Alabang Commercial Corporation (Conso)	9,704	6,827	-	-	16,530	-	16,530
ALI Capital Corp. (Conso)	30,954	48,505	(79,241)	-	218	-	218
Alveo Land Corporation (Conso)	71,175	177,322	(234,470)	-	14,027	-	14,027
Amaia Land Corporation (Conso)	734	40,693	(40,310)	-	1,117	-	1,117
Amorsedia Development Corporation (Conso)	106	-	-	-	106	-	106
Arvo Commercial Corporation	52,979	84,774	(134,152)	-	3,600	-	3,600
Aviana Development Corporation	-	34,134	(27,394)	-	6,741	-	6,741
Avida Land Corporation (Conso)	630	3,429	(3,740)	-	319	-	319
Ayala Land Inc.	23,490	312,128	(327,108)	-	8,509	-	8,509
Ayala Malls Zing (AMZING), Inc.	65	-	-	-	65	-	65
AyalaLand Estates Inc. (Conso)	2,000	4,026	(4,026)	-	2,000	-	2,000
AyalaLand Hotels and Resorts Corp. (Conso)	51,366	124,348	(159,283)	-	16,431	-	16,431
Ayalaland Logistics Holdings Corp. (Conso)	37,863	267,639	(184,499)	-	121,003	-	121,003
AyalaLand Malls, Inc. (Conso)	21,276	13,878	(29,570)	-	5,584	-	5,584
AyalaLand Offices, Inc. (Conso)	8,258	6,375	-	-	14,634	-	14,634
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	117,596	464,014	(478,389)	-	103,221	-	103,221
Cagayan De Oro Gateway Corporation	1	-	-	-	1	-	1
Capitol Central Commercial Ventures Corp.	38	76,917	(35,863)	-	41,092	-	41,092
Cavite Commercial Towncenter, Inc.	72,860	128,777	(170,552)	-	31,085	-	31,085
Cebu District Property Enterprise, Inc.	-	23,406	(10,204)	-	13,202	-	13,202
Cebu Leisure Co. Inc.	24	1	-	-	24	-	24
Crans Montana Property Holdings Corporation	-	1,155	-	-	1,155	-	1,155
Direct Power Services Inc.	-	-	-	-	-	-	-
FIVE STAR Cinema Inc.	6,054	-	(206)	-	5,848	-	5,848
Leisure and Allied Industries Phils, Inc.	(1,846)	6,356	(5,786)	-	(1,275)	-	(1,275)
Makati Development Corporation (Conso)	-	163,792	(126,366)	-	37,426	-	37,426
North Eastern Commercial Corp.	7	-	(7)	-	-	-	-
North Triangle Depot Commercial Corp	(3,268)	39,212	-	-	35,944	-	35,944
North Ventures Commercial Corp.	2	-	-	-	2	-	2
NorthBeacon Commercial Corporation	42	-	-	-	42	-	42
Philippine Integrated Energy Solutions, Inc.	-	-	-	-	-	-	-
Primavera Towncentre, Inc.	8,308	8,511	(16,069)	-	750	-	750
Serendra Inc.	2	-	-	-	2	-	2
Soltea Commercial Corp.	5,053	10,195	(15,178)	-	70	-	70
Station Square East Commercial Corp	94	1	-	-	95	-	95
Summerhill Commercial Ventures Corp.	1	-	-	-	1	-	1
Ten Knots Development Corporation(Conso)	2,156	19,097	(2,685)	-	18,568	-	18,568
Ten Knots Philippines, Inc.(Conso)	2,482	36,760	(35,662)	-	3,580	-	3,580
Subtotal	**520,227**	**2,248,222**	**(2,237,568)**	**-**	**530,880**	**-**	**530,880**
Amount Owed by ALI & Subsidiaries TO ALI Capital Corp.							
Accendo Commercial Corp	-	136,099	-	-	136,099	-	136,099
ALI Capital Corp. (Conso)	1,630	1,630,000	(1,631,820)	-	(190)	-	(190)
Amaia Land Corporation (Conso)	148	-	-	-	148	-	148
Arvo Commercial Corporation	1,190	-	-	-	1,190	-	1,190
Avida Land Corporation (Conso)	989	-	-	-	989	-	989
Ayala Land Inc.	136	-	(136)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	136,411	140,559	(141,816)	-	135,153	-	135,153
Ayalaland Logistics Holdings Corp. (Conso)	3,159	8,374	(6,465)	-	5,069	-	5,069
AyalaLand Malls, Inc. (Conso)	170	-	(170)	-	-	-	-
Ayalaland Medical Facilities Leasing Inc.	225	-	-	-	225	-	225
Bay City Commercial Ventures Corp.	99,234	144,153	(156,357)	-	87,031	-	87,031
Capitol Central Commercial Ventures Corp.	-	6,146	(104)	-	6,042	-	6,042
Direct Power Services Inc.	889	-	(4)	-	885	-	885
Makati Development Corporation (Conso)	40	-	(40)	-	-	-	-
North Triangle Depot Commercial Corp	209	-	-	-	209	-	209
Ten Knots Development Corporation(Conso)	2,418	-	(2,418)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	56,073	36,029	(22,130)	-	69,972	-	69,972
Whiteknight Holdings, Inc.	(1,853)	2,453	-	-	599	-	599
Subtotal	**301,068**	**2,103,814**	**(1,961,460)**	**-**	**443,422**	**-**	**443,422**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO ALI-CII Development Corporation							
Accendo Commercial Corp	4,591	18,944	-	-	23,535	-	23,535
ALI Capital Corp. (Conso)	4,562	4,448	(9,010)	-	-	-	-
Alveo Land Corporation (Conso)	6,468	10,690	(9,180)	-	7,977	-	7,977
Amaia Land Corporation (Conso)	(1,369)	1,420	-	-	51	-	51
Arvo Commercial Corporation	19,680	36,966	(42,849)	-	13,798	-	13,798
Avida Land Corporation (Conso)	1,486	4,007	(1,400)	-	4,093	-	4,093
Ayala Land Inc.	-	21,921	(21,908)	-	12	-	12
AyalaLand Estates Inc. (Conso)	-	4,240	(4,240)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	5,182	13,150	(16,665)	-	1,667	-	1,667
Ayalaland Logistics Holdings Corp. (Conso)	18,468	109,379	(108,048)	-	19,799	-	19,799
AyalaLand Malls, Inc. (Conso)	25,632	2,014	(27,584)	-	63	-	63
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	91,774	137,781	(188,750)	-	40,805	-	40,805
Cagayan De Oro Gateway Corporation	29	-	-	-	29	-	29
Capitol Central Commercial Ventures Corp.	13	1,568	(1,563)	-	18	-	18
Cavite Commercial Towncenter, Inc.	7,824	19,909	(12,399)	-	15,333	-	15,333
Cebu District Property Enterprise, Inc.	-	2,548	(2,507)	-	41	-	41
Direct Power Services Inc.	1,365	-	(978)	-	388	-	388
Laguigan Land Corporation	-	3,146	(1,589)	-	1,557	-	1,557
Leisure and Allied Industries Phils. Inc.	(49)	330	(303)	-	(22)	-	(22)
Makati Cornerstone Leasing Corp.	-	6	-	-	6	-	6
Makati Development Corporation (Conso)	-	55,374	(27,506)	-	27,869	-	27,869
North Triangle Depot Commercial Corp	780	4,458	-	-	5,238	-	5,238
Soltea Commercial Corp.	19,242	20,160	(30,203)	-	9,199	-	9,199
Ten Knots Philippines, Inc.(Conso)	31,031	42,642	(38,232)	-	35,441	-	35,441
Subtotal	**236,710**	**515,101**	**(544,914)**	**-**	**206,898**	**-**	**206,898**
Amount Owed by ALI & Subsidiaries TO ALO Prime Realty Corporation							
Accendo Commercial Corp	-	4,604	-	-	4,604	-	4,604
Amorsedia Development Corporation (Conso)	-	1,286	(1,286)	-	-	-	-
AREIT, Inc.	6,909	-	(862)	-	6,047	-	6,047
Arvo Commercial Corporation	-	108,230	(105,453)	-	2,778	-	2,778
Ayala Land Inc.	14,004	26,763	(40,747)	-	21	-	21
AyalaLand Hotels and Resorts Corp. (Conso)	-	6,661	(6,611)	-	50	-	50
Ayalaland Logistics Holdings Corp. (Conso)	223,321	405,011	(628,314)	-	18	-	18
Bay City Commercial Ventures Corp.	10,297	23,290	(24,582)	-	9,005	-	9,005
Capitol Central Commercial Ventures Corp.	-	1,530	(1,526)	-	4	-	4
Crans Montana Property Holdings Corporation	-	24,072	(24,072)	-	-	-	-
Makati Development Corporation (Conso)	-	45,916	(45,604)	-	312	-	312
North Triangle Depot Commercial Corp	-	17,594	(15,081)	-	2,513	-	2,513
Westview Commercial Ventures Corp.	-	1,564	(2)	-	1,562	-	1,562
Subtotal	**254,531**	**666,521**	**(894,140)**	**-**	**26,912**	**-**	**26,912**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Altaraza Development Corporation							
Avala Land Inc.	(4)	5	-	-	1	-	1
Subtotal	**(4)**	**5**	**-**	**-**	**1**	**-**	**1**
Amount Owed by ALI & Subsidiaries TO Altaraza Prime Realty Corporation							
Bay City Commercial Ventures Corp.	75	-	-	-	75	-	75
Crans Montana Property Holdings Corporation	2.515	2.673	(2.681)	-	2.507	-	2.507
Subtotal	**2.590**	**2.673**	**(2.681)**	**-**	**2.582**	**-**	**2.582**
Amount Owed by ALI & Subsidiaries TO Alveo Land Corporation							
Accendo Commercial Corp	213.328	374.817	(152.593)	-	435.552	-	435.552
Adauge Commercial Corp.	28	-	-	-	28	-	28
ALI Capital Corp. (Conso)	9.114	26.930	(29.392)	-	6.652	-	6.652
Alveo Land Corporation (Conso)	2	81.500	(81.502)	-	-	-	-
Amaia Land Corporation (Conso)	20.465	4.443	(5.358)	-	19.550	-	19.550
Amorsedia Development Corporation (Conso)	5.724	35.532	(40.225)	-	1.031	-	1.031
AREIT, Inc.	22	-	-	-	22	-	22
Arvo Commercial Corporation	15.527	70.566	(70.797)	-	15.297	-	15.297
Aurora Properties, Inc.	11.417	-	-	-	11.417	-	11.417
Aviana Development Corporation	5.016	95.656	(8.672)	-	92.000	-	92.000
Avida Land Corporation (Conso)	140.400	764.988	(909.521)	-	(4.133)	-	(4.133)
Avala Hotels Inc.	503	-	-	-	503	-	503
Avala Land Inc.	2,309.719	2,477.713	(2,478.611)	-	2,308.821	-	2,308.821
Avala Land International Sales, Inc.(Conso)	1.006	-	-	-	1.006	-	1.006
Avala Property Management Corporation (Conso)	2.823	1.066	-	-	3.889	-	3.889
AvalaLand Estates Inc. (Conso)	43	44.581	(40.315)	-	4.308	-	4.308
AvalaLand Hotels and Resorts Corp. (Conso)	35.777	99.040	(39.382)	-	95.435	-	95.435
Avalaland Logistics Holdings Corp. (Conso)	292.144	626.084	(453.540)	-	464.688	-	464.688
Avalaland Malls Synergies, Inc.	454	-	-	-	454	-	454
AvalaLand Malls, Inc. (Conso)	15.422	5	(15.365)	-	63	-	63
Avalaland Medical Facilities Leasing Inc.	273	-	-	-	273	-	273
Bay City Commercial Ventures Corp.	62.803	136.344	(37.844)	-	161.303	-	161.303
BellaVita Land Corp.	904.460	-	(78.824)	-	825.637	-	825.637
BG South Properties, Inc.	1.952.821	-	(1.952.821)	-	-	-	-
BG West Properties, Inc	-	1.743.538	-	-	1.743.538	-	1.743.538
Cagayan De Oro Gateway Corporation	52	-	-	-	52	-	52
Cavite Commercial Towncenter, Inc.	28.103	89.877	(101.474)	-	16.506	-	16.506
Cebu District Property Enterprise, Inc.	-	163.435	(140.826)	-	22.609	-	22.609
Crans Montana Property Holdings Corporation	63.636	73.921	(89.308)	-	48.249	-	48.249
Crimson Field Enterprises, Inc.	-	121.073	(120.350)	-	722	-	722
Makati Development Corporation (Conso)	13.809	560.588	(282.920)	-	291.477	-	291.477
North Eastern Commercial Corp.	5	-	(5)	-	-	-	-
North Triangle Depot Commercial Corp	301.512	301.316	(573.183)	-	29.645	-	29.645
Nuevocentro, Inc. (Conso)	484.890	285.570	(164.356)	-	606.104	-	606.104
Primavera Towncentre, Inc.	1.353	1.013	(2.002)	-	364	-	364
Serendra Inc.	2.537	3.990	(924)	-	5.603	-	5.603
Soltea Commercial Corp.	7.091	54.236	(63.152)	-	(1.825)	-	(1.825)
Summerhill Commercial Ventures Corp.	12.437	-	(7.266)	-	5.171	-	5.171
Ten Knots Development Corporation(Conso)	-	11.298	(8.494)	-	2.804	-	2.804
Ten Knots Philippines, Inc.(Conso)	19.903	218.116	(220.114)	-	17.905	-	17.905
Vesta Property Holdings Inc.	302.667	50.366	(9.994)	-	343.039	-	343.039
Westview Commercial Ventures Corp.	44	-	-	-	44	-	44
Subtotal	**7.237.329**	**8.517.602**	**(8.179.128)**	**-**	**7.575.803**	**-**	**7.575.803**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Amaia Land Corporation							
Accendo Commercial Corp	-	251.387	(143.650)	-	107.737	-	107.737
Alabang Commercial Corporation (Conso)	-	-	-	-	-	-	-
ALI Capital Corp. (Conso)	1.491	-	(1.491)	-	-	-	-
Alveo Land Corporation (Conso)	161	-	-	-	161	-	161
Amaia Land Corporation (Conso)	469	1.135	-	-	1.604	-	1.604
Amorsedia Development Corporation (Conso)	-	12.048	(12.006)	-	42	-	42
Arvo Commercial Corporation	57.414	49.132	(71.722)	-	34.824	-	34.824
Aviana Development Corporation	-	15.049	(15.007)	-	43	-	43
Avida Land Corporation (Conso)	30.006	19.265	-	-	49.270	-	49.270
Ayala Land Inc.	2.611	-	-	-	2.611	-	2.611
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	443	347	-	-	790	-	790
AyalaLand Estates Inc. (Conso)	224	-	-	-	224	-	224
AyalaLand Hotels and Resorts Corp. (Conso)	-	42.452	(37.798)	-	4.654	-	4.654
Ayalaland Logistics Holdings Corp. (Conso)	-	154.302	(63.165)	-	91.136	-	91.136
AyalaLand Offices, Inc. (Conso)	(2)	1.856	-	-	1.855	-	1.855
Bay City Commercial Ventures Corp.	19.009	46.436	(61.058)	-	4.387	-	4.387
BellaVita Land Corp.	97.125	-	(4.822)	-	92.303	-	92.303
Capitol Central Commercial Ventures Corp.	-	83.366	(83.366)	-	-	-	-
Cebu District Property Enterprise, Inc.	-	30.011	(30.002)	-	10	-	10
Makati Development Corporation (Conso)	4.766	133.341	(132.722)	-	5.384	-	5.384
Subtotal	**213.718**	**840.128**	**(656.810)**	**-**	**397.036**	**-**	**397.036**
Amount Owed by ALI & Subsidiaries TO Amorsedia Development Corporation							
Accendo Commercial Corp	25.065	30.823	(30.869)	-	25.020	-	25.020
Amorsedia Development Corporation (Conso)	-	-	(44.516)	-	(44.516)	-	(44.516)
AREIT, Inc.	23.579	93.088	(93.098)	-	23.570	-	23.570
Avida Land Corporation (Conso)	(74)	147	-	-	72	-	72
Ayala Land Inc.	121.458	12.065	(12.009)	-	121.514	-	121.514
AyalaLand Estates Inc. (Conso)	-	22.125	(22.125)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	16.013	-	-	16.013	-	16.013
Ayalaland Logistics Holdings Corp. (Conso)	5.227	79.318	(29.972)	-	54.573	-	54.573
AyalaLand Malls, Inc. (Conso)	1.332	-	(1.182)	-	151	-	151
AyalaLand Offices, Inc. (Conso)	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	182.864	258.746	(365.716)	-	75.894	-	75.894
BellaVita Land Corp.	17.836	-	(7.432)	-	10.404	-	10.404
BG South Properties, Inc.	367.785	-	(367.785)	-	-	-	-
BG West Properties, Inc	239.840	1.222.176	(1.459.706)	-	2.310	-	2.310
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Cavite Commercial Towncenter, Inc.	-	19.030	-	-	19.030	-	19.030
Cebu District Property Enterprise, Inc.	-	25.070	(6.029)	-	19.040	-	19.040
Makati Development Corporation (Conso)	-	12.139	(12.019)	-	120	-	120
Ten Knots Development Corporation(Conso)	5	-	-	-	5	-	5
Ten Knots Philippines, Inc.(Conso)	20.738	21.323	(37.026)	-	5.034	-	5.034
Subtotal	**1.005.656**	**1.812.063**	**(2.489.484)**	**-**	**328.234**	**-**	**328.234**
Amount Owed by ALI & Subsidiaries TO Anvaya Cove Beach and Nature Club Inc							
Anvaya Cove Golf and Sports Club Inc.	6.345	-	(110)	-	6.235	-	6.235
Ayala Land Inc.	(167)	17.127	(16.650)	-	311	-	311
AyalaLand Hotels and Resorts Corp. (Conso)	5.086	35.632	(30.631)	-	10.087	-	10.087
Ayalaland Logistics Holdings Corp. (Conso)	-	65.681	(53.091)	-	12.589	-	12.589
Bay City Commercial Ventures Corp.	92.156	371.206	(370.446)	-	92.916	-	92.916
Cavite Commercial Towncenter, Inc.	-	15.218	(10.039)	-	5.179	-	5.179
Cebu District Property Enterprise, Inc.	-	144.473	(131.929)	-	12.544	-	12.544
Makati Development Corporation (Conso)	10	-	-	-	10	-	10
North Triangle Depot Commercial Corp	-	20.187	(20.025)	-	162	-	162
Soltea Commercial Corp.	219	11	(11)	-	219	-	219
Ten Knots Philippines, Inc.(Conso)	-	20.293	(15.202)	-	5.091	-	5.091
Subtotal	**103.650**	**689.828**	**(648.134)**	**-**	**145.344**	**-**	**145.344**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Anvaya Cove Golf and Sports Club Inc.							
ALI Capital Corp. (Conso)	47.396	135.000	(182.396)	-	-	-	-
Amaia Land Corporation (Conso)	-	-	-	-	-	-	-
Anvaya Cove Beach and Nature Club Inc	907	76	-	-	983	-	983
Avida Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	66	190.760	(190.484)	-	342	-	342
Ayala Property Management Corporation (Conso)	6	-	(6)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	5.086	15.168	(20.254)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	2.006	14.124	(12.630)	-	3.500	-	3.500
AyalaLand Malls, Inc. (Conso)	-	5.014	(5.014)	-	-	-	-
Bay City Commercial Ventures Corp.	-	67.981	(12.832)	-	55.149	-	55.149
Capitol Central Commercial Ventures Corp.	-	22.442	(21.217)	-	1.225	-	1.225
Cavite Commercial Towncenter, Inc.	-	7.605	(7.514)	-	91	-	91
Makati Development Corporation (Conso)	6.685	-	(6.683)	-	2	-	2
North Triangle Depot Commercial Corp	-	10.098	(10.013)	-	85	-	85
Soltea Commercial Corp.	3.038	32	(3.070)	-	-	-	-
Subtotal	**65.190**	**468.301**	**(472.114)**	**-**	**61.377**	**-**	**61.377**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO APRISA Business Process Solutions, Inc							
Accendo Commercial Corp	13.958	25.387	(38.342)	-	1.003	-	1.003
Adauge Commercial Corp.	17	258	(247)	-	28	-	28
Alabang Commercial Corporation (Conso)	271	2.827	(2.622)	-	476	-	476
ALI Capital Corp. (Conso)	24.542	24.000	(48.542)	-	-	-	-
ALI-CII Development Corporation	132	1.229	(1.361)	-	-	-	-
ALO Prime Realty Corporation	184	359	(448)	-	94	-	94
Alveo Land Corporation (Conso)	435	23.397	(23.707)	-	125	-	125
Amaia Land Corporation (Conso)	1.794	22.587	(22.303)	-	2.079	-	2.079
AREIT Fund Manager, Inc.	31	483	(515)	-	-	-	-
AREIT, Inc.	2.918	6.359	(8.220)	-	1.056	-	1.056
Arvo Commercial Corporation	3.392	5.988	(6.155)	-	3.226	-	3.226
Aurora Properties, Inc.	563	892	(892)	-	563	-	563
Aviana Development Corporation	23	269	(292)	-	-	-	-
Avida Land Corporation (Conso)	3.721	53.411	(45.264)	-	11.868	-	11.868
Ayala Land Inc.	6.746	132.151	(136.500)	-	2.396	-	2.396
Ayala Land International Sales, Inc.(Conso)	-	1.668	(1.668)	-	-	-	-
Ayala Malls Zing (AMZING), Inc.	24	1	-	-	25	-	25
Ayala Property Management Corporation (Conso)	730	13.059	(10.371)	-	3.418	-	3.418
AyalaLand Estates Inc. (Conso)	18	15.685	(15.685)	-	18	-	18
AyalaLand Hotels and Resorts Corp. (Conso)	10.604	18.316	(21.148)	-	7.772	-	7.772
Ayalaland Logistics Holdings Corp. (Conso)	25.337	61.342	(42.760)	-	43.919	-	43.919
AyalaLand Malls, Inc. (Conso)	3.518	17.333	(19.316)	-	1.535	-	1.535
Ayalaland Metro North, Inc.	280	2.175	(2.455)	-	-	-	-
AyalaLand Offices, Inc. (Conso)	3.387	10.116	(11.417)	-	2.086	-	2.086
Bay City Commercial Ventures Corp.	38.517	55.006	(48.388)	-	45.136	-	45.136
BellaVita Land Corp.	1.140	3.458	(3.737)	-	861	-	861
Cagayan De Oro Gateway Corporation	190	1.785	(1.475)	-	500	-	500
Capitol Central Commercial Ventures Corp.	96	12.944	(1.964)	-	11.076	-	11.076
Cavite Commercial Towncenter, Inc.	287	3.924	(1.233)	-	2.978	-	2.978
Cebu Leisure Co. Inc.	43	657	(701)	-	-	-	-
CECI Realty Corp.	515	932	(1.447)	-	-	-	-
Crans Montana Property Holdings Corporation	-	-	-	-	-	-	-
Laguidan Land Corporation	1	13	(12)	-	3	-	3
Makati Cornerstone Leasing Corp.	1.109	2.539	(3.326)	-	321	-	321
Makati Development Corporation (Conso)	2.875	32.978	(35.721)	-	132	-	132
North Eastern Commercial Corp.	903	-	(903)	-	-	-	-
North Triangle Depot Commercial Corp	484	12.461	(2.240)	-	10.705	-	10.705
North Ventures Commercial Corp.	698	1.773	(2.120)	-	352	-	352
NorthBeacon Commercial Corporation	326	2.248	(2.573)	-	-	-	-
Nuevocentro, Inc. (Conso)	277	474	(553)	-	198	-	198
Roxas Land Corp.	-	712	(712)	-	-	-	-
Serendra Inc.	1.023	813	(1.660)	-	176	-	176
Soltea Commercial Corp.	302	2.178	(2.479)	-	-	-	-
Station Square East Commercial Corp	343	5.796	(6.139)	-	-	-	-
Subic Bay Town Center Inc.	154	1.148	(988)	-	314	-	314
Summerhill Commercial Ventures Corp.	1.466	1.691	(2.650)	-	507	-	507
Ten Knots Development Corporation(Conso)	112	558	(609)	-	61	-	61
Ten Knots Philippines, Inc.(Conso)	1.649	1.990	(3.554)	-	84	-	84
Vesta Property Holdings Inc.	481	812	(1.182)	-	111	-	111
Westview Commercial Ventures Corp.	24	356	(380)	-	-	-	-
Whiteknight Holdings, Inc.	-	-	-	-	-	-	-
Subtotal	**155.641**	**586.535**	**(586.976)**	**-**	**155.200**	**-**	**155.200**
Amount Owed by ALI & Subsidiaries TO Arca South Integrated Terminal, Inc							
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO AREIT Fund Manager, Inc.							
Accendo Commercial Corp	-	35.078	(18.043)	-	17.035	-	17.035
ALI Capital Corp. (Conso)	11.629	31.622	(43.251)	-	-	-	-
Alveo Land Corporation (Conso)	-	10.013	-	-	10.013	-	10.013
Amaia Land Corporation (Conso)	458	27.842	(27.719)	-	581	-	581
AREIT, Inc.	100.745	374.972	(379.530)	-	96.187	-	96.187
Arvo Commercial Corporation	10.072	10.182	(20.253)	-	-	-	-
Avida Land Corporation (Conso)	372	-	-	-	372	-	372
Avala Land Inc.	200.235	79.389	(279.514)	-	111	-	111
AvalaLand Hotels and Resorts Corp. (Conso)	59.521	83.091	(100.158)	-	42.455	-	42.455
Avalaland Logistics Holdings Corp. (Conso)	46.754	127.981	(111.944)	-	62.790	-	62.790
Bay City Commercial Ventures Corp.	228.193	229.330	(439.938)	-	17.585	-	17.585
Cagayan De Oro Gateway Corporation	144	-	(144)	-	-	-	-
Capitol Central Commercial Ventures Corp.	1.996	30.431	(5.494)	-	26.933	-	26.933
Cavite Commercial Towncenter, Inc.	15.858	207.990	(201.048)	-	22.801	-	22.801
Cebu District Property Enterprise, Inc.	-	135.562	(36.630)	-	98.932	-	98.932
Crans Montana Property Holdings Corporation	13.189	26.895	(27.057)	-	13.027	-	13.027
North Triangle Depot Commercial Corp	916	-	(916)	-	-	-	-
Nuevocentro, Inc. (Conso)	65	15.716	(15.716)	-	65	-	65
Primavera Towncentre, Inc.	17.720	35.165	(35.768)	-	17.117	-	17.117
Soltea Commercial Corp.	22.828	52.266	(70.917)	-	4.177	-	4.177
Summerhill Commercial Ventures Corp.	559	-	-	-	559	-	559
Ten Knots Development Corporation(Conso)	-	4.478	(64)	-	4.414	-	4.414
Ten Knots Philippines, Inc.(Conso)	102.807	102.002	(198.638)	-	6.170	-	6.170
Subtotal	**834.061**	**1.620.004**	**(2.012.742)**	**-**	**441.324**	**-**	**441.324**
Amount Owed by ALI & Subsidiaries TO AREIT Property Managers, Inc.							
AREIT, Inc.	463.881	310.403	(33.257)	-	741.026	-	741.026
Subtotal	**463.881**	**310.403**	**(33.257)**	**-**	**741.026**	**-**	**741.026**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO AREIT, Inc.							
Accendo Commercial Corp	126.167	727.673	(850.100)	-	3.739	-	3.739
ALI Capital Corp. (Conso)	18.506	329.870	(348.376)	-	-	-	-
Alveo Land Corporation (Conso)	326.697	314.480	(585.591)	-	55.586	-	55.586
Amaia Land Corporation (Conso)	115.070	213.185	(325.311)	-	2.943	-	2.943
Amorsedia Development Corporation (Conso)	29.270	161.756	(185.659)	-	5.368	-	5.368
Arca South Integrated Terminal, Inc	-	4.016	-	-	4.016	-	4.016
AREIT, Inc.	742	-	(742)	-	-	-	-
Arvo Commercial Corporation	123.132	275.524	(344.903)	-	53.752	-	53.752
Aviana Development Corporation	-	10.147	(9.048)	-	1.099	-	1.099
Avida Land Corporation (Conso)	1.569	117.430	(118.421)	-	578	-	578
Ayala Land Inc.	368.126	4.101.151	(4.146.964)	-	322.313	-	322.313
Ayala Malls Zing (AMZING), Inc.	31.449	52.139	(82.303)	-	1.285	-	1.285
Ayala Property Management Corporation (Conso)	1.759	5.750	(6.340)	-	1.169	-	1.169
AyalaLand Estates Inc. (Conso)	661	248.052	(247.754)	-	960	-	960
AyalaLand Hotels and Resorts Corp. (Conso)	2.736.267	7.160.341	(2.121.152)	-	7.775.456	-	7.775.456
Ayalaland Logistics Holdings Corp. (Conso)	462.722	2.156.624	(2.341.393)	-	277.954	-	277.954
Ayalaland Malls Synergies, Inc.	2.211	-	(165)	-	2.046	-	2.046
AyalaLand Malls, Inc. (Conso)	3.958.687	5.672.708	(156.066)	-	9.475.329	-	9.475.329
AyalaLand Offices, Inc. (Conso)	(1)	13.748	(13.748)	-	(1)	-	(1)
Ayalaland Premier, Inc.	5.889	-	(1.910)	-	3.979	-	3.979
Bay City Commercial Ventures Corp.	38.153	1.416.128	(259.284)	-	1.194.997	-	1.194.997
BellaVita Land Corp.	40	-	(40)	-	-	-	-
Cagayan De Oro Gateway Corporation	537	-	-	-	537	-	537
Capitol Central Commercial Ventures Corp.	118.505	190.062	(282.570)	-	25.997	-	25.997
Cavite Commercial Towncenter, Inc.	234.418	747.049	(802.493)	-	178.975	-	178.975
Cebu District Property Enterprise, Inc.	-	576.362	(557.651)	-	18.710	-	18.710
Crans Montana Property Holdings Corporation	25.500	57.893	(74.720)	-	8.673	-	8.673
Crimson Field Enterprises, Inc.	23.250	60.030	(64.930)	-	18.350	-	18.350
Direct Power Services Inc.	-	-	-	-	-	-	-
Laguigan Land Corporation	-	6.263	(3.016)	-	3.246	-	3.246
Leisure and Allied Industries Phils, Inc.	15.500	15.071	(30.570)	-	-	-	-
Makati Cornerstone Leasing Corp.	65	-	-	-	65	-	65
Makati Development Corporation (Conso)	-	418.680	(415.784)	-	2.895	-	2.895
North Eastern Commercial Corp.	1.055.686	-	(1.055.686)	-	-	-	-
North Triangle Depot Commercial Corp	135.530	253.404	(291.428)	-	97.506	-	97.506
NorthBeacon Commercial Corporation	2.056.608	18.774	-	-	2.075.381	-	2.075.381
Nuevocentro, Inc. (Conso)	3.575	662.591	(666.167)	-	-	-	-
Primavera Towncentre, Inc.	26.216	73.775	(42.258)	-	57.732	-	57.732
Red Creek Properties, Inc.	-	20.131	(20.131)	-	-	-	-
Soltea Commercial Corp.	5.203	57.703	-	-	62.907	-	62.907
Sunnyfield E-Office Corp	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	19.359	112.841	(25.116)	-	107.084	-	107.084
Ten Knots Philippines, Inc.(Conso)	201.894	348.024	(465.902)	-	84.015	-	84.015
Westview Commercial Ventures Corp.	2.080	-	-	-	2.080	-	2.080
Subtotal	**12.271.043**	**26.599.375**	**(16.943.695)**	**-**	**21.926.723**	**-**	**21.926.723**
Amount Owed by ALI & Subsidiaries TO Arvo Commercial Corporation							
Accendo Commercial Corp	2	-	(2)	-	-	-	-
Alabang Commercial Corporation (Conso)	2	-	-	-	2	-	2
AREIT, Inc.	3	-	-	-	3	-	3
Arvo Commercial Corporation	3	1.782	(1.773)	-	12	-	12
Avida Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	978.411	-	-	-	978.411	-	978.411
Ayala Malls Zing (AMZING), Inc.	19	-	-	-	19	-	19
AyalaLand Malls, Inc. (Conso)	298	597	(163)	-	732	-	732
Cagayan De Oro Gateway Corporation	-	-	-	-	-	-	-
Cavite Commercial Towncenter, Inc.	1.066	-	-	-	1.066	-	1.066
Leisure and Allied Industries Phils, Inc.	2.207	2.630	(3.675)	-	1.162	-	1.162
North Triangle Depot Commercial Corp	8	-	-	-	8	-	8
North Ventures Commercial Corp.	4	-	-	-	4	-	4
Primavera Towncentre, Inc.	308	-	-	-	308	-	308
Soltea Commercial Corp.	13	-	-	-	13	-	13
Southportal Properties, Inc.	-	-	-	-	-	-	-
Station Square East Commercial Corp	2	-	-	-	2	-	2
Summerhill Commercial Ventures Corp.	-	-	-	-	-	-	-
Subtotal	**982.345**	**5.009**	**(5.612)**	**-**	**981.742**	**-**	**981.742**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Aurora Properties, Inc.							
Accendo Commercial Corp	15.180	25.834	(39.057)	-	1.957	-	1.957
ALI Capital Corp. (Conso)	15.354	14.000	(29.354)	-	-	-	-
Alveo Land Corporation (Conso)	34.946	34.223	(62.629)	-	6.541	-	6.541
Amaia Land Corporation (Conso)	518	-	-	-	518	-	518
Amorsedia Development Corporation (Conso)	249.121	969.208	(288.061)	-	930.269	-	930.269
Arca South Integrated Terminal, Inc	5.012	6.497	(7.597)	-	3.912	-	3.912
Arvo Commercial Corporation	27.868	27.103	(29.232)	-	25.739	-	25.739
Avida Land Corporation (Conso)	8.923	172	-	-	9.095	-	9.095
Ayala Land Inc.	982.184	14.065	(936.984)	-	59.265	-	59.265
Ayala Land International Sales, Inc.(Conso)	-	4	-	-	4	-	4
AyalaLand Estates Inc. (Conso)	-	407.333	(122.769)	-	284.565	-	284.565
AyalaLand Hotels and Resorts Corp. (Conso)	1.133.159	1.334.763	(1.350.741)	-	1.117.180	-	1.117.180
Ayalaland Logistics Holdings Corp. (Conso)	67.191	74.045	(141.236)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	2.389	-	-	-	2.389	-	2.389
Ayalaland Metro North, Inc.	1	72	-	-	73	-	73
Bay City Commercial Ventures Corp.	18.476	16.185	(34.649)	-	11	-	11
Cagayan De Oro Gateway Corporation	617	-	-	-	617	-	617
Capitol Central Commercial Ventures Corp.	15.296	56.244	(71.540)	-	-	-	-
Cavite Commercial Towncenter, Inc.	638	5.037	(5)	-	5.670	-	5.670
Cebu District Property Enterprise, Inc.	-	44.018	(41.861)	-	2.157	-	2.157
CECI Realty Corp.	168	-	-	-	168	-	168
Crans Montana Property Holdings Corporation	307.883	763.530	(559.649)	-	511.764	-	511.764
Crimson Field Enterprises, Inc.	10.028	26.479	(11.045)	-	25.462	-	25.462
Laguigan Land Corporation	-	5.037	(25)	-	5.012	-	5.012
Makati Development Corporation (Conso)	8	15.173	(15.023)	-	158	-	158
Nuevocentro, Inc. (Conso)	-	7.004	-	-	7.004	-	7.004
Red Creek Properties, Inc.	17.551	43.767	(27.253)	-	34.065	-	34.065
Summerhill Commercial Ventures Corp.	-	166	-	-	166	-	166
Ten Knots Development Corporation(Conso)	1	-	-	-	1	-	1
Ten Knots Philippines, Inc.(Conso)	84	-	(84)	-	-	-	-
Vesta Property Holdings Inc.	28	-	-	-	28	-	28
Subtotal	**2.912.622**	**3.889.961**	**(3.768.793)**	**-**	**3.033.790**	**-**	**3.033.790**
Amount Owed by ALI & Subsidiaries TO Aviana Development Corporation							
Accendo Commercial Corp	37	-	(37)	-	-	-	-
Aviana Development Corporation	-	-	-	-	-	-	-
Ayala Land Inc.	259.457	170.127	-	-	429.584	-	429.584
Ayala Property Management Corporation (Conso)	-	1.000	-	-	1.000	-	1.000
Laguigan Land Corporation	3	-	-	-	3	-	3
Makati Development Corporation (Conso)	1.453	5.325	-	-	6.778	-	6.778
Serendra Inc.	-	-	-	-	-	-	-
Subtotal	**260.951**	**176.452**	**(37)**	**-**	**437.365**	**-**	**437.365**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Avida Land Corporation							
Accendo Commercial Corp	200.992	75.500	(16.289)	-	260.202	-	260.202
ALI Capital Corp. (Conso)	90	32.170	(32,260)	-	-	-	-
ALI-CII Development Corporation	75	-	-	-	75	-	75
Altaraza Development Corporation	3.051	4.038	-	-	7.089	-	7.089
Alveo Land Corporation (Conso)	834	529.204	(474.941)	-	55.097	-	55.097
Amaia Land Corporation (Conso)	19.935	544.940	(510.387)	-	54.488	-	54.488
Amorsedia Development Corporation (Conso)	2.557	1.531	(1.531)	-	2.557	-	2.557
APRISA Business Process Solutions, Inc	-	163	(163)	-	-	-	-
AREIT, Inc.	-	546	(546)	-	-	-	-
Arvo Commercial Corporation	17.162	41.596	(46.775)	-	11.983	-	11.983
Aurora Properties, Inc.	39.805	336	(504)	-	39.637	-	39.637
Aviana Development Corporation	-	112	(112)	-	-	-	-
Avida Land Corporation (Conso)	(1.941)	2.015	-	-	74	-	74
Ayala Hotels Inc.	26	-	-	-	26	-	26
Ayala Land Inc.	2.070.766	1.990.150	(2.326.532)	-	1.734.384	-	1.734.384
Ayala Land International Sales, Inc.(Conso)	14.379	8.574	-	-	22.953	-	22.953
Ayala Property Management Corporation (Conso)	9.623	836	-	-	10.458	-	10.458
Ayala Theaters Management, Inc.	70	-	-	-	70	-	70
AyalaLand Estates Inc. (Conso)	269.824	127.818	(231.650)	-	165.992	-	165.992
AyalaLand Hotels and Resorts Corp. (Conso)	1.901	19.529	(17.413)	-	4.017	-	4.017
Ayalaland Logistics Holdings Corp. (Conso)	578	768.269	(762.690)	-	6.157	-	6.157
Ayalaland Malls Synergies, Inc.	242	-	(242)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	269	4.938	-	-	5.206	-	5.206
AyalaLand Offices, Inc. (Conso)	192	327	(327)	-	192	-	192
Ayalaland Premier, Inc.	-	6.388	-	-	6.388	-	6.388
Bay City Commercial Ventures Corp.	4.039	155.088	(146.732)	-	12.396	-	12.396
BellaVita Land Corp.	447.336	137.821	(38.903)	-	546.254	-	546.254
BG North Properties Inc.	637.065	-	(637.065)	-	-	-	-
BG South Properties, Inc.	3.619	-	(3.619)	-	-	-	-
BG West Properties, Inc	71	531.985	-	-	532.055	-	532.055
Cagayan De Oro Gateway Corporation	459.708	79.221	(15.886)	-	523.042	-	523.042
Capitol Central Commercial Ventures Corp.	8.418	18.413	(26.831)	-	-	-	-
Cavite Commercial Towncenter, Inc.	-	804	(1)	-	804	-	804
Cebu District Property Enterprise, Inc.	-	1.138	-	-	1.138	-	1.138
CECI Realty Corp.	142	336	(34)	-	445	-	445
Central Bloc Hotel Ventures	111	163	(163)	-	111	-	111
Crans Montana Property Holdings Corporation	16	1.516	(1.516)	-	16	-	16
Integrated Eco-Resort Inc.	136	163	(176)	-	122	-	122
Makati Cornerstone Leasing Corp.	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	14.994	211.985	(211.267)	-	15.712	-	15.712
North Triangle Depot Commercial Corp	12	27.289	(27.214)	-	88	-	88
Nuevocentro, Inc. (Conso)	489.933	88.876	(278.056)	-	300.753	-	300.753
Primavera Towncentre, Inc.	-	5	-	-	5	-	5
Roxas Land Corp.	679	1.443	(1.487)	-	635	-	635
Serendra Inc.	131	-	-	-	131	-	131
Soltea Commercial Corp.	123	14.134	(14.134)	-	123	-	123
Station Square East Commercial Corp	420	-	-	-	420	-	420
Summerhill Commercial Ventures Corp.	10	-	-	-	10	-	10
Taft Punta Engaño Property, Inc.	140	-	-	-	140	-	140
Ten Knots Development Corporation(Conso)	-	24.708	(24.573)	-	135	-	135
Ten Knots Philippines, Inc.(Conso)	3.168	13.373	(12.028)	-	4.513	-	4.513
Vesta Property Holdings Inc.	2	-	-	-	2	-	2
Subtotal	**4.720.701**	**5.467.439**	**(5.862.047)**	**-**	**4.326.094**	**-**	**4.326.094**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Ayala Hotels Inc.							
Accendo Commercial Corp	363.542	516.074	(799.952)	-	79.664	-	79.664
ALI Capital Corp. (Conso)	260.724	298.006	(558.730)	-	-	-	-
Alveo Land Corporation (Conso)	129.440	322.445	(415.915)	-	35.970	-	35.970
Amaia Land Corporation (Conso)	16.373	123.264	(137.960)	-	1.678	-	1.678
Amorsedia Development Corporation (Conso)	42.843	53.708	(96.265)	-	287	-	287
AREIT, Inc.	4	-	(4)	-	-	-	-
Arvo Commercial Corporation	95.539	115.896	(66.142)	-	145.294	-	145.294
Aviana Development Corporation	86.403	19.257	(66.907)	-	38.753	-	38.753
Avida Land Corporation (Conso)	1.395	171.133	(171.133)	-	1.395	-	1.395
Ayala Land Inc.	1.114.039	2.596.981	(3.003.568)	-	707.451	-	707.451
Ayala Land International Sales, Inc.(Conso)	4.500	-	-	-	4.500	-	4.500
Ayala Malls Zing (AMZING), Inc.	15.347	16.032	(15.138)	-	16.241	-	16.241
AyalaLand Estates Inc. (Conso)	-	131.393	(131.393)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	716.114	582.531	(912.165)	-	386.481	-	386.481
Ayalaland Logistics Holdings Corp. (Conso)	685.234	1.270.922	(1.582.176)	-	373.980	-	373.980
AyalaLand Malls, Inc. (Conso)	2.864	27.035	(27.005)	-	2.894	-	2.894
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Ayalaland Metro North, Inc.	199	-	-	-	199	-	199
Bay City Commercial Ventures Corp.	356.662	644.518	(894.604)	-	106.576	-	106.576
Cagayan De Oro Gateway Corporation	2.754	-	-	-	2.754	-	2.754
Capitol Central Commercial Ventures Corp.	23.187	192.257	(190.848)	-	24.596	-	24.596
Cavite Commercial Towncenter, Inc.	279.760	330.213	(466.967)	-	143.006	-	143.006
Cebu District Property Enterprise, Inc.	-	241.212	(227.923)	-	13.289	-	13.289
Crans Montana Property Holdings Corporation	75.870	79.475	(150.740)	-	4.605	-	4.605
Crimson Field Enterprises, Inc.	-	20.342	(7.285)	-	13.056	-	13.056
Laguigan Land Corporation	7.100	8.607	(14.449)	-	1.257	-	1.257
Leisure and Allied Industries Phils, Inc.	125.189	129.101	(254.290)	-	-	-	-
Makati Development Corporation (Conso)	-	208.829	-	-	208.829	-	208.829
North Triangle Depot Commercial Corp	33.529	124.122	(116.992)	-	40.659	-	40.659
Nuevocentro, Inc. (Conso)	-	41.761	(41.761)	-	-	-	-
Primavera Towncentre, Inc.	68.658	70.893	(109.407)	-	30.145	-	30.145
Red Creek Properties, Inc.	-	25.649	(24.145)	-	1.505	-	1.505
Roxas Land Corp.	-	-	-	-	-	-	-
Soltea Commercial Corp.	9.884	184.416	(168.827)	-	25.473	-	25.473
Summerhill Commercial Ventures Corp.	696	-	-	-	696	-	696
Ten Knots Development Corporation(Conso)	48.593	136.612	(128.224)	-	56.981	-	56.981
Ten Knots Philippines, Inc.(Conso)	26.116	265.048	(279.444)	-	11.720	-	11.720
Westview Commercial Ventures Corp.	-	-	-	-	-	-	-
Subtotal	**4.592.558**	**8.947.734**	**(11.060.358)**	**-**	**2.479.933**	**-**	**2.479.933**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Ayala Land International Sales, Inc.							
Accendo Commercial Corp	-	32.286	(14.744)	-	17.542	-	17.542
ALI Capital Corp. (Conso)	3.826	3.550	(7.376)	-	-	-	-
Altaraza Development Corporation	-	1.386	-	-	1.386	-	1.386
Alveo Land Corporation (Conso)	58.331	1.006	(6.946)	-	52.390	-	52.390
Amaia Land Corporation (Conso)	120.164	5.538	-	-	125.702	-	125.702
Amorsedia Development Corporation (Conso)	2.565	5.266	(8.376)	-	(545)	-	(545)
Arvo Commercial Corporation	1.980	17.418	(3.915)	-	15.483	-	15.483
Avida Land Corporation (Conso)	119.071	13.623	(40.106)	-	92.588	-	92.588
Ayala Hotels Inc.	-	500	-	-	500	-	500
Ayala Land Inc.	20.872	65.857	(65.137)	-	21.592	-	21.592
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Land-Tagle Property Inc.	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	(848)	41.585	(41.585)	-	(848)	-	(848)
AyalaLand Hotels and Resorts Corp. (Conso)	24.369	76.091	(80.260)	-	20.201	-	20.201
Avalaland Logistics Holdings Corp. (Conso)	12.009	30.218	(27.385)	-	14.843	-	14.843
AyalaLand Malls, Inc. (Conso)	109	5.905	(6.014)	-	-	-	-
Bay City Commercial Ventures Corp.	23.836	56.456	(71.821)	-	8.470	-	8.470
BellaVita Land Corp.	1.551	74	-	-	1.624	-	1.624
BG West Properties, Inc	-	-	-	-	-	-	-
Capitol Central Commercial Ventures Corp.	10.286	33.363	(20.985)	-	22.665	-	22.665
Crans Montana Property Holdings Corporation	40.034	160	(40.179)	-	15	-	15
North Triangle Depot Commercial Corp	246	-	-	-	246	-	246
Nuevocentro, Inc. (Conso)	6.882	129	-	-	7.011	-	7.011
Primavera Towncentre, Inc.	2.570	3.584	(3.440)	-	2.714	-	2.714
Serendra Inc.	-	-	-	-	-	-	-
Subic Bay Town Center Inc.	-	307	-	-	307	-	307
Ten Knots Development Corporation(Conso)	2.004	3.781	(2.176)	-	3.610	-	3.610
Ten Knots Philippines, Inc.(Conso)	27.111	27.396	(48.005)	-	6.502	-	6.502
Subtotal	**476.968**	**425.480**	**(488.451)**	**-**	**413.997**	**-**	**413.997**
Amount Owed by ALI & Subsidiaries TO Ayala Land-Tagle Property Inc.							
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amount Owed by ALI & Subsidiaries TO Ayala Malls Zing (AMZING), Inc.							
AyalaLand Malls, Inc. (Conso)	22.163	-	-	-	22.163	-	22.163
Bay City Commercial Ventures Corp.	-	-	-	-	-	-	-
North Eastern Commercial Corp.	-	-	-	-	-	-	-
Subtotal	**22.163**	**-**	**-**	**-**	**22.163**	**-**	**22.163**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Ayala Property Management Corporation							
Accendo Commercial Corp	36.435	201.971	(121.057)	-	117.349	-	117.349
Adauge Commercial Corp.	315	331	(158)	-	489	-	489
Alabang Commercial Corporation (Conso)	151	296	(446)	-	-	-	-
ALI Capital Corp. (Conso)	13.079	24.886	(37.965)	-	-	-	-
ALI-CII Development Corporation	17	34	(50)	-	-	-	-
Alveo Land Corporation (Conso)	40.039	190.110	(79.064)	-	151.085	-	151.085
Amaia Land Corporation (Conso)	16.907	33.947	(41.139)	-	9.715	-	9.715
Amorsedia Development Corporation (Conso)	15.149	8.681	(14.777)	-	9.053	-	9.053
APRISA Business Process Solutions, Inc	-	38	(38)	-	-	-	-
AREIT, Inc.	13.722	147.657	(153.898)	-	7.481	-	7.481
Arvo Commercial Corporation	312	36.311	-	-	36.623	-	36.623
Aurora Properties, Inc.	376	5.341	(5.717)	-	-	-	-
Aviana Development Corporation	5.917	42.608	(8.111)	-	40.414	-	40.414
Avida Land Corporation (Conso)	41.407	86.077	(98.364)	-	29.120	-	29.120
Ayala Hotels Inc.	-	2.540	(2.540)	-	-	-	-
Ayala Land Inc.	141.491	1.365.041	(1.462.439)	-	44.093	-	44.093
Ayala Property Management Corporation (Conso)	61	47.570	-	-	47.631	-	47.631
AyalaLand Estates Inc. (Conso)	891	19.353	(13.655)	-	6.589	-	6.589
AyalaLand Hotels and Resorts Corp. (Conso)	107.534	173.237	(233.853)	-	46.919	-	46.919
Ayalaland Logistics Holdings Corp. (Conso)	124.672	821.945	(694.558)	-	252.059	-	252.059
AyalaLand Malls, Inc. (Conso)	66.052	5.317	(62.966)	-	8.402	-	8.402
Ayalaland Metro North, Inc.	84	1.649	(1.733)	-	-	-	-
AyalaLand Offices, Inc. (Conso)	2.593	31.924	(32.132)	-	2.385	-	2.385
Ayalaland Premier, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	236.660	661.223	(736.386)	-	161.497	-	161.497
BG North Properties Inc.	1.851	-	(1.851)	-	-	-	-
BG South Properties, Inc.	3.563	-	(3.563)	-	-	-	-
BG West Properties, Inc	4.181	6.426	(3.329)	-	7.278	-	7.278
Cagayan De Oro Gateway Corporation	3.553	4.538	(3.408)	-	4.684	-	4.684
Capitol Central Commercial Ventures Corp.	-	47.417	(47.417)	-	-	-	-
Cavite Commercial Towncenter, Inc.	119.946	314.672	(265.905)	-	168.713	-	168.713
Cebu District Property Enterprise, Inc.	-	60.786	(33.306)	-	27.480	-	27.480
CECI Realty Corp.	1.424	27.458	(27.186)	-	1.697	-	1.697
Central Bloc Hotel Ventures	-	304	(304)	-	-	-	-
Crans Montana Property Holdings Corporation	20.429	57.992	(29.730)	-	48.691	-	48.691
Hillsford Property Corporation	93	3.850	(3.844)	-	99	-	99
Makati Cornerstone Leasing Corp.	1.573	13.051	(13.219)	-	1.405	-	1.405
Makati Development Corporation (Conso)	835	122.527	(29.487)	-	93.875	-	93.875
North Eastern Commercial Corp.	808	-	(808)	-	-	-	-
North Triangle Depot Commercial Corp	154	57.910	(57.653)	-	412	-	412
North Ventures Commercial Corp.	13.043	950	(1.502)	-	12.491	-	12.491
NorthBeacon Commercial Corporation	461	881	(1.342)	-	-	-	-
Nuevocentro, Inc. (Conso)	24.855	70.552	(83.666)	-	11.741	-	11.741
Philippine Integrated Energy Solutions, Inc.	111.023	-	-	-	111.023	-	111.023
Primavera Towncentre, Inc.	-	15.103	(101)	-	15.002	-	15.002
Roxas Land Corp.	766	986	-	-	1.752	-	1.752
Serendra Inc.	33.508	73	-	-	33.581	-	33.581
Soltea Commercial Corp.	64.502	88.513	(152.987)	-	28	-	28
Southportal Properties, Inc.	(839)	1.113	-	-	273	-	273
Station Square East Commercial Corp	56	950	(1.006)	-	-	-	-
Subic Bay Town Center Inc.	594	717	(1.288)	-	23	-	23
Summerhill Commercial Ventures Corp.	56	1.467	(1.523)	-	-	-	-
Sunnyfield E-Office Corp	138	1.848	(1.711)	-	275	-	275
Taft Punta Engaño Property, Inc.	-	2.537	(2.537)	-	-	-	-
Ten Knots Development Corporation(Conso)	10.513	20.605	(23.990)	-	7.128	-	7.128
Ten Knots Philippines, Inc.(Conso)	24.600	120.794	(113.822)	-	31.572	-	31.572
Vesta Property Holdings Inc.	536	6.894	(6.894)	-	536	-	536
Westview Commercial Ventures Corp.	176	248	(248)	-	176	-	176
Subtotal	**1.306.262**	**4.959.248**	**(4.714.672)**	**-**	**1.550.838**	**-**	**1.550.838**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Ayala Theaters Management, Inc.							
Ayala Land Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	106	-	(106)	-	-	-	-
Bay City Commercial Ventures Corp.	-	-	-	-	-	-	-
Makati Cornerstone Leasing Corp.	(1)	1	-	-	-	-	-
North Eastern Commercial Corp.	-	-	-	-	-	-	-
North Triangle Depot Commercial Corp	-	-	-	-	-	-	-
North Ventures Commercial Corp.	-	-	-	-	-	-	-
NorthBeacon Commercial Corporation	-	-	-	-	-	-	-
Subtotal	**105**	**1**	**(106)**	**-**	**-**	**-**	**-**
Amount Owed by ALI & Subsidiaries TO AyalaLand Estates Inc.							
Accendo Commercial Corp	66	-	(66)	-	-	-	-
Adauge Commercial Corp.	1	18	-	-	20	-	20
ALI Capital Corp. (Conso)	176	-	(176)	-	-	-	-
Altaraza Development Corporation	8	-	-	-	8	-	8
Alveo Land Corporation (Conso)	280	-	(252)	-	28	-	28
Amaia Land Corporation (Conso)	22	-	-	-	22	-	22
Amorsedia Development Corporation (Conso)	6,474	-	(10)	-	6,464	-	6,464
Arca South Integrated Terminal, Inc	2,250	-	-	-	2,250	-	2,250
Arvo Commercial Corporation	1,902	-	-	-	1,902	-	1,902
Aurora Properties, Inc.	-	-	-	-	-	-	-
Aviana Development Corporation	86	-	(17)	-	69	-	69
Avida Land Corporation (Conso)	315	-	(300)	-	15	-	15
Ayala Land Inc.	5,991	46,717	(46,829)	-	5,879	-	5,879
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	2,029	-	(2,029)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	838	69	-	-	908	-	908
Ayalaland Logistics Holdings Corp. (Conso)	53	-	-	-	53	-	53
AyalaLand Malls, Inc. (Conso)	311	-	(311)	-	-	-	-
Bay City Commercial Ventures Corp.	467	31,920	-	-	32,387	-	32,387
Cagayan De Oro Gateway Corporation	277	-	-	-	277	-	277
CECI Realty Corp.	4,154	-	-	-	4,154	-	4,154
Crans Montana Property Holdings Corporation	159	-	(51)	-	108	-	108
Crimson Field Enterprises, Inc.	-	77	-	-	77	-	77
Laguidan Land Corporation	25	1	-	-	26	-	26
Makati Development Corporation (Conso)	1,078	2,751	(2,105)	-	1,725	-	1,725
North Eastern Commercial Corp.	21,555	-	(21,555)	-	-	-	-
Nuevocentro, Inc. (Conso)	4,319	1,208	-	-	5,527	-	5,527
Southportal Properties, Inc.	-	4	-	-	4	-	4
Ten Knots Philippines, Inc.(Conso)	-	31,943	-	-	31,943	-	31,943
Vesta Property Holdings Inc.	-	-	-	-	-	-	-
Subtotal	**52,835**	**114,710**	**(73,700)**	**-**	**93,845**	**-**	**93,845**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO AyalaLand Hotels and Resorts Corp.							
Accendo Commercial Corp	-	57.089	(15.831)	-	41.258	-	41.258
ALI Capital Corp. (Conso)	562	-	(139)	-	423	-	423
ALI-CII Development Corporation	-	-	-	-	-	-	-
Altaraza Development Corporation	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	5.991	15.341	(13.182)	-	8.151	-	8.151
Amaia Land Corporation (Conso)	35.003	10.107	(45.087)	-	24	-	24
AREIT Fund Manager, Inc.	-	131	-	-	131	-	131
AREIT, Inc.	-	-	-	-	-	-	-
Arvo Commercial Corporation	7	13.964	(264)	-	13.707	-	13.707
Aviana Development Corporation	-	-	-	-	-	-	-
Avida Land Corporation (Conso)	135	16.407	(15.335)	-	1.207	-	1.207
Ayala Hotels Inc.	3	-	-	-	3	-	3
Ayala Land Inc.	192.965	322.860	(491.823)	-	24.002	-	24.002
Ayala Land International Sales, Inc.(Conso)	-	229	-	-	229	-	229
Ayala Property Management Corporation (Conso)	370	270	-	-	641	-	641
AyalaLand Estates Inc. (Conso)	-	50.591	(50.564)	-	28	-	28
AyalaLand Hotels and Resorts Corp. (Conso)	(444.615)	1,272.855	-	-	828.241	-	828.241
Ayalaland Logistics Holdings Corp. (Conso)	24.646	217.204	(92.433)	-	149.417	-	149.417
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	419	68	-	-	487	-	487
AyalaLand Offices, Inc. (Conso)	422	57	-	-	479	-	479
Ayalaland Premier, Inc.	-	798	-	-	798	-	798
Bay City Commercial Ventures Corp.	42	135.642	-	-	135.684	-	135.684
BellaVita Land Corp.	-	-	-	-	-	-	-
BG West Properties, Inc	-	1.800	-	-	1.800	-	1.800
Capitol Central Commercial Ventures Corp.	-	61.079	(15.703)	-	45.376	-	45.376
Cavite Commercial Towncenter, Inc.	-	75.000	-	-	75.000	-	75.000
Cebu District Property Enterprise, Inc.	-	52.443	(26.643)	-	25.800	-	25.800
Central Bloc Hotel Ventures	46.800	38.315	-	-	85.114	-	85.114
Crans Montana Property Holdings Corporation	10.627	11.324	(11.324)	-	10.627	-	10.627
Direct Power Services Inc.	-	-	-	-	-	-	-
Integrated Eco-Resort Inc.	30	-	-	-	30	-	30
Laguigan Land Corporation	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	2.473	54.149	-	-	56.622	-	56.622
North Triangle Depot Commercial Corp	5.629	80.500	-	-	86.129	-	86.129
Nuevocentro, Inc. (Conso)	-	36.460	(36.460)	-	-	-	-
Philippine Integrated Energy Solutions, Inc.	-	-	-	-	-	-	-
Red Creek Properties, Inc.	-	20.411	(411)	-	20.000	-	20.000
Serendra Inc.	-	63	-	-	63	-	63
Soltea Commercial Corp.	-	6.000	-	-	6.000	-	6.000
Southportal Properties, Inc.	-	8	-	-	8	-	8
Ten Knots Development Corporation(Conso)	9.429	8.564	(5.350)	-	12.643	-	12.643
Ten Knots Philippines, Inc.(Conso)	82	212.150	(59.636)	-	152.595	-	152.595
Vesta Property Holdings Inc.	12	-	-	-	12	-	12
Subtotal	**(108.968)**	**2.771.882**	**(880.184)**	**-**	**1.782.730**	**-**	**1.782.730**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Ayalaland Logistics Holdings Corp.							
Accendo Commercial Corp	26.151	116.061	(46.735)	-	95.477	-	95.477
ALI Capital Corp. (Conso)	13.085	58.000	(64.413)	-	6.672	-	6.672
Alveo Land Corporation (Conso)	76.083	185.671	(171.416)	-	90.338	-	90.338
Amaia Land Corporation (Conso)	258	76.023	(76.013)	-	269	-	269
Amorsedia Development Corporation (Conso)	38.849	40.039	(78.666)	-	222	-	222
APRISA Business Process Solutions, Inc	111	-	-	-	111	-	111
Arvo Commercial Corporation	20.526	25.668	(31.049)	-	15.145	-	15.145
Avida Land Corporation (Conso)	6.342	46.598	(53.745)	-	(805)	-	(805)
Ayala Hotels Inc.	-	2	-	-	2	-	2
Ayala Land Inc.	130.471	209.715	(209.525)	-	130.662	-	130.662
Ayala Property Management Corporation (Conso)	1	-	-	-	1	-	1
AyalaLand Estates Inc. (Conso)	315	99	-	-	414	-	414
AyalaLand Hotels and Resorts Corp. (Conso)	96.957	177.598	(169.761)	-	104.794	-	104.794
Ayalaland Logistics Holdings Corp. (Conso)	(209.811)	2,221.750	-	-	2,011.939	-	2,011.939
Ayalaland Malls Synergies, Inc.	270	1	-	-	271	-	271
AyalaLand Malls, Inc. (Conso)	5.753	11.215	(16.310)	-	658	-	658
Ayalaland Metro North, Inc.	3.412	-	-	-	3.412	-	3.412
AyalaLand Offices, Inc. (Conso)	-	860	-	-	860	-	860
Bay City Commercial Ventures Corp.	205.636	331.250	(257.634)	-	279.252	-	279.252
BellaVita Land Corp.	-	-	-	-	-	-	-
Cagayan De Oro Gateway Corporation	107	-	(5)	-	102	-	102
Capitol Central Commercial Ventures Corp.	17.511	24.543	(18.692)	-	23.362	-	23.362
Cavite Commercial Towncenter, Inc.	1.332	81.163	-	-	82.495	-	82.495
Cebu District Property Enterprise, Inc.	-	77.947	(20.176)	-	57.771	-	57.771
Crans Montana Property Holdings Corporation	5	1.288	(63)	-	1.230	-	1.230
Leisure and Allied Industries Phils, Inc.	(51)	-	-	-	(51)	-	(51)
Makati Cornerstone Leasing Corp.	3	-	(3)	-	-	-	-
Makati Development Corporation (Conso)	3.045	-	(360)	-	2.685	-	2.685
North Eastern Commercial Corp.	91	-	(91)	-	-	-	-
North Triangle Depot Commercial Corp	399	59	-	-	458	-	458
North Ventures Commercial Corp.	274	67	-	-	341	-	341
Nuevocentro, Inc. (Conso)	4.174	-	(35)	-	4.139	-	4.139
Primavera Towncentre, Inc.	58.115	60.711	(64.660)	-	54.166	-	54.166
Soltea Commercial Corp.	743	21.205	(605)	-	21.343	-	21.343
Station Square East Commercial Corp	1.697	-	-	-	1.697	-	1.697
Summerhill Commercial Ventures Corp.	52	389	-	-	441	-	441
Ten Knots Development Corporation(Conso)	13.281	18.493	(26.754)	-	5.020	-	5.020
Ten Knots Philippines, Inc.(Conso)	10.808	32.159	(32.028)	-	10.938	-	10.938
Vesta Property Holdings Inc.	-	6	-	-	6	-	6
Subtotal	**525.994**	**3.818.582**	**(1.338.739)**	**-**	**3.005.837**	**-**	**3.005.837**
Amount Owed by ALI & Subsidiaries TO Ayalaland Malls Synergies, Inc.							
AREIT Fund Manager, Inc.	-	-	-	-	-	-	-
Ayala Land Inc.	-	3,041	(3,035)	-	5	-	5
Ayalaland Logistics Holdings Corp. (Conso)	6.254	-	-	-	6.254	-	6.254
AyalaLand Malls, Inc. (Conso)	657	-	(657)	-	-	-	-
Bay City Commercial Ventures Corp.	30.251	30.986	(29.019)	-	32.218	-	32.218
North Eastern Commercial Corp.	30	-	(30)	-	-	-	-
Soltea Commercial Corp.	112	-	-	-	112	-	112
Ten Knots Philippines, Inc.(Conso)	8.354	11.500	(14.537)	-	5.317	-	5.317
Subtotal	**45.658**	**45.527**	**(47.279)**	**-**	**43.907**	**-**	**43.907**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO AyalaLand Malls, Inc.							
Accendo Commercial Corp	10.100	364.259	(204.837)	-	169.523	-	169.523
Adauge Commercial Corp.	400	-	(363)	-	37	-	37
AKL Properties Inc.	-	45	-	-	45	-	45
Alabang Commercial Corporation (Conso)	8,198	2,170	(308)	-	10,060	-	10,060
ALI Capital Corp. (Conso)	972	4,292	(5,264)	-	-	-	-
ALI-CII Development Corporation	16,936	6,050	(22,986)	-	-	-	-
Alveo Land Corporation (Conso)	8,354	171,132	(177,640)	-	1,846	-	1,846
Amaia Land Corporation (Conso)	489	11,218	(11,620)	-	87	-	87
Amorsedia Development Corporation (Conso)	45	17,741	(17,786)	-	-	-	-
APRISA Business Process Solutions, Inc	-	101	-	-	101	-	101
AREIT Fund Manager, Inc.	50	-	(50)	-	-	-	-
AREIT, Inc.	99,452	10,100	-	-	109,552	-	109,552
Arvo Commercial Corporation	31,992	102,420	(66,712)	-	67,700	-	67,700
Aviana Development Corporation	5,078	128,923	(32,276)	-	101,725	-	101,725
Avida Land Corporation (Conso)	4,730	30,074	(30,794)	-	4,010	-	4,010
Ayala Hotels Inc.	4	94	-	-	98	-	98
Ayala Land Inc.	70,557	1,314,552	(1,320,184)	-	64,924	-	64,924
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Malls Zing (AMZING), Inc.	1,265	22,069	(662)	-	22,672	-	22,672
Ayala Property Management Corporation (Conso)	29,234	2,395	(284)	-	31,345	-	31,345
Ayala Theaters Management, Inc.	2,975	-	(2,975)	-	-	-	-
AyalaLand Estates Inc. (Conso)	524	496	-	-	1,020	-	1,020
AyalaLand Hotels and Resorts Corp. (Conso)	3,116	592,151	(286,587)	-	308,680	-	308,680
Ayalaland Logistics Holdings Corp. (Conso)	2,768	789,345	(644,250)	-	147,863	-	147,863
Ayalaland Malls Synergies, Inc.	3,108	-	(708)	-	2,400	-	2,400
AyalaLand Malls, Inc. (Conso)	13,884	30,454	-	-	44,338	-	44,338
Ayalaland Medical Facilities Leasing Inc.	4	-	-	-	4	-	4
Ayalaland Metro North, Inc.	19,243	30,167	(43,677)	-	5,733	-	5,733
AyalaLand Offices, Inc. (Conso)	33	5	-	-	38	-	38
Ayalaland Premier, Inc.	13,038	-	(13,036)	-	2	-	2
Bay City Commercial Ventures Corp.	47,917	668,297	(149,561)	-	566,654	-	566,654
BellaVita Land Corp.	25	-	-	-	25	-	25
BG West Properties, Inc	-	-	-	-	-	-	-
Cagayan De Oro Gateway Corporation	10,148	21,719	(1,387)	-	30,480	-	30,480
Capitol Central Commercial Ventures Corp.	24,937	100,228	(114,102)	-	11,062	-	11,062
Cavite Commercial Towncenter, Inc.	36,971	458,417	(245,759)	-	249,629	-	249,629
Cebu District Property Enterprise, Inc.	-	64,779	(2,924)	-	61,854	-	61,854
Cebu Leisure Co. Inc.	369	1,910	(95)	-	2,183	-	2,183
CECI Realty Corp.	-	-	-	-	-	-	-
Crans Montana Property Holdings Corporation	731	46,121	-	-	46,853	-	46,853
Direct Power Services Inc.	13	-	-	-	13	-	13
FIVE STAR Cinema Inc.	23	1	-	-	24	-	24
Leisure and Allied Industries Phils, Inc.	1,287	10,975	(12,193)	-	69	-	69
Makati Cornerstone Leasing Corp.	26,929	36,632	(33,529)	-	30,032	-	30,032
Makati Development Corporation (Conso)	24,053	196,289	(81,749)	-	138,593	-	138,593
North Eastern Commercial Corp.	46,260	-	(46,260)	-	-	-	-
North Triangle Depot Commercial Corp	41,332	188,091	(204,451)	-	24,972	-	24,972
North Ventures Commercial Corp.	37,165	36,125	(59,493)	-	13,797	-	13,797
NorthBeacon Commercial Corporation	25,132	35,357	(55,323)	-	5,166	-	5,166
Nuevocentro, Inc. (Conso)	-	122,295	(122,295)	-	-	-	-
Primavera Towncentre, Inc.	478	1,035	(1,003)	-	510	-	510
Red Creek Properties, Inc.	-	23,157	(23,150)	-	7	-	7
Serendra Inc.	120	36	-	-	156	-	156
Soltea Commercial Corp.	24,722	164,563	(45,862)	-	143,422	-	143,422
Station Square East Commercial Corp	32,413	38,581	(10,211)	-	60,782	-	60,782
Subic Bay Town Center Inc.	16,949	27,325	(42,705)	-	1,569	-	1,569
Summerhill Commercial Ventures Corp.	18,175	25,898	(34,393)	-	9,680	-	9,680
Ten Knots Development Corporation(Conso)	-	81,730	(41,673)	-	40,058	-	40,058
Ten Knots Philippines, Inc.(Conso)	1,412	80,509	(61,217)	-	20,704	-	20,704
Westview Commercial Ventures Corp.	1,621	4,096	(2,904)	-	2,812	-	2,812
Subtotal	**765,730**	**6,064,419**	**(4,275,241)**	**-**	**2,554,908**	**-**	**2,554,908**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Ayalaland Medical Facilities Leasing Inc.							
Avida Land Corporation (Conso)	16	-	-	-	16	-	16
Ayala Land Inc.	2,534	41	(2,574)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	-	-	-	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	-	5,122	-	-	5,122	-	5,122
Bay City Commercial Ventures Corp.	1,228	-	(1,228)	-	-	-	-
North Triangle Depot Commercial Corp	-	3,191	-	-	3,191	-	3,191
Whiteknight Holdings, Inc.	-	-	-	-	-	-	-
Subtotal	**3,777**	**8,354**	**(3,802)**	**-**	**8,329**	**-**	**8,329**
Amount Owed by ALI & Subsidiaries TO Ayalaland Metro North, Inc.							
Accendo Commercial Corp	28,976	118,825	(125,317)	-	22,484	-	22,484
Alabang Commercial Corporation (Conso)	2	5	(1)	-	7	-	7
ALI Capital Corp. (Conso)	2,362	-	(2,362)	-	-	-	-
Alveo Land Corporation (Conso)	(56,825)	70,074	-	-	13,249	-	13,249
Amaia Land Corporation (Conso)	350	20,022	(20,003)	-	369	-	369
Amorsedia Development Corporation (Conso)	39,566	49,280	(87,849)	-	996	-	996
AREIT, Inc.	1	-	-	-	1	-	1
Arvo Commercial Corporation	2,763	2,642	(3,516)	-	1,889	-	1,889
Avida Land Corporation (Conso)	35	9	-	-	44	-	44
Ayala Land Inc.	2,088	206,491	(206,491)	-	2,088	-	2,088
Ayala Malls Zing (AMZING), Inc.	74	-	(53)	-	20	-	20
AyalaLand Estates Inc. (Conso)	279	-	-	-	279	-	279
AyalaLand Hotels and Resorts Corp. (Conso)	4,437	141,186	(90,686)	-	54,937	-	54,937
Ayalaland Logistics Holdings Corp. (Conso)	82,588	252,014	(139,898)	-	194,704	-	194,704
AyalaLand Malls, Inc. (Conso)	1,359	20,622	(20,485)	-	1,496	-	1,496
Bay City Commercial Ventures Corp.	131,966	374,537	(308,501)	-	198,002	-	198,002
Cagayan De Oro Gateway Corporation	48	-	-	-	48	-	48
Capitol Central Commercial Ventures Corp.	7,539	18,950	(12,221)	-	14,268	-	14,268
Cavite Commercial Towncenter, Inc.	20,926	26,710	(35,387)	-	12,249	-	12,249
Cebu District Property Enterprise, Inc.	-	83,344	(64,206)	-	19,138	-	19,138
Crans Montana Property Holdings Corporation	111	23,013	(532)	-	22,592	-	22,592
Laguigan Land Corporation	-	1,615	(2)	-	1,613	-	1,613
Leisure and Allied Industries Phils. Inc.	-	4,470	(4,470)	-	-	-	-
Makati Cornerstone Leasing Corp.	1	-	-	-	1	-	1
Makati Development Corporation (Conso)	-	12,119	(11,897)	-	222	-	222
North Eastern Commercial Corp.	60	-	(60)	-	-	-	-
North Triangle Depot Commercial Corp	12	8,087	(8,011)	-	87	-	87
North Ventures Commercial Corp.	2	1	-	-	3	-	3
NorthBeacon Commercial Corporation	2	-	-	-	2	-	2
Primavera Towncentre, Inc.	6,133	6,341	(12,047)	-	427	-	427
Soltea Commercial Corp.	4,496	50,058	(53,751)	-	803	-	803
Station Square East Commercial Corp	48	-	-	-	48	-	48
Subic Bay Town Center Inc.	-	-	-	-	-	-	-
Summerhill Commercial Ventures Corp.	12	14	-	-	26	-	26
Ten Knots Development Corporation(Conso)	7,127	19,672	(24,641)	-	2,158	-	2,158
Ten Knots Philippines, Inc.(Conso)	23,583	31,202	(26,211)	-	28,574	-	28,574
Westview Commercial Ventures Corp.	-	3,500	-	-	3,500	-	3,500
Subtotal	**310,120**	**1,544,804**	**(1,258,600)**	**-**	**596,324**	**-**	**596,324**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO AyalaLand Offices, Inc.							
Accendo Commercial Corp	219.595	697.997	(801.178)	-	116.415	-	116.415
Alabang Commercial Corporation (Conso)	333	-	-	-	333	-	333
ALI Capital Corp. (Conso)	315.459	718.197	(1.033.656)	-	-	-	-
ALO Prime Realty Corporation	3.023	-	-	-	3.023	-	3.023
Alveo Land Corporation (Conso)	303.375	973.739	(1.115.827)	-	161.288	-	161.288
Amaia Land Corporation (Conso)	4.606	335.890	(346.612)	-	(6.116)	-	(6.116)
Amorsedia Development Corporation (Conso)	76.481	95.155	(169.313)	-	2.323	-	2.323
AREIT, Inc.	11.442	404	-	-	11.847	-	11.847
Arvo Commercial Corporation	272.934	496.383	(478.491)	-	290.826	-	290.826
Aviana Development Corporation	1.250	33.702	-	-	34.952	-	34.952
Avida Land Corporation (Conso)	23.914	39.931	(55.923)	-	7.922	-	7.922
Ayala Land Inc.	104.183	2,896.240	(2,979.275)	-	21.147	-	21.147
Ayala Land International Sales, Inc.(Conso)	40	-	-	-	40	-	40
Ayala Property Management Corporation (Conso)	10.851	-	(6.465)	-	4.386	-	4.386
AyalaLand Estates Inc. (Conso)	5.125	42.385	(5.473)	-	42.037	-	42.037
AyalaLand Hotels and Resorts Corp. (Conso)	1.211.630	1.983.454	(2.709.449)	-	485.636	-	485.636
Ayalaland Logistics Holdings Corp. (Conso)	1,546.586	3,582.741	(4,701.828)	-	427.499	-	427.499
AyalaLand Malls, Inc. (Conso)	7.363	151.167	(150.471)	-	8.059	-	8.059
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Ayalaland Metro North, Inc.	322	29	-	-	351	-	351
AyalaLand Offices, Inc. (Conso)	384.751	-	(238.490)	-	146.261	-	146.261
Ayalaland Premier, Inc.	11	-	-	-	11	-	11
Bay City Commercial Ventures Corp.	1.992.562	1.069.140	(2.905.077)	-	156.625	-	156.625
BellaVita Land Corp.	92	-	(61)	-	31	-	31
Cagayan De Oro Gateway Corporation	88	-	(88)	-	-	-	-
Capitol Central Commercial Ventures Corp.	386.582	522.409	(845.179)	-	63.811	-	63.811
Cavite Commercial Towncenter, Inc.	424.429	731.633	(994.987)	-	161.075	-	161.075
Cebu District Property Enterprise, Inc.	-	842.956	(818.119)	-	24.837	-	24.837
CECI Realty Corp.	4.906	-	(3.630)	-	1.276	-	1.276
Crans Montana Property Holdings Corporation	236.703	343.476	(483.662)	-	96.517	-	96.517
Crimson Field Enterprises, Inc.	-	5.152	(74)	-	5.078	-	5.078
Direct Power Services Inc.	174	-	(149)	-	25	-	25
Hillsford Property Corporation	258	315	-	-	574	-	574
Leisure and Allied Industries Phils. Inc.	74	-	(61)	-	12	-	12
Makati Cornerstone Leasing Corp.	3.543	19	-	-	3.562	-	3.562
Makati Development Corporation (Conso)	560	685.501	(486.729)	-	199.332	-	199.332
North Eastern Commercial Corp.	3.995	-	(3.995)	-	-	-	-
North Triangle Depot Commercial Corp	7.246	177.045	(119.191)	-	65.100	-	65.100
North Ventures Commercial Corp.	522	20	-	-	542	-	542
Nuevocentro, Inc. (Conso)	1.424	248.246	(246.364)	-	3.305	-	3.305
Primavera Towncentre, Inc.	37.098	70.119	(67.784)	-	39.434	-	39.434
Red Creek Properties, Inc.	20.126	20.342	(40.467)	-	-	-	-
Soltea Commercial Corp.	71.722	230.741	(260.779)	-	41.684	-	41.684
Summerhill Commercial Ventures Corp.	-	6	-	-	6	-	6
Sunnyfield E-Office Corp	3.523	323	-	-	3.847	-	3.847
Ten Knots Development Corporation(Conso)	46.135	104.387	(82.886)	-	67.635	-	67.635
Ten Knots Philippines, Inc.(Conso)	183.136	382.549	(483.027)	-	82.657	-	82.657
Westview Commercial Ventures Corp.	300.169	391.448	(393.069)	-	298.548	-	298.548
Subtotal	**8,228,340**	**17,873,243**	**(23,027,830)**	**-**	**3,073,753**	**-**	**3,073,753**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Ayalaland Premier, Inc.							
Accendo Commercial Corp	3.534	1.791	-	-	5.325	-	5.325
AKL Properties Inc.	4.718	18	-	-	4.735	-	4.735
ALI Capital Corp. (Conso)	10.138	20.000	(30.138)	-	-	-	-
Alveo Land Corporation (Conso)	345	38.582	(32.551)	-	6.376	-	6.376
Amaia Land Corporation (Conso)	334	57.117	(57.016)	-	436	-	436
Amorsedia Development Corporation (Conso)	30.846	15.167	(13.641)	-	32.372	-	32.372
Anvaya Cove Beach and Nature Club Inc	5.295	12.943	(17.661)	-	578	-	578
Anvaya Cove Golf and Sports Club Inc.	7.888	15.223	(23.110)	-	-	-	-
APRISA Business Process Solutions, Inc	5	-	-	-	5	-	5
AREIT, Inc.	1.056	-	-	-	1.056	-	1.056
Arvo Commercial Corporation	2.444	15.469	(1.850)	-	16.063	-	16.063
Aviana Development Corporation	24	1.576	-	-	1.600	-	1.600
Avida Land Corporation (Conso)	14.617	13.833	(27.375)	-	1.075	-	1.075
Ayala Land Inc.	127.543	474.001	(567.337)	-	34.207	-	34.207
Ayala Land-Tagle Property Inc.	92.764	133.067	-	-	225.830	-	225.830
Ayala Property Management Corporation (Conso)	177	-	-	-	177	-	177
AyalaLand Estates Inc. (Conso)	74	-	(41)	-	33	-	33
AyalaLand Hotels and Resorts Corp. (Conso)	21.195	33.158	(24.824)	-	29.528	-	29.528
Ayalaland Logistics Holdings Corp. (Conso)	17.090	75.913	(90.321)	-	2.682	-	2.682
AyalaLand Malls, Inc. (Conso)	81	-	(81)	-	-	-	-
AyalaLand Offices, Inc. (Conso)	2	-	-	-	2	-	2
Ayalaland Premier, Inc.	6	524	-	-	530	-	530
Bay City Commercial Ventures Corp.	34.629	72.936	(54.191)	-	53.374	-	53.374
BellaVita Land Corp.	53	-	-	-	53	-	53
Capitol Central Commercial Ventures Corp.	99	21.863	(13.187)	-	8.775	-	8.775
Cavite Commercial Towncenter, Inc.	20.963	44.746	(33.295)	-	32.413	-	32.413
Cebu District Property Enterprise, Inc.	-	137.425	(60.871)	-	76.553	-	76.553
CECI Realty Corp.	-	340	-	-	340	-	340
North Triangle Depot Commercial Corp	152	32.498	-	-	32.650	-	32.650
Nuevocentro, Inc. (Conso)	2.470	-	-	-	2.470	-	2.470
Primavera Towncentre, Inc.	-	11.416	(11.056)	-	360	-	360
Soltea Commercial Corp.	165	35.858	(18.331)	-	17.692	-	17.692
Southportal Properties, Inc.	-	108	-	-	108	-	108
Summerhill Commercial Ventures Corp.	215	-	-	-	215	-	215
Ten Knots Development Corporation(Conso)	-	57.289	-	-	57.289	-	57.289
Ten Knots Philippines, Inc.(Conso)	23.257	22.042	(8.392)	-	36.908	-	36.908
Verde Golf Development Corporation	3.892	-	-	-	3.892	-	3.892
Subtotal	**426.067**	**1.344.900**	**(1.085.269)**	**-**	**685.698**	**-**	**685.698**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Bay City Commercial Ventures Corp.							
Accendo Commercial Corp	242	3,192	-	-	3,434	-	3,434
Adauge Commercial Corp.	-	785	-	-	785	-	785
Alabang Commercial Corporation (Conso)	82	326	(228)	-	181	-	181
ALI Capital Corp. (Conso)	2,266	3,799	-	-	6,065	-	6,065
ALI-CII Development Corporation	-	-	-	-	-	-	-
ALO Prime Realty Corporation	-	638	-	-	638	-	638
Altaraza Prime Realty Corporation	-	9,568	-	-	9,568	-	9,568
Alveo Land Corporation (Conso)	-	7,604	(5,708)	-	1,895	-	1,895
Amaia Land Corporation (Conso)	-	9,989	-	-	9,989	-	9,989
Amorsedia Development Corporation (Conso)	-	330	-	-	330	-	330
APRISA Business Process Solutions, Inc	-	29	-	-	29	-	29
Arca South Integrated Terminal, Inc	9	-	-	-	9	-	9
AREIT, Inc.	-	488,000	(80,353)	-	407,647	-	407,647
Arvo Commercial Corporation	146	62,004	-	-	62,151	-	62,151
Aviana Development Corporation	-	151	-	-	151	-	151
Avida Land Corporation (Conso)	1,167	17,109	-	-	18,276	-	18,276
Ayala Hotels Inc.	-	801	-	-	801	-	801
Ayala Land Inc.	1,834	88,243	-	-	90,077	-	90,077
Ayala Land International Sales, Inc.(Conso)	-	335	-	-	335	-	335
Ayala Malls Zing (AMZING), Inc.	5	804	-	-	809	-	809
Ayala Property Management Corporation (Conso)	-	11	-	-	11	-	11
AyalaLand Estates Inc. (Conso)	-	31,128	-	-	31,128	-	31,128
AyalaLand Hotels and Resorts Corp. (Conso)	20,151	128,527	-	-	148,678	-	148,678
Ayalaland Logistics Holdings Corp. (Conso)	-	10,375	-	-	10,375	-	10,375
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	2,497	93,277	-	-	95,774	-	95,774
Ayalaland Metro North, Inc.	100	29	-	-	129	-	129
AyalaLand Offices, Inc. (Conso)	-	-	-	-	-	-	-
Ayalaland Premier, Inc.	-	328	-	-	328	-	328
Bay City Commercial Ventures Corp.	-	1,567,741	-	-	1,567,741	-	1,567,741
BellaVita Land Corp.	-	265	-	-	265	-	265
Buendia Landholdings, Inc.	-	215	-	-	215	-	215
Cagayan De Oro Gateway Corporation	221	3,087	-	-	3,309	-	3,309
Capitol Central Commercial Ventures Corp.	-	6,723	-	-	6,723	-	6,723
Cavite Commercial Towncenter, Inc.	-	1,122	-	-	1,122	-	1,122
Cebu District Property Enterprise, Inc.	-	540	-	-	540	-	540
Cebu Leisure Co. Inc.	-	4	-	-	4	-	4
Crans Montana Property Holdings Corporation	-	22	-	-	22	-	22
Direct Power Services Inc.	-	742	-	-	742	-	742
FIVE STAR Cinema Inc.	-	2,863	-	-	2,863	-	2,863
Hillsford Property Corporation	-	4	-	-	4	-	4
Integrated Eco-Resort Inc.	-	28	-	-	28	-	28
Laguidan Land Corporation	-	33	-	-	33	-	33
Leisure and Allied Industries Phils. Inc.	-	8,860	(8,860)	-	-	-	-
Makati Cornerstone Leasing Corp.	10,134	4	-	-	10,138	-	10,138
Makati Development Corporation (Conso)	12,314	51,578	-	-	63,892	-	63,892
North Eastern Commercial Corp.	439	-	(439)	-	-	-	-
North Triangle Depot Commercial Corp	19	1,769	-	-	1,787	-	1,787
North Ventures Commercial Corp.	204	976	(939)	-	240	-	240
NorthBeacon Commercial Corporation	-	119	(68)	-	50	-	50
Nuevocentro, Inc. (Conso)	-	84	-	-	84	-	84
Primavera Towncentre, Inc.	-	191	-	-	191	-	191
Red Creek Properties, Inc.	-	75	-	-	75	-	75
Roxas Land Corp.	-	1,001	-	-	1,001	-	1,001
Serendra Inc.	-	43	-	-	43	-	43
Soltea Commercial Corp.	71	5,360	-	-	5,431	-	5,431
Station Square East Commercial Corp	33	185	(122)	-	96	-	96
Subic Bay Town Center Inc.	145	50	-	-	195	-	195
Summerhill Commercial Ventures Corp.	115	1,655	-	-	1,770	-	1,770
Ten Knots Philippines, Inc.(Conso)	-	11,560	-	-	11,560	-	11,560
Westview Commercial Ventures Corp.	-	24	-	-	24	-	24
Subtotal	**52,194**	**2,624,307**	**(96,717)**	**-**	**2,579,783**	**-**	**2,579,783**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO BellaVita Land Corp.							
Accendo Commercial Corp	10.064	126.278	(32.615)	-	103.727	-	103.727
ALI Capital Corp. (Conso)	1.052	-	(1.052)	-	-	-	-
Alveo Land Corporation (Conso)	676	-	(91)	-	584	-	584
Amaia Land Corporation (Conso)	141	47.818	(47.405)	-	554	-	554
Amorsedia Development Corporation (Conso)	-	8.787	(8.714)	-	72	-	72
Arvo Commercial Corporation	129	-	-	-	129	-	129
Aviana Development Corporation	5.663	25.973	(36.626)	-	(4.990)	-	(4.990)
Avida Land Corporation (Conso)	971	50.091	(47.387)	-	3.675	-	3.675
Ayala Land Inc.	30.147	266.126	(262.613)	-	33.660	-	33.660
Ayala Land International Sales, Inc.(Conso)	-	3.460	-	-	3.460	-	3.460
Ayala Property Management Corporation (Conso)	21	-	-	-	21	-	21
AyalaLand Estates Inc. (Conso)	41	7	-	-	49	-	49
AyalaLand Hotels and Resorts Corp. (Conso)	8.133	85.704	-	-	93.837	-	93.837
Ayalaland Logistics Holdings Corp. (Conso)	79	229.700	(128.245)	-	101.534	-	101.534
AyalaLand Malls, Inc. (Conso)	5	30.022	(60.003)	-	(29.976)	-	(29.976)
Ayalaland Premier, Inc.	21	-	-	-	21	-	21
Bay City Commercial Ventures Corp.	8.820	145.945	(16.316)	-	138.450	-	138.450
BellaVita Land Corp.	-	46	-	-	46	-	46
Capitol Central Commercial Ventures Corp.	-	108.171	(39.450)	-	68.721	-	68.721
Cavite Commercial Towncenter, Inc.	305	69.897	-	-	70.202	-	70.202
Cebu District Property Enterprise, Inc.	-	49.421	(253)	-	49.168	-	49.168
Makati Development Corporation (Conso)	1.523	176	-	-	1.699	-	1.699
North Triangle Depot Commercial Corp	-	15.742	(15.724)	-	18	-	18
Nuevocentro, Inc. (Conso)	-	8.183	(25)	-	8.159	-	8.159
Primavera Towncentre, Inc.	1.487	-	-	-	1.487	-	1.487
Soltea Commercial Corp.	-	56.757	-	-	56.757	-	56.757
Ten Knots Philippines, Inc.(Conso)	10.160	58.645	(35.351)	-	33.453	-	33.453
Subtotal	**79.439**	**1.386.951**	**(731.869)**	**-**	**734.520**	**-**	**734.520**
Amount Owed by ALI & Subsidiaries TO BG North Properties Inc.							
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Avida Land Corporation (Conso)	138	-	(138)	-	-	-	-
Ayala Land Inc.	1.686	-	(1.686)	-	-	-	-
Ayala Land International Sales, Inc.(Conso)	51	-	(51)	-	-	-	-
Ayala Property Management Corporation (Conso)	1.896	-	(1.896)	-	-	-	-
BG North Properties Inc.	-	-	-	-	-	-	-
BG South Properties, Inc.	570.207	-	(570.207)	-	-	-	-
BG West Properties, Inc	2.040.443	-	(2.040.443)	-	-	-	-
Makati Development Corporation (Conso)	5.800	-	(5.800)	-	-	-	-
Subtotal	**2.620.220**	**-**	**(2.620.220)**	**-**	**-**	**-**	**-**
Amount Owed by ALI & Subsidiaries TO BG South Properties, Inc.							
Alveo Land Corporation (Conso)	116.850	-	(116.850)	-	-	-	-
Amorsedia Development Corporation (Conso)	2.033	-	(2.033)	-	-	-	-
Avida Land Corporation (Conso)	1.646	-	(1.646)	-	-	-	-
Ayala Land Inc.	1.216	-	(1.216)	-	-	-	-
Ayala Property Management Corporation (Conso)	180	-	(180)	-	-	-	-
BG West Properties, Inc	684	-	(684)	-	-	-	-
Makati Development Corporation (Conso)	30.126	-	(30.126)	-	-	-	-
Subtotal	**152.736**	**-**	**(152.736)**	**-**	**-**	**-**	**-**
Amount Owed by ALI & Subsidiaries TO BG West Properties, Inc							
Alveo Land Corporation (Conso)	-	161.249	-	-	161.249	-	161.249
Amorsedia Development Corporation (Conso)	8	2.033	-	-	2.042	-	2.042
Avida Land Corporation (Conso)	-	2.189	-	-	2.189	-	2.189
Ayala Land Inc.	7.254	2.825	-	-	10.078	-	10.078
Ayala Land International Sales, Inc.(Conso)	-	51	-	-	51	-	51
Ayala Property Management Corporation (Conso)	3.060	2.136	-	-	5.196	-	5.196
BG West Properties, Inc	195	2.526.285	(2.526.480)	-	-	-	-
Makati Development Corporation (Conso)	66.033	59.696	-	-	125.728	-	125.728
Serendra Inc.	-	-	-	-	-	-	-
Subtotal	**76.549**	**2.756.464**	**(2.526.480)**	**-**	**306.533**	**-**	**306.533**
Amount Owed by ALI & Subsidiaries TO Buendia Landholdings, Inc.							
AyalaLand Estates Inc. (Conso)	-	1.506	(1.506)	-	-	-	-
Crans Montana Property Holdings Corporation	2.000	5.244	(4.228)	-	3.017	-	3.017
Subtotal	**2.000**	**6.751**	**(5.734)**	**-**	**3.017**	**-**	**3.017**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Cagayan De Oro Gateway Corporation							
Accendo Commercial Corp	48	109	(157)	-	-	-	-
Alabang Commercial Corporation (Conso)	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	10,909	25,811	(26,687)	-	10,033	-	10,033
Amaia Land Corporation (Conso)	22	-	(22)	-	-	-	-
Arvo Commercial Corporation	-	15,049	-	-	15,049	-	15,049
Aviana Development Corporation	24	15,609	(593)	-	15,040	-	15,040
Avida Land Corporation (Conso)	1,210	11,236	(11,598)	-	848	-	848
Ayala Land Inc.	5,235	70,029	(69,934)	-	5,330	-	5,330
Ayala Property Management Corporation (Conso)	6	-	-	-	6	-	6
AyalaLand Hotels and Resorts Corp. (Conso)	7,776	30,938	(31,081)	-	7,633	-	7,633
Ayalaland Logistics Holdings Corp. (Conso)	-	87,987	(62,212)	-	25,774	-	25,774
AyalaLand Malls, Inc. (Conso)	60	1,664	(1,693)	-	31	-	31
Ayalaland Metro North, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	5,032	60,187	-	-	65,219	-	65,219
BellaVita Land Corp.	20	-	-	-	20	-	20
Cagayan De Oro Gateway Corporation	179	508	(508)	-	179	-	179
Capitol Central Commercial Ventures Corp.	-	20,469	(10,336)	-	10,133	-	10,133
Cavite Commercial Towncenter, Inc.	-	5,264	(35)	-	5,229	-	5,229
Cebu District Property Enterprise, Inc.	-	29,536	(29,536)	-	-	-	-
Laguigan Land Corporation	2,034	748	-	-	2,782	-	2,782
Leisure and Allied Industries Phils. Inc.	108	3,116	(3,225)	-	-	-	-
Makati Development Corporation (Conso)	24	10,243	(10,057)	-	211	-	211
North Eastern Commercial Corp.	1	-	(1)	-	-	-	-
North Triangle Depot Commercial Corp	12	18,222	(13,065)	-	5,168	-	5,168
North Ventures Commercial Corp.	-	-	-	-	-	-	-
Philippine Integrated Energy Solutions, Inc.	2,363	2,314	-	-	4,677	-	4,677
Soltea Commercial Corp.	-	11,371	-	-	11,371	-	11,371
Station Square East Commercial Corp	-	1,277	-	-	1,277	-	1,277
Ten Knots Development Corporation(Conso)	-	7,422	(305)	-	7,117	-	7,117
Ten Knots Philippines, Inc.(Conso)	-	46,286	-	-	46,286	-	46,286
Subtotal	**35,063**	**475,395**	**(271,044)**	**-**	**239,413**	**-**	**239,413**
Amount Owed by ALI & Subsidiaries TO Capitol Central Commercial Ventures Corp.							
Accendo Commercial Corp	19	-	(16)	-	2	-	2
Adauge Commercial Corp.	5	14	-	-	18	-	18
Alabang Commercial Corporation (Conso)	1	-	-	-	1	-	1
Amaia Land Corporation (Conso)	-	467	(467)	-	-	-	-
Arvo Commercial Corporation	22	-	-	-	22	-	22
Ayala Land Inc.	8,468	-	(8,468)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	164	20,656	(19,223)	-	1,597	-	1,597
Ayalaland Metro North, Inc.	-	-	-	-	-	-	-
Bay City Commercial Ventures Corp.	-	2	-	-	2	-	2
Cagayan De Oro Gateway Corporation	18	1,175	(1,172)	-	21	-	21
Cebu District Property Enterprise, Inc.	-	3	-	-	3	-	3
Cebu Leisure Co. Inc.	3	1,251	(1,248)	-	7	-	7
Leisure and Allied Industries Phils. Inc.	-	2,350	(2,350)	-	-	-	-
Makati Development Corporation (Conso)	60	-	-	-	60	-	60
North Eastern Commercial Corp.	1	-	(1)	-	-	-	-
North Triangle Depot Commercial Corp	8	-	-	-	8	-	8
Station Square East Commercial Corp	1	1,277	-	-	1,278	-	1,278
Westview Commercial Ventures Corp.	18	-	(17)	-	1	-	1
Subtotal	**8,788**	**27,195**	**(32,963)**	**-**	**3,020**	**-**	**3,020**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Cavite Commercial Towncenter, Inc.							
Alabang Commercial Corporation (Conso)	-	1	-	-	1	-	1
Alveo Land Corporation (Conso)	(46)	724	-	-	678	-	678
Amaia Land Corporation (Conso)	717	1,286	(1,488)	-	514	-	514
Arvo Commercial Corporation	3	1	-	-	4	-	4
Avida Land Corporation (Conso)	156	-	-	-	156	-	156
Ayala Land Inc.	24	-	-	-	24	-	24
Ayala Malls Zing (AMZING), Inc.	58	-	-	-	58	-	58
Ayala Property Management Corporation (Conso)	589	-	-	-	589	-	589
AyalaLand Estates Inc. (Conso)	25	-	-	-	25	-	25
Ayalaland Logistics Holdings Corp. (Conso)	25	-	-	-	25	-	25
Ayalaland Malls Synergies, Inc.	(189)	-	(77)	-	(266)	-	(266)
AyalaLand Malls, Inc. (Conso)	54	27	-	-	81	-	81
AyalaLand Offices, Inc. (Conso)	25	-	-	-	25	-	25
Bay City Commercial Ventures Corp.	1	-	-	-	1	-	1
Capitol Central Commercial Ventures Corp.	29	-	-	-	29	-	29
Cavite Commercial Towncenter, Inc.	1	-	-	-	1	-	1
Leisure and Allied Industries Phils. Inc.	622	838	(876)	-	584	-	584
Makati Cornerstone Leasing Corp.	6	-	-	-	6	-	6
Makati Development Corporation (Conso)	64	-	-	-	64	-	64
North Ventures Commercial Corp.	5	-	-	-	5	-	5
Serendra Inc.	-	1	-	-	1	-	1
Soltea Commercial Corp.	50	1	-	-	51	-	51
Station Square East Commercial Corp	1	1	-	-	2	-	2
Summerhill Commercial Ventures Corp.	137	-	-	-	137	-	137
Ten Knots Development Corporation(Conso)	11	-	-	-	11	-	11
Subtotal	**2,367**	**2,878**	**(2,441)**	**-**	**2,804**	**-**	**2,804**
Amount Owed by ALI & Subsidiaries TO Cebu District Property Enterprise, Inc.							
Ayala Land Inc.	-	5	-	-	5	-	5
Makati Development Corporation (Conso)	-	3,967	-	-	3,967	-	3,967
Subtotal	**-**	**3,972**	**-**	**-**	**3,972**	**-**	**3,972**
Amount Owed by ALI & Subsidiaries TO Cebu Leisure Co. Inc.							
Accendo Commercial Corp	4,009	4,151	(7,138)	-	1,022	-	1,022
Alabang Commercial Corporation (Conso)	39	-	-	-	39	-	39
ALI Capital Corp. (Conso)	7,197	6,500	(13,697)	-	-	-	-
Alveo Land Corporation (Conso)	-	5,031	(4)	-	5,027	-	5,027
Amaia Land Corporation (Conso)	6	-	(6)	-	-	-	-
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
APRISA Business Process Solutions, Inc	1	-	(1)	-	-	-	-
Arvo Commercial Corporation	49	-	-	-	49	-	49
Avida Land Corporation (Conso)	-	5,005	(5,005)	-	-	-	-
Ayala Land Inc.	24,121	31,221	(28,183)	-	27,159	-	27,159
Ayala Land International Sales, Inc.(Conso)	30	-	-	-	30	-	30
Ayala Malls Zing (AMZING), Inc.	12	-	-	-	12	-	12
AyalaLand Hotels and Resorts Corp. (Conso)	21	26,713	-	-	26,734	-	26,734
Ayalaland Logistics Holdings Corp. (Conso)	19,182	47,827	(16,922)	-	50,087	-	50,087
AyalaLand Malls, Inc. (Conso)	1,589	957	-	-	2,546	-	2,546
Ayalaland Medical Facilities Leasing Inc.	163	-	-	-	163	-	163
Ayalaland Metro North, Inc.	-	2	-	-	2	-	2
Bay City Commercial Ventures Corp.	73,581	40,852	(67,807)	-	46,625	-	46,625
Cagayan De Oro Gateway Corporation	68	3	-	-	71	-	71
Capitol Central Commercial Ventures Corp.	1	1	-	-	2	-	2
Cebu District Property Enterprise, Inc.	-	37,204	(6,159)	-	31,045	-	31,045
Cebu Leisure Co. Inc.	2	-	-	-	2	-	2
Central Bloc Hotel Ventures	-	267	-	-	267	-	267
Makati Cornerstone Leasing Corp.	-	-	-	-	-	-	-
Makati Development Corporation (Conso)	-	16,220	(16,030)	-	191	-	191
North Eastern Commercial Corp.	1	-	(1)	-	-	-	-
North Triangle Depot Commercial Corp	949	3,116	(2,999)	-	1,065	-	1,065
North Ventures Commercial Corp.	-	1	-	-	1	-	1
Primavera Towncentre, Inc.	9,783	19,651	(19,088)	-	10,346	-	10,346
Soltea Commercial Corp.	5	-	-	-	5	-	5
Station Square East Commercial Corp	1	-	-	-	1	-	1
Ten Knots Development Corporation(Conso)	7,055	7,479	(7,438)	-	7,096	-	7,096
Ten Knots Philippines, Inc.(Conso)	74,247	77,967	(78,269)	-	73,946	-	73,946
Subtotal	**222,108**	**330,169**	**(268,745)**	**-**	**283,532**	**-**	**283,532**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO CECI Realty Corp.							
ALI Capital Corp. (Conso)	5.869	-	(5.869)	-	-	-	-
Alveo Land Corporation (Conso)	1	-	-	-	1	-	1
Amaia Land Corporation (Conso)	2.553	523.318	(522.519)	-	3.352	-	3.352
Amorsedia Development Corporation (Conso)	749.126	851.511	(983.292)	-	617.345	-	617.345
Arca South Integrated Terminal, Inc	58.825	66.384	(65.892)	-	59.317	-	59.317
AREIT, Inc.	31.988	12.908	(21.951)	-	22.945	-	22.945
Arvo Commercial Corporation	26.258	-	-	-	26.258	-	26.258
Aurora Properties, Inc.	14.882	-	-	-	14.882	-	14.882
Avida Land Corporation (Conso)	6.653	500	(1.120)	-	6.033	-	6.033
Ayala Land Inc.	22.362	238.429	(251.433)	-	9.358	-	9.358
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	27	700.625	(593.365)	-	107.287	-	107.287
AyalaLand Hotels and Resorts Corp. (Conso)	16.510	50.469	(14.797)	-	52.183	-	52.183
Ayalaland Logistics Holdings Corp. (Conso)	422	-	(421)	-	1	-	1
Ayalaland Malls Synergies, Inc.	55	-	-	-	55	-	55
AyalaLand Malls, Inc. (Conso)	1.642	-	(1.642)	-	-	-	-
AyalaLand Offices, Inc. (Conso)	12.263	-	(12.263)	-	-	-	-
Bay City Commercial Ventures Corp.	132.354	108.271	(220.393)	-	20.231	-	20.231
Capitol Central Commercial Ventures Corp.	8	-	-	-	8	-	8
Cavite Commercial Towncenter, Inc.	4.407	110.194	-	-	114.601	-	114.601
Crans Montana Property Holdings Corporation	673.559	968.033	(939.288)	-	702.304	-	702.304
Crimson Field Enterprises, Inc.	20.197	31.680	(22.799)	-	29.078	-	29.078
Direct Power Services Inc.	15	-	(15)	-	-	-	-
Leisure and Allied Industries Phils. Inc.	108	-	-	-	108	-	108
Makati Development Corporation (Conso)	9.612	10.116	(9.993)	-	9.735	-	9.735
North Triangle Depot Commercial Corp	-	100.760	(95)	-	100.666	-	100.666
Nuevocentro, Inc. (Conso)	7	45.523	(20.506)	-	25.024	-	25.024
Red Creek Properties, Inc.	12.065	28.581	(11.054)	-	29.591	-	29.591
Soltea Commercial Corp.	36.132	54.405	(58.506)	-	32.031	-	32.031
Ten Knots Development Corporation(Conso)	-	13.099	(68)	-	13.031	-	13.031
Ten Knots Philippines, Inc.(Conso)	704	3.267	(3.275)	-	696	-	696
Vesta Property Holdings Inc.	18.033	-	-	-	18.033	-	18.033
Subtotal	**1.856.639**	**3.918.072**	**(3.760.554)**	**-**	**2.014.157**	**-**	**2.014.157**
Amount Owed by ALI & Subsidiaries TO Central Bloc Hotel Ventures							
Alveo Land Corporation (Conso)	-	-	-	-	-	-	-
Amaia Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	8.005	-	(8.002)	-	3	-	3
AyalaLand Hotels and Resorts Corp. (Conso)	136.217	121.342	-	-	257.559	-	257.559
AyalaLand Malls, Inc. (Conso)	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	20.174	12.500	(32.674)	-	-	-	-
Subtotal	**164.396**	**133.842**	**(40.676)**	**-**	**257.562**	**-**	**257.562**
Amount Owed by ALI & Subsidiaries TO Crans Montana Property Holdings Corporation							
Accendo Commercial Corp	8	-	(3)	-	6	-	6
Alveo Land Corporation (Conso)	8	22	-	-	30	-	30
Aviana Development Corporation	-	3	-	-	3	-	3
Ayala Land Inc.	(5)	-	-	-	(5)	-	(5)
Ayala Property Management Corporation (Conso)	75	28	-	-	103	-	103
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	6	43	-	-	49	-	49
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Ayalaland Premier, Inc.	-	3	-	-	3	-	3
CECI Realty Corp.	-	10	-	-	10	-	10
Makati Development Corporation (Conso)	-	9	-	-	9	-	9
Ten Knots Philippines, Inc.(Conso)	-	3	-	-	3	-	3
Subtotal	**92**	**120**	**(3)**	**-**	**209**	**-**	**209**
Amount Owed by ALI & Subsidiaries TO Crimson Field Enterprises, Inc.							
Ayala Land Inc.	10.050	-	-	-	10.050	-	10.050
Subtotal	**10.050**	**-**	**-**	**-**	**10.050**	**-**	**10.050**
Amount Owed by ALI & Subsidiaries TO Darong Agricultural and Development Corporation							
Ayalaland Logistics Holdings Corp. (Conso)	-	26.849	(26.849)	-	-	-	-
Subtotal	**-**	**26.849**	**(26.849)**	**-**	**-**	**-**	**-**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Direct Power Services Inc.							
Accendo Commercial Corp	11	447.856	(447.867)	-	-	-	-
Adauge Commercial Corp.	-	8.310	(7.702)	-	607	-	607
Alabang Commercial Corporation (Conso)	15.956	185.308	(186.493)	-	14.771	-	14.771
ALI Capital Corp. (Conso)	25.536	70.675	(96.195)	-	16	-	16
ALI-CII Development Corporation	3.001	31.799	(29.624)	-	5.175	-	5.175
ALO Prime Realty Corporation	-	8.896	(6.416)	-	2.480	-	2.480
Alveo Land Corporation (Conso)	12.309	113.019	(124.426)	-	902	-	902
Amaia Land Corporation (Conso)	168	25.009	(25.001)	-	176	-	176
Amorsedia Development Corporation (Conso)	-	76.959	(76.959)	-	-	-	-
AREIT, Inc.	88.561	299.299	(301.871)	-	85.989	-	85.989
Arvo Commercial Corporation	21.135	104.539	(104.361)	-	21.313	-	21.313
Aviana Development Corporation	26	48.514	(48.539)	-	-	-	-
Avida Land Corporation (Conso)	214	110.575	(110.778)	-	11	-	11
Ayala Land Inc.	88.301	2,012.415	(1,877.330)	-	223.387	-	223.387
Ayala Property Management Corporation (Conso)	-	8.891	(8.133)	-	758	-	758
AyalaLand Estates Inc. (Conso)	-	90.421	(90.421)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	26.489	441.687	(420.789)	-	47.388	-	47.388
Ayalaland Logistics Holdings Corp. (Conso)	123.695	1.003.425	(1.064.770)	-	62.350	-	62.350
AyalaLand Malls, Inc. (Conso)	46.156	642.242	(625.382)	-	63.016	-	63.016
Ayalaland Metro North, Inc.	13.818	158.946	(154.565)	-	18.199	-	18.199
AyalaLand Offices, Inc. (Conso)	26.422	302.514	(252.971)	-	75.966	-	75.966
Bay City Commercial Ventures Corp.	23.956	904.021	(773.595)	-	154.381	-	154.381
Cagayan De Oro Gateway Corporation	58	-	-	-	58	-	58
Capitol Central Commercial Ventures Corp.	19.620	239.823	(243.232)	-	16.211	-	16.211
Cavite Commercial Towncenter, Inc.	4.786	203.288	(162.677)	-	45.396	-	45.396
Cebu District Property Enterprise, Inc.	-	160.370	(150.860)	-	9.510	-	9.510
Central Bloc Hotel Ventures	1.936	21.069	(21.252)	-	1.753	-	1.753
Crans Montana Property Holdings Corporation	-	50.308	(6.473)	-	43.836	-	43.836
Hillsford Property Corporation	3.838	17.754	(8.808)	-	12.784	-	12.784
Laguigan Land Corporation	8.618	11.770	(8.836)	-	11.551	-	11.551
Makati Cornerstone Leasing Corp.	10.091	126.452	(113.149)	-	23.395	-	23.395
Makati Development Corporation (Conso)	1.211	76.238	(74.028)	-	3.421	-	3.421
North Eastern Commercial Corp.	11.741	-	(11.741)	-	-	-	-
North Triangle Depot Commercial Corp	20.116	340.963	(338.068)	-	23.011	-	23.011
North Ventures Commercial Corp.	8.562	97.111	(98.039)	-	7.633	-	7.633
NorthBeacon Commercial Corporation	7.526	87.658	(88.532)	-	6.653	-	6.653
Nuevocentro, Inc. (Conso)	-	15.061	(15.061)	-	-	-	-
Philippine Integrated Energy Solutions, Inc.	30.390	356.076	(360.388)	-	26.078	-	26.078
Primavera Towncentre, Inc.	126	-	-	-	126	-	126
Serendra Inc.	5.020	30.166	(29.690)	-	5.496	-	5.496
Soltea Commercial Corp.	6.613	218.519	(218.818)	-	6.314	-	6.314
Station Square East Commercial Corp	23.451	268.310	(270.437)	-	21.324	-	21.324
Subic Bay Town Center Inc.	4.011	45.917	(46.236)	-	3.692	-	3.692
Summerhill Commercial Ventures Corp.	9.922	116.914	(118.120)	-	8.716	-	8.716
Sunnyfield E-Office Corp	-	13.783	(4.840)	-	8.942	-	8.942
Ten Knots Development Corporation(Conso)	1.914	79.583	(81.497)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	670	176.708	(166.085)	-	11.294	-	11.294
Westview Commercial Ventures Corp.	780	6.599	(6.609)	-	770	-	770
Subtotal	**696.752**	**9.855.762**	**(9.477.665)**	**-**	**1.074.849**	**-**	**1.074.849**
Amount Owed by ALI & Subsidiaries TO Ecoholdings Company, Inc.							
AyalaLand Hotels and Resorts Corp. (Conso)	301	-	-	-	301	-	301
Ten Knots Development Corporation(Conso)	23.861	1.429	(11.604)	-	13.686	-	13.686
Ten Knots Philippines, Inc.(Conso)	221.232	8.805	(2.303)	-	227.734	-	227.734
Subtotal	**245.394**	**10.233**	**(13.906)**	**-**	**241.721**	**-**	**241.721**
Amount Owed by ALI & Subsidiaries TO First Longfield Investments Ltd.							
ALI Capital Corp. (Conso)	81.881	10.799	-	-	92.681	-	92.681
Arca South Integrated Terminal, Inc	10.799	-	-	-	10.799	-	10.799
Ayala Land Inc.	191.290	183.385	(161.169)	-	213.505	-	213.505
Ayalaland Malls Synergies, Inc.	2.211	-	-	-	2.211	-	2.211
Subtotal	**286.181**	**194.184**	**(161.169)**	**-**	**319.195**	**-**	**319.195**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO FIVE STAR Cinema Inc.							
Accendo Commercial Corp	1	-	(1)	-	-	-	-
Alabang Commercial Corporation (Conso)	584	-	-	-	584	-	584
Arvo Commercial Corporation	1	-	(1)	-	-	-	-
Ayala Land Inc.	11,897	12,065	(23,936)	-	26	-	26
AvalaLand Malls, Inc. (Conso)	125	-	(125)	-	-	-	-
Bay City Commercial Ventures Corp.	3,204	3,366	(3,394)	-	3,176	-	3,176
Cavite Commercial Towncenter, Inc.	-	11,871	-	-	11,871	-	11,871
Cebu Leisure Co. Inc.	3	1	-	-	5	-	5
Makati Cornerstone Leasing Corp.	1	-	-	-	1	-	1
North Eastern Commercial Corp.	5	-	(5)	-	-	-	-
North Triangle Depot Commercial Corp	10	12,426	(12,318)	-	117	-	117
North Ventures Commercial Corp.	1	1	-	-	2	-	2
NorthBeacon Commercial Corporation	2	-	-	-	2	-	2
Soltea Commercial Corp.	5	-	-	-	5	-	5
Station Square East Commercial Corp	6	-	(2)	-	4	-	4
Summerhill Commercial Ventures Corp.	(49)	1	-	-	(48)	-	(48)
Subtotal	**15,794**	**39,731**	**(39,782)**	**-**	**15,743**	**-**	**15,743**
Amount Owed by ALI & Subsidiaries TO Hillsford Property Corporation							
Accendo Commercial Corp	13,586	21,828	(35,414)	-	-	-	-
ALI Capital Corp. (Conso)	-	7,000	(7,000)	-	-	-	-
Alveo Land Corporation (Conso)	6,462	1,263	(7,677)	-	49	-	49
Amaia Land Corporation (Conso)	110	4,004	(4,110)	-	4	-	4
Amorsedia Development Corporation (Conso)	25,236	35,285	(60,437)	-	84	-	84
Arvo Commercial Corporation	-	3,135	(16)	-	3,119	-	3,119
Avida Land Corporation (Conso)	19	-	(19)	-	-	-	-
Ayala Land Inc.	-	75,129	(75,062)	-	67	-	67
AvalaLand Estates Inc. (Conso)	94	-	(94)	-	-	-	-
AvalaLand Hotels and Resorts Corp. (Conso)	21,777	55,951	(69,339)	-	8,389	-	8,389
Avalaland Logistics Holdings Corp. (Conso)	41,377	117,976	(149,338)	-	10,015	-	10,015
AvalaLand Malls, Inc. (Conso)	509	6,014	(6,524)	-	-	-	-
AvalaLand Offices, Inc. (Conso)	-	21	-	-	21	-	21
Bay City Commercial Ventures Corp.	55,199	70,288	(73,931)	-	51,556	-	51,556
Cavite Commercial Towncenter, Inc.	37,153	45,591	(71,201)	-	11,543	-	11,543
Cebu District Property Enterprise, Inc.	-	40,433	(31,572)	-	8,861	-	8,861
Lagdigan Land Corporation	-	6,060	(6,060)	-	-	-	-
North Eastern Commercial Corp.	2	-	(2)	-	-	-	-
NorthBeacon Commercial Corporation	1	-	-	-	1	-	1
Nuevocentro, Inc. (Conso)	5,998	47	(6,016)	-	28	-	28
Soltea Commercial Corp.	9,124	9,223	(18,347)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	13,237	14,614	(21,395)	-	6,456	-	6,456
Subtotal	**229,883**	**513,863**	**(643,552)**	**-**	**100,194**	**-**	**100,194**
Amount Owed by ALI & Subsidiaries TO Integrated Eco-Resort Inc.							
Ayala Land Inc.	-	-	-	-	-	-	-
AvalaLand Hotels and Resorts Corp. (Conso)	559	9	-	-	568	-	568
Bay City Commercial Ventures Corp.	112	-	-	-	112	-	112
Ten Knots Development Corporation(Conso)	39,010	1,229,416	(1,192,757)	-	75,669	-	75,669
Ten Knots Philippines, Inc.(Conso)	530,454	5,111,895	(5,129,595)	-	512,753	-	512,753
Subtotal	**570,135**	**6,341,319**	**(6,322,353)**	**-**	**589,102**	**-**	**589,102**
Amount Owed by ALI & Subsidiaries TO Lagdigan Land Corporation							
Bay City Commercial Ventures Corp.	1,003	-	-	-	1,003	-	1,003
Cagayan De Oro Gateway Corporation	1,045	-	-	-	1,045	-	1,045
Summerhill Commercial Ventures Corp.	128	-	-	-	128	-	128
Subtotal	**2,176**	**-**	**-**	**-**	**2,176**	**-**	**2,176**
Amount Owed by ALI & Subsidiaries TO Leisure and Allied Industries Phils. Inc.							
Alabang Commercial Corporation (Conso)	1,800	-	(1,800)	-	-	-	-
Alveo Land Corporation (Conso)	-	164	(164)	-	-	-	-
Avida Land Corporation (Conso)	-	2,000	(2,000)	-	-	-	-
AvalaLand Hotels and Resorts Corp. (Conso)	-	210	(210)	-	-	-	-
Capitol Central Commercial Ventures Corp.	-	11	(11)	-	-	-	-
Cavite Commercial Towncenter, Inc.	-	2,308	(1,275)	-	1,033	-	1,033
Subtotal	**1,800**	**4,693**	**(5,461)**	**-**	**1,033**	**-**	**1,033**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Makati Cornerstone Leasing Corp.							
Accendo Commercial Corp	73.006	5.245	(78.213)	-	38	-	38
Alabang Commercial Corporation (Conso)	6	-	-	-	6	-	6
ALI Capital Corp. (Conso)	12.634	6.000	(18.634)	-	-	-	-
Alveo Land Corporation (Conso)	(13.273)	12.869	-	-	(403)	-	(403)
Amaia Land Corporation (Conso)	149	-	-	-	149	-	149
Amorsedia Development Corporation (Conso)	44.627	10.797	(55.245)	-	178	-	178
APRISA Business Process Solutions, Inc	-	-	-	-	-	-	-
AREIT, Inc.	-	23.240	-	-	23.240	-	23.240
Arvo Commercial Corporation	2.619	15.130	-	-	17.749	-	17.749
Avida Land Corporation (Conso)	(27.998)	62.680	(14.582)	-	20.101	-	20.101
Ayala Land Inc.	239.648	76.954	(80.928)	-	235.673	-	235.673
Ayala Property Management Corporation (Conso)	10	-	(524)	-	(514)	-	(514)
AyalaLand Estates Inc. (Conso)	110	-	(219)	-	(110)	-	(110)
AyalaLand Hotels and Resorts Corp. (Conso)	(13.305)	44.520	(7.225)	-	23.990	-	23.990
Ayalaland Logistics Holdings Corp. (Conso)	31.002	166.382	(84.855)	-	112.530	-	112.530
Ayalaland Malls Synergies, Inc.	71	-	-	-	71	-	71
AyalaLand Malls, Inc. (Conso)	1.303	7.537	(8.700)	-	141	-	141
Bay City Commercial Ventures Corp.	71.583	111.928	(132.012)	-	51.499	-	51.499
BellaVita Land Corp.	357	26.378	(9.985)	-	16.750	-	16.750
Cagayan De Oro Gateway Corporation	3	-	-	-	3	-	3
Capitol Central Commercial Ventures Corp.	26	15.843	(866)	-	15.004	-	15.004
Cavite Commercial Towncenter, Inc.	7	58.668	-	-	58.675	-	58.675
Cebu Leisure Co. Inc.	5	-	-	-	5	-	5
Crans Montana Property Holdings Corporation	11.160	11.891	(11.620)	-	11.430	-	11.430
Leisure and Allied Industries Phils. Inc.	-	4.992	(4.992)	-	-	-	-
Makati Cornerstone Leasing Corp.	-	-	(1.550)	-	(1.550)	-	(1.550)
Makati Development Corporation (Conso)	10.479	51.998	(18.864)	-	43.613	-	43.613
North Triangle Depot Commercial Corp	107	25.581	(25.202)	-	487	-	487
North Ventures Commercial Corp.	27	-	-	-	27	-	27
Nuevocentro, Inc. (Conso)	56	-	(111)	-	(56)	-	(56)
Soltea Commercial Corp.	201	11.468	-	-	11.669	-	11.669
Station Square East Commercial Corp	15	1	-	-	16	-	16
Summerhill Commercial Ventures Corp.	151	-	-	-	151	-	151
Ten Knots Philippines, Inc.(Conso)	6.460	17.012	(15.424)	-	8.048	-	8.048
Subtotal	**451.245**	**767.115**	**(569.751)**	**-**	**648.609**	**-**	**648.609**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO North Eastern Commercial Corp.							
Accendo Commercial Corp	74.832	10.000	(84.832)	-	-	-	-
Alabang Commercial Corporation (Conso)	17	-	(17)	-	-	-	-
ALI Capital Corp. (Conso)	95.374	-	(95.374)	-	-	-	-
ALI-CII Development Corporation	-	-	-	-	-	-	-
Alveo Land Corporation (Conso)	62.949	25.000	(87.949)	-	-	-	-
Amaia Land Corporation (Conso)	208.532	-	(208.532)	-	-	-	-
Amorsedia Development Corporation (Conso)	330	-	(330)	-	-	-	-
AREIT, Inc.	106.941	-	(106.941)	-	-	-	-
Arvo Commercial Corporation	103.293	6.330	(109.623)	-	-	-	-
Aviana Development Corporation	10.152	-	(10.152)	-	-	-	-
Avida Land Corporation (Conso)	6.523	-	(6.523)	-	-	-	-
Ayala Land Inc.	99.239	-	(99.239)	-	-	-	-
Ayala Malls Zing (AMZING), Inc.	560	-	(560)	-	-	-	-
Ayala Property Management Corporation (Conso)	-	-	-	-	-	-	-
AyalaLand Estates Inc. (Conso)	30.320	-	(30.320)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	317.230	28.000	(345.230)	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	172.923	23.420	(196.343)	-	-	-	-
Ayalaland Malls Synergies, Inc.	4	-	(4)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	60.688	-	(60.688)	-	-	-	-
Ayalaland Metro North, Inc.	7	-	(7)	-	-	-	-
Bay City Commercial Ventures Corp.	652.029	1.082.190	(1.734.219)	-	-	-	-
Cagayan De Oro Gateway Corporation	2.881	-	(2.881)	-	-	-	-
Capitol Central Commercial Ventures Corp.	51.954	-	(51.954)	-	-	-	-
Cavite Commercial Towncenter, Inc.	44.634	22.000	(66.634)	-	-	-	-
Cebu District Property Enterprise, Inc.	-	5.100	(5.100)	-	-	-	-
Cebu Leisure Co. Inc.	4	-	(4)	-	-	-	-
Crans Montana Property Holdings Corporation	22	-	(22)	-	-	-	-
Direct Power Services Inc.	23	-	(23)	-	-	-	-
Hillsford Property Corporation	4	-	(4)	-	-	-	-
Leisure and Allied Industries Phils. Inc.	642	-	(642)	-	-	-	-
Makati Cornerstone Leasing Corp.	4	-	(4)	-	-	-	-
Makati Development Corporation (Conso)	51.095	-	(51.095)	-	-	-	-
North Eastern Commercial Corp.	11	-	(11)	-	-	-	-
North Triangle Depot Commercial Corp	22.743	-	(22.743)	-	-	-	-
North Ventures Commercial Corp.	29	-	(29)	-	-	-	-
NorthBeacon Commercial Corporation	30	-	(30)	-	-	-	-
Nuevocentro, Inc. (Conso)	84	-	(84)	-	-	-	-
Primavera Towncentre, Inc.	11.193	-	(11.193)	-	-	-	-
Serendra Inc.	1	-	(1)	-	-	-	-
Soltea Commercial Corp.	87.785	-	(87.785)	-	-	-	-
Station Square East Commercial Corp	24	-	(24)	-	-	-	-
Subic Bay Town Center Inc.	32	-	(32)	-	-	-	-
Summerhill Commercial Ventures Corp.	1.641	-	(1.641)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	73.480	34.990	(108.470)	-	-	-	-
Westview Commercial Ventures Corp.	1.524	-	(1.524)	-	-	-	-
Subtotal	**2.351.783**	**1.237.030**	**(3.588.813)**	**-**	**-**	**-**	**-**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO North Triangle Depot Commercial Corp							
Accendo Commercial Corp	8	2	-	-	11	-	11
Alabang Commercial Corporation (Conso)	119	1	-	-	120	-	120
ALI Capital Corp. (Conso)	876	-	(876)	-	-	-	-
Alveo Land Corporation (Conso)	87	-	-	-	87	-	87
Amaia Land Corporation (Conso)	571	157	(273)	-	455	-	455
Amorsedia Development Corporation (Conso)	34	-	-	-	34	-	34
Arvo Commercial Corporation	1,873	-	-	-	1,873	-	1,873
Avida Land Corporation (Conso)	717	2,135	(298)	-	2,553	-	2,553
Ayala Land Inc.	40,291	3,020	(3,605)	-	39,706	-	39,706
Ayala Malls Zing (AMZING), Inc.	119	-	(50)	-	69	-	69
AyalaLand Estates Inc. (Conso)	77	-	-	-	77	-	77
AyalaLand Hotels and Resorts Corp. (Conso)	9	-	-	-	9	-	9
Ayalaland Logistics Holdings Corp. (Conso)	879	-	-	-	879	-	879
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	4,009	1,038	-	-	5,047	-	5,047
Ayalaland Medical Facilities Leasing Inc.	119	-	-	-	119	-	119
Ayalaland Metro North, Inc.	31	1	-	-	32	-	32
Bay City Commercial Ventures Corp.	346	1,095	-	-	1,441	-	1,441
BG South Properties, Inc.	10	-	(10)	-	-	-	-
BG West Properties, Inc	-	10	-	-	10	-	10
Cagayan De Oro Gateway Corporation	105	4	-	-	109	-	109
Capitol Central Commercial Ventures Corp.	32	4	-	-	36	-	36
Cavite Commercial Towncenter, Inc.	33	-	-	-	33	-	33
Cebu Leisure Co. Inc.	30	-	-	-	30	-	30
Crans Montana Property Holdings Corporation	145	-	-	-	145	-	145
Direct Power Services Inc.	-	-	-	-	-	-	-
Leisure and Allied Industries Phils. Inc.	3,352	19,923	(24,513)	-	(1,238)	-	(1,238)
Makati Cornerstone Leasing Corp.	-	1	-	-	1	-	1
Makati Development Corporation (Conso)	4,662	-	-	-	4,662	-	4,662
North Eastern Commercial Corp.	692	-	(692)	-	-	-	-
North Ventures Commercial Corp.	148	2	-	-	150	-	150
NorthBeacon Commercial Corporation	3	-	-	-	3	-	3
Nuevocentro, Inc. (Conso)	115	-	-	-	115	-	115
Serendra Inc.	-	-	-	-	-	-	-
Soltea Commercial Corp.	420	4	-	-	424	-	424
Station Square East Commercial Corp	113	1	-	-	115	-	115
Subic Bay Town Center Inc.	2	4	-	-	6	-	6
Summerhill Commercial Ventures Corp.	704	1	-	-	705	-	705
Ten Knots Development Corporation(Conso)	19	-	-	-	19	-	19
Ten Knots Philippines, Inc.(Conso)	160	-	-	-	160	-	160
Subtotal	**60.910**	**27.404**	**(30.317)**	**-**	**57.998**	**-**	**57.998**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO North Ventures Commercial Corp.							
Accendo Commercial Corp	35.521	82.343	(26.412)	-	91.452	-	91.452
Alabang Commercial Corporation (Conso)	19	-	-	-	19	-	19
ALI Capital Corp. (Conso)	94.686	105.232	(199.918)	-	-	-	-
Alveo Land Corporation (Conso)	10.871	58.304	(95.327)	-	(26.152)	-	(26.152)
Amaia Land Corporation (Conso)	30.968	8	-	-	30.976	-	30.976
Amorsedia Development Corporation (Conso)	5.287	9.298	(14.376)	-	209	-	209
Arca South Integrated Terminal, Inc	187	-	(142)	-	45	-	45
Arvo Commercial Corporation	161.677	176.822	(185.197)	-	153.303	-	153.303
Avida Land Corporation (Conso)	850	8	-	-	857	-	857
Ayala Land Inc.	5.176	223.968	(226.847)	-	2.297	-	2.297
Ayala Malls Zing (AMZING), Inc.	367	-	-	-	367	-	367
Ayala Property Management Corporation (Conso)	1.791	8	-	-	1.798	-	1.798
AyalaLand Estates Inc. (Conso)	52	8	-	-	59	-	59
AyalaLand Hotels and Resorts Corp. (Conso)	58.732	81.602	(69.267)	-	71.067	-	71.067
Ayalaland Logistics Holdings Corp. (Conso)	45.854	226.438	(26.073)	-	246.220	-	246.220
Ayalaland Malls Synergies, Inc.	1	-	-	-	1	-	1
AyalaLand Malls, Inc. (Conso)	4.489	18.323	(16.571)	-	6.242	-	6.242
Ayalaland Medical Facilities Leasing Inc.	194	-	-	-	194	-	194
Ayalaland Metro North, Inc.	3	1	-	-	5	-	5
AyalaLand Offices, Inc. (Conso)	-	8	-	-	8	-	8
Bay City Commercial Ventures Corp.	504.186	552.426	(567.200)	-	489.412	-	489.412
Cagayan De Oro Gateway Corporation	6	-	-	-	6	-	6
Capitol Central Commercial Ventures Corp.	61.004	104.493	(82.470)	-	83.027	-	83.027
Cavite Commercial Towncenter, Inc.	84.145	123.739	-	-	207.884	-	207.884
Cebu District Property Enterprise, Inc.	-	23.842	-	-	23.842	-	23.842
Crans Montana Property Holdings Corporation	240	31.070	(20.265)	-	11.044	-	11.044
Leisure and Allied Industries Phils, Inc.	297	62.562	(61.441)	-	1.418	-	1.418
Makati Development Corporation (Conso)	2.742	35.474	(16.054)	-	22.162	-	22.162
North Eastern Commercial Corp.	148	-	(148)	-	-	-	-
North Triangle Depot Commercial Corp	25.355	39.411	(29.411)	-	35.354	-	35.354
NorthBeacon Commercial Corporation	14	15	-	-	28	-	28
Nuevocentro, Inc. (Conso)	(25.992)	-	-	-	(25.992)	-	(25.992)
Soltea Commercial Corp.	3.247	49.506	-	-	52.753	-	52.753
Station Square East Commercial Corp	23	4	-	-	27	-	27
Subic Bay Town Center Inc.	2	25	-	-	27	-	27
Summerhill Commercial Ventures Corp.	282	-	-	-	282	-	282
Ten Knots Development Corporation(Conso)	8.850	8.988	(14.168)	-	3.670	-	3.670
Ten Knots Philippines, Inc.(Conso)	6.305	14.957	(5.776)	-	15.486	-	15.486
Subtotal	**1,127,578**	**2,028,881**	**(1,657,062)**	**-**	**1,499,396**	**-**	**1,499,396**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO NorthBeacon Commercial Corporation							
Accendo Commercial Corp	1.500	52.587	-	-	54.087	-	54.087
Alabang Commercial Corporation (Conso)	16	-	-	-	16	-	16
ALI Capital Corp. (Conso)	85.997	134.668	(220.665)	-	-	-	-
Alveo Land Corporation (Conso)	9.140	14.791	(23.009)	-	923	-	923
Amaia Land Corporation (Conso)	309	13.067	(13.009)	-	367	-	367
Amorsedia Development Corporation (Conso)	16.960	17.545	(34.505)	-	-	-	-
APRISA Business Process Solutions, Inc	3	-	(3)	-	-	-	-
AREIT, Inc.	5	8.487	(2.783)	-	5.709	-	5.709
Arvo Commercial Corporation	17.755	19.379	(25.090)	-	12.044	-	12.044
Aviana Development Corporation	6.463	3	(6.488)	-	(22)	-	(22)
Avida Land Corporation (Conso)	1.540	3.548	(2.026)	-	3.061	-	3.061
Ayala Land Inc.	6.799	352.150	(351.759)	-	7.191	-	7.191
Ayala Malls Zing (AMZING), Inc.	31	11.419	-	-	11.450	-	11.450
AyalaLand Hotels and Resorts Corp. (Conso)	63.554	151.170	(108.378)	-	106.347	-	106.347
Ayalaland Logistics Holdings Corp. (Conso)	31.158	107.279	(61.858)	-	76.579	-	76.579
AyalaLand Malls, Inc. (Conso)	2.899	500	(2.235)	-	1.164	-	1.164
Ayalaland Metro North, Inc.	10	-	-	-	10	-	10
Bay City Commercial Ventures Corp.	315.989	479.201	(533.824)	-	261.366	-	261.366
Cagayan De Oro Gateway Corporation	11	-	-	-	11	-	11
Capitol Central Commercial Ventures Corp.	7.109	39.106	(24.064)	-	22.151	-	22.151
Cavite Commercial Towncenter, Inc.	122.834	119.776	(129.771)	-	112.839	-	112.839
Cebu District Property Enterprise, Inc.	-	38.367	-	-	38.367	-	38.367
Crans Montana Property Holdings Corporation	8.005	21.514	(16.625)	-	12.894	-	12.894
Direct Power Services Inc.	-	-	-	-	-	-	-
Hillsford Property Corporation	6	-	-	-	6	-	6
Leisure and Allied Industries Phils, Inc.	(2)	4.802	(4.797)	-	2	-	2
Makati Cornerstone Leasing Corp.	106	-	-	-	106	-	106
Makati Development Corporation (Conso)	3	-	-	-	3	-	3
North Eastern Commercial Corp.	114	-	(114)	-	-	-	-
North Triangle Depot Commercial Corp	107	20.716	-	-	20.824	-	20.824
North Ventures Commercial Corp.	59	29	-	-	88	-	88
Nuevocentro, Inc. (Conso)	5.856	2.208	-	-	8.065	-	8.065
Primavera Towncentre, Inc.	9.499	21.463	-	-	30.962	-	30.962
Soltea Commercial Corp.	49.942	50.872	(71.646)	-	29.168	-	29.168
Station Square East Commercial Corp	21	-	-	-	21	-	21
Subic Bay Town Center Inc.	40	24	-	-	65	-	65
Summerhill Commercial Ventures Corp.	119	-	-	-	119	-	119
Ten Knots Development Corporation(Conso)	-	61.639	-	-	61.639	-	61.639
Ten Knots Philippines, Inc.(Conso)	12.061	82.641	-	-	94.702	-	94.702
Subtotal	**776.021**	**1.828.949**	**(1.632.649)**	**-**	**972.322**	**-**	**972.322**
Amount Owed by ALI & Subsidiaries TO Nuevocentro, Inc.							
Alveo Land Corporation (Conso)	9	34	-	-	43	-	43
Amaia Land Corporation (Conso)	82	-	-	-	82	-	82
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Arvo Commercial Corporation	158	-	-	-	158	-	158
Avida Land Corporation (Conso)	651	20	-	-	671	-	671
Ayala Land Inc.	762	-	(26)	-	737	-	737
AyalaLand Estates Inc. (Conso)	208	-	-	-	208	-	208
AyalaLand Hotels and Resorts Corp. (Conso)	61	-	-	-	61	-	61
Ayalaland Logistics Holdings Corp. (Conso)	2.027	7.322	(7.933)	-	1.417	-	1.417
AyalaLand Malls, Inc. (Conso)	223	-	(223)	-	-	-	-
Bay City Commercial Ventures Corp.	382	-	(382)	-	-	-	-
CECI Realty Corp.	71	-	-	-	71	-	71
Crans Montana Property Holdings Corporation	152	-	-	-	152	-	152
Nuevocentro, Inc. (Conso)	-	560	-	-	560	-	560
Primavera Towncentre, Inc.	691	-	-	-	691	-	691
Prow Holdings, Inc.	199.256	124.180	-	-	323.436	-	323.436
Vesta Property Holdings Inc.	26	-	-	-	26	-	26
Subtotal	**204.759**	**132.116**	**(8.563)**	**-**	**328.313**	**-**	**328.313**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Philippine Integrated Energy Solutions, Inc.							
Accendo Commercial Corp	14.911	217.786	(177.630)	-	55.067	-	55.067
Alabang Commercial Corporation (Conso)	11.490	173.913	(180.805)	-	4.598	-	4.598
ALI Capital Corp. (Conso)	14.033	12.947	(26.980)	-	-	-	-
Alveo Land Corporation (Conso)	52.010	148.731	(79.155)	-	121.586	-	121.586
Amaia Land Corporation (Conso)	(12.744)	12.783	-	-	39	-	39
Amorsedia Development Corporation (Conso)	6.219	18.811	(24.762)	-	268	-	268
AREIT, Inc.	14.643	77.400	(44.184)	-	47.859	-	47.859
Arvo Commercial Corporation	4.093	8	(8.956)	-	(4.855)	-	(4.855)
Aviana Development Corporation	-	10.210	(174)	-	10.035	-	10.035
Avida Land Corporation (Conso)	54.085	10.039	(64.125)	-	-	-	-
Ayala Land Inc.	47.191	445.075	(433.687)	-	58.579	-	58.579
AyalaLand Estates Inc. (Conso)	(13.067)	-	-	-	(13.067)	-	(13.067)
AyalaLand Hotels and Resorts Corp. (Conso)	82.814	278.511	(184.631)	-	176.694	-	176.694
Ayalaland Logistics Holdings Corp. (Conso)	32.641	175.498	(127.736)	-	80.403	-	80.403
AyalaLand Malls, Inc. (Conso)	147.969	386.446	(384.705)	-	149.710	-	149.710
Bay City Commercial Ventures Corp.	8.299	166.301	(170.195)	-	4.406	-	4.406
Cagayan De Oro Gateway Corporation	18.223	129.186	(117.692)	-	29.718	-	29.718
Capitol Central Commercial Ventures Corp.	122	12.274	(12.244)	-	152	-	152
Cavite Commercial Towncenter, Inc.	36.235	67.833	(125.383)	-	(21.315)	-	(21.315)
Cebu District Property Enterprise, Inc.	-	61.787	(35.608)	-	26.179	-	26.179
Crans Montana Property Holdings Corporation	45.021	48.089	(46.763)	-	46.347	-	46.347
Direct Power Services Inc.	-	-	-	-	-	-	-
Makati Cornerstone Leasing Corp.	2	-	-	-	2	-	2
Makati Development Corporation (Conso)	-	61.052	(30.139)	-	30.913	-	30.913
North Eastern Commercial Corp.	-	-	-	-	-	-	-
North Triangle Depot Commercial Corp	7.371	62.379	(51.151)	-	18.599	-	18.599
Primavera Towncentre, Inc.	3.174	7.016	(3.048)	-	7.141	-	7.141
Red Creek Properties, Inc.	-	21.032	(961)	-	20.071	-	20.071
Soltea Commercial Corp.	-	11.091	(11.091)	-	-	-	-
Ten Knots Development Corporation(Conso)	10.167	23.214	(553)	-	32.829	-	32.829
Ten Knots Philippines, Inc.(Conso)	-	36.623	(1.339)	-	35.284	-	35.284
Westview Commercial Ventures Corp.	2.650	-	-	-	2.650	-	2.650
Subtotal	**587.553**	**2.676.037**	**(2.343.698)**	**-**	**919.892**	**-**	**919.892**
Amount Owed by ALI & Subsidiaries TO Primavera Towncentre, Inc.							
Amaia Land Corporation (Conso)	127	-	-	-	127	-	127
Arvo Commercial Corporation	402	-	-	-	402	-	402
Avida Land Corporation (Conso)	93	-	-	-	93	-	93
Ayala Land Inc.	1.407	-	-	-	1.407	-	1.407
AyalaLand Malls, Inc. (Conso)	6	-	-	-	6	-	6
AyalaLand Offices, Inc. (Conso)	838	-	-	-	838	-	838
Cavite Commercial Towncenter, Inc.	4.554	-	-	-	4.554	-	4.554
North Ventures Commercial Corp.	4	-	-	-	4	-	4
Subtotal	**7.431**	**-**	**-**	**-**	**7.431**	**-**	**7.431**
Amount Owed by ALI & Subsidiaries TO Prow Holdings, Inc.							
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amount Owed by ALI & Subsidiaries TO Red Creek Properties, Inc.							
Ayala Land Inc.	18.001	-	-	-	18.001	-	18.001
Subtotal	**18.001**	**-**	**-**	**-**	**18.001**	**-**	**18.001**
Amount Owed by ALI & Subsidiaries TO Regent Time International, Limited							
Ayala Land Inc.	641.534	59.184	-	-	700.718	-	700.718
Subtotal	**641.534**	**59.184**	**-**	**-**	**700.718**	**-**	**700.718**
Amount Owed by ALI & Subsidiaries TO Regent Wise Investments Limited							
Ayala Land Inc.	2.722.022	165.371	-	-	2.887.393	-	2.887.393
Regent Wise Investments Limited(Conso)	(140.552)	38	-	-	(140.514)	-	(140.514)
Subtotal	**2.581.470**	**165.409**	**-**	**-**	**2.746.880**	**-**	**2.746.880**
Amount Owed by ALI & Subsidiaries TO Roxas Land Corp.							
Avida Land Corporation (Conso)	-	3.029	-	-	3.029	-	3.029
Ayala Property Management Corporation (Conso)	1.060	-	-	-	1.060	-	1.060
Makati Development Corporation (Conso)	-	14.737	-	-	14.737	-	14.737
Subtotal	**1.060**	**17.767**	**-**	**-**	**18.827**	**-**	**18.827**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Serendra Inc.							
Accendo Commercial Corp	(1)	2.750	(30)	-	2.719	-	2.719
ALI Capital Corp. (Conso)	31	11.000	(10.970)	-	62	-	62
Alveo Land Corporation (Conso)	19.321	115.913	(79.899)	-	55.335	-	55.335
Amaia Land Corporation (Conso)	4.297	2	(2.443)	-	1.856	-	1.856
Amorsedia Development Corporation (Conso)	2	-	-	-	2	-	2
Arvo Commercial Corporation	15.359	-	(15.359)	-	-	-	-
Aviana Development Corporation	(1)	12.205	(205)	-	11.999	-	11.999
Avida Land Corporation (Conso)	3.648	20.010	(19.477)	-	4.181	-	4.181
Ayala Land Inc.	128.001	302.703	(353.404)	-	77.300	-	77.300
Ayala Land International Sales, Inc.(Conso)	-	-	-	-	-	-	-
Ayala Property Management Corporation (Conso)	17.819	-	-	-	17.819	-	17.819
AyalaLand Estates Inc. (Conso)	15.031	10.130	(25.130)	-	31	-	31
AyalaLand Hotels and Resorts Corp. (Conso)	125	11.561	-	-	11.686	-	11.686
Ayalaland Logistics Holdings Corp. (Conso)	-	35.796	(33.515)	-	2.281	-	2.281
AyalaLand Malls, Inc. (Conso)	-	179	-	-	179	-	179
Bay City Commercial Ventures Corp.	67	21.109	(11.176)	-	10.000	-	10.000
BellaVita Land Corp.	1	-	-	-	1	-	1
BG North Properties Inc.	-	-	-	-	-	-	-
BG West Properties, Inc	17.002	-	-	-	17.002	-	17.002
Cagayan De Oro Gateway Corporation	38	-	-	-	38	-	38
Capitol Central Commercial Ventures Corp.	-	20.198	(10.075)	-	10.123	-	10.123
Cavite Commercial Towncenter, Inc.	-	12.649	(2.471)	-	10.179	-	10.179
Crans Montana Property Holdings Corporation	3.559	3.618	(7.176)	-	-	-	-
Leisure and Allied Industries Phils. Inc.	426	-	(70)	-	356	-	356
Makati Development Corporation (Conso)	183	-	-	-	183	-	183
North Triangle Depot Commercial Corp	-	15.114	(15.015)	-	98	-	98
Nuevocentro, Inc. (Conso)	5.180	-	(5.130)	-	50	-	50
Soltea Commercial Corp.	47	-	-	-	47	-	47
Ten Knots Philippines, Inc.(Conso)	49	12.032	(12.081)	-	-	-	-
Subtotal	**230.181**	**606.970**	**(603.626)**	**-**	**233.525**	**-**	**233.525**
Amount Owed by ALI & Subsidiaries TO Soltea Commercial Corp.							
Accendo Commercial Corp	15	-	(14)	-	2	-	2
Alabang Commercial Corporation (Conso)	38	-	-	-	38	-	38
Alveo Land Corporation (Conso)	2.800	7.285	(6.797)	-	3.288	-	3.288
Amaia Land Corporation (Conso)	108	1.505	(1.505)	-	108	-	108
Arvo Commercial Corporation	37	-	-	-	37	-	37
Avida Land Corporation (Conso)	3.043	1.389	(1.111)	-	3.320	-	3.320
Ayala Hotels Inc.	-	-	-	-	-	-	-
Ayala Land Inc.	1.736	10.605	(10.605)	-	1.736	-	1.736
Ayala Malls Zing (AMZING), Inc.	63	-	-	-	63	-	63
AyalaLand Estates Inc. (Conso)	-	-	-	-	-	-	-
Ayalaland Logistics Holdings Corp. (Conso)	-	-	-	-	-	-	-
Ayalaland Malls Synergies, Inc.	151	-	(151)	-	-	-	-
AyalaLand Malls, Inc. (Conso)	1.480	8.446	(8.046)	-	1.880	-	1.880
Ayalaland Metro North, Inc.	-	13	(12)	-	1	-	1
Bay City Commercial Ventures Corp.	15	53	-	-	69	-	69
Cagayan De Oro Gateway Corporation	16	-	-	-	16	-	16
Cavite Commercial Towncenter, Inc.	94	-	-	-	94	-	94
Cebu Leisure Co. Inc.	20	-	-	-	20	-	20
Leisure and Allied Industries Phils. Inc.	-	1.742	(1.742)	-	-	-	-
Makati Cornerstone Leasing Corp.	15	-	-	-	15	-	15
North Eastern Commercial Corp.	53	-	(53)	-	-	-	-
North Triangle Depot Commercial Corp	97	3	-	-	100	-	100
North Ventures Commercial Corp.	18	2	-	-	19	-	19
NorthBeacon Commercial Corporation	16	-	-	-	16	-	16
Serendra Inc.	15	-	-	-	15	-	15
Station Square East Commercial Corp	62	-	-	-	62	-	62
Summerhill Commercial Ventures Corp.	24	-	-	-	24	-	24
Subtotal	**9.915**	**31.043**	**(30.036)**	**-**	**10.922**	**-**	**10.922**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Southportal Properties, Inc.							
Accendo Commercial Corp	153.068	153.834	(306.902)	-	-	-	-
ALI Capital Corp. (Conso)	36.420	48.800	(85.220)	-	-	-	-
Alveo Land Corporation (Conso)	58	3.004	-	-	3.062	-	3.062
Amaia Land Corporation (Conso)	310	-	(7)	-	302	-	302
Amorsedia Development Corporation (Conso)	-	-	-	-	-	-	-
Arvo Commercial Corporation	3.678	3.192	(4.007)	-	2.862	-	2.862
Avida Land Corporation (Conso)	81	-	(47)	-	35	-	35
Ayala Land Inc.	162.061	227.777	(220.158)	-	169.680	-	169.680
Ayala Property Management Corporation (Conso)	-	1.000	-	-	1.000	-	1.000
AyalaLand Hotels and Resorts Corp. (Conso)	56.048	58.581	(84.581)	-	30.048	-	30.048
Ayalaland Logistics Holdings Corp. (Conso)	22.806	36.771	(37.519)	-	22.058	-	22.058
AyalaLand Malls, Inc. (Conso)	119	-	(119)	-	-	-	-
Ayalaland Metro North, Inc.	3	-	-	-	3	-	3
Bay City Commercial Ventures Corp.	100.464	182.695	(283.158)	-	-	-	-
Cagayan De Oro Gateway Corporation	151	-	-	-	151	-	151
Capitol Central Commercial Ventures Corp.	3.905	3.742	(4.123)	-	3.523	-	3.523
Cavite Commercial Towncenter, Inc.	11.530	14.188	(25.250)	-	467	-	467
Cebu District Property Enterprise, Inc.	-	12.294	(10.292)	-	2.003	-	2.003
Laguigan Land Corporation	-	6.272	(6.272)	-	-	-	-
Soltea Commercial Corp.	522	509	(1.030)	-	-	-	-
Summerhill Commercial Ventures Corp.	544	-	-	-	544	-	544
Ten Knots Development Corporation(Conso)	90	-	(90)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	12.196	12.590	(24.789)	-	(3)	-	(3)
Subtotal	**564.053**	**765.247**	**(1.093.564)**	**-**	**235.736**	**-**	**235.736**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Station Square East Commercial Corp							
Accendo Commercial Corp	30.386	253.517	(136.869)	-	147.034	-	147.034
Alabang Commercial Corporation (Conso)	8	4	-	-	12	-	12
ALI Capital Corp. (Conso)	59.024	74.698	(133.722)	-	-	-	-
Alveo Land Corporation (Conso)	59.792	116.405	(158.056)	-	18.141	-	18.141
Amaia Land Corporation (Conso)	1.896	28.948	(28.820)	-	2.024	-	2.024
Amorsedia Development Corporation (Conso)	12.451	17.717	(30.168)	-	-	-	-
APRISA Business Process Solutions, Inc	152	18.796	(18.529)	-	419	-	419
Arca South Integrated Terminal, Inc	1	-	-	-	1	-	1
Arvo Commercial Corporation	63.850	82.694	(91.483)	-	55.062	-	55.062
Aviana Development Corporation	11	20.629	(10.094)	-	10.546	-	10.546
Avida Land Corporation (Conso)	1.846	32.030	(31.990)	-	1.886	-	1.886
Ayala Land Inc.	9.726	615.407	(618.163)	-	6.970	-	6.970
Ayala Malls Zing (AMZING), Inc.	329	-	-	-	329	-	329
AyalaLand Estates Inc. (Conso)	12.004	14	(8.006)	-	4.012	-	4.012
AyalaLand Hotels and Resorts Corp. (Conso)	126.744	278.877	(271.451)	-	134.170	-	134.170
Ayalaland Logistics Holdings Corp. (Conso)	121.980	363.655	(308.187)	-	177.449	-	177.449
AyalaLand Malls, Inc. (Conso)	19.723	41.108	(55.022)	-	5.808	-	5.808
Ayalaland Metro North, Inc.	68	-	-	-	68	-	68
Bay City Commercial Ventures Corp.	164.762	607.239	(489.531)	-	282.470	-	282.470
BellaVita Land Corp.	16	-	-	-	16	-	16
BG North Properties Inc.	1.522	-	(1.522)	-	-	-	-
BG South Properties, Inc.	716	-	(716)	-	-	-	-
BG West Properties, Inc	-	2.238	-	-	2.238	-	2.238
Cagayan De Oro Gateway Corporation	667	-	-	-	667	-	667
Capitol Central Commercial Ventures Corp.	61.888	97.753	(132.397)	-	27.243	-	27.243
Cavite Commercial Towncenter, Inc.	104.308	294.036	(208.799)	-	189.546	-	189.546
Cebu District Property Enterprise, Inc.	-	141.412	(21.824)	-	119.588	-	119.588
Cebu Leisure Co. Inc.	18	-	-	-	18	-	18
Crans Montana Property Holdings Corporation	2.025	-	-	-	2.025	-	2.025
Laguigan Land Corporation	5.510	8.188	(7.111)	-	6.588	-	6.588
Leisure and Allied Industries Phils, Inc.	2.202	4.520	(4.466)	-	2.256	-	2.256
Makati Development Corporation (Conso)	984	91.985	(36.207)	-	56.762	-	56.762
North Eastern Commercial Corp.	53	-	(53)	-	-	-	-
North Triangle Depot Commercial Corp	654	125.856	-	-	126.510	-	126.510
North Ventures Commercial Corp.	8	-	-	-	8	-	8
NorthBeacon Commercial Corporation	14	-	-	-	14	-	14
Nuevocentro, Inc. (Conso)	44	28.171	(28.214)	-	-	-	-
Primavera Towncentre, Inc.	10.618	12.758	(10.103)	-	13.273	-	13.273
Red Creek Properties, Inc.	55.921	84.158	(123.041)	-	17.039	-	17.039
Serendra Inc.	684	36	-	-	720	-	720
Soltea Commercial Corp.	80.379	98.264	(163.089)	-	15.554	-	15.554
Subic Bay Town Center Inc.	2	-	-	-	2	-	2
Ten Knots Development Corporation(Conso)	28.720	73.910	(82.450)	-	20.181	-	20.181
Ten Knots Philippines, Inc.(Conso)	22.881	165.982	(162.352)	-	26.510	-	26.510
Subtotal	**1.064.590**	**3.781.006**	**(3.372.436)**	**-**	**1.473.160**	**-**	**1.473.160**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Subic Bay Town Center Inc.							
Accendo Commercial Corp	48	-	(3)	-	44	-	44
Alabang Commercial Corporation (Conso)	2	-	-	-	2	-	2
Alveo Land Corporation (Conso)	-	2	-	-	2	-	2
Amaia Land Corporation (Conso)	(188)	20,400	-	-	20,212	-	20,212
Amorsedia Development Corporation (Conso)	5,216	10,296	(15,466)	-	46	-	46
Arvo Commercial Corporation	1,359	1	-	-	1,360	-	1,360
Avida Land Corporation (Conso)	-	2	-	-	2	-	2
Ayala Land Inc.	3,082	25,718	(25,718)	-	3,082	-	3,082
Ayala Malls Zing (AMZING), Inc.	17	-	-	-	17	-	17
AyalaLand Estates Inc. (Conso)	-	41,516	(20,879)	-	20,638	-	20,638
AyalaLand Hotels and Resorts Corp. (Conso)	30,848	112,235	(93,482)	-	49,601	-	49,601
Ayalaland Logistics Holdings Corp. (Conso)	37,751	164,749	(111,340)	-	91,160	-	91,160
AyalaLand Malls, Inc. (Conso)	2,786	31,585	(29,984)	-	4,386	-	4,386
Ayalaland Metro North, Inc.	1	-	-	-	1	-	1
AyalaLand Offices, Inc. (Conso)	-	2	-	-	2	-	2
Bay City Commercial Ventures Corp.	84,475	222,435	(183,028)	-	123,881	-	123,881
Capitol Central Commercial Ventures Corp.	42	17,223	(8,426)	-	8,839	-	8,839
Cavite Commercial Towncenter, Inc.	18,120	23,645	(15,523)	-	26,241	-	26,241
Cebu District Property Enterprise, Inc.	-	54,659	(32,187)	-	22,472	-	22,472
Leisure and Allied Industries Phils, Inc.	(388)	11	(1)	-	(378)	-	(378)
Makati Development Corporation (Conso)	-	30,365	(20,042)	-	10,322	-	10,322
North Eastern Commercial Corp.	3	-	(3)	-	-	-	-
North Triangle Depot Commercial Corp	21	1,963	(1,906)	-	77	-	77
North Ventures Commercial Corp.	3	1	-	-	3	-	3
NorthBeacon Commercial Corporation	7	-	(2)	-	5	-	5
Nuevocentro, Inc. (Conso)	32,665	66	(32,731)	-	-	-	-
Primavera Towncentre, Inc.	160	-	-	-	160	-	160
Soltea Commercial Corp.	(546)	5,675	-	-	5,130	-	5,130
Station Square East Commercial Corp	1	-	-	-	1	-	1
Summerhill Commercial Ventures Corp.	-	-	-	-	-	-	-
Ten Knots Development Corporation(Conso)	-	2	-	-	2	-	2
Ten Knots Philippines, Inc.(Conso)	27,671	45,591	(64,312)	-	8,950	-	8,950
Subtotal	**243,154**	**808,138**	**(655,033)**	**-**	**396,259**	**-**	**396,259**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Summerhill Commercial Ventures Corp.							
Accendo Commercial Corp	32.229	70.336	(51.791)	-	50.774	-	50.774
Alabang Commercial Corporation (Conso)	15	1	-	-	15	-	15
ALI Capital Corp. (Conso)	3.723	5.000	(8.577)	-	145	-	145
Alveo Land Corporation (Conso)	35.217	39.402	(69.611)	-	5.008	-	5.008
Amaia Land Corporation (Conso)	1.949	-	(883)	-	1.066	-	1.066
Amorsedia Development Corporation (Conso)	5.188	5.268	(10.283)	-	173	-	173
Arvo Commercial Corporation	533.921	637.501	(638.655)	-	532.768	-	532.768
Avida Land Corporation (Conso)	392.813	-	(962)	-	391.851	-	391.851
Ayala Land Inc.	20.057	175.645	(195.651)	-	51	-	51
Ayala Malls Zing (AMZING), Inc.	189	-	-	-	189	-	189
AyalaLand Hotels and Resorts Corp. (Conso)	57.097	237.159	(149.326)	-	144.930	-	144.930
Ayalaland Logistics Holdings Corp. (Conso)	74.018	184.166	(104.187)	-	153.997	-	153.997
Ayalaland Malls Synergies, Inc.	-	-	-	-	-	-	-
AyalaLand Malls, Inc. (Conso)	3.976	11.494	-	-	15.470	-	15.470
Ayalaland Metro North, Inc.	7	5	-	-	12	-	12
AyalaLand Offices, Inc. (Conso)	1	-	-	-	1	-	1
Bay City Commercial Ventures Corp.	713.068	1.428.029	(1.364.561)	-	776.535	-	776.535
BellaVita Land Corp.	536	-	(469)	-	67	-	67
Capitol Central Commercial Ventures Corp.	-	22.975	(10.850)	-	12.125	-	12.125
Cavite Commercial Towncenter, Inc.	4.582	49.740	-	-	54.322	-	54.322
Cebu District Property Enterprise, Inc.	-	36.792	(964)	-	35.828	-	35.828
Direct Power Services Inc.	162	-	(6)	-	157	-	157
Laguigan Land Corporation	-	7.456	(37)	-	7.419	-	7.419
Leisure and Allied Industries Phils. Inc.	(2.237)	7.510	(6.168)	-	(895)	-	(895)
Makati Development Corporation (Conso)	843	11.810	-	-	12.653	-	12.653
North Eastern Commercial Corp.	46	-	(46)	-	-	-	-
North Triangle Depot Commercial Corp	5.321	17.590	-	-	22.911	-	22.911
North Ventures Commercial Corp.	14	1	-	-	15	-	15
NorthBeacon Commercial Corporation	19	21	-	-	40	-	40
Nuevocentro, Inc. (Conso)	16.273	8.533	(24.727)	-	79	-	79
Primavera Towncentre, Inc.	10.861	14.614	(10.596)	-	14.879	-	14.879
Soltea Commercial Corp.	2.714	15.053	(15.493)	-	2.274	-	2.274
Station Square East Commercial Corp	46	-	-	-	46	-	46
Subic Bay Town Center Inc.	1	-	-	-	1	-	1
Ten Knots Development Corporation(Conso)	-	45.394	(11.435)	-	33.959	-	33.959
Ten Knots Philippines, Inc.(Conso)	3.232	27.620	(13.243)	-	17.609	-	17.609
Subtotal	**1.915.879**	**3.059.116**	**(2.688.520)**	**-**	**2.286.476**	**-**	**2.286.476**
Amount Owed by ALI & Subsidiaries TO Sunnyfield E-Office Corp							
ALI Capital Corp. (Conso)	16.643	15.800	(32.443)	-	-	-	-
Avida Land Corporation (Conso)	798	21.700	(21.964)	-	533	-	533
Ayala Land Inc.	-	31.203	(31.159)	-	44	-	44
AyalaLand Hotels and Resorts Corp. (Conso)	-	22.342	-	-	22.342	-	22.342
Ayalaland Logistics Holdings Corp. (Conso)	17.912	46.345	(36.194)	-	28.062	-	28.062
Bay City Commercial Ventures Corp.	5	21.249	(1.157)	-	20.097	-	20.097
Crans Montana Property Holdings Corporation	20.167	21.252	(23.355)	-	18.064	-	18.064
Makati Cornerstone Leasing Corp.	3	-	-	-	3	-	3
North Triangle Depot Commercial Corp	-	4.003	-	-	4.003	-	4.003
Nuevocentro, Inc. (Conso)	96	-	(96)	-	-	-	-
Ten Knots Development Corporation(Conso)	6.097	6.096	(12.192)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	39.609	60.507	(63.871)	-	36.245	-	36.245
Subtotal	**101.329**	**250.496**	**(222.433)**	**-**	**129.392**	**-**	**129.392**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Taft Punta Engaño Property, Inc.							
Accendo Commercial Corp	64.080	65.746	(91.496)	-	38.331	-	38.331
ALI Capital Corp. (Conso)	2.481	71.530	(74.011)	-	-	-	-
Alveo Land Corporation (Conso)	7.805	4	(7.809)	-	-	-	-
Arvo Commercial Corporation	1.585	-	(1.386)	-	199	-	199
Avida Land Corporation (Conso)	-	-	-	-	-	-	-
Ayala Land Inc.	588	167.950	(151.788)	-	16.749	-	16.749
AyalaLand Hotels and Resorts Corp. (Conso)	19.330	46.151	(49.358)	-	16.122	-	16.122
Ayalaland Logistics Holdings Corp. (Conso)	29.880	69.290	-	-	99.170	-	99.170
AyalaLand Malls, Inc. (Conso)	906	-	(906)	-	-	-	-
Bay City Commercial Ventures Corp.	146.245	153.819	(212.544)	-	87.519	-	87.519
Capitol Central Commercial Ventures Corp.	4.232	4.290	(6.911)	-	1.611	-	1.611
Cavite Commercial Towncenter, Inc.	104.969	154.833	(163.025)	-	96.778	-	96.778
Cebu District Property Enterprise, Inc.	-	205.009	(85.493)	-	119.517	-	119.517
Soltea Commercial Corp.	2	-	-	-	2	-	2
Ten Knots Philippines, Inc.(Conso)	45.841	46.061	(81.815)	-	10.088	-	10.088
Subtotal	**427.945**	**984.683**	**(926.542)**	**-**	**486.086**	**-**	**486.086**
Amount Owed by ALI & Subsidiaries TO Ten Knots Development Corporation							
ALI Capital Corp. (Conso)	-	-	-	-	-	-	-
Ayala Hotels Inc.	-	17	-	-	17	-	17
Ayala Land Inc.	-	5.074	(4.943)	-	131	-	131
AyalaLand Hotels and Resorts Corp. (Conso)	14.452	11.172	-	-	25.624	-	25.624
AyalaLand Malls, Inc. (Conso)	10	-	-	-	10	-	10
Ayalaland Medical Facilities Leasing Inc.	-	-	-	-	-	-	-
Direct Power Services Inc.	9	-	-	-	9	-	9
Ecoholdings Company, Inc.	1	3	-	-	4	-	4
Integrated Eco-Resort Inc.	55	-	-	-	55	-	55
Makati Development Corporation (Conso)	103	5.039	-	-	5.142	-	5.142
Soltea Commercial Corp.	95	-	-	-	95	-	95
Ten Knots Development Corporation(Conso)	-	576.900	(576.900)	-	-	-	-
Ten Knots Philippines, Inc.(Conso)	574.608	3.794.097	(3.642.823)	-	725.882	-	725.882
Subtotal	**589.333**	**4,392,304**	**(4,224,666)**	**-**	**756.971**	**-**	**756.971**
Amount Owed by ALI & Subsidiaries TO Ten Knots Philippines, Inc.							
Accendo Commercial Corp	23	-	-	-	23	-	23
Adauge Commercial Corp.	12	-	(12)	-	-	-	-
ALI Capital Corp. (Conso)	40.294	12.305	-	-	52.599	-	52.599
Amaia Land Corporation (Conso)	5	-	-	-	5	-	5
Ayala Land Inc.	1.635	-	(1.169)	-	467	-	467
AyalaLand Hotels and Resorts Corp. (Conso)	6.078	8.770	-	-	14.848	-	14.848
AyalaLand Malls, Inc. (Conso)	-	-	-	-	-	-	-
Ayalaland Premier, Inc.	11	-	(11)	-	-	-	-
Ecoholdings Company, Inc.	695	-	-	-	695	-	695
Integrated Eco-Resort Inc.	79	206	-	-	285	-	285
Philippine Integrated Energy Solutions, Inc.	2	-	(2)	-	-	-	-
Ten Knots Development Corporation(Conso)	9.627	3.340	-	-	12.967	-	12.967
Ten Knots Philippines, Inc.(Conso)	-	158.000	(158.000)	-	-	-	-
Subtotal	**58.462**	**182.621**	**(159.194)**	**-**	**81.889**	**-**	**81.889**
Amount Owed by ALI & Subsidiaries TO Verde Golf Development Corporation							
Ayala Land Inc.	222	-	-	-	222	-	222
Subtotal	**222**	**-**	**-**	**-**	**222**	**-**	**222**

Names and Designation of debtor	Balance at Beginning of Period (in '000)	Additions (in '000)	Amounts Collected (in '000)	Amounts Written off (in '000)	Current (in '000)	Non-Current (in '000)	Balance at end of period (in '000)
Amount Owed by ALI & Subsidiaries TO Vesta Property Holdings Inc.							
Accendo Commercial Corp	-	35.028	-	-	35.028	-	35.028
ALI Capital Corp. (Conso)	10.635	-	(10.635)	-	-	-	-
Alveo Land Corporation (Conso)	80.910	-	-	-	80.910	-	80.910
Amaia Land Corporation (Conso)	-	2.344	(2.332)	-	12	-	12
Amorsedia Development Corporation (Conso)	476.054	626.786	(753.127)	-	349.712	-	349.712
Arca South Integrated Terminal, Inc	-	928	(26)	-	902	-	902
Arvo Commercial Corporation	79.044	56.936	(93.142)	-	42.838	-	42.838
Avida Land Corporation (Conso)	12.446	20.117	(20.121)	-	12.442	-	12.442
Ayala Land Inc.	36.913	323.663	(354.632)	-	5.944	-	5.944
Ayala Land International Sales, Inc.(Conso)	188	-	-	-	188	-	188
AyalaLand Estates Inc. (Conso)	-	337.983	(115.217)	-	222.766	-	222.766
AyalaLand Hotels and Resorts Corp. (Conso)	101.127	144.246	(118.836)	-	126.536	-	126.536
Ayalaland Logistics Holdings Corp. (Conso)	14.029	168.966	(84.147)	-	98.849	-	98.849
AyalaLand Malls, Inc. (Conso)	1.248	-	(1.248)	-	-	-	-
Ayalaland Medical Facilities Leasing Inc.	2.796	-	-	-	2.796	-	2.796
Bay City Commercial Ventures Corp.	35.669	8.349	(41.891)	-	2.126	-	2.126
Cagayan De Oro Gateway Corporation	3	-	-	-	3	-	3
Cavite Commercial Towncenter, Inc.	5.585	40.147	-	-	45.732	-	45.732
Cebu District Property Enterprise, Inc.	-	32.191	(30.687)	-	1.504	-	1.504
CECI Realty Corp.	-	22	-	-	22	-	22
Crans Montana Property Holdings Corporation	71.978	140.021	(80.175)	-	131.825	-	131.825
Crimson Field Enterprises, Inc.	-	78.352	-	-	78.352	-	78.352
Makati Development Corporation (Conso)	34	53.587	(6.119)	-	47.502	-	47.502
North Eastern Commercial Corp.	35	-	(35)	-	-	-	-
North Triangle Depot Commercial Corp	20.190	38.263	(58.187)	-	266	-	266
Nuevocentro, Inc. (Conso)	176.724	258.679	(409.319)	-	26.083	-	26.083
Red Creek Properties, Inc.	212.404	237.781	(225.867)	-	224.318	-	224.318
Soltea Commercial Corp.	276	11.723	(200)	-	11.800	-	11.800
Summerhill Commercial Ventures Corp.	21.691	-	(19.947)	-	1.744	-	1.744
Ten Knots Development Corporation(Conso)	3.052	28.022	(6.242)	-	24.833	-	24.833
Ten Knots Philippines, Inc.(Conso)	100.421	161.266	(213.683)	-	48.003	-	48.003
Subtotal	**1,463,452**	**2,805,398**	**(2,645,814)**	**-**	**1,623,036**	**-**	**1,623,036**
Amount Owed by ALI & Subsidiaries TO Westview Commercial Ventures Corp.							
Adauge Commercial Corp.	(3)	-	-	-	(3)	-	(3)
Amaia Land Corporation (Conso)	578	-	-	-	578	-	578
AREIT, Inc.	6.424	5.811	-	-	12.236	-	12.236
Avida Land Corporation (Conso)	326	-	-	-	326	-	326
Ayala Land Inc.	121	-	-	-	121	-	121
Capitol Central Commercial Ventures Corp.	54	-	-	-	54	-	54
North Triangle Depot Commercial Corp	5	-	-	-	5	-	5
Subic Bay Town Center Inc.	10	-	-	-	10	-	10
Subtotal	**7.516**	**5.811**	**-**	**-**	**13.327**	**-**	**13.327**
Amount Owed by ALI & Subsidiaries TO Whiteknight Holdings, Inc.							
Ayala Land Inc.	3.010	14	(3.024)	-	-	-	-
AyalaLand Hotels and Resorts Corp. (Conso)	14.621	15.288	(15.511)	-	14.398	-	14.398
Ayalaland Logistics Holdings Corp. (Conso)	3.090	6.279	(3.358)	-	6.011	-	6.011
AyalaLand Malls, Inc. (Conso)	1.400	-	(1.400)	-	-	-	-
Ayalaland Medical Facilities Leasing Inc.	2.928	-	-	-	2.928	-	2.928
Bay City Commercial Ventures Corp.	19.433	25.596	(27.253)	-	17.776	-	17.776
North Triangle Depot Commercial Corp	-	3.192	(25)	-	3.166	-	3.166
Summerhill Commercial Ventures Corp.	557	-	(425)	-	132	-	132
Ten Knots Philippines, Inc.(Conso)	14.199	14.961	(15.043)	-	14.117	-	14.117
Subtotal	**59.238**	**65.329**	**(66.039)**	**-**	**58.528**	**-**	**58.528**
OVERALL TOTAL	**132,786,749**	**205,537,498**	**(192,231,904)**	**(358,678)**	**145,733,665**	**-**	**145,733,665**

Ayala Land, Inc. and Subsidiaries

Schedule D - Long-Term Debt

As of December 31, 2024

Title of Issue and type of obligation	Amount authorized by indenture (in '000)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in '000)	Amount shown under caption "Long-Term Debt" in related balance sheet (in '000)	Interest Rate	No. of Periodic Installments	Maturity Date
Ayala Land, Inc.:						
Bonds						
Philippine Peso	10,000,000	9,989,594		3.626%	N/A, Bullet	May 04, 2025
Philippine Peso	6,250,000	6,237,893		3.862%	N/A, Bullet	September 29, 2025
Philippine Peso	7,000,000	6,992,501		4.750%	N/A, Bullet	October 25, 2025
Philippine Peso	8,000,000	-	7,987,266	4.850%	N/A, Bullet	March 23, 2026
Philippine Peso	8,000,000	-	7,977,618	6.369%	N/A, Bullet	May 06, 2026
Philippine Peso	1,000,000	-	983,758	4.990%	N/A, Bullet	February 06, 2027
Philippine Peso	7,000,000	-	6,990,112	5.262%	N/A, Bullet	May 02, 2027
Philippine Peso	7,000,000	-	6,957,383	6.211%	N/A, Bullet	July 04, 2027
Philippine Peso	12,000,000	-	11,945,937	5.809%	N/A, Bullet	May 05, 2028
Philippine Peso	10,075,000	-	9,983,971	6.025%	N/A, Bullet	June 26, 2028
Philippine Peso	14,000,000	-	13,890,083	6.805%	N/A, Bullet	July 04, 2029
Philippine Peso	3,000,000	-	2,983,627	4.078%	N/A, Bullet	October 26, 2031
Philippine Peso	4,925,000	-	4,870,924	6.295%	N/A, Bullet	June 26, 2033
Philippine Peso	2,000,000	-	1,989,334	6.000%	N/A, Bullet	October 10, 2033
Philippine Peso	6,000,000	-	5,925,274	6.993%	N/A, Bullet	July 18, 2034
Philippine Peso	8,000,000	-	7,901,778	6.133%	N/A, Bullet	November 13, 2034
Bank loan -US Dollar						
Bank Loan *(MBTC)*	3,226,355	-	3,181,475	5.061%	N/A, Bullet	November 06, 2028
Bank loan -Peso						
Bank of the Philippine Islands	306,000	16,844	237,750	6.055%	Quarterly	October 06, 2027
Others	96,165,120	594,606	92,273,124	Various fixed and floating rates	Various	Various from 2027 to 2033
Sub-Total		**23,831,438**	**186,079,415**			
Subsidiaries:						
Bonds- Foreign currency						
Malaysian Ringgit	3,840,000		3,883,463	4.50%	Semi-Annually	August 8, 2029
Bank loan -Peso						
Bank of the Philippine Islands	7,469,031	1,054,193	4,282,916	Various fixed and floating rates	Various	Various from 2025 to 2028
Others	40,610,000	1,312,931	38,760,018	Various fixed and floating rates	Various	Various from 2025 to 2032
Bank loan -MYR						
Malaysian Ringgit	Various	39,972	2,240,616	Various	Various	Various from 2028 to 2030
Sub-Total		**2,407,096**	**49,167,013**			
Total		**26,238,534**	**235,246,428**			

Ayala Land, Inc. and Subsidiaries

Schedule E - Indebtedness to Related Parties (Long-term Loans from Related Companies)

As of December 31, 2024

Name of related party	Balance at beginning of period (in '000)		Balance at end of period (in '000)	
Bank of the Philippine Islands	Php	2,225,325	Php	5,591,703

Ayala Land, Inc. and Subsidiaries

Schedule F- Guarantees of Securities of Other Issuers

As of December 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Name of guarantee
Not applicable.				

Ayala Land, Inc. and Subsidiaries

Schedule G - Capital Stock

As of December 31, 2024

Title of Issue	Number of Shares Authorized	Number of shares issued and outstanding at shown under related Statement of Financial Position caption				Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
		Issued	Subscribed	Treasury Shares	Total				
Common Stock	20,000,000,000	15,611,430,925	119,989,379	(1,031,444,814)	14,699,975,490	-	7,624,318,976	127,080,482	-
Preferred Stock	15,000,000,000	13,066,494,759		(624,002,228)	12,442,492,531	-	12,163,180,640	-	-

Ayala Land, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2024

Unappropriated Retained Earnings, beginning of the year/ period		**Php**	**62,745,876,480**
Add:	Category A: Items that are directly credited to Unappropriated retained earnings		
	Impact of adoption of PFRS 15 covered by PIC Q&A 2018-12-D		151,086,801
	Reversal of Retained earnings appropriation/s		-
Less:	Category B: Items that are directly debited to Unappropriated retained earnings		
	Dividend declarations during the period		(7,431,668,441)
	Effects of prior period adjustments		-
Unappropriated Retained Earnings, as adjusted, beginning			**55,465,294,840**
Add/Less:	Net Income (loss) for the current year/period		27,803,335,791
Less:	Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
	Equity in net income of associate/joint venture, net of dividends declared		-
	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)		(19,455,865)
	Unrealized fair value gain of investment property		-
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)		-
Add:	Category C.2: 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 fair value through profit or loss (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 (describe nature)		-
Add:	Category C.3: 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 instruments at fair value through profit or loss (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 (describe nature)		-
Adjusted net income/loss			**27,783,879,926**
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
	Depreciation on revaluation increment (after tax)		-
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 (describe nature)		-
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)		(7,351,390,933)
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories		(928,606,127)
	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		3,227,355
	Adjustment due to deviation from PFRS/GAAP - gain (loss)		
	Others (describe nature)		
Total Retained Earnings, end of the year/period available for dividend declaration			**74,972,405,061**

Ayala Land, Inc. and Subsidiaries

Financial Soundness Indicators

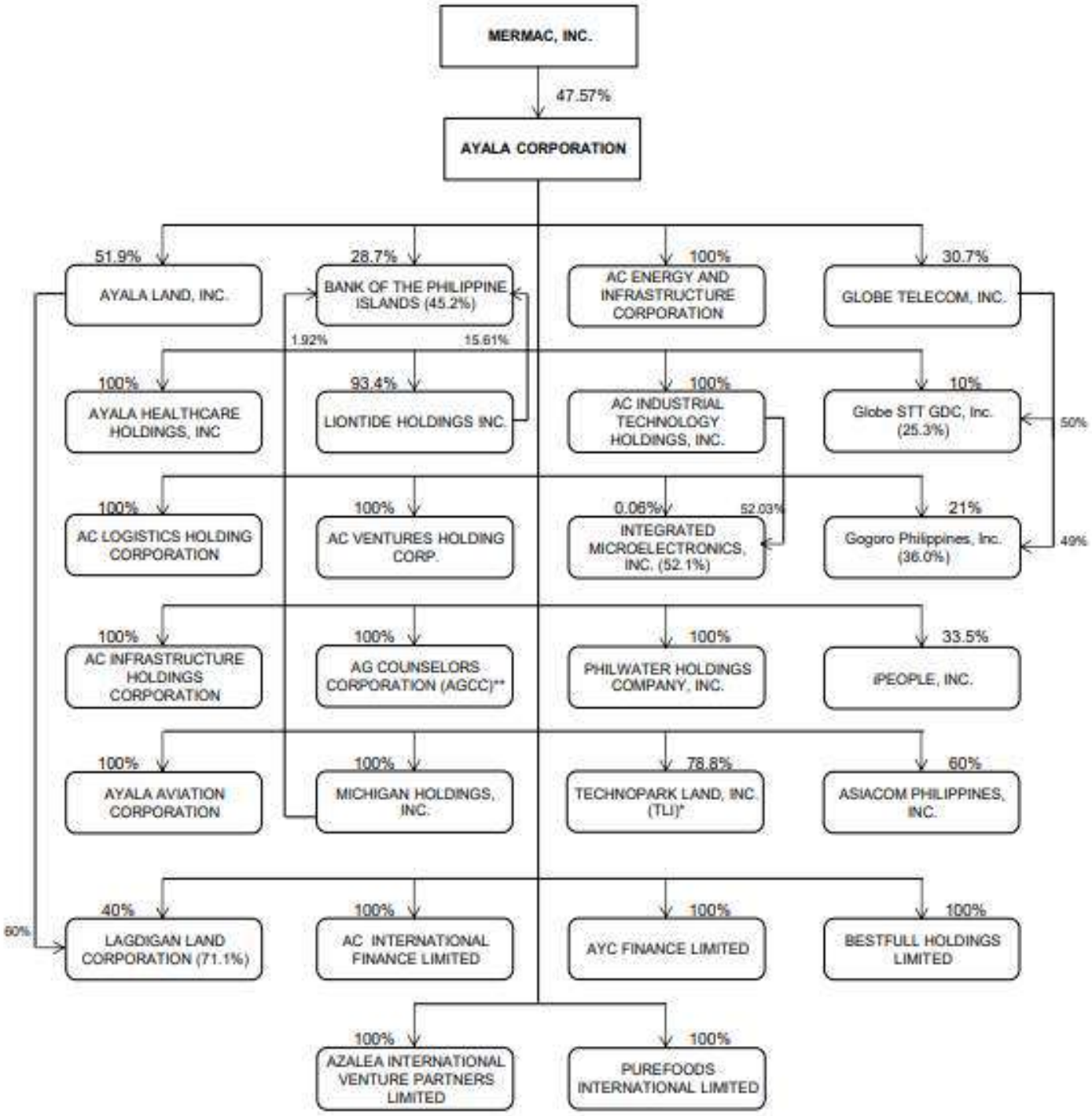
As at December 31, 2024

Ratio	Formula	2024	2023	2022
Current ratio	Current Assets / Current liabilities	1.75	1.76	1.77
Acid test ratio	Quick assets (Total current assets excluding inventory)/ Current liabilities	0.84	0.87	0.88
Solvency ratio	EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt)	0.25	0.23	0.20
Debt-to-equity ratio	Total debt / Consolidated stockholders' equity	0.79	0.81	0.80
Asset-to-equity ratio	Total assets / Consolidated stockholders' equity	2.56	2.65	2.66
Interest rate coverage ratio	EBITDA / Interest expense	5.09	5.19	4.82
Return on equity	Net income attributable to equity holders of the company / Average total stockholders' equity attributable to ALI equity holders	0.10	0.09	0.07
Return on assets	Net income after tax / Average total assets	0.04	0.04	0.03
Net profit margin	Net income attributable to equity holders of the company / Total consolidated revenue	0.16	0.16	0.15

AYALA LAND, INC. AND SUBSIDIARIES

Map of the Group of Companies within which the Parent Company belongs

As of December 31, 2024

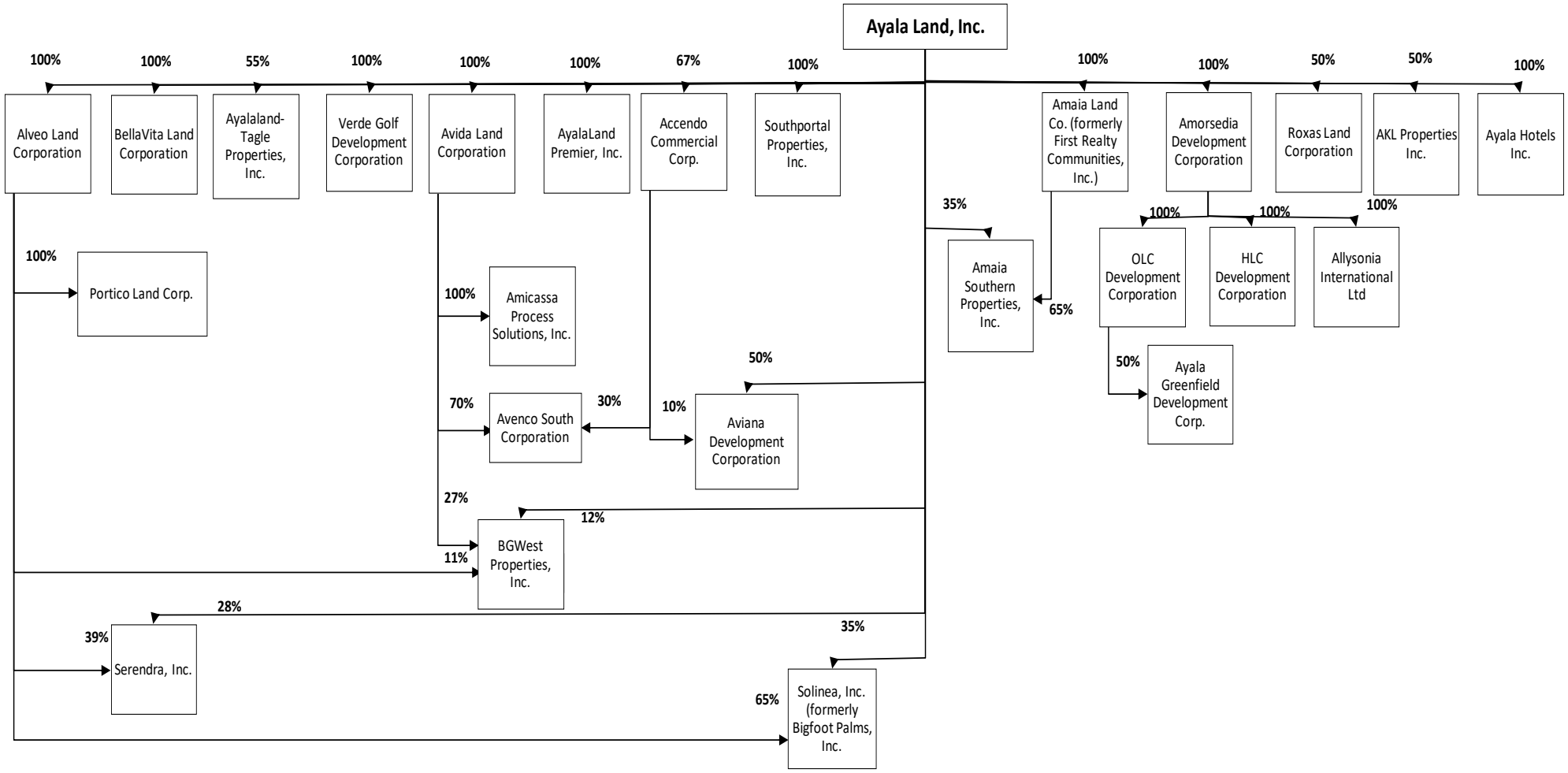


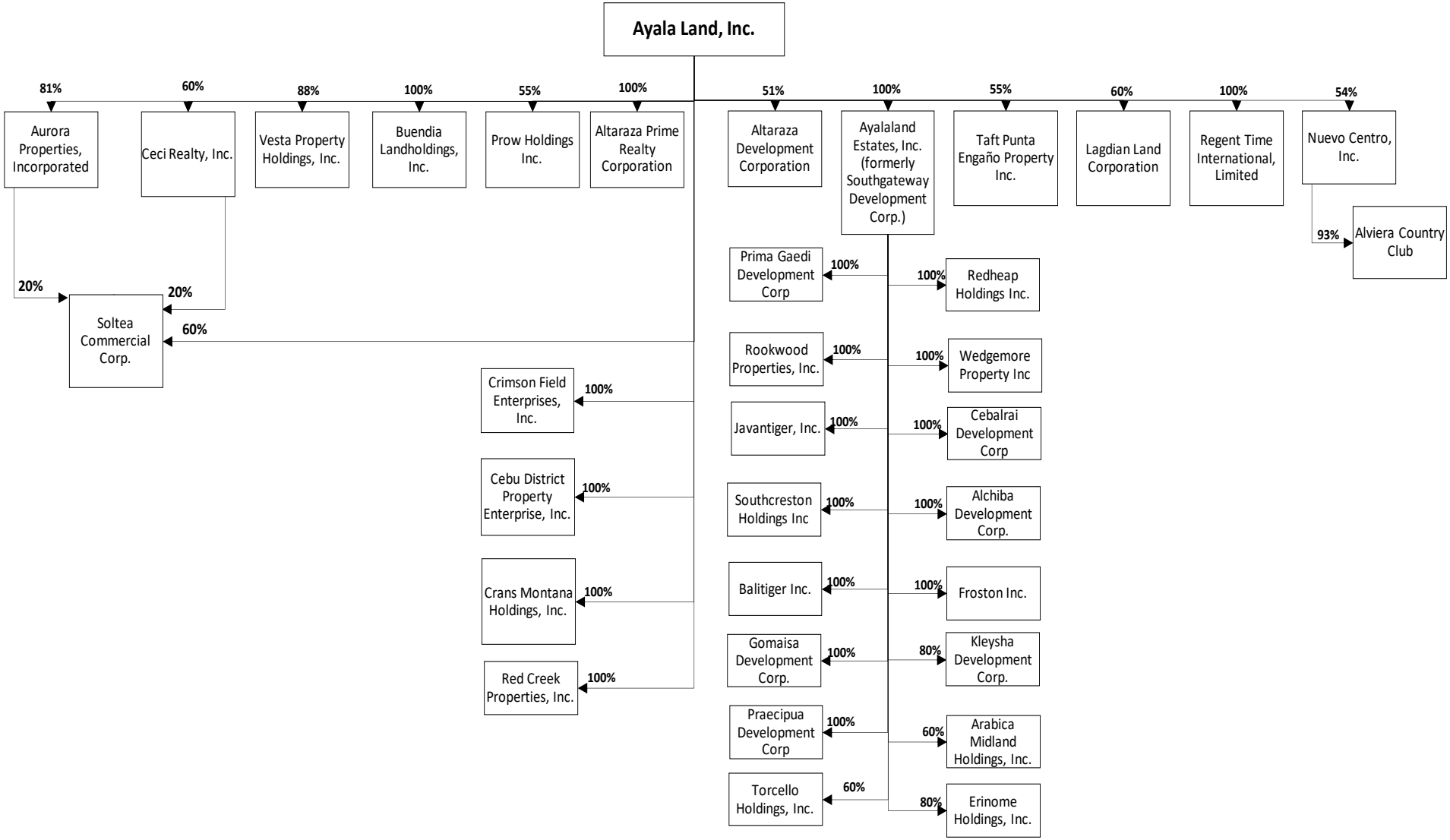
Legend:
% of ownership appearing outside the box - direct % of economic ownership
% of ownership appearing inside the box - effective % of economic ownership

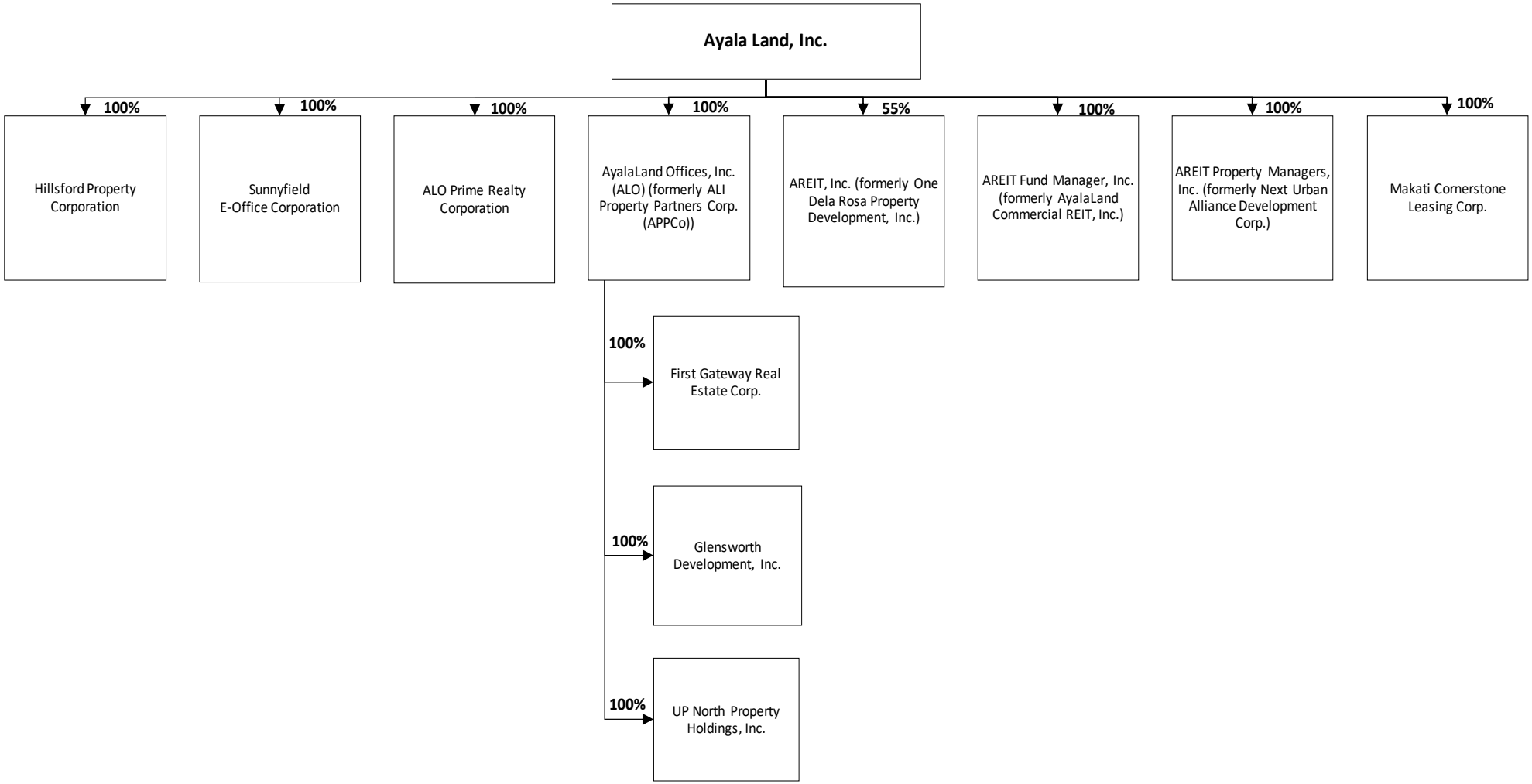
**On December 10, 2021, the BOD and stockholders of TLI approved the plan to shorten its corporate term to June 30, 2023. On December 23, 2021, the SEC approved the amendment of the Fourth Article of the Articles of Incorporation to shorten the corporate term to June 30, 2023. It is anticipated that it will not carry out any significant business operation or activity until approval of closure from other regulatory bodies.*

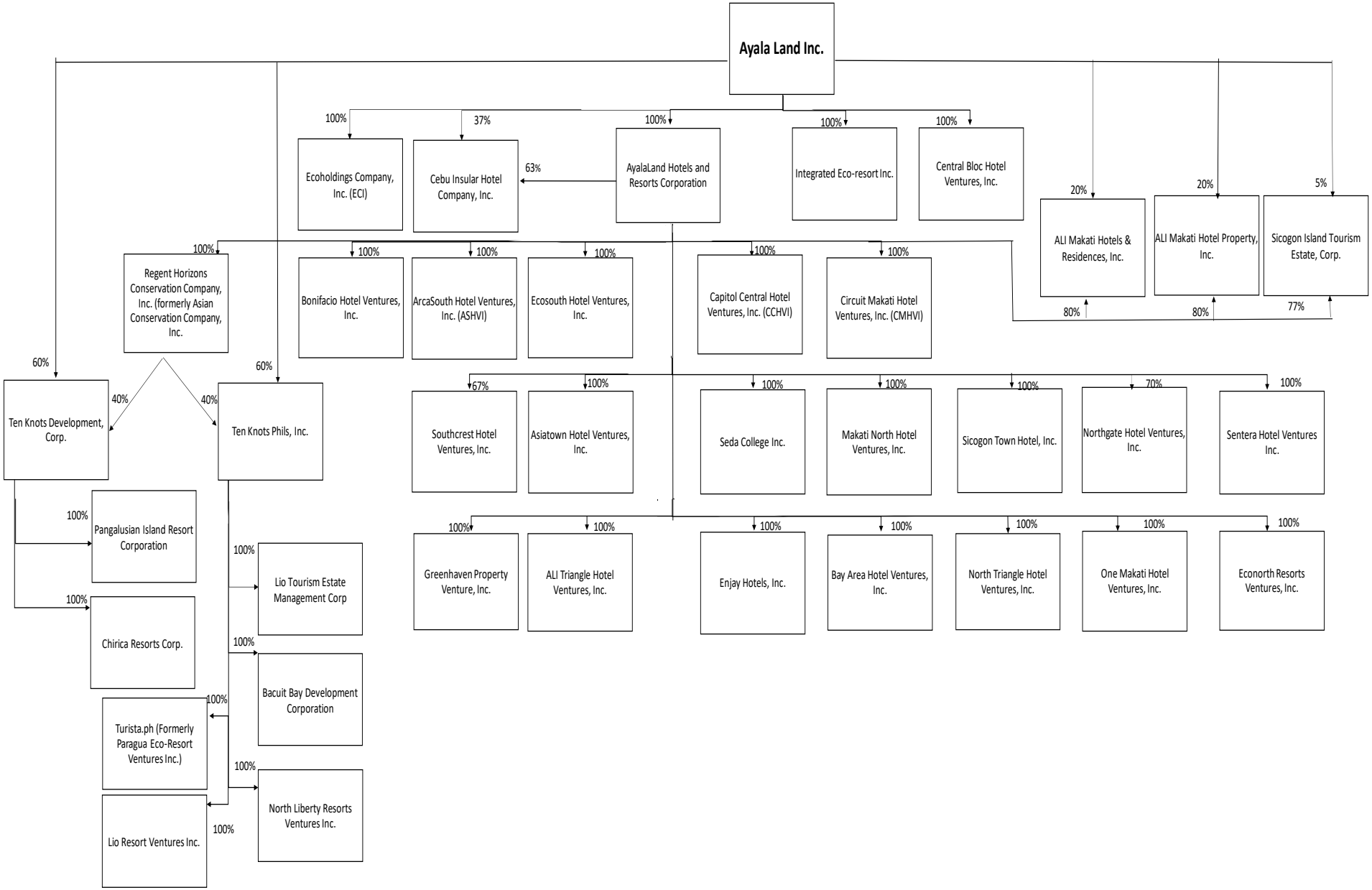
***On January 6, 2025, the SEC approved the amendment to AGCC's AOI including (1) the change of its corporate name to ACX Holdings Corporation, and (2) the change in its business from a business of advisory, consultancy assistance and other allied services, into a holding company with principal business interest in the consumer retail space.*

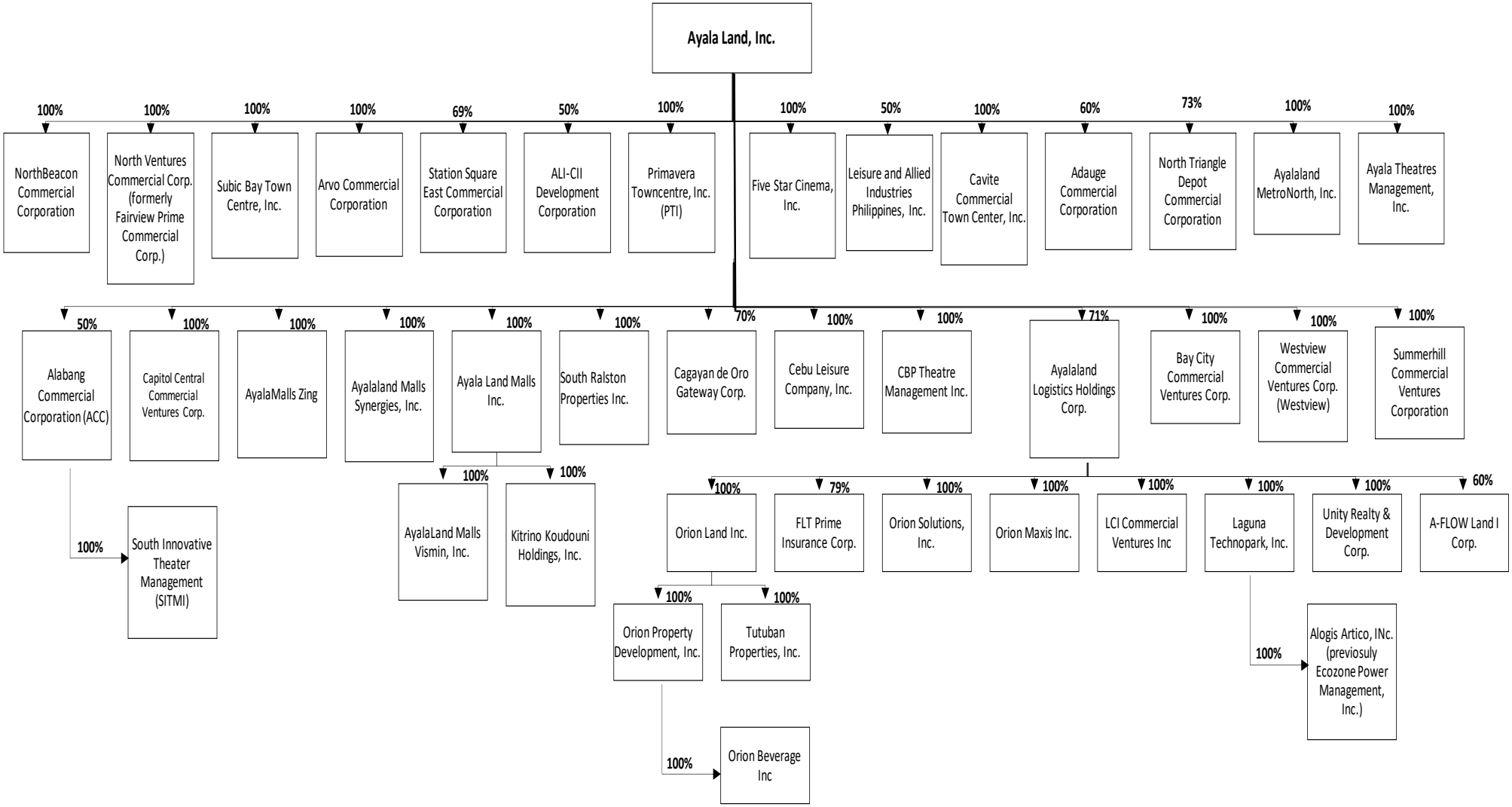
Subsidiaries

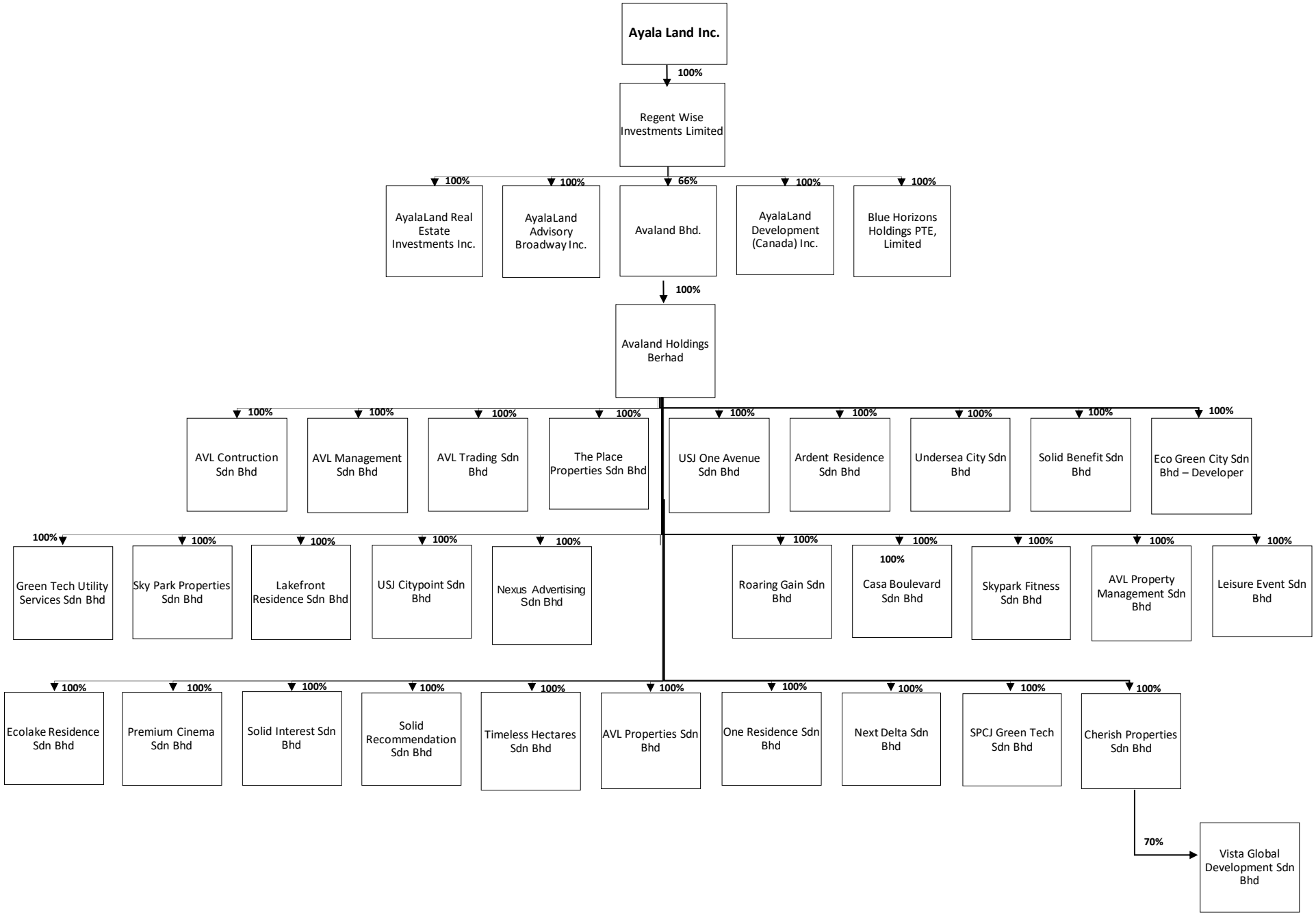


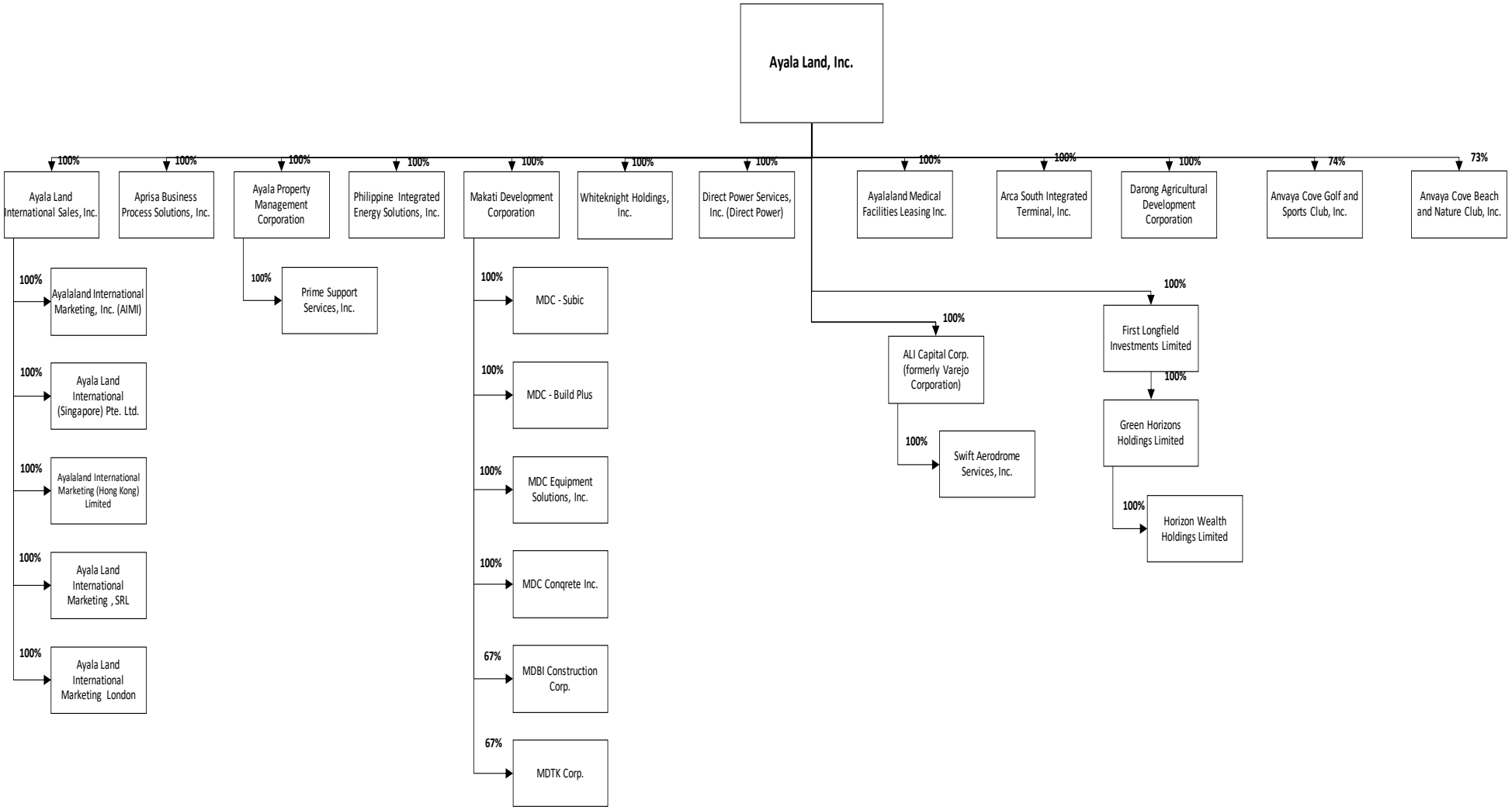

Ayala Land, Inc.
81%
Aurora Properties, Incorporated
60%
Ceci Realty, Inc.
88%
Vesta Property Holdings, Inc.
100%
Buendia Landholdings, Inc.
55%
Prow Holdings Inc.
100%
Altaraza Prime Realty Corporation
51%
Altaraza Development Corporation
100%
Ayalaland Estates, Inc. (formerly Southgateway Development Corp.)
55%
Taft Punta Engaño Property Inc.
60%
Lagdian Land Corporation
100%
Regent Time International, Limited
54%
Nuevo Centro, Inc.
93%
Alviera Country Club
20%
20%
60%
Soltea Commercial Corp.
Crimson Field Enterprises, Inc.
100%
Cebu District Property Enterprise, Inc.
100%
Crans Montana Holdings, Inc.
100%
Red Creek Properties, Inc.
100%
Prima Gaedi Development Corp
100%
Redheap Holdings Inc.
100%
Rookwood Properties, Inc.
100%
Wedgemore Property Inc
100%
Javantiger, Inc.
100%
Cebalrai Development Corp
100%
Southcreston Holdings Inc
100%
Alchiba Development Corp.
100%
Balitiger Inc.
100%
Froston Inc.
100%
Gomaisa Development Corp.
100%
80%
Kleysha Development Corp.
100%
Praecipua Development Corp
60%
Arabica Midland Holdings, Inc.
60%
Torcello Holdings, Inc.
80%
Erinome Holdings, Inc.


Ayala Land, Inc.
100%
Hillsford Property Corporation
100%
Sunnyfield E-Office Corporation
100%
ALO Prime Realty Corporation
100%
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo))
55%
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)
100%
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc.)
100%
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)
100%
Makati Cornerstone Leasing Corp.
100%
First Gateway Real Estate Corp.
100%
Glensworth Development, Inc.
100%
UP North Property Holdings, Inc.

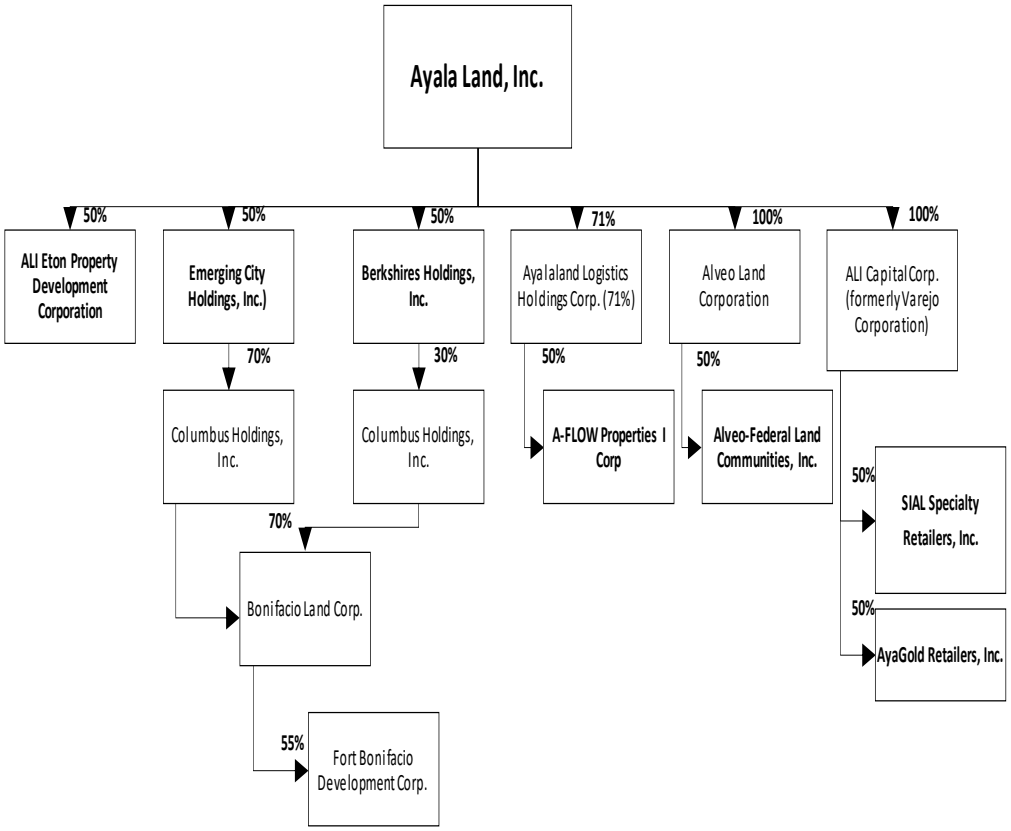

Ayala Land Inc.
100%
Ecoholdings Company, Inc. (ECI)
37%
Cebu Insular Hotel Company, Inc.
63%
100%
AyalaLand Hotels and Resorts Corporation
100%
Integrated Eco-resort Inc.
100%
Central Bloc Hotel Ventures, Inc.
20%
ALI Makati Hotels & Residences, Inc.
20%
ALI Makati Hotel Property, Inc.
5%
Sicogon Island Tourism Estate, Corp.
80%
80%
77%
100%
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc.
100%
Bonifacio Hotel Ventures, Inc.
100%
ArcaSouth Hotel Ventures, Inc. (ASHVI)
100%
Ecosouth Hotel Ventures, Inc.
100%
Capitol Central Hotel Ventures, Inc. (CCHVI)
100%
Circuit Makati Hotel Ventures, Inc. (CMHVI)
60%
40%
Ten Knots Development, Corp.
40%
60%
Ten Knots Phils, Inc.
67%
Southcrest Hotel Ventures, Inc.
100%
Asiatown Hotel Ventures, Inc.
100%
Seda College Inc.
100%
Makati North Hotel Ventures, Inc.
100%
Sicogon Town Hotel, Inc.
70%
Northgate Hotel Ventures, Inc.
100%
Sentera Hotel Ventures Inc.
100%
Pangalusian Island Resort Corporation
100%
Chirica Resorts Corp.
100%
Lio Tourism Estate Management Corp
100%
Bacuit Bay Development Corporation
100%
Turista.ph (Formerly Paragua Eco-Resort Ventures Inc.)
100%
North Liberty Resorts Ventures Inc.
100%
Lio Resort Ventures Inc.
100%
Greenhaven Property Venture, Inc.
100%
ALI Triangle Hotel Ventures, Inc.
100%
Enjay Hotels, Inc.
100%
Bay Area Hotel Ventures, Inc.
100%
North Triangle Hotel Ventures, Inc.
100%
One Makati Hotel Ventures, Inc.
100%
Econorth Resorts Ventures, Inc.


Ayala Land, Inc.
100%
NorthBeacon Commercial Corporation
100%
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.)
100%
Subic Bay Town Centre, Inc.
100%
Arvo Commercial Corporation
69%
Station Square East Commercial Corporation
50%
ALI-CII Development Corporation
100%
Primavera Towncentre, Inc. (PTI)
100%
Five Star Cinema, Inc.
50%
Leisure and Allied Industries Philippines, Inc.
100%
Cavite Commercial Town Center, Inc.
60%
Adauge Commercial Corporation
73%
North Triangle Depot Commercial Corporation
100%
Ayalaland MetroNorth, Inc.
100%
Ayala Theatres Management, Inc.
50%
Alabang Commercial Corporation (ACC)
100%
Capitol Central Commercial Ventures Corp.
100%
AyalaMalls Zing
100%
Ayalaland Malls Synergies, Inc.
100%
Ayala Land Malls Inc.
100%
South Ralston Properties Inc.
70%
Cagayan de Oro Gateway Corp.
100%
Cebu Leisure Company, Inc.
100%
CBP Theatre Management Inc.
71%
Ayalaland Logistics Holdings Corp.
100%
Bay City Commercial Ventures Corp.
100%
Westview Commercial Ventures Corp. (Westview)
100%
Summerhill Commercial Ventures Corporation
100%
South Innovative Theater Management (SITMI)
100%
AyalaLand Malls Vismin, Inc.
100%
Kitrino Koudouni Holdings, Inc.
100%
Orion Land Inc.
79%
FLT Prime Insurance Corp.
100%
Orion Solutions, Inc.
100%
Orion Maxis Inc.
100%
LCI Commercial Ventures Inc
100%
Laguna Technopark, Inc.
100%
Unity Realty & Development Corp.
60%
A-FLOW Land I Corp.
100%
Orion Property Development, Inc.
100%
Tutuban Properties, Inc.
100%
Orion Beverage Inc
100%
Alogis Artico, INc. (previosuly Ecozone Power Management, Inc.)

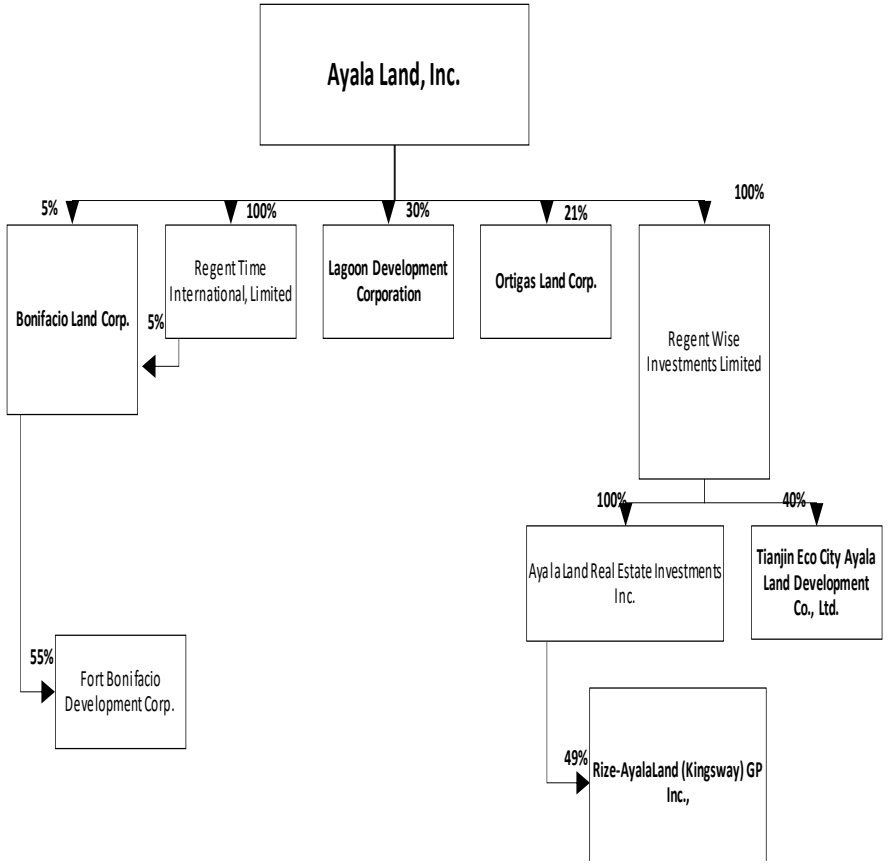

Ayala Land Inc.
100%
Regent Wise Investments Limited
100%
AyalaLand Real Estate Investments Inc.
100%
AyalaLand Advisory Broadway Inc.
66%
Avaland Bhd.
100%
AyalaLand Development (Canada) Inc.
100%
Blue Horizons Holdings PTE, Limited
100%
Avaland Holdings Berhad
100%
AVL Contruction Sdn Bhd
100%
AVL Management Sdn Bhd
100%
AVL Trading Sdn Bhd
100%
The Place Properties Sdn Bhd
100%
USJ One Avenue Sdn Bhd
100%
Ardent Residence Sdn Bhd
100%
Undersea City Sdn Bhd
100%
Solid Benefit Sdn Bhd
100%
Eco Green City Sdn Bhd – Developer
100%
Green Tech Utility Services Sdn Bhd
100%
Sky Park Properties Sdn Bhd
100%
Lakefront Residence Sdn Bhd
100%
USJ Citypoint Sdn Bhd
100%
Nexus Advertising Sdn Bhd
100%
Roaring Gain Sdn Bhd
100%
Casa Boulevard Sdn Bhd
100%
Skypark Fitness Sdn Bhd
100%
AVL Property Management Sdn Bhd
100%
Leisure Event Sdn Bhd
100%
Ecolake Residence Sdn Bhd
100%
Premium Cinema Sdn Bhd
100%
Solid Interest Sdn Bhd
100%
Solid Recommendation Sdn Bhd
100%
Timeless Hectares Sdn Bhd
100%
AVL Properties Sdn Bhd
100%
One Residence Sdn Bhd
100%
Next Delta Sdn Bhd
100%
SPCJ Green Tech Sdn Bhd
100%
Cherish Properties Sdn Bhd
70%
Vista Global Development Sdn Bhd


Ayala Land, Inc.
100%
Ayala Land International Sales, Inc.
100%
Aprisa Business Process Solutions, Inc.
100%
Ayala Property Management Corporation
100%
Philippine Integrated Energy Solutions, Inc.
100%
Makati Development Corporation
100%
Whiteknight Holdings, Inc.
100%
Direct Power Services, Inc. (Direct Power)
100%
Ayalaland Medical Facilities Leasing Inc.
100%
Arca South Integrated Terminal, Inc.
100%
Darong Agricultural Development Corporation
74%
Anvaya Cove Golf and Sports Club, Inc.
73%
Anvaya Cove Beach and Nature Club, Inc.
100%
Ayalaland International Marketing, Inc. (AIMI)
100%
Ayala Land International (Singapore) Pte. Ltd.
100%
Ayalaland International Marketing (Hong Kong) Limited
100%
Ayala Land International Marketing , SRL
100%
Ayala Land International Marketing London
100%
Prime Support Services, Inc.
100%
MDC - Subic
100%
MDC - Build Plus
100%
MDC Equipment Solutions, Inc.
100%
MDC Conqrete Inc.
67%
MDBI Construction Corp.
67%
MDTK Corp.
100%
ALI Capital Corp. (formerly Varejo Corporation)
100%
Swift Aerodrome Services, Inc.
100%
First Longfield Investments Limited
100%
Green Horizons Holdings Limited
100%
Horizon Wealth Holdings Limited

Investments in Joint Ventures



Investments in Associates



Ayala Land, Inc. and Subsidiaries

Bond Proceeds

As at December 31, 2024

P8.0 Billion Fixed Rate Sustainability-Linked Bonds due 2034

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,030.00	2,525,030.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	7,170,000.00	6,618,505.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	305,776.42
Listing Fee	100,000.00	100,000.00
Total Expenses	100,795,030.00	99,549,311.42
Net Proceeds	**7,899,204,970.00**	**7,900,450,688.58**

Balance of Proceeds as of 12.31.2024

Ayala Land raised from the Sustainability-Linked Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion were used to partially refinance short-term Philippine peso-denominated obligation amounting to ₱3.0 billion and approximately ₱4.9 billion to fund general corporate requirements, including but not limited to various capital expenditures.

P6.0 Billion Fixed Rate Sustainability-Linked Bonds due 2034

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**6,000,000,000.00**	**6,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,515,030.00	1,515,030.00
Documentary Stamp Tax	45,000,000.00	45,000,000.00
Underwriting Fee	22,500,000.00	22,500,000.00
Estimated Professional Expenses & Agency fees	6,500,000.00	7,359,031.10
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	329,118.08
Listing Fee	100,000.00	100,000.00
Total Expenses	76,615,030.00	76,803,179.18
Net Proceeds	**5,923,384,970.00**	**5,923,196,820.82**

Balance of Proceeds as of 12.31.2024

Ayala Land raised from the Sustainability-Linked Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion were used to partially fund general corporate requirements, including but not limited to various capital expenditures.

P15.0 Billion Fixed Rate Bonds[1]
due 2028 (Series A- P10.1 Billion) and 2033 (Series B- P4.9 Billion)

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**14,000,000,000.00[2]**	**15,000,000,000.00[3]**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	6,123,185.00	6,123,185.00
Documentary Stamp Tax	105,000,000.00	112,500,000.00
Underwriting Fee	52,500,000.00	56,250,000.00
Estimated Professional Expenses & Agency fees	8,420,000.00	8,156,355.32
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	545,279.39
Listing Fee	200,000.00	200,000.00
Total Expenses	173,243,185.00	183,774,819.71
Net Proceeds	**13,823,598,915.00**	**14,816,225,180.29**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.8 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱4.4 billion and approximately ₱10.40billion to fund general corporate requirements, including but not limited to various capital expenditures.

P33.0 Billion Fixed Rate Bonds due 2024 (Series A- P12.0 Billion),
2027 (Series B- P7.0 Billion) and 2029 (Series C- P14.0 Billion)

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**33,000,000,000.00**	**33,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	8,332,530.00	8,332,530.00
Documentary Stamp Tax	247,500,000.00	247,500,000.00
Underwriting Fee	123,750,000.00	123,750,000.00
PDEX Listing Fee	100,000.00	585,200.00
Accounting	2,000,000.00	1,800,000.00
Legal	80,000.00	633,408.00
Credit Rating	6,600,000.00	3,780,000.00
Registry and Paying Agency	300,000.00	300,000.00
Trusteeship	150,000.00	150,000.00
Out-of-pocket expenses	500,000.00	186,924.00
Total Estimated Upfront Expenses	389,312,530.00	387,018,062.00
Net Proceeds	**32,610,687,470.00**	**32,612,981,938.00**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P33.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P32.6 billion were used to partially refinance various short-term Philippine peso-denominated obligations amounting to ₱22.10 billion and approximately ₱10.5 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including the ₱1.20billion worth of various capital expenditures.

[1] This is comprised of: (i) ₱4.75 Billion bonds issued as the fourth and final Tranche under the Company's Registration Statement of up to Fifty Billion Pesos (₱50,000,000,000.00) aggregate principal amount of debt securities and other securities as provided under applicable SEC rules and regulations, rendered effective on October 11, 2021 (the "2021 Program"), and (ii) ₱10.25 Billion bonds issued as the first Tranche under the Issuer's Registration Statement of up to Fifty Billion Pesos (₱50,000,000,000.00) aggregate principal amount of debt securities as provided under applicable SEC rules and regulations, rendered effective on June 13, 2023 (the "2023 Program").
[2] The Base Offer size per Final Prospectus dated June 8, 2023.
[3] The actual issue size per Letter re conclusiveness of Offer submitted to the Securities and Exchange Commission dated June 21, 2023. This includes the Base Offer size of P14.0 Billion and Oversubscription Option amounting to P1.0 Billion.

P12.0 Billion Fixed Rate Bonds due 2028[4]

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**12,000,000,000.00**	**12,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,030,060.00	3,030,060.00
Documentary Stamp Tax	90,000,000.00	90,000,000.00
Underwriting Fee	45,000,000.00	45,000,000.00
PDEX Listing Fee	100,000.00	222,600.00
Accounting	2,500,000.00	2,500,000.00
Legal	562,768.00	1,012,996.00
Credit Rating	2,402,232.00	2,462,500.00
Registry and Paying Agency	285,000.00	285,000.00
Trusteeship	150,000.00	150,000.00
Out-of-pocket expenses	500,000.00	92,656.00
Total Estimated Upfront Expenses	144,530,060.00	144,755,812.00
Net Proceeds	**11,855,469,940.00**	**11,855,244,188.00**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P12.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P11.86 billion were used to partially refinance short-term loans that were drawn to finance the full settlement of the Company's 6.0% per annum ₱5.7 billion fixed-rate bonds issued in 2012 ("6.0% ALI 2022 Bonds") and the balance to partially fund the settlement of the 4.5% per annum ₱7.0 billion fixed-rate bonds issued in 2015 ("4.5% ALI 2022 Bonds", together, the "ALI 04-2022 Bonds") that matured on April 27 and 29, 2022, respectively, and approximately ₱1.0 billion to fund general corporate requirements, including but not limited to expenses in the ordinary course of business including capital expenditures.

P3.0 Billion Fixed Rate Bonds due 2031

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**2,750,000,000.00**[5]	**3,000,000,000.00**[6]
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,262,500.00	1,956,875.00
Documentary Stamp Tax	20,625,000.00	22,500,000.00
Underwriting Fee	10,312,500.00	11,250,000.00
Estimated Professional Expenses & Agency fees	7,300,000.00	5,733,151.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	334,004.00
Listing Fee	100,000.00	100,000.00
Total Expenses	40,600,000.00	41,874,030.00
Net Proceeds	**2,709,400,000.00**	**2,958,125,970.00**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to refinance the short-term loan drawn to finance the early redemption of the Company's 7.0239% per annum ₱8.0 billion fixed-rate bonds due 2023 issued in 2018 on October 5, 2021 (the "7.0239% p.a. 2018 Bonds") and partially finance the Company's capital expenditures.

[4] This is comprised of: (i) ₱2.5 Billion bonds issued as the eighth and final Tranche under the Company's Registration Statement of up to Fifty Billion Pesos (₱50,000,000,000.00) aggregate principal amount of debt securities and other securities as provided under applicable SEC rules and regulations, rendered effective on April 22, 2019 (the "2019 Program"), and (ii) ₱9.5 Billion bonds issued as the second Tranche under the Issuer's Registration Statement of up to Fifty Billion Pesos (₱50,000,000,000.00) aggregate principal amount of debt securities and other securities as provided under applicable SEC rules and regulations, rendered effective on October 11, 2021 (the "2021 Program").

[5] The Base Offer size per Final Prospectus dated October 7, 2021.

[6] The actual issue size per Letter re conclusiveness of Offer submitted to the Securities and Exchange Commission dated October 19, 2021. This includes the Base Offer size of P2.75 Billion and Oversubscription Option amounting to P0.25 Billion.

P10.0 Billion Fixed Rate Bonds due 2025

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,525,030.00	2,525,030.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	5,000,000.00	4,758,330.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	176,790.67
Listing Fee	100,000.00	100,000.00
Total Expenses	121,125,030.00	120,060,150.67
Net Proceeds	**9,878,874,970.00**	**9,879,939,849.33**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to refinance any short-term loans that will be drawn to finance the early redemption of the Company's 5.625% per annum ₱8.0 billion fixed-rate bonds due 2025 issued in 2014, and partially finance the Company's general corporate requirements.

P6.3 Billion Fixed Rate Bonds due 2025

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**6,250,000,000.00**	**6,250,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,578,155.00	1,578,155.00
Documentary Stamp Tax	46,875,000.00	46,875,000.00
Underwriting Fee	23,437,500.00	23,437,500.00
Estimated Professional Expenses & Agency fees	5,000,000.00	5,520,092.00
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	274,183.33
Listing Fee	100,000.00	100,000.00
Total Expenses	77,990,655.00	77,784,930.33
Net Proceeds	**6,172,009,345.00**	**6,172,215,069.67**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P6.3 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.17 billion. Net proceeds were used to refinance the Company's 4.725% per annum ₱1.8 billion term loan maturity on September 29, 2020, 4.625% per annum ₱4.0 billion bond maturity on October 10, 2020 and a portion of its existing short-term loans.

P9.0 Billion Fixed Rate Bonds due 2021 and P1.0 Billion Fixed Rate Bonds due 2027

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**10,000,000,000.00**	**10,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	3,093,125.00	3,093,125.00
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	37,500,000.00	37,500,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	4,206,571.43
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	118,285.00
Listing Fee	150,000.00	253,611.12
Total Expenses	125,743,125.00	124,378,163.98
Net Proceeds	**9,874,256,875.00**	**9,875,621,836.02**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P9.88 billion. Net proceeds were used to partially finance various projects.

P3.0 Billion Fixed Rate Bonds due 2024

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**3,000,000,000.00**	**3,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	757,500.00	757,500.00
Documentary Stamp Tax	22,500,000.00	22,500,000.00
Underwriting Fee	11,250,000.00	11,025,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,965,234.71
Marketing/Printing/Photocopying Costs and OPEs	1,000,000.00	69,300.00
Listing Fee	150,000.00	151,708.34
Total Expenses	44,657,500.00	42,433,977.76
Net Proceeds	**2,955,342,500.00**	**2,957,566,022.24**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P3.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P2.96 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	60,000,000.00	60,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	6,066,185.05
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	338,659.20
Listing Fee	150,000.00	218,166.66
Total Expenses	106,738,125.00	99,211,135.91
Net Proceeds	**7,893,261,875.00**	**7,900,788,864.09**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.90 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2027

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**7,000,000,000.00**	**7,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	9,000,000.00	3,161,187.20
Marketing/Printing/Photocopying Costs and OPEs	5,000,000.00	990,430.17
Listing Fee	100,000.00	100,000.00
Total Expenses	77,117,500.00	67,269,117.37
Net Proceeds	**6,925,382,500.00**	**6,932,730,882.63**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P10.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.92 billion. Net proceeds were used to partially finance various projects.

P7.0 Billion Fixed Rate Bonds due 2025

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**7,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	1,767,500.00	1,767,500.00
Documentary Stamp Tax	35,000,000.00	35,000,000.00
Underwriting Fee	26,250,000.00	26,250,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	2,301,963.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	248,847.18
Listing Fee	100,000.00	100,000.00
Total Expenses	73,117,500.00	65,668,310.18
Net Proceeds	**6,926,882,500.00**	**6,934,331,689.82**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P7.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P6.9 billion. Net proceeds were used to partially finance various projects.

P8.0 Billion Fixed Rate Bonds due 2026

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Less: Estimated Upfront Expenses		
SEC Registration & Legal Research Fee	2,588,125.00	2,588,125.00
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
Estimated Professional Expenses & Agency fees	7,500,000.00	3,651,246.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	398,937.60
Listing Fee	100,000.00	100,000.00
Total Expenses	82,688,125.00	76,738,308.60
Net Proceeds	**7,917,311,875.00**	**7,923,261,691.40**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

P4.0 Billion in Fixed Rate Bonds due 2020 and P2.0 Billion Fixed Rate Bonds due 2033

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**6,000,000,000.00**	**6,000,000,000.00**
Expenses		
Documentary Stamp Tax	30,000,000.00	30,000,000.00
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500,000.00	22,500,000.00
Professional Expenses	1,457,500.00	2,517,808.07
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	1,000,000.00	5,530.00
Total Expenses	**55,057,500.00**	**55,123,338.07**
Net Proceeds	**5,944,942,500.00**	**5,944,876,661.93**

Balance of Proceeds as of 12.31.2024 **NIL**

Ayala Land raised from the Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion. Net proceeds were used to partially finance various projects.

Ayala Land, Inc. and Subsidiaries

Supplementary Schedule of External Auditor Fee-related Information

As at December 31, 2024

Amounts in '000 Php	2024	2023
Total PWC Audit Fees (Excluding OPE)	**31,454**	**31,508**
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	8,863	7,724
Total Non-audit Fees	**8,863**	**7,724**
Total Audit and Non-audit Fees	**40,317**	**39,232**

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	2	7	4	7			

COMPANY NAME

A	Y	A	L	A		L	A	N	D	,		I	N	C	.															

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

3	1	S	T		F	L	O	O	R	,		T	O	W	E	R		O	N	E		A	N	D						

E	X	C	H	A	N	G	E		P	L	A	Z	A	,		A	Y	A	L	A		T	R	I	A	N	G	L	E

,		A	Y	A	L	A		A	V	E	N	U	E	,		M	A	K	A	T	I		C	I	T	Y			

Form Type	**Department requiring the report**	**Secondary License Type, if applicable**
A F S	S E C	N / A

COMPANY INFORMATION

Company's Email Address	**Company's Telephone Number(s)**	**Mobile Number**
investorrelations@ayalaland.com.ph	7 908-3677	

No. of Stockholders	**Annual Meeting (Month/Day)**	**Fiscal Year (Month/Day)**
12,960	04/27	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	**Email Address**	**Telephone Number(s)**	**Mobile Number**
Ma. Luisa D. Chiong	[redacted]	[redacted]	

Contact Person's Address

31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

Note: 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.

Independent Auditor's Report

To the Board of Directors and Stockholders of
Ayala Land, Inc.
31st Floor, Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ayala Land, Inc. (the "Parent Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards.

What we have audited

The financial statements of the Parent Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of income for the years ended December 31, 2024 and 2023;
- the statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

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

Management is responsible for the preparation of the financial statements in accordance with PFRS Accounting Standards, 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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company s financial reporting process.

Auditor's Responsibilities 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 auditor's 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 Parent 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 Parent 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 auditor's 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 auditor's report. However, future events or conditions may cause the Parent 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, actions taken to eliminate threats or safeguards applied.

[redacted]

Ayala Land, Inc.

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	2	891,172,963	487,063,380
Financial assets at fair value through profit or loss (FVTPL)	3	308,477,771	35,834,889
Accounts and notes receivable	4	76,413,484,824	76,999,244,528
Inventories	5	67,780,690,033	66,451,148,351
Other current assets	6	22,827,565,321	22,081,932,663
Total current assets		168,221,390,912	166,055,223,811
Non-current assets			
Accounts and notes receivable, net of current portion	4	21,375,212,076	15,162,061,188
Financial assets at fair value through other comprehensive income (FVOCI)	7	781,337,497	716,337,497
Investments in subsidiaries, associates and joint ventures	8	221,337,924,182	210,165,412,168
Right-of-use assets, net	27	286,760,381	338,995,109
Investment properties, net	9	82,461,745,604	85,530,894,359
Property and equipment, net	10	3,498,711,381	2,161,396,792
Deferred tax assets, net	19	3,020,316,585	2,638,624,661
Other non-current assets	11	14,547,584,415	12,438,086,461
Total non-current assets		347,309,592,121	329,151,808,235
Total assets		515,530,983,033	495,207,032,046

(forward)

Ayala Land, Inc.

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

(continuation)

	Notes	2024	2023
Liabilities and Equity			
Current liabilities			
Short-term debts	13	9,267,000,000	7,005,000,000
Accounts and other payables	12	72,172,292,058	75,948,712,903
Current portion of lease liabilities	27	46,606,885	40,042,512
Current portion of long-term debt	13	23,831,437,922	18,495,800,819
Deposits and other current liabilities	14	6,616,438,358	8,908,303,492
Total current liabilities		111,933,775,223	110,397,859,726
Non-current liabilities			
Long-term debts, net of current portion	13	186,079,414,527	178,825,121,828
Pension liabilities	21	1,427,914,425	1,419,513,560
Lease liabilities, net of current portion	27	280,740,495	325,809,896
Deposits and other non-current liabilities	15	11,010,711,727	13,141,106,486
Total non-current liabilities		198,798,781,174	193,711,551,770
Total liabilities		310,732,556,397	304,109,411,496
Equity	16		
Paid-in capital		98,624,014,659	98,115,042,022
Equity reserves		3,254,264,425	3,254,264,425
Treasury stock		(30,127,751,530)	(22,776,360,598)
Accumulated other comprehensive loss		(513,994,822)	(534,465,053)
Retained earnings		133,561,893,904	113,039,139,754
Total equity		204,798,426,636	191,097,620,550
Total liabilities and equity		515,530,983,033	495,207,032,046

The notes on pages 1 to 84 are an integral part of these financial statement.

Ayala Land, Inc.

Statements of Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso, except earnings per share)

	Notes	2024	2023
Income			
Real estate revenue	17	32,824,850,698	33,107,277,509
Interest income		490,574,527	291,517,667
Dividend income	20	20,320,544,643	9,672,354,814
Other income	18	8,818,170,764	8,710,955,277
		62,454,140,632	51,782,105,267
Cost and expenses	18		
Cost of real estate sales		20,260,447,606	20,120,010,169
General and administrative expenses		1,844,776,359	2,031,096,302
Interest and other financing charges		12,114,436,502	10,667,413,049
Other charges and expenses		672,656,487	79,200,098
		34,892,316,954	32,897,719,618
Income before income tax		27,561,823,678	18,884,385,649
Income tax (benefit) expense	19	(241,512,113)	306,065,429
Net income for the year		27,803,335,791	18,578,320,220
Earnings Per Share			
Basic and diluted	22	1.87	1.23

The notes on pages 1 to 84 are an integral part of these financial statements.

Ayala Land, Inc.

Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Net income for the year		27,803,335,791	18,578,320,220
Other comprehensive income (loss)			
Item that will not be subsequently reclassified to profit or loss in subsequent years:			
Change in fair value reserve of financial assets at FVOCI	7	65,000,000	53,138,215
Remeasurement loss on pension liability, net of tax	21	(44,529,769)	(607,136,013)
		20,470,231	(553,997,798)
Total comprehensive income for the year		27,823,806,022	18,024,322,422

The notes on pages 1 to 84 are an integral part of these financial statements.

Ayala Land, Inc.

Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Paid-in capital (Note 16)	Equity reserves (Note 16)	Treasury stock (Note 16)	Accumulated other comprehensive loss (Note 16)	Retained earnings (Note 16)	Total
Balances at January 1, 2023	97,636,861,482	2,061,846,271	(19,080,713,529)	19,532,745	100,122,974,279	180,760,501,248
Comprehensive income						
Net income for year	-	-	-	-	18,578,320,220	18,578,320,220
Other comprehensive (loss)	-	-	-	(553,997,798)	-	(553,997,798)
Total comprehensive income for the year	-	-	-	(553,997,798)	18,578,320,220	18,024,322,422
Transaction with owners						
Share-based compensation	149,456,256	-	-	-	-	149,456,256
Issuance of shares	328,724,284	-	-	-	-	328,724,284
Acquisition of treasury shares	-	-	(3,695,647,069)	-	-	(3,695,647,069)
Legal merger	-	1,192,418,154	-	-	-	1,192,418,154
Cash dividends declared	-	-	-	-	(5,662,154,745)	(5,662,154,745)
Total transaction with owners	478,180,540	1,192,418,154	(3,695,647,069)	-	(5,662,154,745)	(7,687,203,120)
Balances at December 31, 2023	98,115,042,022	3,254,264,425	(22,776,360,598)	(534,465,053)	113,039,139,754	191,097,620,550
Impact of adoption of PFRS 15 covered by PIC Q&A 2018-12-D (Note 32.2)	-	-	-	-	151,086,801	151,086,801
Restated balance, January 1, 2024	98,115,042,022	3,254,264,425	(22,776,360,598)	(534,465,053)	113,190,226,555	191,248,707,351
Comprehensive income						
Net income for year	-	-	-	-	27,803,335,791	27,803,335,791
Other comprehensive income	-	-	-	20,470,231	-	20,470,231
Total comprehensive income for the year	-	-	-	20,470,231	27,803,335,791	27,823,806,022
Transaction with owners						
Share-based compensation	107,467,521			-	-	107,467,521
Issuance of shares	401,505,116	-	-	-	-	401,505,116
Acquisition of treasury shares	-	-	(7,351,390,932)	-	-	(7,351,390,932)
Cash dividends declared	-	-	-	-	(7,431,668,442)	(7,431,668,442)
Total transaction with owners	508,972,637	-	(7,351,390,932)	-	(7,431,668,442)	(14,274,086,737)
Balances at December 31, 2024	98,624,014,659	3,254,264,425	(30,127,751,530)	(513,994,822)	133,561,893,904	204,798,426,636

The notes on pages 1 to 84 are an integral part of these financial statements.

Ayala Land, Inc.

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Income before income tax		27,561,823,678	18,884,385,649
Adjustments for:			
Interest expense and amortization of transaction cost	18	12,114,436,502	10,667,413,049
Depreciation	18	1,553,179,849	1,581,131,236
Cost of share-based payments	23	107,467,521	149,456,256
Unrealized loss on foreign exchange		6,552,076	690,644,102
Provision for impairment losses and write-offs	4	46,076,792	10,390,658
Unrealized loss on financial assets at FVTPL	18	(25,941,153)	(3,582,320)
(Gain) loss on sale of property and equipment	18	(1,000,759)	882,448
Dividend income	20	(20,320,544,643)	(9,672,354,814)
Gain on sale of investment in subsidiaries, associates and joint ventures	18	(1,371,803,663)	(985,286,988)
Interest income		(490,574,527)	(291,517,667)
Retirement benefit expense	21	270,574,415	203,430,962
Gain on sale of investment property	18	(6,999,925,794)	(7,070,706,133)
Operating income before working capital changes		12,450,320,294	14,164,286,438
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable	4	556,973,805	17,373,009,657
Inventories	5,9	(3,523,177,610)	(3,495,728,833)
Other current assets	6	995,683,484	(3,516,289,922)
(Decrease) increase in:			
Deposits and other current liabilities	14	(2,291,865,134)	(7,259,100,184)
Accounts and other payables	12	(3,481,200,925)	13,061,520,800
Cash generated from operations		4,706,733,914	30,327,697,956
Dividends received		20,455,452,059	-
Interest received		489,463,018	291,460,177
Interest paid, inclusive of capitalized borrowing cost		(12,025,972,001)	(10,666,445,665)
Net cash from operating activities		13,625,676,990	19,952,712,468
Cash flows from investing activities			
Proceeds from disposal/redemption of:			
Investments in subsidiaries, associates and joint ventures	8	11,877,486,617	6,973,429,865
Investment properties	9	19,979,010,529	9,731,829,886
Property and equipment	10	44,607,417	61,501,689
Financial assets at fair value through profit of loss	24	892,623,430	966,106,294
Financial assets at FVOCI		-	562,018
Purchases/additions to:			
Financial assets at FVTPL	24	(1,139,325,158)	(991,477,111)
Property and equipment	10	(475,135,845)	(605,324,583)
Investment properties	9	(12,325,162,696)	(7,152,852,168)
Investments in subsidiaries, associates and joint ventures	8	(21,678,194,968)	(15,587,580,685)
Increase in other non-current assets	11	(2,109,497,954)	(7,399,235,716)
Increase in accounts and notes receivable - nontrade	4	(6,213,150,888)	(1,006,304,676)
Net cash used in investing activities		(11,146,739,516)	(15,009,345,187)

(forward)

Ayala Land, Inc.

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

(continuation)

	Notes	2024	2023
Cash flows from financing activities			
Proceeds from short-term and long-term debts	13	171,037,855,000	75,612,000,000
Proceeds from capital stock subscriptions		401,505,116	328,724,284
Decrease in deposits and other non-current liabilities	15	(2,130,394,758)	(7,423,599,654)
Payments of contribution	21	(284,418,069)	(425,475,692)
Payments of lease liabilities	27	(66,851,331)	(66,039,194)
Acquisition of treasury shares	16	(7,351,390,932)	(3,695,647,069)
Payments of cash dividends	16	(7,390,081,473)	(5,454,086,760)
Payments of short-term and long-term debts	13	(156,290,855,000)	(63,891,726,563)
Net cash used in financing activities		(2,074,631,447)	(5,015,850,648)
Net increase (decrease) in cash and cash equivalents		404,306,027	(72,483,367)
Cash and cash equivalents			
At January 1		487,063,380	559,609,838
Effect of exchange rate changes on cash and cash equivalents		(196,444)	(63,091)
At December 31		891,172,963	487,063,380

Non-cash investing and financing activities 29

The notes on pages 1 to 84 are an integral part of these financial statements.

Ayala Land, Inc.

Notes to the Financial Statements
As at and for the years ended December 31, 2024 and 2023
(In the notes, all amounts are shown in Philippine Pesos unless otherwise stated)

1 General information

Corporate information

Ayala Land, Inc. (the "Parent Company", or "ALI") is domiciled and was incorporated on June 30, 1988 in the Republic of the Philippines with corporate life of fifty years. The Parent Company is a subsidiary of Ayala Corporation (AC). AC is a publicly-listed company, 47.57%-owned by Mermac, Inc. and the rest by the public as of December 31, 2024. The Parent Company's registered office and principal place of business is at 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The Parent Company is incorporated to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of, for itself or for others, residential including, but not limited to, all kinds of housing projects, commercial, industrial, urban or other kinds of real property; to acquire, purchase, hold, manage, develop and sell subdivision lots, with or without buildings or improvements; to erect, construct, alter, manage, operate, lease, in whole or in part, buildings and tenements of the Parent Company or of other persons; and to engage or act as real estate broker.

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issue by the Parent Company's Board of Directors (BOD) on February 19, 2025.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2024	2023
Cash on hand	1,585,210	1,504,610
Cash in banks	820,173,753	485,426,955
Cash equivalents	69,414,000	131,815
	891,172,963	487,063,380

Cash in banks earn interest at the prevailing bank deposit rates.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interest at the respective short-term investment rates.

As at December 31, 2024 and 2023, there is no restriction on the Parent Company's cash and cash equivalents balances.

3 Financial assets at fair value through profit or loss (FVTPL)

The account consists of investment in BPI Money Market Fund and BPI USD Short Term Fund (collectively referred to as the "Funds"). The Funds, which are structured as Unit Investment Trust Funds (UITFs), aim to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments and with no minimum holding period requirement.

As at December 31, 2024, the financial assets at FVTPL of the Parent Company amounted to P308.5 million (2023 - P35.8 million).

The details of the movement of fair value measurement of financial assets at FVTPL as at December 31 is shown below:

	Note	2024	2023
At January 1		35,834,889	6,881,752
Additions		1,139,325,158	991,477,111
Disposals		(892,623,430)	(966,106,294)
Unrealized gain (loss) included under other income	18	25,941,153	3,582,320
At December 31		308,477,770	35,834,889

4 Accounts and notes receivable

The account as at December 31 consists of:

	Note	2024	2023
Trade receivable from:			
Residential, commercial and office development		29,459,307,666	27,404,621,770
Shopping centers		2,712,294,570	2,278,339,113
Corporate business		2,749,669,657	2,104,050,388
Others		907,100,697	297,439,715
Receivable from related parties	20	50,211,071,379	48,625,025,398
Advances to other companies		7,382,329,642	6,897,590,213
Dividends receivable		4,833,528,702	4,968,436,118
Receivable from employees		208,774,329	216,217,460
Interest receivable		14,600,170	13,488,661
		98,478,676,812	92,805,208,836
Allowance for impairment losses		(689,979,912)	(643,903,120)
		97,788,696,900	92,161,305,716
Less: Non-current portion		21,375,212,076	15,162,061,188
Current portion of accounts and notes receivable		76,413,484,824	76,999,244,528

The terms and conditions of the above receivables are as follows:

- Residential, commercial and office development receivables are collectible in monthly installments over a period of one to ten years. These are carried at amortized cost using the prevailing market rates. Titles to real estate properties are transferred to buyers once full payment has been made.

- Receivables from related parties, dividends receivable and interest receivable are due on demand (Note 20).

- Advances to other companies mainly comprise of advances made to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The advances are liquidated when proceeds from the sale of the related projects are applied. The remaining amount of advances to other companies are collectible over a fixed term or on demand.

- Dividends receivable pertain to distribution from related parties payable in the subsequent year.

- Receivables from employees pertain to housing, car, salary and other loans granted to the Parent Company's employees which are collectible through salary deduction, are interest-bearing (6.0% per annum) and payable on various maturity dates.

The movement in the allowance for impairment losses follow:

	Note	Trade		Advances to other companies	Total
		Shopping centers	Corporate business		
At January 1, 2023		233,522,330	209,982,369	190,007,763	633,512,462
Provisions (reversal) during the year	18	(17,053,982)	25,764,932	1,679,708	10,390,658
At December 31, 2023		216,468,348	235,747,301	191,687,471	643,903,120
Provisions during the year	18	-	37,788,887	8,287,905	46,076,792
At December 31, 2024		216,468,348	273,536,188	199,975,376	689,979,912

In 2024, the Parent Company sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party, as follows:

	2024	2023
Proceeds from sale of receivables	4,950,807,044	5,654,788,352
Carrying amount	(5,524,684,642)	(6,437,407,040)
Loss on sale	(573,877,598)	(782,618,688)

The loss on sale is presented as part of interest expense and other financing charges in the statement of income.

As at December 31, 2024, the Parent Company has an outstanding finance lease receivable (under “receivable from related parties”) from AREIT, a subsidiary, for the lease of land and building for a period of 34 years amounting to P962.1 million (2023 - P940.0 million). In 2024, interest income earned amounts to P62.0 million (2023 - P60.4 million) (Note 27) presented within interest income in the statement of income.

5 Inventories

The account as at December 31 consists of:

	2024	2023
Real estate - at cost		
Residential and commercial lots	53,175,187,988	53,572,476,977
Residential and commercial units	14,605,502,045	12,878,671,374
	67,780,690,033	66,451,148,351

Movements in inventories follow:

	Notes	Residential and commercial lots	Residential and condominium units	Total
As at January 1, 2023		41,296,172,714	11,368,028,498	52,664,201,212
Construction and development costs incurred		6,270,070,378	10,712,850,126	16,982,920,504
Cost of real estate sold	18	(3,135,219,840)	(9,522,495,185)	(12,657,715,025)
Transfers within inventories		(320,287,935)	320,287,935	-
Transfers from investment properties	9	9,461,741,660	-	9,461,741,660
As at December 31, 2023		53,572,476,977	12,878,671,374	66,451,148,351
Construction and development costs incurred		7,223,214,295	9,349,065,233	16,572,279,528
Cost of real estate sold	18	(3,619,613,454)	(9,429,488,464)	(13,049,101,918)
Transfers within inventories		(1,807,253,902)	1,807,253,902	-
Transfers to investment properties	9	(2,193,635,928)	-	(2,193,635,928)
As at December 31, 2024		53,175,187,988	14,605,502,045	67,780,690,033

As at December 31, 2024 and 2023, the Parent Company has no purchase commitments, liens and encumbrances pertaining to its inventories.

6 Other current assets

The account as at December 31 consists of:

	2024	2023
Prepaid taxes and licenses	14,467,220,110	12,837,432,153
Advances to contractors and suppliers	4,442,299,854	7,058,335,399
Prepayments, net	3,889,065,795	2,024,124,287
Input value added tax (VAT)	28,979,562	162,040,824
	22,827,565,321	22,081,932,663

Prepaid taxes and licenses consist of excess payments made against current income tax due which can be claimed against income tax for future periods, and prepayments on other taxes and licenses.

Advances to contractors and suppliers pertain to prepayments for the construction of inventories. These are recouped from billings which are expected to occur within 12 months.

Prepayments mainly consist of prepayments for commissions, marketing and management fees, and rentals and insurance. The amount is presented net of allowance for impairment loss based on the assessed recoverability.

In 2024, the cost to obtain contracts, which includes prepaid commissions, amounted to P583.0 million (2023 - P589.5 million). If a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. Management performs an impairment assessment of the costs to complete the contract. The ability to reasonably forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits (Note 11).

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

7 Financial assets at fair value through other comprehensive income (FVOCI)

The account as at December 31 consists of:

	Note	2024	2023
Shares of stock:			
Quoted		76,897,205	76,773,170
Unquoted		461,996,972	462,121,007
		538,894,177	538,894,177
Net unrealized fair value gain	16	242,443,320	177,443,320
		781,337,497	716,337,497

Investments in quoted shares of stock include shares held in clubs wherein the Parent Company does not exercise control or demonstrate significant influence.

Investments in unquoted shares of stock include unlisted shares of public utility companies which the Parent Company will continue to hold as part of the infrastructure that it provides to its real estate projects.

Movements in the fair value reserve of financial assets at FVOCI for the years ended December 31 follow:

	Note	2024	2023
At January 1		177,443,320	124,305,105
Fair value changes during the year	16	65,000,000	53,138,215
At December 31		242,443,320	177,443,320

8 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less impairment, if any, in these separate financial statements.

The account as at December 31 consists of:

	Percentages of direct ownership		Carrying amounts	
	2024	2023	2024	2023
Subsidiaries:				
Property Development:				
Ayala Hotels, Inc. (AHI)	100	100	13,763,396,233	13,763,396,233
Amaia Land Corporation and Subsidiary (Amaia)	100	100	7,286,931,640	7,286,931,640
Avida Land Corporation and Subsidiaries (Avida)	100	100	6,689,977,831	6,689,977,831
AyalaLand Estates, Inc. (formerly Southgateway Development Corp. (SDC))	100	100	5,976,310,479	5,976,310,479
Cebu District Property Enterprise, Inc. (CDPEI)*	100	-	3,620,000,000	-
Alveo Land Corporation and Subsidiaries (Alveo)	100	100	2,677,613,403	2,677,613,403
BellaVita Land Corporation (BellaVita)	100	100	2,300,000,000	2,300,000,000
Amorsedia Development Corporation and Subsidiaries (ADC)	100	100	2,274,943,627	2,274,943,627
Crans Montana Holdings, Inc.	100	100	505,329,030	505,329,030
Red Creek Properties, Inc. (RCPI)	100	100	431,511,128	431,511,128
Southportal Properties, Inc. (Southportal)	100	100	290,000,000	290,000,000
Crimson Field Enterprises, Inc.	100	100	219,714,272	219,714,272
Ayala Land Premier, Inc. (ALPI)	100	100	17,500,000	5,000,000
Altaraza Prime Realty Corporation (Altaraza)	100	100	4,000,000	4,000,000
Verde Golf Development Corp (Verde Golf)	100	100	3,125,000	3,125,000
Buendia Landholdings, Inc. (BLI)	100	100	2,833,562	2,833,562
Vesta Property Holdings, Inc. (VPHI)	88	88	2,294,273,333	2,294,273,333
Aurora Properties Incorporated	81	81	1,199,997,664	1,199,997,664
Accendo Commercial Corp. (Accendo)	67	67	874,697,062	874,697,062
Ceci Realty, Inc. (Ceci)	60	60	699,785,665	699,785,665
Lagdigan Land Corp. (Lagdigan)	60	60	99,000,000	99,000,000
Ayalaland- Tagle Properties, Inc.	55	55	2,008,325,000	1,568,325,000
Taft Punta Engaño Property Inc. (TPEPI)	55	55	550,000,000	550,000,000
Altaraza Development Corporation	51	51	188,062,500	188,062,500
AKL Properties, Inc. (AKL)	50	50	3,083,523,294	3,083,523,294
BGWest Properties (BGW)	50	50	1,340,000,000	1,340,000,000
Aviana Development Corporation	50	50	966,000,000	966,000,000
Roxas Land Corp (RLC)	50	50	137,272,960	137,272,960
Solinea, Inc.	35	35	124,250,000	124,250,000
Amaia Southern Properties, Inc. (ASPI)	35	35	93,100,000	93,100,000
Serendra, Inc.	28	28	266,027,100	266,027,100
Ayala Land Sales, Inc. (ALSI)	-	100	-	10,000,000
CMPI Holdings, Inc. (CMPI)	-	60	-	28,800,000
Corporate Business:				
AyalaLand Offices, Inc. and Subsidiaries (ALO)	100	100	5,622,486,376	6,522,486,376
Makati Cornerstone Leasing Corp.(MCLC)	100	100	2,213,961,000	2,213,961,000
ALO Prime Realty Corporation	100	100	549,676,554	733,676,554
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc. (ALCRI))	100	100	300,000,000	300,000,000
Sunnyfield E-Office Corporation (Sunnyfield)	100	100	173,000,000	173,000,000
Hillsford Property Corporation (Hillsford)	100	100	150,000,000	150,000,000
AREIT Property Management, Inc, (formerly Next Urban Alliance Development Corp.)	100	100	365,500	365,500
AREIT, Inc. (AREIT) (formerly One Dela Rosa Property Development, Inc.(ODR)) (Note 20)	55	66	41,431,976,726	30,586,290,223
Nuevo Centro, Inc. (Nuevo Centro)	55	55	819,223,620	819,223,620
Prow Holdings, Inc. (Prow)	55	55	670,273,870	670,273,870
Shopping Centers:				
Summerhill E-Office Corporation (Summerhill)	100	100	6,579,990,035	6,579,990,035
Bay City Commercial Ventures Corp. (BCCVC)	100	100	6,229,421,699	4,929,421,699
North Ventures Commercial Corp. (NVCC)	100	100	3,784,145,284	3,784,145,284
AyalaLand MetroNorth, Inc. (AMNI)	100	100	3,445,726,210	3,745,726,210
Capitol Central Commercial Ventures Corp. (CCCVC)	100	100	2,517,000,000	2,517,000,000
Arvo Commercial Corporation (Arvo)	100	100	1,800,000,000	1,800,000,000
AyalaLand Malls, Inc. (ALMI) (formerly ALI Commercial Center, Inc.)	100	100	1,697,680,000	1,697,680,000
Cavite Commercial Town Center, Inc. (CCTCI)	100	100	1,496,390,793	1,496,390,793
Northbeacon Commercial Corporation (NBCC)	100	100	1,188,100,000	1,238,100,000
Westview Commercial Ventures Corp. (Westview)	100	100	510,160,572	731,075,299
Subic Bay Town Centre, Inc. (SBTCI)	100	100	478,500,000	478,500,000
Primavera Towncentre, Inc. (PTI)	100	100	248,420,000	248,420,000
AMSI, Inc. (formerly Ayalaland Malls Synergies, Inc.) (AMSI)	100	100	235,000,000	235,000,000
Cebu Leisure Company, Inc. (CLCI)	100	100	46,000,000	46,000,000
Ayala Malls Zing, Inc.	100	100	21,875,000	21,875,000
Ayala Theatres Management, Inc. (ATMI)	100	100	864,559	864,559
Five Star Cinema, Inc. (FSCI)	100	100	250,000	250,000
Cebu Business Park Theater Management Inc. (CBPTMI)	100	100	62,500	62,500
North Triangle Depot Commercial Corporation (NTDCC)	73	73	2,567,568,402	2,640,805,402
AyalaLand Logistics Holdings Corp. and Subsidiaries (ALLHC)	71	71	10,582,725,757	10,582,725,757
Cagayan de Oro Gateway Corp. (CDOGC)	70	70	867,680,000	867,680,000
Station Square East Commercial Corporation (SSECC)	69	69	461,825,050	461,825,050

(forward

	Percentages of direct ownership		Carrying amounts	
	2024	2023	2024	2023
Soltea Commercial Corp. (Soltea)	60	60	796,416,740	796,416,740
Adauge Commercial Corporation (Adauge)	60	60	600,000,000	600,000,000
Alabang Commercial Corporation (ACC)	50	50	258,431,769	258,431,769
Leisure and Allied Industries Philippines, Inc. (LAIP)	50	50	191,300,000	191,300,000
ALI-CII Development Corporation (ALI-CII)	50	50	102,765,300	102,765,300
North Eastern Commercial Corp. (NECC)	-	100	-	1,300,000,000
Hotels and Resorts:				
AyalaLand Hotels and Resorts Corporation and Subsidiaries (AHRC)	100	100	16,760,432,000	16,760,432,000
Ecoholdings Company, Inc. (ECI)	100	100	718,368,400	718,368,400
Integrated Eco-resort, Inc. (IERI)	100	100	492,922,224	492,922,224
Central Bloc Hotel Ventures, Inc.	100	100	47,500,000	47,500,000
Ten Knots Development, Corporation and Subsidiaries (TKDC)	60	60	495,000,000	495,000,000
Ten Knots Phils., Inc.(TKPI)	60	60	93,131,600	93,131,600
Cebu Insular Hotel Company, Inc. (CIHCI)	37	37	239,302,475	239,302,475
ALI Makati Hotel Property, Inc.	20	20	584,702,865	584,702,865
ALI Makati Hotel & Residences, Inc. (AMHRI)	20	20	22,097,135	22,097,135
Construction:				
Makati Development Corporation and Subsidiaries (MDC)	100	100	750,958,813	750,958,813
Property Management:				
Ayala Property Management Corporation (APMC)	100	100	1,912,026	1,912,026
Others:				
Regent Wise Investment Ltd. and Subsidiary (Regent Wise)	100	100	16,654,593,355	16,654,593,355
ALI Capital Corp. (ALICap) (formerly Varejo Corp.)	100	100	2,625,000,000	2,625,000,000
Darong Agricultural And Development Corporation (DADC)	100	100	1,722,601,620	1,722,601,620
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100	100	854,500,000	854,500,000
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100	100	167,923,610	167,923,610
Arca South Integrated Terminal, Inc.	100	100	151,000,000	151,000,000
Ayala Land International Sales, Inc. (ALISI)	100	100	138,700,000	138,700,000
Ayalaland Medical Facilities Leasing, Inc. (AMFLI)	100	100	128,000,000	128,000,000
Aprisa Business Process Solutions (Aprisa)	100	100	40,000,000	40,000,000
DirectPower Services, Inc. (DirectPower)	100	100	40,000,000	40,000,000
Whiteknight Holdings, Inc. (WHI)	100	100	1,000,000	1,000,000
Regent Time International, Limited (Regent Time) (British Virgin Islands)	100	100	52	52
Anvaya Cove Golf & Sports Club, Inc. (Anvaya Cove Golf)	74	76	499,416,789	532,713,951
Anvaya Cove Beach & Nature Club Inc. (Anvaya Cove Beach)	73	73	496,367,712	498,810,548
ALInet.com, Inc. (ALInet)	-	100	-	130,482,764
Ayala Land Club Management, Inc.	-	100	-	2,500,000
Joint Ventures:				
Property Development				
ALI-ETON Property Development Corporation	50	50	9,306,500,000	9,306,500,000
Cebu District Property Enterprise, Inc. (CDPEI)*	-	50	-	1,810,000,000
Emerging City Holdings, Inc. (ECHI)	50	50	1,555,004,550	1,555,004,550
Berkshires Holdings, Inc. (BHI)	50	50	666,430,520	666,430,520
Associates:				
Property Development				
Lagoon Development Corporation (LDC)	30	30	37,050,000	37,050,000
Ortigas Land Corporation (OLC)	21	21	7,190,241,827	7,190,241,827
Bonifacio Land Corp. (BLC)	5	5	346,881,016	346,881,016
Hotels and Resorts				
Sicogon Island Tourism Estate Corp.	5	5	203,581,200	203,581,200
			221,657,883,888	210,485,371,874
Allowance for probable losses			(319,959,706)	(319,959,706)
			221,337,924,182	210,165,412,168

**The Parent Company reclassified the amount from investment in joint venture to investment in subsidiaries in 2024 due to acquisition of control.*

The above companies are incorporated and domiciled in the Philippines except for Regent Time which is domiciled and incorporated in British Virgin Islands and First Longfield and Regent Wise which are domiciled and incorporated in Hong Kong.

As at December 31, 2024 and 2023, the Parent Company had no commitments to its interests in joint ventures.

The movement in the investment in subsidiaries, associates and joint ventures for the years ended December 31 follow:

	2024	2023
At January 1	210,165,412,168	200,565,974,361
Additions	21,457,280,242	15,587,580,685
Disposals	(10,284,768,228)	(5,988,142,878)
At December 31	221,337,924,182	210,165,412,168

(i) Additions

The following are the material additions to investments in subsidiaries, associates and joint ventures for the years ended December 31:

2024

- Investment in AREIT, Inc.

  On September 26, 2024, the Securities and Exchange Commission's (SEC) approved the property-for share swap with Ayala Land, Inc. (ALI) and its related entities, involving the issuance of AREIT primary common shares in exchange for four commercial buildings. The properties of ALI relevant to the transaction, and its corresponding increase in investment in subsidiaries amount, are as follows:

Property	Parties	Number of shares	Issue price	Investment amount
Ayala Triangle Garden Tower 2	ALI and AREIT	367,081,054	34	12,480,755,836
Greenbelt 3 & 5 Malls	ALI and AREIT	159,236,012	34	5,414,024,408
				17,894,780,244

- Investment in Cebu District Property Enterprise, Inc. (CDPEI)

  Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014, and is a 50:50 venture between the Company and Aboitiz Land, Inc. On Nov. 4, 2024, ALI acquired the shares of Aboitiz Land, Inc. ("Aboitiz Land") and Aboitiz Equity Ventures Inc. ("AEV") in Cebu District Property Enterprise Inc. ("CDPEI") for a consideration of P1.81 billion. As a result, CDPEI became a wholly owned subsidiary of ALI and reclassified the amount from investment in joint venture to investment in subsidiaries.

- Investment in Bay City Commercial Ventures Corp.

  On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity. Accordingly, the cost of investment in Bay City Commercial Ventures Corp. increased by P1.3 billion.

2023

- Investment in AREIT, Inc.

  On September 20, 2023, the Securities and Exchange Commission's (SEC) approved the property-for share swap with Ayala Land, Inc. (ALI) and its related entities, involving the issuance of AREIT primary common shares in exchange for six properties. The properties of ALI relevant to the transaction, and its corresponding increase in investment in subsidiaries amount, are as follows:

Property	Parties	Number of shares	Issue price	Investment amount
Glorietta BPO 1	ALI and AREIT	83,530,422	37	3,090,625,614
Glorietta BPO 2	ALI and AREIT	88,249,457	37	3,265,229,909
Glorietta Mall Wings 1 and 2	ALI and AREIT	93,210,163	37	3,448,776,031
				9,804,631,554

- Investment in AyalaLand Estates, Inc.

  In 2023, the Parent Company made an additional capital infusion P1,970.67 million to AyalaLand Estates, Inc. There has been no change in percentage of direct ownership as the additional shares came from the increased in capital stock.

- Investment in ALI-ETON Property Development Corporation

  ALI-ETON Property Development Corporation (ALI-ETON) was incorporated on March 13, 2016. ALI-ETON is a joint venture between Ayala Land, Inc. and LT Parent Company, Inc. The ALI and LT Parent Company, Inc. entered into an agreement on January 21, 2016, to jointly develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

  In 2023, the Parent Company made an additional equity infusion to fund the development requirements of Parklinks amounting to P1,920.0 million.

- Investment in Ayala Land-Tagle Property Inc.

  In 2023, the Parent Company made additional infusion amounting to P1,265.0 million, which increased the Parent Company's total investment from P303.325 million to 1,568.3 million as at December 31, 2023.

(ii) Disposals

The following are the material disposals to investments in subsidiaries, associates and joint ventures for the years ended December 31:

2024

- Investment in AREIT, Inc.

  In 2024, ALI entered into block sale transactions to sell its common shares of AREIT with details as follows:

Quarter	Date	Number of shares sold by ALI	Price	Proceeds from sale	Investment cost	Gain
Q1	January 26, 2024	22,561,034	31.10	701,648,157	672,310,645	29,337,512
Q2	May 20, 2024	60,556,687	32.45	1,965,064,493	1,804,567,346	160,497,147
Q3	September 20, 2024	75,000,000	36.20	2,715,000,000	2,217,407,949	497,592,051
Q4	December 9, 2024	75,000,000	37.00	2,775,000,000	2,354,807,801	420,192,199
				8,156,712,650	7,049,093,741	1,107,618,909

  All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

  The gain on block sale of AREIT shares are included within other income in statement of comprehensive income (Note 18).

- Investment in Northeastern Commercial Corp. (NECC)

  On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity. Accordingly, the cost of investment in Northeastern Commercial Corp. (NECC) decreased by P1.3 billion.

- Investment in AyalaLand Offices, Inc. and subsidiaries (ALOI Group)

  On November 13, 2024, ALOI Group redeemed its shares from ALI amounting to P900.0 million, thereby resulting to a decrease in the cost of investment in investment in AyalaLand Offices, Inc.

2023

- Investment in AREIT, Inc.

  In 2023, ALI entered into block sale transactions to sell its common shares of AREIT with details as follows:

Quarter	Date	Number of shares sold by ALI	Price	Proceeds from sale	Investment cost	Gain
Q1	March 29, 2023	205,000,000	32.10	6,580,500,000	5,595,213,012	985,286,988

  All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

  The gain on block sale of AREIT shares are included within other income in statement of comprehensive income (Note 18).

(iii) Other transactions involving investments in subsidiaries and joint ventures

- Investment in AKL Properties Inc.

  AKL is a 50:50 venture between Ayala Land, Inc. and Royal Asia Land, Inc. (RALI), and is organized primarily for future mixed-use development in South Luzon area.

  In 2023, the Parent Company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL. Accordingly, the Parent Company reclassified the amount from investment in joint ventures to investment in subsidiaries.

  As at December 31, 2024 and 2023, the Parent Company's investment in AKL amounted to P3,083.5 million.

The Parent Company considers a joint venture and an associate as material interest if its net assets exceed 5% of the total net assets of the Parent Company as at reporting period and considers the relevance of the nature of activities of the joint venture and associate compared to other operations of the Parent Company and the materiality of the carrying value of the investments in associates and joint ventures.

The summarized financial information, as presented in thousands, of the Parent Company's significant joint venture with material interest follows:

ALI Eton

	2024	2023
Current assets	26,718,451	22,043,118
Non-current assets	4,305,942	4,289,259
Current liabilities	(10,249,746)	(6,426,059)
Non-current liabilities	(814,444)	(371,951)
Equity	19,960,203	19,534,367
Proportion of Parent Company's ownership	50.0%	50.0%
Parent Company's share in identifiable net assets	9,980,102	9,767,184
Carrying amount of the investment	9,306,500	9,306,500

	2024	2023
Revenue	4,488,688	3,617,321
Cost and expenses	(3,862,224)	(3,077,696)
Net income (continuing operations)	626,464	539,625
Parent Company's share in net income for the year	313,232	269,813
Total comprehensive income	626,464	539,625
Parent Company's share in total comprehensive income for the year	313,232	269,813

The summarized financial information, as presented in thousands, of the Parent Company's significant associate with material interest follows:

OLC

	2024	2023
Current assets	32,528,276	32,554,643
Non-current assets	35,260,570	28,827,055
Current liabilities	(22,512,719)	(23,147,183)
Non-current liabilities	(25,894,993)	(21,253,275)
Equity	19,381,134	16,981,240
Proportion of Parent Company's ownership	21.0%	21.0%
Parent Company's share in identifiable net assets	4,070,038	3,566,060
Carrying amount of the investment	7,190,242	7,190,242

	2024	2023
Revenue	14,802,433	12,769,959
Cost and expenses	(10,938,871)	(9,529,626)
Net income (continuing operations)	3,863,562	3,240,333
Parent Company's share in net income for the year	811,348	680,470
Total comprehensive income	3,834,466	2,553,524
Parent Company's share in total comprehensive income for the year	805,238	536,240

As at December 31, 2024 and 2023, there are no significant associates considered to be with material interest.

9 Investment properties, net

The movement of the account follows:

	Notes	Land	Buildings	Construction-in-progress	Total
Cost					
At January 1, 2023		39,507,796,351	28,055,371,247	42,442,260,485	110,005,428,083
Additions		2,790,637,210	1,261,301,760	3,463,854,706	7,515,793,676
Transfers to inventories	5	(9,461,741,660)	-	-	(9,461,741,660)
Transfers from property and equipment	10	-	1,211,140,209	230,400,568	1,441,540,777
Transfers within investment properties		(3,230,702,167)	10,308,316,748	(7,077,614,581)	-
Disposals/transfers via property for share swap		(1,054,553,043)	(3,746,914,803)	(2,183,935)	(4,803,651,781)
At December 31, 2023		28,551,436,691	37,089,215,161	39,056,717,243	104,697,369,095
Additions		1,363,717,366	2,931,852,606	8,029,592,724	12,325,162,696
Transfers from inventories	5	2,193,621,415	14,513	-	2,193,635,928
Transfers from (to) property and equipment	10	44,000	-	(1,078,960,607)	(1,078,916,607)
Transfers within investment properties		1,865,188,883	3,829,726,168	(5,694,915,051)	-
Transfer to others		(926,285,080)	(33,392,526)	(1,242,454,514)	(2,202,132,120)
Disposals/transfers via property for share swap		(451,954,783)	(14,455,745,052)	-	(14,907,699,835)
At December 31, 2024		32,595,768,492	29,361,670,870	39,069,979,795	101,027,419,157
Accumulated depreciation					
At January 1, 2023		-	18,497,960,199	-	18,497,960,199
Depreciation	18	-	1,337,909,511	-	1,337,909,511
Disposals/transfers via property for share swap		-	(1,048,428,615)	-	(1,048,428,615)
At December 31, 2023		-	18,787,441,095	-	18,787,441,095
Depreciation	18	-	1,327,813,917	-	1,327,813,917
Transfers to property and equipment		-	(31,000,000)	-	(31,000,000)
Disposals/transfers via property for share swap		-	(1,897,615,100)	-	(1,897,615,100)
At December 31, 2024		-	18,186,639,912	-	18,186,639,912
Accumulated impairment losses					
At December 31, 2023		153,825,482	225,208,159	-	379,033,641
At December 31, 2024		153,825,482	225,208,159	-	379,033,641)
Net book value					
At December 31, 2023		28,397,611,209	18,076,565,907	39,056,717,243	85,530,894,359
At December 31, 2024		32,441,943,010	10,949,822,799	39,069,979,795	82,461,745,604

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit.

Construction-in-progress (CIP) pertain to buildings under construction to be leased as retail and office spaces upon completion. Ongoing projects are expected to be completed in 2025 to 2028. The Parent Company capitalized borrowing costs for its investment properties under construction. In 2024, interest capitalized amounted to P614.8 million (2023 - P683.1 million) with a capitalization rate of 5.4% (2023- 4.50%).

In 2024 and 2023, ALI and AREIT executed the Deed of Exchange on the property-for-share swap transaction with details as follows (Note 18).

	Note	2024	2023
Fair value of consideration received		17,894,780,244	9,742,440,027
Carrying value of investment property sold		(10,894,854,450)	(2,700,371,213)
Gain on property for share swap	18	6,999,925,794	7,042,068,814

The aggregate fair value of the Parent Company's investment properties amounted to P368,299.3 million and as at December 31, 2024 (2023 - P383,781.1 million). The fair value hierarchy of the Parent Company's investment properties is disclosed in Note 24.

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements, other than those already reflected or disclosed in the financial statements.

Certain short-term and long-term debts are secured by real estate mortgages covering both land and building. Net book value of the investment property used as collateral amounted to P2,144.4 million and as at December 31, 2024 (2023 - P3,154.5 million) (Note 13).

Capital commitments are disclosed in Note 16 and Note 28.

The relevant amounts in the parent company statement of income for the years ended December 31, as relevant to investment properties, follow:

	Note	2024	2023
Rental income from investment properties	17	5,294,572,624	6,231,936,611
Direct operating expenses		2,593,850,899	3,203,393,633

10 Property and equipment, net

Property and equipment as at December 31 consist of:

	Notes	Land, buildings and improvements	Furniture, fixtures and equipment	Transportation equipment	Total
Cost					
At January 1, 2023		3,540,461,870	2,128,836,069	601,849,878	6,271,147,817
Additions		477,183,647	69,604,666	58,536,270	605,324,583
Disposals		(59,749,760)	(4,622,925)	(874,107)	(65,246,792)
Transfers within property and equipment		280,343,594	(258,313,702)	(22,029,892)	-
Transfers to investment properties	9	(1,441,540,777)	-	-	(1,441,540,777)
At December 31, 2023		2,796,698,574	1,935,504,108	637,482,149	5,369,684,831
Additions		185,009,281	208,387,529	81,739,035	475,135,845
Disposals				(156,931,094)	(156,931,094)
Transfers from investment properties	9	1,076,432,607	2,484,000	-	1,078,916,607
At December 31, 2024		4,058,140,462	2,146,375,637	562,290,090	6,766,806,189
Accumulated depreciation and amortization					
At January 1, 2023		806,481,204	1,774,927,241	469,160,777	3,050,569,222
Depreciation	18	46,727,242	84,167,203	58,324,346	189,218,791
Disposals		(13,391,229)	(17,234,638)	(874,107)	(31,499,974)
Transfer within property and equipment		214,191,515	(203,329,506)	(10,862,009)	-
At December 31, 2023		1,054,008,732	1,638,530,300	515,749,007	3,208,288,039
Depreciation	18	47,834,065	66,692,957	58,604,182	173,131,204
Disposals			-	(144,324,435)	(144,324,435)
Transfer from investment properties		31,000,000	-	-	31,000,000
At December 31, 2024		1,132,842,797	1,705,223,257	430,028,754	3,268,094,808
Net book value					
December 31, 2023		1,742,689,842	296,973,808	121,733,142	2,161,396,792
December 31, 2024		2,925,297,665	441,152,380	132,261,336	3,498,711,381

In 2023, gain on property-for-share swap amounted to P28.6 million gain (2024 - nil) which is included under “Other income” in the Parent Company’s statement of income (Note 18).

Depreciation of property and equipment included in the general and administrative expenses amounted to P173.1 million in 2024 (2023 - P189.2 million) (Note 18). No interest on borrowings capitalized in 2024 and 2023.

The Parent Company has no restrictions on its property and equipment and none of these have been pledged as security for its obligations.

As at December 31, 2024, assets under construction amounting to P2,639.2 million (2023 - P 1,362.8 million) are included in the land, buildings and improvements.

11 Other non-current assets

The account consists of:

	2024	2023
Prepayments	3,884,383,885	4,142,665,439
Advances to contractors and supplies	2,414,033,270	974,929,733
Deposit on land purchases	1,346,399,671	1,346,399,671
Deferred charges	375,289,106	427,201,074
Recoverable deposits	260,009,562	249,735,488
Others	6,267,468,921	5,297,155,056
	14,547,584,415	12,438,086,461

Prepayments mainly pertain to project costs incurred for unlaunched projects.

Advances to contractors and supplies represents prepayments for the construction of investment property and property and equipment.

Deposit on land purchases refer to prepayments for acquisition of land.

Deferred charges consist of advance rental payments, and noncurrent prepaid management fees. As at December 31, 2024, non-current portion of cost to obtain contracts, which includes prepaid commissions, amounted P188.2 million (2023 - P194.4 million).

Recoverable deposits pertain to various utility deposits and security deposits for leases.

Other assets mainly comprise of upfront payments and related unamortized VAT portion for purchases of capital goods.

12 Accounts and other payables

The account as at December 31 consists of:

	Note	2024	2023
Accounts payable		31,935,604,663	33,981,554,425
Payable to related parties	20	16,283,318,401	17,738,277,450
Accrued expenses			
Salaries and employee benefits		5,628,620,162	5,865,829,035
Professional and management fees		1,555,173,426	1,149,843,893
Advertising and promotions		936,744,168	956,403,956
Project costs		922,884,365	945,884,365
Commissions		476,741,267	504,702,389
Utilities		575,628,163	575,628,163
Representation		387,428,816	387,393,907
Repairs and maintenance		74,559,784	387,055,791
Rentals		32,743,247	34,930,347
Others		375,558,501	478,719,372
Taxes payable		7,990,063,485	7,578,043,129
Liability for purchased land - current portion		2,015,507,230	2,543,665,432
Interest payable		1,767,672,414	1,679,207,913
Retentions payable		1,214,043,966	1,141,573,336
		72,172,292,058	75,948,712,903

Accounts payable and accrued expenses are non-interest bearing and are normally settled within 30-60 days. Accrued project costs are billings not yet received from suppliers for direct materials, and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead, and provision for repairs and maintenance. Other accrued expenses consist mainly of transportation and travel, janitorial and security, postal and communication, insurance and supplies.

Taxes payable pertain to statutory liabilities for expanded withholding tax, withholding tax on compensation, final tax and fringe benefit tax.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertains to the amount withheld by the Parent Company on contractor's billings to be released after the guarantee period, usually one year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

13 Short-term and long-term debts

As at December 31, 2024, short-term debts of P9,267.0 million (2023 - P7,005.0 million) represent peso-denominated bank loans. Peso-denominated short-term loans have a weighted average cost 6.07% (2023 - 6.01%).

Below is the summary of the outstanding long-term debts issued by the Parent Company, net of related unamortized debt issuance costs:

Year issued	Maturity year	Term (Years)	Interest rate	Principal amount	Outstanding balance 2024	Outstanding balance 2023	Features
Bonds							
2013	2033	20	6.00%	2,000,000,000	1,989,334,337	1,988,434,154	Unsecured ; fixed; interest payable semi-annually
2016	2026	10	4.85%	8,000,000,000	7,987,266,355	7,978,689,291	Unsecured ; fixed; interest payable semi-annually
2016	2025	9.5	4.75%	7,000,000,000	6,992,500,678	6,984,429,364	Unsecured ; fixed; interest payable semi-annually
2017	2027	10	5.26%	7,000,000,000	6,990,112,422	6,986,234,747	Unsecured ; fixed; interest payable semi-annually
2019	2026	7	6.37%	8,000,000,000	7,977,617,571	7,962,226,665	Unsecured ; fixed; interest payable quarterly
2019	2027	5	4.76%	3,000,000,000	-	2,993,838,039	Unsecured ; fixed; interest payable quarterly
2019	2025	7.3	4.99%	1,000,000,000	983,758,018	976,665,228	Unsecured ; fixed; interest payable quarterly
2020	2025	5	3.86%	6,250,000,000	6,237,892,582	6,222,200,008	Unsecured ; fixed; interest payable quarterly
2021	2031	4	3.63%	10,000,000,000	9,989,593,932	9,959,900,183	Unsecured ; fixed; interest payable quarterly
2021	2028	10	4.08%	3,000,000,000	2,983,627,162	2,981,599,832	Unsecured ; fixed; interest payable quarterly
2022	2027	6	5.81%	12,000,000,000	11,945,937,004	11,931,739,903	Unsecured ; fixed; interest payable quarterly
2022	2029	2	4.40%	12,000,000,000	-	11,964,602,287	Unsecured ; fixed; interest payable quarterly
2022	2028	5	6.21%	7,000,000,000	6,957,383,378	6,942,199,395	Unsecured ; fixed; interest payable quarterly
2022	2033	7	6.80%	14,000,000,000	13,890,083,223	13,870,012,391	Unsecured ; fixed; interest payable quarterly
2023	2034	5	6.03%	10,075,000,000	9,983,971,278	9,961,324,210	Unsecured ; fixed; interest payable quarterly
2023	2034	10	6.29%	4,925,000,000	4,870,923,987	4,866,279,395	Unsecured ; fixed; interest payable quarterly
2024	2033	10	6.99%	6,000,000,000	5,925,273,705	-	Unsecured ; fixed; interest payable semi-annually
2024	2026	10	6.13%	8,000,000,000	7,901,777,643	-	Unsecured ; fixed; interest payable semi-annually
					113,607,053,275	114,570,375,092	
Loans							
2017 - 2024	2027 - 2034	6 - 10 years	3.75% - 6.40%	99,711,500,000	96,303,799,174	82,750,547,555	Unsecured except for P306.0 million principal loan amount secured with investment property; Fixed interest rates; Floating BVAL + margin; denominated in either PHP or USD
					209,910,852,449	197,320,922,647	
Current portion of long-term debt					23,831,437,922	18,495,800,819	
Non-current portion of long-term debt					186,079,414,527	178,825,121,828	

The movement in unamortized debt issuance cost for the years ended December 31 follows:

	2024	2023
At January 1	1,122,427,353	1,179,274,581
Addition	306,569,340	298,270,053
Amortization	(275,374,142)	(355,117,281)
At December 31	1,153,622,551	1,122,427,353

Amortization of debt issuance cost is presented within interest expense and other financing charges in the statement of income.

On July 18, 2024, the Parent Company raised P20.5 billion in debt capital through its Sustainability-Linked Financing (SLF) Program. The funding package includes a P6.0 billion Sustainability-Linked Bond (SL - Bond) and P14.5 billion Sustainability-Linked Loan (SL-Loan) (included within outstanding loans payable above) from the International Finance Corporation (IFC). Subsequently, on October 23, 2024, ALI listed an P8 billion 10-year SL-Bond on the Philippine Dealing & Exchange Corp. (PDEx), issued under the existing ₱50.00 Billion Securities Program rendered effective on June 13, 2023. The SLF Program aligns with ALI's financial commitments with its environmental targets.

The interest rates of the SL-Bond and SL-Loan are linked to ALI's performance on key sustainability metrics of which the applicable interest rate shall be equal to the original interest rate plus 0.05% for each occurrence of unmet key sustainability metrics. Based on reasonably possible change in interest rates resulting from potential unmet sustainability metrics, total contractual interests may increase by 4.13% to 4.88%.

The long-term loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the Parent Company is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by the Parent Company as at December 31, 2024 and 2023.

The Parent Company is required to maintain a debt-to-equity ratio not exceeding 3:1. As at December 31, 2024 and 2023, the Parent Company has complied with the debt covenants (Note 24.2).

14 Deposits and other current liabilities

The account as at December 31 consists of:

	2024	2023
Current portion of customers' deposits	3,600,416,748	1,729,241,671
Deposits	2,462,147,624	6,528,031,243
Unearned income	553,873,986	651,030,578
	6,616,438,358	8,908,303,492

Deposits are equivalent to three to six months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts.

Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion. The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to P5,328.6 million (2023 - P6,377.1 million).

Unearned income pertains to rents and other charges paid in advance by the tenants and are being deferred monthly.

15 Deposits and other non-current liabilities

The account as at December 31 consists of:

	2024	2023
Deposits	5,746,643,124	6,057,388,058
Liability for purchased land	2,015,507,230	4,031,014,460
Customers' deposits, net of current portion	1,951,416,499	2,002,960,565
Retentions payable, net of current portion	1,214,043,966	966,642,494
Subscriptions payable	25,875,052	25,875,052
Others	57,225,856	57,225,857
	11,010,711,727	13,141,106,486

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three to six months' rent of long-term tenants with non-cancellable leases. These will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. Payments made by the Parent Company for the processing of title are charged to this account.

Liability for purchased land pertains to the portion of unpaid investment in land acquired during the year. It is payable in annual installment payments within five years.

Customers' deposits consist of excess of collections over the recognized revenue based on percentage of completion.

Retentions payable pertain to retentions from the contractors' progress billings which will be released after the guarantee period, usually one year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Subscription payable mainly pertains to the Parent Company's subscription payable to its subsidiaries and associates. The outstanding balance pertains to subscriptions to Brightnote Assets Corporation formerly known as Batangas Assets Corporation., Crimson Field Enterprises, Regent Time and Las Lucas Development Corp.

Others pertain to non-trade payables which are expected to be paid beyond 12 months.

16 Equity

Paid in capital

The composition and movement of paid-in capital, excluding treasury stock, follow:

	Capital stock (including subscribed shares)	Additional paid in capital	Subscriptions receivables	Total
Balances at December 31, 2022	17,013,596,013	83,099,535,835	(2,476,270,366)	97,636,861,482
Cost of stock options		149,456,256	-	149,456,256
Stock options exercised	14,579,091	317,959,801	(332,538,892)	-
Collection of subscription receivable			311,947,301	311,947,301
Collection of VPS conversion	-	16,776,983	-	16,776,983
Balances at December 31, 2023	17,028,175,104	83,583,728,875	(2,496,861,957)	98,115,042,022
Cost of stock options	-	107,467,521	-	107,467,521
Stock options exercised	9,894,677	275,269,914	(285,164,591)	-
Collection of subscription receivable	-	(31,017,224)	432,437,846	401,420,622
Collection of VPS conversion	-	84,494	-	84,494
Balances at December 31, 2024	17,038,069,781	83,935,533,580	(2,349,588,702)	98,624,014,659

The details of the number of shares and amount of capital stock follow:

	2024				Total capital stock (at par)
	Number of shares		Amount		
	Preferred	Common	Preferred	Common	Amount
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000	
Issued*	13,066,494,759	15,611,430,926	1,306,649,476	15,611,430,926	16,918,080,402
Subscribed		119,989,379		119,989,379	119,989,379
	13,066,494,759	15,731,420,305	1,306,649,476	15,731,420,305	17,038,069,781

	2023				Total capital stock (at par)
	Number of shares		Amount		
	Preferred	Common	Preferred	Common	Amount
Authorized	15,000,000,000	20,000,000,000	1,500,000,000	20,000,000,000	
Issued*	13,066,494,760	15,595,195,060	1,306,649,476	15,595,195,060	16,901,844,536
Subscribed	-	126,330,567	-	126,330,568	126,330,568
	13,066,494,760	15,721,525,627	1,306,649,476	15,721,525,628	17,028,175,104

** The number of issued shares include treasury shares.*

Preferred Shares (P.10 par value per share)

The Parent Company's preferred shares prior to 2012 were subscribed and issued through a stock rights offer with the following features: (a) non-voting; (b) dividend rate of 4.6% p.a., payable annually, non-cumulative; (c) non-participating; (d) convertible at the option of the holder at a ratio of one (1) preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (e) no pre-emptive rights; (f) non-redeemable; (g) non-listed; and, (h) preferred in liquidation to the extent of par value.

The dividends for preferred shares are declared upon the sole discretion of the Parent Company's BOD.

On February 20, 2012, the BOD approved the following restructuring exercise in order to comply with the regulatory requirement on Filipino-ownership following the Supreme Court's ruling that non-voting shares do not count as equity when computing for a company's Filipino-ownership level:

a. Redemption and retirement of the 13.0 billion outstanding preferred shares with par value of P0.10.
b. Reclassification of the 1,970.0 million unissued preferred shares to voting preferred shares through an amendment of Article Seventh of the Articles of Incorporation.
c. Increase in authorized capital stock by P1,300.0 million creating new voting preferred shares and a stock right offer of 1,300 million voting preferred shares from the increase in the authorized capital stock.

On April 18, 2012, the stockholders ratified the BOD resolution on the capital restructuring. The voting preferred shares shall have the following features, rights, and privileges (a) voting; (b) dividend rate of 4.75% per annum, equivalent to 90% of the 10-year PDST R2 (repriced every ten (10) years from issue date), payable annually, non-cumulative; (c) convertible at the option of the holder at a ratio of one (1) voting preferred share to one (1) common share commencing on the 10th year from issue date at an exercise price equivalent to the higher of (i) the 30-day average closing price or (ii) closing price of common shares immediately preceding the exercise date, less the par value of the preferred shares; (d) no pre-emptive rights; (e) redeemable at par at the sole option of the corporation; (f) non-listed; and (g) preferred in liquidation to the extent of par value.

The SEC approved on January 31, 2013 the following:

a. The decrease in authorized capital stock by P1,303.5 million, the aggregate par value of the 13,034.6 preferred shares which have been redeemed and retired, from P22,803.5 million to P21,500.0 million, and
b. The amendments to Articles of Incorporation reflecting the decrease in capital stock

As at December 31, 2024, the Parent Company's authorized and outstanding preferred shares amounted to P1,244 million (2023 - P1,244 million) at P0.10 par value.

Common Shares (P1.00 par value per share)

On April 7, 2014, the stockholders resolved to approve the amendment of the Seventh Article of the Articles of Incorporation exempting from pre-emptive rights (1) the issuance of 1 billion common shares for properties or assets needed for the business of the Parent Company or for cash to acquire properties or assets needed for the business of the Parent Company or in payment of a debt contracted prior to the issuance of such shares, and (2) the issuance of common shares covered by the Parent Company's Stock Option Plans for members of the management committees of the Parent Company's subsidiaries or affiliates.

Likewise, the stockholders resolved to approve the amendment of the Stock Option Plan of the Parent Company to include the members of the Management Committees of the Parent Company's subsidiaries and affiliates as eligible grantees of stock options.

The roll forward analysis of the common shares follows:

	Number of shares (in thousands)		Amount (in thousands)	
	2024	2023	2024	2023
Issued capital stock				
At beginning of year	15,595,195	15,580,699	15,595,195	15,580,699
Issued shares	16,235	14,496	16,235	14,496
At end of year	15,611,430	15,595,195	15,611,430	15,595,195
Subscribed capital stock				
At beginning of year	126,331	126,248	126,331	126,248
Issued shares	(16,236)	(14,496)	(16,236)	(14,496)
Additional subscriptions	9,895	14,579	9,895	14,579
At end of year	119,990	126,331	119,990	126,331
	15,731,420	15,721,526	15,731,420	15,721,526
Less: Treasury shares at par	(1,031,445)	(779,350)	(1,031,445)	(779,350)
Issued and outstanding	14,699,975	14,942,176	14,699,975	14,942,176

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

The Parent Company's track record of capital stock is as follows:

Type of Shares	Number of shares registered	Issue/ offer price	Date of approval
Class B shares	800,000,000	Par Value - P1.00/ Issue Price P26.00	April 18, 1991
Class B shares	400,000,000	Par Value - P1.00*	July 6, 1992
Class A shares	900,000,000	Par Value - P1.00**	July 5, 1993
Class B shares	600,000,000	Par Value - P1.00**	July 5, 1993

Note: Class A Shares and Class B Shares were declassified into one type of Common Shares on September 12, 1997
**Increase in authorized capital stock, registered to cover the shares held by the directors and 20% stock dividend amounting to P108,662,000.00*
***Increase in authorized capital stock, registered to cover the 20% stock dividend amounting to P391,240,953.00*
****In absolute number*

The following are the number of holders of securities as of December 31:

	2024	2023	2022
Number of holders of securities****	12,960	13,115	13,181

*****Net of treasury shares*

On July 5, 1991, the Parent Company launched its initial public offering where a total of 400 million common shares were offered at an offering price of P26.00 per share. The registration statement was approved on July 20, 1992. As at December 31, 2024, the Parent Company has 12,960 existing shareholders (2023 - 13,115 existing shareholders, and 2022 - 13,181 existing shareholders).

On February 12, 2008, the BOD approved the allotment and subsequent issuance of up to 1 billion common shares of stock with an aggregate par value of P1,000.0 million for the purpose of exchanging such shares for properties or assets and/or to raise funds to acquire properties or assets needed for the business of the Parent Company via issuance of equity or equity-linked instruments, the price and the terms and conditions of which shall be determined by the BOD based on prevailing market conditions or on agreements negotiated.

On April 2, 2008, the Parent Company's stockholders approved the allotment and subsequent issuance of the shares for the below-mentioned purposes and for the further amendment of the Amended Articles of Incorporation of the Parent Company to exclude the issuance of shares from the pre-emptive rights of the stockholders pursuant to Section 39 of the Philippine Corporation Code.

On July 10, 2012, the Parent Company's Executive Committee approved the placement of 680 million listed common shares of stock with par value of P1.00 per share, at a price of P20.00 per share, and the issuance of equal number of new shares of the Parent Company, at the same price of P20.00 per share, with AC as the seller of the placement tranche and subscriber of the subscription tranche. The Parent Company completed the top-up placement, raising an aggregate of P13,600 million in paid up capital. The price was at 5.0% discount to the closing price. Transaction cost charged to additional paid-in capital amounted to P200.0 million.

On March 6, 2013, the Parent Company's Board resolved to approve the placement made by AC of its existing 320,000,000 listed common shares of the Company to certain qualified third party buyers or investors at P30.50 per share. The Parent Company completed the top-up placement, raising an aggregate of P12,200.0 million in paid up capital. The price was at 3.6% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P162.4 million.

On April 13, 2013, the stockholders resolved to approve the amendment of the Seventh Article of the Company's Articles of Incorporation for the purpose of excluding or exempting treasury shares from the pre-emptive rights of stockholders.

On January 9, 2015, the Executive Committee of the Parent Company approved a top-up placement of 484,848,500 common shares of the Parent Company at a price of P33.00 per share. The placement was conducted via an accelerated bookbuilt offering structured as a top-up placement, whereby AC sold 484,848,500 listed common shares of stock to qualified third party buyers and subscribe to the same number of new shares from the Parent Company. The Parent Company completed the placement on January 12, 2015, raising an aggregate of P16,000.0 million in paid-up capital. The price was at 3.9% discount on the 5-day volume-weighted average price of ALI shares. Transaction cost charged to additional paid-in capital amounted to P194.0 million.

Treasury Shares

The composition and movement of the account follow:

	Common				Preferred				Total Amount of Treasury Shares
	Number of shares	Par Value	Average share Price	Amount	Number of shares	Par Value	Average share Price	Amount	
	(in absolute amount)				*(in absolute amount)*				
Balances at January 1, 2022	571,069,282	P1.00		16,894,379,504	-	-		-	16,894,379,504
Acquisition of treasury shares	71,214,524		P29.82	2,123,416,434	623,970,536		P0.10	62,917,592	2,186,334,026
Balances at December 31, 2022	642,283,806	P1.00		19,017,795,938	623,970,536	P0.10		62,917,592	19,080,713,530
Acquisition of treasury shares	137,066,108		P26.96	3,695,617,876	29,192		P1.00	29,192	3,695,647,068
Balances at December 31, 2023	779,349,914	P1.00		22,713,413,814	623,999,728	P0.10		62,946,784	22,776,360,598
Acquisition of treasury shares	252,094,900		P29.16	7,351,388,432	2,500		P1.00	2,500	7,351,390,932
Balances at December 31, 2024	1,031,444,814	P1.00		30,064,802,246	624,002,228	P0.10		62,949,284	30,127,751,530

In 2008, the Parent Company repurchased a total of 79,528,228 of its common shares through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P823.9 million in relation to its share buyback program. These have been reported as treasury shares.

On August 12, 2008, the BOD approved a share buyback program. It is part of the Parent Company's balance sheet management program and aims to (i) improve the Parent Company's balance sheet structure and capital efficiency and (ii) enhance shareholder value through the repurchase of shares whenever the stock is trading at a price discount perceived by the Parent Company as not reflective of its fair corporate value.

The amendment of the Articles of Incorporation on April 17, 2013 allowed the re-selling of the 79,528,299 listed common shares as part of the top-up placement transaction completed in July 2013. Treasury common shares were sold at P30.50 per share resulting in additional paid-in capital of P1,601.6 million.

On March 5, 2019, the Parent Company purchased a total of 10,372,746 of its common shares at P43.20 per share through open market purchases using the trading facilities of the Philippine Stock Exchange for a total purchase price of P448.10 million in relation in its share buyback program. On November 26, 2019, the Parent Company also acquired a total of 15million of its common shares at P43.75 per share for a total purchase price of P656.25 million.

On February 21, 2020, the Board of Directors of ALI at its regular meeting approved the increase of an additional P25 billion to the Company's current share buyback program bringing the available balance to P26.1 billion. The program has been implemented through open market purchases executed via the trading facilities of the Philippine Stock Exchange.

The Board of Directors, at its special meeting held on March 12, 2024, approved the retirement of 1,374,477,380 common Treasury Shares arising from the internal mergers as follows:

- 883,171,005 Treasury Shares arising from the merger with wholly owned entities, subject to regulatory approvals on the merger and issuance of shares: and
- 491,306,375 Treasury Shares arising from the merger with Cebu Holdings, Inc. and its former subsidiaries, Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp. and Central Block Developers, Inc.

Equity Reserves

On December 16, 2021, SEC has approved the merger of CHI, AiO, ASCVC and CBDI with and into ALI, with ALI as the surviving entity (the "Merger"). All of the shares of the absorbed entities owned by their respective stockholders prior to the Merger shall be acquired by ALI, and in exchange for the net assets of the absorbed entities, a total of 609,626,351 ALI common shares will be issued to the stockholders of the absorbed entities. Of these shares, 491,306,375 shares shall be issued to ALI itself and shall be treated as treasury shares with a total consideration of P13,977.0 million. As a result, the impact to equity reserves in 2022 is an increase of P1,192.4 million.

Accumulated other comprehensive gain (loss)

The composition and movement of the account follows:

	Fair Value Reserve of Financial Assets at FVOCI (Note 7))	Remeasurement Loss on Defined Benefit Plans (Note 21)	Total
Balances at January 1, 2023	124,305,105	(104,772,360)	19,532,745
Other comprehensive income (loss)	53,138,215	(607,136,013)	(553,997,798)
Balances at December 31, 2023	177,443,320	(711,908,373)	(534,465,053)
Other comprehensive income (loss)	65,000,000	(44,529,769)	20,470,231
Balances at December 31, 2024	242,443,320	(756,438,142)	(513,994,822)

Retained Earnings

The composition of retained earnings as at December 31 is as follows:

	2024	2023
Appropriated	25,000,000,000	25,000,000,000
Unappropriated	108,561,893,904	88,039,139,754
	133,561,893,904	113,039,139,754

(i) Appropriated Retained Earnings

As at December 31, 2024 and 2023, retained earnings of P25,000.0 million are appropriated for future expansion.

The increase of P17,000.0 million, as approved by the BOD on November 25, 2021, represents a continuing appropriation for land banking activities and planned building construction projects. Each year, the Parent Company incurs capital expenditures for property development which include among others land banking and building construction projects. The appropriation is being fully utilized to cover part of the annual expenditure requirement of the Parent Company.

The Parent Company has earmarked additional funds for expansion projects in the residential, shopping centers, office and hotel business segments, as well as various infrastructure projects for the Parent Company's mixed-use developments.

The following are among the major capital expenditures of the Parent Company which were approved by the BOD on November 25, 2021:

a) Arca South, a 74 hectares lifestyle district in the City of Taguig with residential, office, retail, hotel and other commercial component. Phase 1 of the mixed-use development was approved by the Board on November 25, 2014. It consists of a retail project with 20k sqm Gross Leasable Area (GLA), 2 BPO towers with 31k sqm GLA and a 265-room hotel with total estimated cost of P11 billion, for completion phase until 2027.

b) Vertis North, a 29 hectares estate positioned as the Central Business District of the North with residential, office, retail and hotel component. Phase 1 of the mixed-use development was approved by the Board on October 11, 2013. It consists of the completed Vertis mall with 40k sqm GLA, three office towers with 125k sqm GLA and a 438 room Seda hotel. For future development consists of the 4th Office Tower with 46k sqm GLA estimated at P5 billion, for completion in 2027.

c) Vermosa, which is a 700-hectare estate located south of Ayala Alabang. It is a mixed-use development with residential and commercial component. Phase 1 of the mixed-use development consists of residential developments, commercial lots, school and sports and lifestyle complex. For future development consists of a mall with 41k sqm GLA approved by the Board on May 19, 2017. Estimated cost for this project is at P2.5 billion, for completion in phases by 2025.

d) Continuing payments for various acquisitions within the country amounting to P14.5 billion to be paid until 2026.

Retained earnings also include undistributed net earnings amounting to P129,355.02 million as at December 31, 2024 (2023 - 121,264.74), representing accumulated equity in the net earnings of subsidiaries, associates and joint ventures. These are not available for dividend distribution unless declared by subsidiaries and other investees. The Parent Company's retained earnings available for dividend declaration, in accordance with SEC regulations, as at December 31, 2024 amounted to P74.97 billion (2023 - P62.7 billion).

Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares.

(ii) Unappropriated Retained Earnings

The Parent Company declared dividends as follows:

Dividends for the year ended December 31, 2024

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 24,2024	November 8,2024	November 22,2024	P0.2913	4,289.78
Unlisted voting preferred share	May 28,2024	June 11,2024	June 25,2024	P0.0063	78.74
Common share	February 20,2024	March 5,2024	March 21,2024	P0.2050	3,063.15
					7,431.67

Dividends for the year ended December 31, 2023

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 25,2023	November 13,2023	November 24,2023	P0.2231	3,334.40
Unlisted voting preferred share	May 30,2023	June 13,2023	June 27,2023	P0.006	78.75
Common share	February 1,2023	March 7,2023	March 23,2023	P0.1495	2,249.00
					5,662.15

Dividends for the year ended December 31, 2022

Classification	BOD approval date	Record date	Payment date to stockholders	Dividend per share	Cash dividends approved (in millions)
Common share	October 21,2022	November 8,2022	November 18,2022	P0.1355	1,999.60
Unlisted voting preferred share	May 31,2022	June 9,2022	June 22,2022	P0.0047	62.00
Common share	February 24,2022	March 11,2022	March 25,2022	P0.1352	2,000.40
					4,062.00

17 Real estate revenue

The account for the years ended December 31 consists of:

	Note	2024	2023
Revenue from contracts with customers			
Residential development		25,196,718,945	23,051,572,654
Interest income from real estate sales		-	2,159,640,356
Management and marketing fees		2,333,559,129	1,664,127,888
Rental income	9	5,294,572,624	6,231,936,611
		32,824,850,698	33,107,277,509

The Parent Company's disaggregation of each source of revenue from contracts with customers are presented below:

Residential development (including interest income from real estate sales)

	2024	2023
Type of product		
Condominium	15,524,625,844	14,534,233,649
House and lot	8,331,150,487	10,463,907,124
Lot only	1,340,942,614	213,072,237
	25,196,718,945	25,211,213,010

Management and marketing fees

	2024	2023
Segment		
Property development	1,445,094,309	1,062,051,637
Shopping centers	661,443,694	552,455,543
Offices	227,021,126	49,620,708
	2,333,559,129	1,664,127,888

18 Costs and expenses; Other income

Cost of real estate sales

The account for the years ended December 31 consists of:

	Notes	2024	2023
Cost of real estate sales	5	13,049,101,918	12,657,715,025
Depreciation	9,27	1,380,048,645	1,391,912,445
Manpower costs		391,510,702	326,742,291
Rental		232,903,253	444,012,170
Direct operating expenses:			
Commissions		1,864,825,256	1,588,774,351
Taxes and licenses		999,457,960	1,084,863,287
Security		497,881,849	501,101,196
Repairs and maintenance		385,795,371	806,175,227
Service fees		303,746,768	690,790,435
Insurance		96,035,257	90,731,990
Transportation and travel		42,008,491	45,392,391
Supplies		10,688,960	8,796,269
Others		1,006,443,176	483,003,092
		20,260,447,606	20,120,010,169

Others consist of utilities expense pertaining to light and power, water, gas, aircon, and miscellaneous expense for the parent company's development projects.

General and administrative expenses

The account for the years ended December 31 consists of:

	Note	2024	2023
Manpower costs		726,096,937	930,281,148
Professional fees		602,567,635	455,187,094
Depreciation	10	173,131,204	189,218,791
Advertising		58,139,757	67,673,183
Utilities		34,801,745	43,249,270
Rentals		34,228,179	58,157,931
Transportation and travel		29,285,502	12,433,657
Repairs and maintenance		26,564,757	138,089,477
Entertainment, amusement and recreation		24,051,410	20,274,416
Security and janitorial		22,154,384	23,138,041
Donations and contribution		8,357,108	5,500,000
Supplies		6,934,166	6,628,649
Others		98,463,575	81,264,645
		1,844,776,359	2,031,096,302

Depreciation expense included in the statement of income follow:

	Notes	2024	2023
Included in:			
Real estate costs and expenses	9	1,327,813,917	1,337,909,511
Amortization of right-of-use asset	27	52,234,728	54,002,934
General and administrative expenses	10	173,131,204	189,218,791
		1,553,179,849	1,581,131,236

Interest expense and other financing charges

The account for the years ended December 31 consists of:

	Note	2024	2023
Interest expense on:			
Long-term debt		10,173,366,863	9,378,317,654
Short-term debt		829,818,738	304,191,843
Intercompany loans		172,508,151	201,142,059
Accretion of interest from lease liabilities	27	28,346,303	32,120,994
Other financing charges		910,396,447	751,640,499
		12,114,436,502	10,667,413,049

Other financing charges pertain mainly to processing fees attributable to the discount on cost to sell financing arising from assignment of accounts receivable to banks (Note 4). It includes transaction costs from availment of short-term and intercompany loans and bank charges.

Other charges and expenses

Included in other charges and expenses is the provision for impairment losses on receivables in 2024 amounting to P46.1 million (2023 - P10.4 million) (Note 4). No provision for impairment loss on investment properties recognized in 2024 and 2023 (Note 9).

Other income

The account for the years ended December 31 consists of:

	Notes	2024	2023
Gain on property-for-share swap	9,10	6,999,925,794	7,070,706,133
Gain on sale of investment in subsidiaries associates and joint ventures	8	1,371,803,663	1,151,279,548
Gain on foreign exchange			15,308,593
Gain (loss) on sale of property and equipment	10	1,000,759	(882,448)
Unrealized gain (loss) on financial assets at FVTPL, net	3	25,941,153	(3,582,320)
Others		419,499,395	478,125,771
		8,818,170,764	8,710,955,277

Others include income from sponsorships, forfeited deposits arising from cancellations due to backout, income recognized from project close out and other various transactions.

19 Income tax

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used. The components of deferred tax assets, net are as follows:

	2024	2023
Deferred tax assets on:		
Difference between tax and book basis of accounting for real estate transactions	1,344,239,694	1,373,917,746
Allowance for probable losses	682,075,667	644,575,667
Net operating loss carryover (NOLCO)	448,548,355	-
Employee benefits	427,381,974	405,342,391
Minimum corporate income tax (MCIT)	249,172,839	-
Allowance for impairment losses	165,855,278	154,336,080
Unrealized foreign exchange gain	119,495,472	669,637,030
Lease liability	43,296,152	51,237,213
	3,480,065,431	3,299,046,127
Deferred tax liabilities on:		
Deferred tax liabilities on capitalized interest	(427,727,857)	(617,232,061)
Right-of-use assets	(32,020,989)	(43,189,405)
	(459,748,846)	(660,421,466)
	3,020,316,585	2,638,624,661

The Parent Company has incurred NOLCO in taxable year 2024 which can be claimed as deduction from the regular income tax over a period of three years as follows, with related deferred tax asset recognized:

Year incurred	Amount	Used/Expired	Balance	Expiry year
2024	1,794,193,419	-	1,794,193,419	2027

The carryover MCIT that can be used as deductions against income tax liabilities is as follows, with related deferred tax asset recognized:

Year incurred	Amount	Used/Expired	Balance	Expiry year
2024	249,172,839	-	249,172,839	2027

As at December 31, 2024, the deferred tax related to remeasurement loss on defined benefit plans recognized in OCI amounted to P14.8 million (2023 - P202.3 million).

There are no income tax consequences for the payment of dividends by the Parent Company to its shareholders.

Income tax (benefit) expense consists of:

	2024	2023
Current	287,803,302	398,427,426
Current - final	47,676,121	54,451,908
Deferred	(576,991,536)	(146,813,905)
	(241,512,113)	306,065,429

Reconciliation between the statutory and the effective income tax (benefit) expense rates follows:

	2024	2023
Statutory income tax rate	25.00%	25.00%
Tax effects of:		
Interest income and capital gains taxed at lower rates	(0.05)	(0.67)
Dividend income	(18.60)	(12.80)
Others - net	(6.34)	(9.91)
	(0.88%)	1.62%

20 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

In its regular conduct of business, the Parent Company has entered into transactions with its subsidiaries, associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, loans, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs generally in cash, except if otherwise indicated, at a gross amount. There have been no guarantees provided or received for any related party receivables or payables. The Parent Company does not provide any allowance relating to receivable from related parties.

The Parent Company also has an active intercompany lending program and are short-term in nature. Related party borrowers are assessed to have financial capacity based on operational performance and cash flow requirements. These are subject to prevailing market rates and collectible/payable on varying terms generally within a year.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The Related Party Transaction Review Committee shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the corporation that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Transactions with Bank of the Philippine Islands (BPI), an associate of AC:

   i. As at December 31, 2024 and 2023, the Parent Company maintains current and savings account, money market placements, UITF investments, short-term debt and long-term debt payable with BPI broken down as follows:

	2024	2023
Cash in bank	148,341,897	136,628,960
Financial assets at FVTPL	308,477,770	35,834,889
Short-term debt	-	4,000,000,000
Long-term debt	254,593,752	271,431,200

As at December 31, the fair value of the financial assets at FVTPL (in millions):

	2024	2023
BPI Money Market Fund	1.7	1.6
BPI USD Short Term Fund	306.8	34.2

   ii. As of December 31, 2024 and 2023, the Parent Company has outstanding interest payable to BPI amounting to P3.6 million and P6.3 million, respectively.

iii. Income earned and expenses incurred with BPI are as follows:

	2024	2023
Interest income	27,325,567	4,801,489
Interest expense	122,334,480	84,172,305

b. Outstanding balances with AC, subsidiaries, associates, joint ventures and other related parties (entities under common control).

Receivables from and payables to related parties pertain mostly to development and management fees, advances and reimbursements of operating expenses related to development cost, working capital requirements and land acquisitions which are due and demandable.

Receivables from and payables to related parties as at December 31 are as follow:

	2024					
	Receivable from			Payables to		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	60,272,908	-	60,272,908	796,117	-	796,117
Subsidiaries	47,426,689,993	920,420,351	48,347,110,344	15,998,207,668	-	15,998,207,668
Associates	1,342,130,115	-	1,342,130,115	217,920,043	-	217,920,043
Joint ventures	44,234,886	-	44,234,886	26,880	-	26,880
Other related parties	417,323,126	-	417,323,126	66,367,693	-	66,367,693
	49,290,651,028	920,420,351	50,211,071,379	16,283,318,401	-	16,283,318,401

	2023					
	Receivable from			Payables to		
	Current	Noncurrent	Total	Current	Noncurrent	Total
AC	73,380,933	-	73,380,933	42,592,444	-	42,592,444
Subsidiaries	46,474,496,222	900,258,813	47,374,755,035	17,438,608,445	-	17,438,608,445
Associates	569,194,794	-	569,194,794	223,349,215	-	223,349,215
Joint ventures	44,167,686	-	44,167,686	26,880	-	26,880
Other related parties	563,526,950	-	563,526,950	33,700,466	-	33,700,466
	47,724,766,585	900,258,813	48,625,025,398	17,738,277,450	-	17,738,277,450

As at December 31, 2024, receivables from related parties include a non-current receivable pertaining to a contract of lease with AREIT amounting to P920.4 million (2023 - P900.3 million) (Note 27).

c. Revenue from related parties

The revenue from the Parent Company, subsidiaries, associates, joint ventures and other related parties pertains to income from leasing and development projects, dividend income, marketing and management fees, while expenses composed of service fees, commission, and training expenses. Transactions are settled within one year, non-interest bearing and assessed for impairment. There is no impairment on these related receivables.

Revenue for the years ended December 31 are as follow:

2024	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC					
Subsidiaries	19,787,484,974	1,569,073,776	1,206,167,573	376,633,952	22,939,360,275
Joint ventures	367,345,130	-	-	-	367,345,130
Associates	165,714,539	656,008,821	-	9,741,758	831,465,118
Other related parties	-	-	304,978,597	4,371,945	309,350,542
Total	20,320,544,643	2,225,082,597	1,511,146,170	390,747,655	24,447,521,065

2023	Dividend income	Management and marketing income	Rental income	Interest income	Total
AC	-	-	-	-	-
Subsidiaries	9,202,903,703	1,065,290,115	1,181,151,652	287,694,294	11,737,039,764
Joint ventures	347,154,870	-	-	-	347,154,870
Associates	122,296,241	426,105,989	-	899,380	549,301,610
Other related parties	-	19,531,324	430,302,624	4,360,000	454,193,948
Total	9,672,354,814	1,510,927,428	1,611,454,276	292,953,674	13,087,690,192

Costs and expenses for the years ended December 31 are as follow:

2024	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	-	75,000	-	-	75,000
Subsidiaries	2,049,784	942,667,231	385,078,647	202,057,034	1,531,852,696
Joint ventures	-	-	-	-	-
Associates	-	113,144	-	79,548	192,692
Other related parties	132,406	2,502,168	-	303,868,248	306,502,822
Total	2,182,190	945,357,543	385,078,647	506,004,830	1,838,623,210

2023	Rental expenses	Service fees	Commission expenses	Interest expense	Total
AC	-	-	-	-	-
Subsidiaries	29,046,992	946,448,147	177,955,468	258,902,623	1,412,353,230
Joint ventures	-	-	-	-	-
Associates	-	-	-	288,364	288,364
Other related parties	1,026,605	2,074,037	-	435,127,611	438,228,253
Total	30,073,597	948,522,184	177,955,468	694,318,598	1,850,869,847

The following describes the nature of the material transactions of the Parent Company with related parties as at December 31, 2024 and 2023:

Parent Company lent to and borrowed funds from various subsidiaries and affiliates on an interest-bearing basis. Outstanding intercompany peso-denominated loans of the Parent Company to subsidiaries and affiliates amounted P2,794.2 million (2023 - to P2,923.6 million). Interest rates in 2024 ranges from 5.94% to 7.15% (2023 - 5.59% to 5.94%), with terms of 1 day up to 90 days.

- On January 31, 2020, the Parent Company entered into a contract of lease with AREIT for the lease of land and building for a period of 34 years. The rent is payable at a fixed monthly rate of P2.73 million, subject to 5% annual escalation rate (Note 27).

- On September 30, 2020, the Parent Company paid P6,430.8 million to its subsidiary Makati Cornerstone Leasing Corp., for its Ayala Triangle Garden 2 (ATG2) acquisition in December 18, 2019.

- The Parent Company sold residential receivables on a without recourse basis to Bank of the Philippine Islands, a related party, in 2023 amounting to P1,561.3 million. Proceeds of receivables sold to BPI amounted to P1,429.7 million and loss on sale recognized amounted to P131.6 milliion. The loss on sale is recorded within other financing charges in the Costs and expenses and other income (charges).

- Receivables from/payables to MDC pertain to advances and retentions in relation to construction contracts involving the Parent Company's real estate projects, with MDC being the primary contractor.

- Transaction with APMC pertain to agreements to administer properties of the Parent Company for stipulated fees. Under this agreement, APMC shall manage, maintain, preserve and provide services for the efficient use of such properties. Further, APMC leases its carpark facilities (Ayala Center Carparks and Central Business District Carparks) under lease agreements with the Parent Company. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of net operating income, whichever is higher. The lease agreements are renewed annually upon mutual agreement of the parties. Aside from the property management services provided by APMC and the leases discussed above, transactions with the Parent Company include noninterest-bearing advances and reimbursements of expenses incurred in connection with the maintenance of the administered properties.

- Receivable from ALISI pertains to lease agreement with the Parent Company for office and parking spaces.

- Receivables from Alveo pertain mostly to advances and reimbursement of operating expenses related to development cost and land acquisitions. These are generally trade related.

- On January 1, 2015, the Parent Company and ACCI entered into a lease contract for the lease of parcels of land and buildings within the Greenbelt and Glorietta development located at the Ayala Center, Makati City. The lease shall be for a period of two years from January 1, 2015 until December 31, 2016, renewable for another two years upon the written agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month.

  In consideration of the lease, the Parent Company and ACCI executed a Deed of Assignment wherein, the Parent Company assigned to ACCI contracts of lease, security deposits, construction bonds and trade receivables with merchants occupying said development. ACCI assumed all rights and obligations under the contracts of lease, other contracts, permits and licenses, trade receivables, security deposits and construction bonds. The lease contract between ACCI and Parent Company has been renewed for twenty (20) years covering the period January 1, 2022 to December 31, 2041 (Note 27).

- On January 1, 2017, the Parent Company and NECC entered into a lease contract for the lease of a parcel of land with an area of 19,988 sq.m., three office towers and a common retail podium mixed-use commercial building. The lease shall be for a period of 40 years which commenced on January 1, 2017. The commencement of the lease period for the buildings are by phase, Phase 1 started on January 18, 2017, Phase 2 on April 1, 2017, Phase 3 on October 1, 2017 and Phase 4 shall start on October 1, 2018. The lease on the buildings is co-terminous with the land lease. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month (Note 27). In 2024, NECC has been merged with Bay City, accordingly the lease agreement was transferred to Bay City.

- On September 2017, the Parent Company signed a Lease Agreement with AyalaLand Estates, Inc. (ALEI) for the lease of a 4.3-hectare portion of land located in Vermosa, Pasong Buaya I, Imus City, Province of Cavite. The term of the lease shall ten (10) years commencing from September 2017 to August 2027 (Note 27).

- On December 27, 2017, the Parent Company sold at cost to MCLC buildings under construction located at Ayala Triangle Gardens and Sta. Ana Park, A.P. Reyes Ave., Brgy. Carmona, Makati City. Subsequently, the Parent Company signed a lease agreement with MCLC for the lease on the parcels of land it owns where the buildings were constructed (Notes 9 and 27).

- During 2017, the Parent Company and NECC entered into a lease contract for the lease of a 24-storey building with a total construction floor area of 146,830 sq. m. located at 30 Meralco Ave., Pasig City. The lease shall be for a period of 40 years which commenced on February 1, 2016 for Phase 1 and August 1, 2017 for Phase 2. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month (Notes 9 and 27). In 2024, NECC has been merged with Bay City, accordingly the lease agreement was transferred to Bay City.

d. Notes receivable pertains to housing, car, salary and other loans granted to the Parent Company's officers and employees which are collectible through salary deduction, bears 6% interest p.a. and have various maturity dates ranging from 2020 to 2040 (Note 4).

e. Compensation of key management personnel by benefit type follows:

	2024	2023
Short-term employee benefits	212,544,400	201,610,085
Post-employment benefits	27,573,406	18,431,000
	240,117,806	220,041,085

Key management personnel of the Parent Company include all officers with position of vice president and up.

21 Retirement plan

The Parent Company has funded, non-contributory tax-qualified defined benefit type of retirement plan (the Plan) covering substantially all of its employees. The benefits are based on a defined benefit formula. The latest actuarial valuation report is as at December 31, 2024.

The Plan aims to maintain a full funding, i.e., the Plan's assets fully covered the Plan's liabilities, as measured through generally accepted actuarial methodologies. Such will provide a higher level of assurance that all promised benefits can be paid from existing assets and expected investment returns.

The Parent Company's fund is in the form of a trust fund being maintained by the trustee bank, BPI Asset Management and Trust Parent Company (the "Retirement Fund"). The primary objective of the Fund is to achieve the highest total rate of return possible, consistent with a prudent level of risk. The investment strategy articulated in the asset allocation policy has been developed in the context of long-term capital market expectations, as well as multi-year projections of actuarial liabilities. Accordingly, the investment objectives and strategies emphasize a long-term outlook, and interim performance fluctuations will be viewed with the corresponding perspective.

The components of pension expense for the years ended December 31 (included within manpower costs under "General and administrative expenses") in the Parent Company statement of income follows:

	2024	2023
Current service cost	182,400,652	139,660,663
Net interest cost on benefit obligation	88,173,763	63,770,299
Total pension expense	270,574,415	203,430,962

The remeasurement effects recognized in other comprehensive loss income in the Parent Company statement of comprehensive income follow:

	2024	2023
Gain (loss) on plan assets (excluding amount included in net interest)	37,591,898	(78,979,557)
Actuarial loss due to changes in experience assumption	(99,718,260)	(78,160,149)
Actuarial gain (loss) due to changes in economic liability assumption	2,753,337	(652,374,978)
Remeasurements in other comprehensive loss	(59,373,025)	(809,514,684)
Tax effect	14,843,256	202,378,671
Remeasurements in other comprehensive loss, net of tax	(44,529,769)	(607,136,013)

As at December 31, 2024, the funded status and amounts recognized in the Parent Company statement of financial position for the pension plans are as follows:

	2024	2023
Defined benefit obligation	2,623,223,997	2,504,738,226
Plan assets	(1,195,309,572)	(1,085,224,666)
Net defined liability	1,427,914,425	1,419,513,560

Changes in net defined benefit liability for the year ended 2024 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1, 2024	2,504,738,226	(1,085,224,666)	1,419,513,560
Net benefit cost in statement of income			
Current service cost	182,400,652	-	182,400,652
Net interest	160,666,771	(72,493,008)	88,173,763
	343,067,423	(72,493,008)	270,574,415
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	99,718,260	-	99,718,260
Remeasurement gain due to liability assumption changes	(2,753,337)	-	(2,753,337)
Return on plan assets*	-	(37,591,898)	(37,591,898)
Net remeasurement loss (gain)	96,964,923	(37,591,898)	59,373,025
Benefits paid	(222,028,969)	222,028,969	-
Contribution by employer	-	(284,418,069)	(284,418,069)
Transfer out	(99,517,606)	62,389,100	(37,128,506)
At December 31, 2024	2,623,223,997	(1,195,309,572)	1,427,914,425

**Excluding amount included in net interest*

Changes in net defined benefit liability for the year ended 2023 are as follows:

	Presented value of defined obligation	Fair value of plan assets	Net defined benefit liability
At January 1, 2023	1,912,673,080	(1,077,246,282)	835,426,798
Net benefit cost in statement of income			
Current service cost	139,660,663	-	139,660,663
Net interest	146,179,640	(82,409,341)	63,770,299
	285,840,303	(82,409,341)	203,430,962
Remeasurements in other comprehensive income:			
Remeasurement loss due to liability experience	78,160,149	-	78,160,149
Remeasurement gain due to liability assumption changes	652,374,978	-	652,374,978
Return on plan assets*	-	78,979,557	78,979,557
Net remeasurement loss	730,535,127	78,979,557	809,514,684
Benefits paid	(420,927,092)	420,927,092	-
Contribution by employer	-	(425,475,692)	(425,475,692)
Transfer in	(3,383,192)	-	(3,383,192)
At December 31, 2023	2,504,738,226	(1,085,224,666)	1,419,513,560

**Excluding amount included in net interest*

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in an active market.

The plan assets have diverse investments and do not have any concentration risk.

As at December 31, 2024, the fair value of plan assets by each class are as follows:

	2024	2023
Cash and cash equivalents	12,232	10,865
Equity investments		
Unit investment trust funds	165,913,743	132,310,825
Holding firms	79,149,037	89,113,184
Financials	-	7,268,420
Property	269,916,986	221,845,618
Industrials	-	4,525,200
Services	-	6,839,080
Preferred shares	46,492,594	47,292,594
Exchange traded funds	-	-
	561,472,360	509,194,921
Debt investments		
Government securities	207,184,545	218,023,472
AAA rated debt securities	219,500,000	144,290,606
Others	207,140,435	213,704,802
	633,824,980	576,018,880
	1,195,309,572	1,085,224,666

The Retirement Fund's investments are appropriately diversified to control overall risk and exhibit portfolio characteristics similar to the set benchmark for each asset class. In case of securities, the aggregate holdings of any security may not exceed 10% of the Plan assets. The criteria for including an asset class in the strategic policy include: (a) wide recognition and acceptance among institutional investors; (b) low correlation with other accepted asset classes; and (c) a meaningful performance history. The Parent Company expects to make contributions of P182.0 million to its retirement fund in 2024.

The allocation of the fair value of plan assets as at December 31 follows:

	2024	2023
Investments in debt securities	48.7898%	45.2835%
Investments in equity securities	33.0936%	34.7287%
Others	18.1166%	19.9878%

Funds invested in debt securities include government securities, corporate notes and bonds, and special deposit accounts. Investments in equity securities consist of investments in PSE-listed stocks and equity securities held by unit investment trust funds. Others were in the form of cash and cash equivalents.

The Parent Company's transactions with the Fund mainly pertain to contributions, benefit payments and settlements.

As at December 31, 2024 and 2023, the carrying amount of plan assets approximates its fair value.

As at December 31, 2024, the plan assets include shares of stock of the Parent Company with fair value amounting to P108.2 million (2023 - P52.8 million). It also includes shares of stocks of related parties within the AC Group with fair value as at December 31, 2024 amounting to P33.9 million (2023 - P26.6 million). The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares. The plan assets include debt securities of the Parent Company as at December 31, 2024 amounting to P59.7 million (2023 - P24.7 million). In 2024, the fund incurred is P19.17 million (2023 - P3.2 million).

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension liabilities are determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2024	2023
Discount rate	6.69%	6.68%
Future salary increase	10.00%	10.00%

The sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	2024		2023	
	Effect on defined benefit obligation Increase (decrease)			
Change in basis points	+ 100 basis points	- 100 basis point	+ 100 basis points	- 100 basis point
Discount rate	(252,507,379)	296,400,284	(250,798,582)	296,140,317
Salary increase rate	271,409,115	(237,919,955)	271,143,480	(236,504,339)

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

Year ending	2024	2023
1 year and less	75,933,643	-
More than 1 year to 5 years	623,049,783	469,670,322
More than 5 years to 10 years	2,714,456,498	2,429,877,370
More than 10 years	12,298,200,094	12,164,614,347

The weighted average duration of the defined benefit obligation as at December 31, 2024 and 2023 is 15 years.

22 Earnings per share

The following table presents information necessary to compute Earnings per share (EPS):

	2024	2023
Net income attributable to equity holders of Ayala Land, Inc.	27,803,335,791	18,578,320,220
Less: Dividends on preferred stock	(78,743,807)	(78,743,935)
Net income for the year	27,724,591,984	18,499,576,285
Weighted average number of common shares for basic EPS	14,798,707,716	14,977,735,063
Add: Dilutive shares arising from stock options	21,825,903	2,362,126
Adjusted weighted average number of common shares for diluted EPS	14,820,533,619	14,980,097,189
Basic and diluted EPS	1.87	1.23

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

The convertibility of the preferred shares will start on the 10th year from the issue date which was in 2012. This has an antidilutive effect on the computation of diluted EPS.

23 Stock options and ownership plans

The Parent Company has stock option plans for key employees covering 2.5% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

Employee Stock Ownership Plan (ESOWN)

In November 2001, the Parent Company offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, the Parent Company introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to the Parent Company's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula, taking into account the terms and conditions upon which the options were granted. The BSM Formula requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2024	WAEP	2023	WAEP
At January 1	121,751,919	-	122,528,917	-
Granted	9,894,677	28.82	14,579,091	24.68
Exercised	(16,235,865)	-	(14,496,300)	-
Forfeitures	(973,629)		(859,789)	
At December 31	114,437,102		121,751,919	

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	May 1, 2024	March 31, 2023	March 31, 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016
Number of unsubscribed shares	-	-	-	-	-	-	-	-	181,304
Fair value of each option (BTM)	-	-	-	-	-	-	-	8.48	13.61
Fair value of each option (BSM)	8.30	9.42	12.62	9.25	9.12	17.13	12.71	-	18.21
Weighted average share price	33.91	29.04	35.63	39.17	32.61	44.70	41.02	39.72	35.58
Exercise price	28.82	24.68	30.29	33.29	27.72	44.49	45.07	35.81	26.27
Expected volatility	25.80%	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%
Dividend yield	1.426%	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%
Interest rate	5.55%	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%

In 2024, the total expense included under General and administrative expenses recognized in the parent company statement of income arising from share-based payments amounted to P107.5 million (2023 - P149.45 million) (Note 18).

24 Financial risk and capital management

The Parent Company's activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk), and liquidity risk. The Parent Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Parent Company's financial performance.

The Parent Company's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Parent Company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practices.

24.1 Financial risk management

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments comprise cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI quoted and unquoted equity securities, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Parent Company's operations. The Parent Company has various financial assets such trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, foreign currency risks and equity price arise in the normal course of the Parent Company's business activities. The main objectives of the Parent Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Parent Company's financial risk exposures. It is the Parent Company's policy not to enter into derivative transactions for speculative purposes.

The Parent Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Parent Company.

There were no changes in the Parent Company's financial risk management objectives and policies in 2024 and 2023.

24.1.1 Credit risk management

Credit risk

Credit risk is a risk that counterparty will not meet its obligation under its financial instrument or customer contract leading to a financial loss.

The Parent Company's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Parent Company maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect to installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Parent Company also undertakes supplemental credit review procedures for certain installment payment structures. The Parent Company's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements.

Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and anticipated default is minimal given the profile of the buyers. Moreover, to the extent allowed by regulations, payments made by customers are forfeited in favor of ALI in the event of a default, except certain amounts as mandated by laws.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Parent Company security deposits and advance rentals which helps reduce the Parent Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Parent Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity. The amount of exposure from bad debts is minimized to the extent of the advance rentals and security deposits from the tenants.

Other financial assets comprise cash and cash equivalents, excluding cash on hand, financial assets at FVTPL and financial assets at FVOCI. The Parent Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Parent Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The Parent Company has an active intercompany lending program and are short term in nature. To minimize credit exposure, the Parent Company assesses the financial capacity of the affiliated entities and operating cash flows.

As at December 31, 2024 and 2023, the Parent Company's maximum exposure to credit risk is equal to the carrying values of its financial assets.

Given the Parent Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The Parent Company considers the following credit quality classification:

- Stage 1 are considered to be neither past due nor impairment;
- Stage 2 are considered to be past due but not impaired; and
- Stage 3 are considered to be impaired.

As at December 31, the credit quality of the Parent Company's financial assets are as follows:

	2024							
	Neither past due nor impaired					Past due but		
	High grade	Medium grade	Low grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	889,587,753	-	-	-	889,587,753	-	-	889,587,753
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	25,623,522,080	-	-	-	25,623,522,080	3,835,785,587	-	29,459,307,667
Shopping centers	2,472,422,608	-	-	-	2,472,422,608	23,403,615	216,468,348	2,712,294,571
Corporate business	2,006,001,473	-	-	-	2,006,001,473	470,131,994	273,536,188	2,749,669,655
Others	907,100,697	-	-	-	907,100,697	-	-	907,100,697
Receivable from related parties	50,211,071,378	-	-	-	50,211,071,378	-	-	50,211,071,378
Advances to other companies	7,182,354,267	-	-	-	7,182,354,267	-	199,975,376	7,382,329,643
Dividends receivable	4,833,528,702	-	-	-	4,833,528,702	-	-	4,833,528,702
Receivable from employees	208,774,329	-	-	-	208,774,329	-	-	208,774,329
Interest receivable	14,600,170	-	-	-	14,600,170	-	-	14,600,170
	93,459,375,704	-	-	-	93,459,375,704	4,329,321,196	689,979,912	98,478,676,812
	94,348,963,457	-	-	-	94,348,963,457	4,329,321,196	689,979,912	99,368,264,565

	2023							
	Neither past due nor impaired					Past due but		
	High grade	Medium grade	Low grade	Unrated	Total	not impaired	Impaired	Total
Cash and cash equivalents (excluding cash on hand)	485,558,770	-	-	-	485,558,770	-	-	485,558,770
Accounts and notes receivables:								
Trade:								
Residential, commercial and office development	24,566,877,099	-	-	-	24,566,877,099	2,827,457,974	10,286,697	27,404,621,770
Shopping centers	1,969,949,002	-	-	-	1,969,949,002	91,921,763	216,468,348	2,278,339,113
Corporate business	1,398,846,029	-	-	-	1,398,846,029	478,064,047	227,140,312	2,104,050,388
Others	297,439,715	-	-	-	297,439,715	-	-	297,439,715
Receivable from related parties	48,625,025,398	-	-	-	48,625,025,398	-	-	48,625,025,398
Advances to other companies	6,707,757,450	-	-	-	6,707,757,450	-	190,007,763	6,897,765,213
Dividends receivable	4,968,436,118	-	-	-	4,968,436,118	-	-	4,968,436,118
Receivable from employees	216,042,460	-	-	-	216,042,460	-	-	216,042,460
Interest receivable	13,488,661	-	-	-	13,488,661	-	-	13,488,661
	88,763,861,932	-	-	-	88,763,861,932	3,397,443,784	643,903,120	92,805,208,836
	89,249,420,702				89,249,420,702	3,397,443,784	643,903,120	93,290,767,606

As at December 31, the aging analysis of past due but not impaired trade receivables presented per class, is as follows:

		Past due but not impaired							
2024	Neither past due nor impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	25,623,522,080	1,519,033,357	706,708,271	147,163,466	331,870,888	1,131,009,605	3,835,785,587	-	29,459,307,667
Shopping centers	2,472,422,608	2,754,701	5,694,212	4,188,724	9,746,646	1,019,332	23,403,615	216,468,348	2,712,294,571
Corporate business	2,006,001,473	26,891,976	110,009,622	10,053,440	38,951,992	284,224,964	470,131,994	273,536,188	2,749,669,655
Others	907,100,697	-	-	-	-	-	-	-	907,100,697
Receivable from related parties	50,211,071,378	-	-	-	-	-	-	-	50,211,071,378
Advances to other companies	7,182,354,267	-	-	-	-	-	-	199,975,376	7,382,329,643
Dividends receivable	4,833,528,702	-	-	-	-	-	-	-	4,833,528,702
Receivable from employees	208,774,329	-	-	-	-	-	-	-	208,774,329
Interest receivable	14,600,170	-	-	-	-	-	-	-	14,600,170
	93,459,375,704	1,548,680,034	822,412,105	161,405,630	380,569,526	1,416,253,901	4,329,321,196	689,979,912	98,478,676,812

		Past due but not impaired							
2023	Neither past due nor impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Impaired	Total
Trade:									
Residential, commercial and office development	24,566,877,099	724,353,341	359,107,206	159,257,935	319,054,653	1,265,684,839	2,827,457,974	10,286,697	27,404,621,770
Shopping centers	1,969,949,002	14,946,060	15,611,066	12,407,370	9,074,992	39,882,275	91,921,763	216,468,348	2,278,339,113
Corporate business	1,398,846,028	3,667,589	52,375,165	19,858,466	69,622,290	332,540,538	478,064,048	227,140,312	2,104,050,388
Others	297,439,715	-	-	-	-	-	-	-	297,439,715
Receivable from related parties	48,625,025,398	-	-	-	-	-	-	-	48,625,025,398
Advances to other companies	6,707,757,450	-	-	-	-	-	-	190,007,763	6,897,765,213
Dividends receivable	4,968,436,118	-	-	-	-	-	-	-	4,968,436,118
Receivable from employees	216,042,460	-	-	-	-	-	-	-	216,042,460
Interest receivable	13,488,661	-	-	-	-	-	-	-	13,488,661
	88,763,861,931	742,966,990	427,093,437	191,523,771	397,751,935	1,638,107,652	3,397,443,785	643,903,120	92,805,208,836

Given the Parent Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents - based on the nature of the counterparty and the Parent Company's internal rating system.

The unquoted financial assets at FVOCI are unrated.

Receivables - high grade pertains to receivables with no default in payment; medium grade pertains to receivables with up to three (3) defaults in payment in the past; and low grade pertains to receivables with more than three (3) defaults in payment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries.

As at December 31, 2024, the exposure at default amounted to P1,796.8 million (2023 - P2,035.9 million). The average expected credit loss rates (over total receivable) is 0.7% (2023 - 0.7%) that resulted in the ECL of P P689.9 million (2023 - P643.9 million).

24.1.2 Liquidity risk management

Liquidity risk

Liquidity risk is defined by the Parent Company as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Parent Company that makes it difficult for the Parent Company to raise the necessary funds or that forces the Parent Company to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at loss due to wider than normal bid-offer spreads.

The Parent Company employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Parent Company has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Parent Company ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

There is no material liquidity risk as cash flows from operating and financing activities are forecasted to be adequate to settle all maturing future obligations.

Credit line

As at December 31, 2024, of the P143.0 billion short term credit facilities (2023 - P118.8 billion), the Parent Company has a total available credit line up to P80.6 billion (2023 - P60.5 billion) with various local banks.

The tables below summarize the maturity profile of the Parent Company's financial assets and liabilities as at December 31 based on contractual undiscounted payments:

2024	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	889,587,753	-	-	-	889,587,753
Financial assets at FVTPL		-	-	308,477,770	308,477,770
Accounts and notes receivable	98,478,676,812	-	-	-	98,478,676,812
Total undiscounted financial assets	99,368,264,565	-	-	308,477,770	99,676,742,335
Financial liabilities					
Accounts and other payables*	67,114,124,907	-	-	-	67,114,124,907
Short-term debt	9,267,000,000	-	-	-	9,267,000,000
Long- term debt	13,230,393,260	105,274,159,103	91,406,300,084	-	209,910,852,447
Deposits and other current liabilities	6,062,564,372	-	-	-	6,062,564,372
Deposits and other noncurrent liabilities**	25,875,052	8,969,329,445	-	-	8,995,204,497
Total undiscounted financial liabilities	95,699,957,591	114,243,488,548	91,406,300,084	-	301,349,746,223
Net liquidity position	3,668,306,974	(114,243,488,548)	(91,406,300,084)	308,477,770	(201,673,003,888)

2023	< 1 year	1 to < 5 years	> 5 years	Non maturing specific	Total
Financial assets					
Cash and cash equivalents	485,558,770	-	-	-	485,558,770
Financial assets at FVTPL	-	-	-	35,834,889	35,834,889
Accounts and notes receivable	94,629,941,482	-	-	-	94,629,941,482
Total undiscounted financial assets	95,115,500,252	-	-	35,834,889	95,151,335,141
Financial liabilities					
Accounts and other payables*	68,370,669,774	-	-	-	68,370,669,774
Short-term debt	7,005,000,000	-	-	-	7,005,000,000
Long- term debt	18,969,420,594	94,602,375,939	83,749,126,114	-	197,320,922,647
Deposits and other current liabilities	8,257,272,914	-	-	-	8,257,272,914
Deposits and other noncurrent liabilities**	25,875,052	9,084,216,974	-	-	9,110,092,026
Total undiscounted financial liabilities	102,628,238,334	103,686,592,913	83,749,126,114	-	290,063,957,361
Net liquidity position	(7,512,738,082)	(103,686,592,913)	(83,749,126,114)	35,834,889	(194,912,622,220)

**excludes payable to government agencies*
***excludes deferred output vat*
****includes future interest payment*

Cash and cash equivalents and financial assets at FVTPL are used for the Parent Company's liquidity requirements. Please refer to the terms and maturity profile of these financial statements under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section. There are no undrawn loan commitments from long-term credit facilities as at December 31, 2024 and 2023.

24.1.3 Market risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Parent Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio. As at December 31, 2024, the Parent Company's ratio of fixed to floating rate debt stood at 89:11 (2023 - 89:11).

The table below demonstrates the sensitivity of the Parent Company's income before income tax and equity to a reasonably possible change in interest rates on December 31, with all variables held constant, (through the impact of floating rate borrowings). The assumed change in rate is based on the currently observable market environment. There is no other impact on the Parent Company's equity other than those already affecting the net income.

	2024	2023
Effect on income tax	Changes in floating rate borrowings	
+ 100 basis points increase	(245,220,000)	(222,770,000)
- 100 basis points increase	245,220,000	222,770,000

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

2024	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	485,558,770	889,587,753	-	-	889,587,753
Accounts and notes receivable	Fixed at the date of sale	date of sale	208,774,329	94,231,919	114,542,409	-	208,774,328
			694,333,099	983,819,672	114,542,409	-	1,098,362,081
Short- term debt							
Floating-Peso	Variable	Monthly	9,267,000,000	9,267,000	-	-	9,267,000
Long-term debt							
Fixed							
Peso	Fixed at 6.00%	20 years	2,000,000,000			1,989,334,337	1,989,334,337
Peso	Fixed at 4.75% to 4.85%	9.5 and 10 years	15,000,000,000	6,992,500,678	7,987,266,355		14,979,767,033
Peso	Fixed at 5.2624%	10 years	7,000,000,000		6,990,112,422		6,990,112,422
Peso	Fixed at 4.9899% to 6.369%	7 and 7.25 years	9,000,000,000		8,961,375,589		8,961,375,589
Peso	Fixed at 3.862%	5 years	6,250,000,000	6,237,892,582			6,237,892,582
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000,000	9,989,593,932		2,983,627,162	12,973,221,094
Peso	Fixed at 5.8086% to 6.8045%	5, 6 and 7 years	33,000,000,000		32,793,403,605		32,793,403,605
Peso	Fixed at 6.0253% to 6.2948%	5 and 10 years	15,000,000,000		11,945,937,004	2,983,627,162	14,929,564,166
Peso	Fixed at 6.9931% to 6.1334%	10 years	14,000,000,000			13,827,051,348	13,827,051,348
Peso	Fixed at 3.75% to 6.40405312%	6 to 10 years	81,210,000,000	594,606,770	28,042,542,802	49,347,578,906	77,984,728,478
Floating-Peso	Variable	3 months	15,306,000,000	16,843,959	237,749,793	14,808,333,043	15,062,926,795
US Dollars	Fixed at 5.0608%	4 years	3,181,475,000		3,181,475,000		3,181,475,000
			220,331,475,000	23,831,437,921	100,139,862,570	85,939,551,958	209,910,852,449

2023	Interest terms (p.a.)	Rate fixing period	Nominal amount	< 1 year	1 to 5 years	> 5 years	Carrying value
Cash and cash equivalents							
(excluding cash on hand)	Fixed at the date of investment	Various	485,558,770	485,558,770	-	-	485,558,770
Accounts and notes receivable	Fixed at the date of sale	Date of sale	216,042,460	66,654,548	149,387,912	-	216,042,460
			701,601,230	552,213,318	149,387,912		701,601,230
Short- term debt							
Floating-Peso	Variable	Monthly	7,005,000,000	7,005,000,000	-	-	7,005,000,000
Long-term debt							
Fixed							
Peso	Fixed at 6.0%	10.5 years	2,000,000,000			1,086,955,039	1,086,955,039
Peso	Fixed at 3.8915% to 4.85%	7, 9.5 and 10 years	15,000,000,000	6,689,897,658	7,586,924,085	-	14,276,821,743
Peso	Fixed at 5.2624%	10 years	7,000,000,000	-	6,563,867,212	-	6,563,867,212
Peso	Fixed at 5.9203%	10 years	3,045,350,000	3,027,163,329		-	3,027,163,329
Peso	Fixed at 1.2253% to 4.3889%	5 years	64,876,000,000	3,010,521,801	23,179,253,060	28,862,394,296	55,052,169,157
Peso	Fixed at 4.758% to 6.369%	5, 7 and 7.25 years	12,000,000,000	-	11,717,982,789	-	11,717,982,789
Peso	Fixed at 3.862%	5 years	6,250,000,000	-	5,898,805,798	-	5,898,805,798
Peso	Fixed at 3.6262% to 4.0776%	4 and 10 years	13,000,000,000	-	9,533,933,653	2,410,859,380	11,944,793,033
Peso	Fixed at 4.3969% to 6.8045%	2, 5, 6 and 7 years	45,000,000,000	11,829,192,677	12,574,469,550	13,648,430,614	38,052,092,841
Floating			15,000,000,000	-	9,598,263,898	4,540,878,619	14,139,142,517
Peso	Variable	3 months	15,272,000,000	805,426,326	3,780,237,778	9,727,152,502	14,312,816,606
			205,448,350,000	32,367,201,791	90,433,737,823	60,276,670,450	183,077,610,064

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The financial assets and credit facilities of the Parent Company, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. As such, the Parent Company's foreign currency risk is minimal.

As at December 31, the Parent Company's foreign currency-denominated monetary assets and liabilities and their peso equivalents are as follow:

	2024		2023	
Financial assets	US Dollar	PHP Equivalent	US Dollar	PHP Equivalent
Cash and cash equivalents	79,532	4,600,509	163,872	9,073,640
Financial liabilities				
Long-term debt	55,000,000	3,181,475,000	55,000,000	3,045,350,000
	55,000,000	3,181,475,000	55,000,000	3,045,350,000
Net foreign currency-denominated liabilities	(54,920,468)	(3,176,874,491)	(54,836,128)	(3,036,276,360)

In translating the foreign currency-denominated monetary assets in Peso amounts, the Philippine Peso - USD exchange rates as at December 31, 2024 used P57.84 to US$1.00 (2023 - P55.37 to US$1.00).

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine Peso - U.S. Dollar exchange rate, with all variables held constant, on the Parent Company's income before income tax (due to changes in the fair value of monetary assets and liabilities):

	Effect on income before income tax	
	Decrease (increase)	
Change in exchange rate	2024	2023
+ 100 basis points	(31,768,745)	(30,362,764)
- 100 basis points	31,768,745	30,362,764

Equity price risk

Quoted financial assets are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability and domestic inflation rates, the change in price reflect how market participants view the developments.

The Parent Company's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; limits on investment in each country, sector and market.

The analysis below demonstrates the sensitivity to a reasonably possible change of market index with all other variables held constant, of the Parent Company's equity.

	Effect on equity increase (decrease)	
Change in PSEi index 2023	2024	2023
+5%	284,571	370,667
-5%	(284,571)	(370,667)

Quoted financial assets at FVTPL pertain to investment in UITF (Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments.

As at December 31, 2024 and 2023, the impact on net income and equity as a result of a 100 basis points (decrease) increase in interest rates is as follow when all other variables are held constant:

	2024		2023	
	Net income, and equity (in millions)	Duration	Net income, and equity (in millions)	Duration
BPI UITF Money Market	+/-0.02	0.36 year	+/-5,320	0.34 year
BPI UITF Short Term	+/-3.07	0.29 year	+/-18,078	0.33 year

24.1.4 Fair value information

The following tables set forth the carrying values and estimated fair values of the Parent Company's financial assets and liabilities recognized:

		2024		2023	
	Notes	Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVTPL	3	308,477,770	308,477,770	35,834,889	35,834,889
Financial assets at FVOCI	7				
Unquoted equity securities		469,057,497	469,057,497	469,057,497	469,057,497
Quoted equity securities		312,280,000	312,280,000	247,280,000	247,280,000
		1,089,815,267	1,089,815,267	752,172,386	752,172,386
Financial assets at amortized cost					
Cash and cash equivalents	2	891,172,963	891,172,963	487,063,380	487,063,380
Accounts and notes receivable	4	97,788,696,900	96,331,120,072	92,161,305,716	91,872,791,195
Other current assets	6	22,827,565,321	22,827,565,321	22,081,932,663	22,081,932,663
		121,507,435,184	120,049,858,356	114,730,301,759	114,441,787,238
Other financial liabilities					
Short-term debt		9,267,000,000	9,267,000,000	7,005,000,000	7,005,000,000
Accounts and other payables*		73,605,642,502	73,605,642,502	69,103,221,414	69,103,221,414
Lease liabilities		327,347,380	327,347,380	365,852,408	365,852,408
Long-term debt	13	209,910,852,449	193,812,761,402	197,320,922,647	176,072,610,064
Deposits and other liabilities	14,15	17,627,150,085	17,071,282,858	22,049,409,978	25,178,720,530
		310,737,992,416	294,084,034,142	295,844,406,447	277,725,404,416

**Excluding deferred output VAT*

The methods and assumptions used by the Parent Company in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents, current receivables, accounts and other payables, current payables and short-term debt - Carrying amounts approximate fair values due to the relatively short-term maturities of these financial instruments.

Financial assets at FVTPL - These are investments in fund. The fair value of the fund is based on net asset values as of reporting dates.

Non-current accounts receivable - The fair values of residential accounts receivable, and receivable from employees, are based on the discounted value of future cash flows using the applicable rates for similar types of instruments.

Financial assets at FVOCI - Fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities - Fair values are based on the latest selling price available.

Liabilities - The fair value of non-current unquoted instruments are estimated using the discounted cash flow methodology using the Parent Company's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged from 5.89% to 6.13% and 5.24% to 6.08% as of December 31, 2024, and 2023, respectively. The fair value of non-current unquoted debt instruments with floating rates are estimated using discounted cash flow - last repricing method.

Fair value hierarchy

The Parent Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable in the market, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The Parent Company categorizes trade receivable, receivable from employees, long-term debt and deposits and other non-current liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

The fair value hierarchy of financial assets measured at fair value, as at December 31, follows:

December 31, 2024 *(Amounts in millions)*	Level 1	Level 2	Level 3	Total fair value
Investment in UITF	-	308.7	-	308.7
Investment in FVOCI - quoted	312.8	-	-	312.8
Investment in FVOCI - unquoted	-	-	469.1	469.1

December 31, 2023 *(Amounts in millions)*	Level 1	Level 2	Level 3	Total fair value
Investment in UITF	-	35.8	-	35.8
Investment in FVOCI - quoted	247.2	-	-	247.2
Investment in FVOCI - unquoted	-	-	469.1	469.1

There has been no transfer between levels of fair value hierarchy in 2024 and 2023.

Investment properties

The fair values of the investment properties were determined by independent professionally qualified appraisers.

The following tables provide the fair value hierarchy of the Group's investment properties as at December 31:

	Level 1	Level 2	Level 3	Total fair value
2024	-	-	368,299,303,475	368,299,303,475
2023	-	-	383,781,147,240	383,781,147,240

The values of the land and buildings were derived using the Market Data Approach and the Income Approach, respectively. For market approach, the significant unobservable inputs to valuation of investment properties ranges from P2,486 to P2,000,000 per sqm. For income approach, the significant unobservable inputs pertain to discount rate ranging from 9.51% to 9.78%.

A significant increase (decrease) in any of the unobservable input may result in a significantly higher (lower) fair value measurement. The Parent Company considers that it is impracticable to disclose the possible effects of sensitivities surrounding the estimation of the fair value of investment properties as at the reporting date.

24.2 Capital management

Capital is defined by the Parent Company as the total equity as shown in the statement of financial position.

The primary objective of the Parent Company's capital management policy is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Parent Company establishes the appropriate capital structure for each business line that properly reflects its premier credit rating and allows it the financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

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

The Parent Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both gross debt and net debt basis. As at December 31, the Parent Company had the following ratios:

	2024	2023
Debt to equity	1.070:1	1.069:1
Net debt to equity	1.064:1	1.067:1

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents and financial assets at FVTPL. Equity, which the Parent Company considers as capital, pertains to the total equity. The Parent Company excludes the Fair value reserve of financial assets at FVOCI in computing the debt to equity ratio.

The Parent Company is subject to externally imposed debt-to-equity or net debt to equity ratios, and other certain requirements due to loan covenants (Note 13). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2024 and 2023.

25 Segment information

The industry segments where the Parent Company operates follow:

Core business:

- Residential developments - sale of high-end and upper middle-income residential lots and units, and leisure community developments; lease of residential developments under joint venture; acquisition, development and sale of large-scale, mixed-use, master-planned communities; sale of override units or the Parent Company's share in properties made available to subsidiaries for development.
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Corporate business - development and lease of office buildings
- Corporate - company-wide activities not catering to specific business units

Support Business:

- Property management - facilities management of the Parent Company

Assets, liabilities, revenues and expenses of the Strategic Landbank Management and Visayas-Mindanao segment were reallocated to other business segments namely shopping centers, corporate businesses and residential developments according to the nature of the products and services provided.

Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

For the years ended December 31, 2024 and 2023, there were no revenue transactions with a single external customer which accounted for 10% or more of the revenue from external customers.

Business segments

As at and for the years ended December 31, the following tables regarding business segments present the assets and liabilities, and revenue and profit information (in millions):

2024	Property development	Shopping centers	Offices	Property management and others	Corporate	Total
Revenue						
Revenues from contracts with customers	25,989	661	227	653	-	27,530
Interest income from real estate sales	-	-	-	-	-	-
Rental income	213	3,531	1,541	10	-	5,295
Total revenue	26,202	4,192	1,768	663	-	32,825
Real estate costs and expenses	17,283	1,866	820	10	281	20,260
Operating profit	8,919	2,326	948	653	(281)	12,565
General and administrative expenses	(1,047)	(422)	(188)	(84)	(103)	(1,844)
Interest expense and other financing charges	(586)	154	(44)	-	(11,639)	(12,115)
Interest income	9	-	61	-	420	490
Other income	546	3,708	3,293	-	1,272	8,819
Dividend income	-	-	-	-	20,320	20,320
Other charges and expenses	(159)	(3)	(36)	-	(475)	(673)
Provision for income tax	(717)	(1)	(224)	-	1,183	241
Net income	6,965	5,762	3,810	569	10,697	27,803
Other Information						
Segment assets	235,066	108,689	68,653	28,877	71,722	513,007
Deferred tax assets	-	-	-	-	3,020	3,020
Total assets	235,066	108,689	68,653	28,877	74,742	516,027
Segment liabilities	(53,811)	(98,487)	(49,916)	(82,875)	(26,141)	(311,230)
Segment additions to:						
Property and equipment	18	232	15	-	210	475
Investment properties	986	5,093	2,456	-	3,790	12,325
Depreciation and amortization	70	935	444	3	101	1,553
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	(206)	(232)	(258)	(5)	11	(690)

2023	Property development	Shopping centers	Offices	Property Management and others	Corporate	Total
Revenue						
Revenues from contracts with customers	20,962	552	50	3,152	-	24,716
Interest income from real estate sales	2,160	-	-	-	-	2,160
Rental income	129	3,274	2,817	12	-	6,232
Total revenue	23,251	3,826	2,867	3,164	-	33,108
Real estate costs and expenses	16,614	1,859	1,168	3	475	20,119
Operating profit	6,637	1,967	1,699	3,161	(475)	12,989
General and administrative expenses	(647)	(385)	(182)	(52)	(766)	(2,032)
Interest expense and other financing charges	(883)	124	(100)	-	(9,809)	(10,668)
Interest income	-	-	-	-	291	291
Other income	543	805	-	-	7,363	8,711
Dividend income	-	-	-	-	9,672	9,672
Other charges and expenses	-	24	(97)	(5)	-	(78)
Provision for income tax	(504)	(1)	(495)	-	694	(306)
Net income	5,146	2,534	825	3,104	6,970	18,579
Other Information						
Segment assets	229,325	102,643	74,964	26,861	58,775	492,568
Deferred tax assets	-	-	-	-	2,639	2,639
Total assets	229,325	102,643	74,964	26,861	61,414	495,207
Segment liabilities	(63,596)	(76,367)	(60,469)	(75,064)	(28,614)	(304,110)
Segment additions to:						
Property and equipment	168	367	14	-	57	606
Investment properties	2,101	3,493	1,135	-	787	7,516
Depreciation and amortization	56	888	576	3	128	1,651
Non-cash expenses other than depreciation and amortization	-	-	-	-	-	-
Impairment losses	(196)	(232)	(222)	(5)	11	(644)

26 Performance obligations

Information about the Parent Company's performance obligations are summarized below:

Real estate sales

The Parent Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and the Parent Company concluded that there is one performance obligation in each of these contracts. The Parent Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, the Parent Company provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by the Parent Company as a quality assurance warranty and not treated as a separate performance obligation.

As at December 31, 2024, The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as follows:

	2024	2023
Within one year	9,927,402,223	11,677,339,347
More than one year	5,067,097,692	6,304,924,031
	14,994,499,915	17,982,263,378

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Parent Company's real estate projects. The Parent Company's condominium units are completed within three to five years, respectively, from start of construction while serviced lots and serviced lots and house are expected to be completed within two to three years from start of development.

27 Leases

Operating Leases - Parent Company as Lessor

The Parent Company entered into lease agreements with third parties covering its investment property portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of the Parent Company are as follows:

	2024	2023
Within one year	1,292,908,472	3,051,044,377
After one year but not more than five years	8,474,404,504	13,771,061,669
More than five years	3,799,035,297	5,232,019,638
	13,566,348,273	22,054,125,684

On January 1, 2015, the Parent Company and ACCI entered into a lease contract for the lease of parcels of land and buildings within the Greenbelt and Glorietta development located at the Ayala Center, Makati City. The lease shall be for a period of two years from January 1, 2015 until December 31, 2016, renewable for another two years upon the written agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month. The lease was renewed for twenty (20) years from January 1, 2022 to December 31, 2041 under the same terms and conditions stated in the original contract of lease.

In 2017, the Parent Company and ATI entered into a lease contract for the lease of a 24-storey building with a total construction floor area of 146,830 sq. m. located at 30 Meralco Ave., Pasig City. The lease shall be for a period of 40 years which commenced on February 1, 2016 for Phase 1 and August 1, 2017 for Phase 2. The lease is renewable for another 40 years upon mutual agreement of both parties. The lease generally provides for a fixed monthly rent and a certain percentage of gross rental revenue per month.

On December 27, 2017, the Parent Company signed a lease agreement with MCLC for the lease on the parcels of land it owns where the buildings bought by MCLC were constructed (Notes 9 and 20).

On December 28, 2017, the Parent Company signed a lease agreement with ASCVC for the lease on the parcels of land it owns where the Arca South BPO and Mall were constructed. (Notes 9 and 20).

The Parent Company granted rent concessions to its tenants which were affected by the community quarantine imposed by the government amounting to P341.0 million in 2022. These rent concessions did not qualify as a lease modification, thus, were accounted for as variable lease payments and reported as reduction of lease income (Note 32).

Operating Leases - Parent Company as Lessee

Future minimum rentals payable under noncancellable operating leases of the Parent Company follows:

	2024	2023
Within one year	60,617,893	58,042,396
After one year but not more than five years	143,527,879	185,421,311
More than five years	311,684,153	330,408,615
	515,829,925	573,872,322

Set out below are the carrying amounts of right-of-use assets recognized and the movements in 2024:

Cost	Note	2024	2023
At January 1		642,383,475	604,578,165
Additions		-	37,805,310
At December 31		642,383,475	642,383,475
Accumulated depreciation and amortization			
At January 1		303,388,366	249,385,432
Depreciation	18	52,234,728	54,002,934
At December 31		355,623,094	303,388,366
Net Book Value		286,760,381	338,995,109

The roll forward analysis of lease liabilities follows:

	Note	2024	2023
At January 1		365,852,408	361,965,298
Additions		-	37,805,310
Interest expense	18	28,346,303	32,120,994
Payments		(66,851,331)	(66,039,194)
At December 31		327,347,380	365,852,408
Less: Current portion of lease liabilities		(46,606,885)	(40,042,512)
Lease liabilities, net of current portion		280,740,495	325,809,896

The following are the amounts recognized in the Parent Company's statement of income:

	Note	2024	2023
Depreciation expense of right-of-use assets		52,234,728	54,002,934
Interest expense on lease liabilities	18	28,346,303	32,120,994
Rent expense - variable lease payments		170,433,902	217,131,557
Total amounts recognized in the statement of income		251,014,933	303,255,485

The Parent Company has lease contracts for land that contains variable payments based on a certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned. The following provides information on the Parent Company's variable lease payments, including the magnitude in relation to fixed payments:

	2024		
	Fixed payments	Variable payments	Total
Fixed	66,851,331		66,851,331
Variable rent only		170,433,902	170,433,902
At December 31	66,851,331	170,433,902	237,285,233

	2023		
	Fixed payments	Variable payments	Total
Fixed	66,039,194	-	66,039,194
Variable rent only	-	217,131,557	217,131,557
At December 31	66,039,194	217,131,557	283,170,751

The significant leases entered into by the Parent Company are as follows:

On September 2018, the Parent Company signed a Lease Agreement with Manila Seedling Bank Foundation, Inc. (MSBFI) for the lease of a 4.5-hectare portion of land located at the corner of EDSA and Quezon Avenue, Diliman, Quezon City. The term of the lease shall be coterminous with the Lessor's usufruct over the Leased Premises, or until September 20, 2027.

On September 2017, the Parent Company signed a Lease Agreement with AyalaLand Estates, Inc. (ALEI) for the lease of a 4.3-hectare portion of land located in Vermosa, Pasong Buaya I, Imus City, Province of Cavite. The term of the lease shall ten (10) years commencing from September 2017 to August 2027.

On January 2017, the Parent Company signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three years and three months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to P100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

On October 2023, the Parent Company signed a Lease Agreement with AREIT Inc. for a lease of a 893 square meters office space at the 20*th* floor of Ayala Center Cebu Tower and 8 appurtenant parking slots, located in Cebu City. The term of the lease is 5 years and shall commence from October 2023 to September 2027.

Finance Leases - Parent Company as Lessor

On January 31, 2020, the Company entered into a contract of lease with AREIT for the lease of land and building for a period of 34 years. The agreement pertains to the lease of the following:

a. Parcel of land with a total land area of approximately 4,513 square meters
b. A five story building with gross floor area of 14, 598.4 square meters and gross leasable area of 10, 687 square meters
c. Two basement parkings levels with 120 parking slots
d. Various capital equipment installed in the building

The lease agreement states that the Company shall deliver to AREIT the physical possession of the leased properties on February 1, 2020. The rent is payable at a fixed monthly rate of P2.73 million, subject to 5% annual escalation rate.

The rollforward of finance receivables (under receivable from related parties) follows:

	Note	2024	2023
At January 1		939,965,500	917,552,229
Interest income		62,011,753	60,379,824
Payments		(39,864,881)	(37,966,553)
As at December 31		962,112,372	939,965,500
Less: Current lease receivable	20	41,692,021	39,706,687
Non-current lease receivable	20	920,420,351	900,258,813

The maturity analysis of the receivables, including undiscounted lease payments to be received are as follows:

	2024	2023
Within one year	41,692,021	39,706,687
After one year but not more than five years	241,893,471	230,374,734
More than five years	2,486,384,337	2,539,595,094
Total undiscounted lease payments	2,769,969,829	2,809,676,515
Less: Unearned finance income	2,067,114,694	2,077,198,076
Net investment in the lease	702,855,135	732,478,439

28 Long-term commitments and contingencies

Commitments:

a. On January 12, 2016, the Parent Company has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc, for the waterworks of Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31, 2021 to amend certain provisions. The original MOA and its amendment were signed by Parent Company and its subsidiaries and affiliates including, Cebu Holdings, Inc. and Cebu Property Ventures and Development Corp. Total expenses amounted to P0.2 million. As a result of the merger, the Parent Company assumes the rights and obligations of CHI and CPVDC.

b. ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company named, ALI-ETON Property Development Corporation, was incorporated on March 13, 2016.

   On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower.

   On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

c. On August 11, 2015, the Parent Company won the bid for the Integrated Transport System Project-South Terminal ("ITS South Project"). The Parent Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57 hectare former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Parent Company is developing an integrated mixed-use estate.

d. On June 30, 2015, the Parent Company, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI, the Parent Company and CHI (together with the Parent Company collectively referred to as the "ALI Group"). Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, the Parent Company has fully paid Php 4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council.

   On January 29, 2020, SM-ALI Group broke ground the 263,384 sqm development and the construction of road networks and underground utilities commence on February 18, 2020.

   As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

   The development is positioned to be "The Gateway and Epicenter of Growth in Central Visayas".

   It is envisioned to create a commercially viable mixed-use development and to create a living, vibrant community with world-class facilities, a well-designed urban setting, and lush, extensive landscaping.

e. On February 26, 2021, the Parent Company entered into agreements to restructure the long-outstanding receivables from Mercado General Hospital, Inc., Panay Medical Ventures, Inc., Mercado General Hospital Sta. Rosa, Inc. and Mercado General Hospital San Jose Del Monte, Inc. amounting to P209.0 million, P79.0 million, P5.0 million and P129.1 million, respectively to a 5-year loan with interest rate of 4% per annum

Contingencies

The Parent Company has various contingent liabilities arising in the ordinary conduct of business including a case related to property restriction violation. The estimate of the probable cost for the resolution of this claim has been developed in consultation with outside counsel handling the defense in this matter and is based upon an analysis of potential results. In the opinion of management and its legal counsel the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Parent Company's financial position and results of operations. Accordingly, no provision for any liability has been made in the parent company financial statements.

Disclosures required by PAS 37, Provisions, Contingent Liabilities and Contingent Assets, were not provided as it may prejudice the Parent Company's position in ongoing claims, and it can jeopardize the outcome of the claims and contingencies.

29 Notes to statement of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

	January 1,2024	Cash flows	Other changes	Foreign exchange movement	December 31,2024
Short-term debt	7,005,000,000	2,262,000,000	-	-	9,267,000,000
Current portion of long-term debt (a)	18,495,800,819	-	5,335,637,103	-	23,831,437,922
Long-term debt, net of current portion (a)	178,825,121,828	12,485,000,000	(5,094,857,301)	(135,850,000)	186,079,414,527
Lease liabilities (a)	365,852,408	(66,851,331)	28,346,303	-	327,347,380
Dividends payable (b)	1,798,771	(7,390,081,473)	7,431,668,442	-	43,385,740
Deposits and other non-current liabilities	13,141,106,486	(2,130,394,758)	-	-	11,010,711,728
Total liabilities from financing activities	217,834,680,312	5,159,672,438	7,700,794,547	(135,850,000)	230,559,297,297

Other changes pertain to:
(a) Interest expense
(b) Dividends declaration

	January 1,2023	Cash flows	Other changes	Foreign exchange movement	December 31,2023
Short-term debt	688,000,000	6,317,000,000	-	-	7,005,000,000
Current portion of long-term debt (a)	14,570,101,002	-	3,925,699,817	-	18,495,800,819
Long-term debt, net of current portion (a)	177,311,875,979	5,403,273,437	(3,868,852,588)	(21,175,000)	178,825,121,828
Lease liabilities (a)	361,965,297	(66,039,194)	69,926,305	-	365,852,408
Dividends payable (b)	1,731,387	(5,454,086,740)	5,454,154,124	-	1,798,771
Deposits and other non-current liabilities	20,564,706,140	(7,423,599,654)	-	-	13,141,106,486
Total liabilities from financing activities	213,498,379,805	(1,223,452,151)	5,580,927,658	(21,175,000)	217,834,680,312

Other changes pertain to:
(a) Interest expense
(b) Dividends declaration

The non-cash investing and financing activities of the Parent Company pertain to the following:

For the year ended December 31, 2024

Investing

- Transfer from property and equipment to investment properties amounting to P1,078.92 million
- Transfer from inventories to investment properties amounting to P2,193.64 million
- Capitalized interest amounted to P614.8 million
- The acquisition of the partners' 50% shares in CDPEI resulted in the assumption of the fair values of its inventory, investment property and payables amounting to P6,930.6 million, P854.8 million and P7,759.0 million, respectively.

Investing/Financing

- Property-for-share swap transaction amounted to P17,894.78 million

For the year ended December 31, 2023

Investing

- Transfer from investment properties to inventory amounted to P9,461.5 million
- Capitalized interest amounted to P683.1 million

Investing/financing

- Property-for-share swap transaction amounted to P9,804.63 million

30 Events after the reporting date

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

On February 20, 2025, the Board of Directors of ALI approved the following:

a. The subscription of the Parent Company and its subsidiaries, Accendo Commercial Corporation (Accendo), Cagayan de Oro Gateway Corporation (CDOGC) , and Central Bloc Hotel Ventures, Inc. to 505,890,177 primary common shares of AREIT, Inc. (AREIT), in exchange for eight (8) commercial properties with an aggregate value of P20,994,442,345.50, as validated by a third-party fairness opinion.

   The proposed property-for-share swap is for approval of the AREIT shareholders at their annual meeting on April 24, 2025 and pertinent regulatory bodies.

b. The ALI Performance Shares (APS) Plan which is designed to propel ALI's three-year strategy, strengthen key talent engagement, and ensure alignment with shareholder interests. The APS supplements the Group's existing Employee Stock Ownership Plan (ESOWN). Shares issued from ALI PS will form part of the 3% allocation of the Group authorized common shares for stock options.

c. The 2025 stock option program pursuant to our ESOWN which authorizes the grant to qualified executives, in accordance with the terms of the Plan, of stock options covering up to a total of 8,051,731 common shares at a subscription price of P20.42 per share, which is the average price of our common shares at the Philippine Stock Exchange over the last 5-day average trading as of February 14, 2025, less a prescribed discount.

   A total of 12,000,000 shares is allocated for ALI PS to vest over three years.

d. The raising of up to Php75 billion in debt capital to partially finance general corporate requirements and refinance maturing debt through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or execution of bilateral term loans.

e. The declaration of a regular cash dividend of P0.2888 per common share for the first half of 2025. The record date is March 5, 2025, and the payment date is March 21, 2025.

f. The amendment of Article Seventh of the Articles of Incorporation to decrease the authorized capital stock (ACS) from Php21,437,602,946.40 to Php20,437,602,946.40 through the retirement of 1 billion common shares held in Treasury, subject to stockholders' approval.

31 Critical accounting judgments and estimates

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

31.1 Critical accounting Judgments

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

Existence of a contract

The Parent Company's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Parent Company before revenue recognition is to assess the probability that the Parent 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, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age 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.

Revenue recognition method and measure of progress

The Parent Company concluded that revenue for real estate sales is to be recognized over time because: (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Parent Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Parent Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Parent Company has determined that the output method used in measuring the progress of the performance obligation (i.e., percentage of completion) faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

Determining transaction price of sale of real estate

The Parent Company determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Parent Company applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the Group determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

Distinction of land between real estate inventories, property and equipment and investment properties

The Parent Company determines whether a property will be classified as real estate inventories, property and equipment or investment properties. In making this judgment, the Parent Company considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. The Parent Company also considers whether the property is held for administrative purposes and classifies the property under property and equipment. All other properties that are not yet determined to be sold in the normal operating cycle nor held for administrative purposes are classified as investment properties.

Control of entities in which the Parent Company holds only 50% or less than majority of voting rights

The Parent Company considers that it controls the following entities even though it owns 50% or less than majority of the voting rights. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

ACC
For ACC, Parent Company holds 50% of the voting rights, and is also the single largest shareholder and the remaining 50% of the equity shares are held by several shareholders. The second largest stockholder of ACC holds 8.3% share while the other shareholders' equity interest ranges from 2.1% to 8.3%. In addition, ALI has an existing management services agreement with ACC which gives ALI the exclusive control and decision over the relevant activities of ACC.

BGWest Properties
For the BG entities, wherein Parent Company and the other shareholder each own 50% of the voting rights, Parent Company controls the investee through exercise of its exclusive project development and marketing agreement as well as the ability to decide on the financing, operating and strategic policies of the investees. This enabled ALI to conclude that it has control.

RLC, ALI-CII, AKL and LAIP
ALI has an existing management development and/or services agreement with RLC, ALI-CII, AKL and LAIP which gives ALI the exclusive control and decision over the relevant activities of RLC, ALI-CII, AKL and LAIP.

Contingencies

The Parent Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense of these matters and is based upon an analysis of potential results. The Parent Company currently does not believe that these proceedings will have a material effect on the Parent Company's financial statements (Note 28).

Sale of real estate receivables

The Parent Company has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. The Parent Company believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, the Parent Company continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Definition of default and credit-impaired financial assets

The Parent Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria - for residential, commercial and office development receivables, the customer receives a notice of cancellation and does not continue the payments.

Qualitative criteria:

The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for those financial assets has disappeared because of financial difficulties
d. Concessions or deferrals have been granted by the Parent Company, for economic or contractual reasons relating to the customer's financial difficulty (e.g., Bayanihan Acts I and II considerations)
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Parent Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Parent Company's expected loss calculation.

Incorporation of forward-looking information:

The Parent Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Parent Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Parent Company's evaluation and assessment and after taking into consideration external actual and forecast information, the Parent Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Parent Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Parent Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Parent Company has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Determination of lease term of contracts with renewal and termination options - Parent Company as a lessee

The Parent Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Parent Company has several lease contracts that include extension and termination options. The Parent Company applies judgment in evaluating whether the provisions to renew or terminate the lease is enforceable. For leases where the Parent Company has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Parent Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Uncertainties in the determination of taxable profit

Judgements made in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates applying paragraph 122 of PAS 1, Presentation of Financial Statements. Upon adoption of the Interpretation, the Parent Company has assessed whether it has any uncertain tax position. The Parent Company applies significant judgement in identifying uncertainties over its income tax treatments. The Parent Company determined, based on its assessment, in consultation with its tax counsel, that it is probable that its uncertain income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Determination of embedded derivative in financial liabilities

The Group determines whether there is an embedded derivative in its sustainability linked financial liabilities based on certain criteria such as:

- whether the contractual cash flows that could arise both before and after the contingent event is consistent with basic lending arrangement;
- whether the nature of the contingent event directly related to a change in basic lending risks and costs; and
- whether the cash flows would be significantly different from those of an identical instrument without the contingent feature in any contractually possible scenario.

31.2 Critical accounting estimates and assumptions

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

Revenue recognition on real estate projects

The Parent Company's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Parent Company's revenue from real estate is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the percentage of completion (POC) is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the POC is applied to the standard cost which is regularly reviewed and adjusted to actual cost.

Estimation of significant financing component

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

Evaluation of net realizable value of real estate inventories

The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Parent Company in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. In evaluating NRV, recent market conditions and current market prices have been considered. See Note 5 for the related balances.

Share-based payments

The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Parent Company (Note 23).

Estimating pension liabilities and other retirement benefits

The determination of the Parent Company's obligation and cost for pension and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Significant assumptions are disclosed in Note 21 and include among others, discount rate and salary increase rate.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on 1994 Parent Company Annuity Mortality Table and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

While the Parent Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions could materially affect retirement obligations (Note 21).

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded or disclosed in the statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation. Certain financial assets and liabilities were initially recorded at their fair values by using the discounted cash flow methodology (Note 24).

Provision for expected credit losses of trade receivables

The Parent Company uses a provision matrix to calculate ECLs for trade receivables other than residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Parent Company uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Parent Company's trade receivables is disclosed in Notes 4 and 24.

Estimating the incremental borrowing rate for leases

The Parent Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Parent Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Parent Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Parent Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

As at December 31, 2024, the Parent Company's lease liabilities amounted to P327.3 million (2023 - P365.9 million) (Note 27).

Finance lease commitments - Parent Company as lessor

The Parent Company has entered into a lease agreement on the parcel of land and building pertaining to MECC. The Parent Company has determined, based on evaluation of the terms and arrangement, particularly on the economic life, that the Parent Company has transferred substantially all the significant risks and rewards of ownership of this property to the lessee and accounts for the agreement as finance lease (Note 27).

Evaluation of impairment of non-financial assets

The Parent Company assesses whether there are any indicators of impairment for all nonfinancial assets (i.e., investment in subsidiaries, associates and joint ventures, property and equipment, investment properties, right-of-use assets and other current assets) at each financial reporting date. These nonfinancial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

For investment in subsidiaries, associates and joint ventures, the Parent Company calculates the amount of impairment as the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.

No impairment loss was recognized in 2024 and 2023.

Useful lives of property and equipment and investment properties

The useful life of each item of the Parent Company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded operating expenses and decrease non-current assets. In 2024 and 2023, there were no changes in the estimated useful lives of property and equipment.

Determination of fair values of investment properties

The determination of fair values of the Parent Company's properties are defined in Note 24.1.4 "Fair Value Information". It defined the various approaches used by the Company to estimate the fair value based on the nature and factors affecting each type of properties.

32 Summary of material accounting policies

Basis of preparation

The separate financial statements of the Parent Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards; and
- interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

The Parent Company also prepared and issued consolidated financial statements for the same period as the parent company financial statements presented in compliance with PFRS Accounting Standards. These may be obtained the registered office address of the Parent Company or at the SEC.

Basis of measurement

The financial statements have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Parent Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Parent Company. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 31.

Functional and presentation currency

The financial statements of the Parent Company are presented in Philippine Peso (Php or P). All amounts are shown in thousands of Philippine Peso unless otherwise stated.

32.2 Adoption of new and amended accounting standards and interpretations

(a) Amendments to existing standards adopted by the Parent Company effective January 1, 2024

The following amendments to existing standards have been adopted by the Parent Company effective January 1, 2024:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

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

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

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments has been applied retrospectively in accordance with the normal requirements in PAS 8 *'Accounting Policies, Changes in Accounting Estimates and Errors'.*

- Amendments to PFRS 16*, 'Lease Liability in a Sale and Leaseback'*

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

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

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

  Effective January 1, 2024, the Parent Company adopted the PIC Q&A No. 2018-12. The Parent Company followed the allowed modified retrospective approach allowing it to adjust the beginning balance of equity in 2024. The adjustment on the 2024 beginning balance of Retained earnings is an increase of P151.09 million. The Group assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018 12 pertaining to significant financing component is not material to the financial statements of the Parent Company.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2024 that are considered to be relevant or have a material impact on the Parent Company's financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Parent Company

The following amendments to existing standards are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Parent Company:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 *(Effective beginning on or after January 1, 2026)*

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The adoption of the above amendments is not expected to have a material impact on the financial statements of the Parent Company.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at December 31, 2024 reporting period that are considered to be relevant or have a material impact on the Parent Company's financial statements.

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

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

  Management is currently assessing the detailed implications of applying the new standard on the Parent Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:
  - Although the adoption of PFRS 18 will have no impact on the Parent Company's net profit, the Parent Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Parent Company has performed, the following items might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - PFRS 18 has specific requirements on the category in which derivative gains or losses are recognised - which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Parent Company currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Parent Company is currently evaluating the need for change.

  The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Parent Company will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

  The Parent Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

  From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

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

  Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

32.3 Current versus non-current classification

The Parent Company presents assets and liabilities in parent company statement of financial position based on current and non-current classification:

An asset is current when it is:

a. expected to be realized or intended to be sold or consumed in normal operating cycle;
b. held primarily for the purpose of trading;
c. expected to be realized within twelve (12) months after reporting date; or
d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is current when:

a. it is expected to be settled in the normal operating cycle;
b. it is held primarily for the purpose of trading;
c. it is due to be settled within 12 months after reporting date; or
d. there is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Parent Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

32.4 Fair value measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by corporate finance after discussion with and approval by the Parent Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Parent Company, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

32.5 Cash and cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

32.6 Financial instruments

Date of recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Parent Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognised on a trade date basis. Financial liabilities are recognized when cash is received by the Parent Company.

(a) Financial assets

i. Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are initially recognised at fair value plus or less, except for financial instruments at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, respectively. Trade receivables, except for contracts with customers in residential, commercial and office development receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on *Revenue from contracts with customers*.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

The classification requirements for financial assets are described below:

a. Financial assets at amortized cost (debt instruments);
b. Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
c. Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
d. Financial assets at fair value through profit or loss

ii. Subsequent measurement

(a) Financial assets at amortized cost

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

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

The Parent Company's financial assets at amortized cost includes cash and cash equivalents, short-term investments and accounts and notes receivables.

The Parent Company accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, the difference is deferred and recognised over the life of the financial assets through the recognition of interest income.

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

When financial assets at amortized cost are disposed, these are assessed whether the Parent Company is consistent with its objective of collecting contractual cash flows until maturity. In the event that disposals have been concluded as infrequent and insignificant, the financial assets continue to be accounted at amortized cost (Note 4).

(b) Financial assets at FVOCI (debt instruments)

The Parent Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Parent Company's debt financial assets at FVOCI includes investment in bonds classified as financial assets at FVOCI.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

(c) Financial assets designated at FVOCI (equity instruments)

The equity securities for which fair value movements are shown in other comprehensive income are investments where the Parent Company holds the financial assets other than to generate a capital return. Gains or losses on derecognition of these equity securities are not transferred to profit or loss. Otherwise, equity securities are measured at fair value through profit or loss (except for dividend income which is recognised in profit or loss).

The Parent Company's equity financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

(d) Financial assets at FVTPL

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognised when the Parent Company enter into contracts with counterparties, which is generally on trade date, and are normally derecognised when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognised when the Parent Company enters into contracts with counterparties, which is generally on settlement date, and are normally derecognised when extinguished. Subsequent changes in fair values are recognised in profit or loss.

The Parent Company's financial assets at FVTPL includes investments in UITF.

iii. Impairment of financial assets

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

For trade receivables, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes allowance for impairment loss based on lifetime ECL at each reporting date. The Parent Company has established a provision matrix for trade receivables and a vintage analysis for residential, commercial and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as accrued receivable, receivable from related parties and advances to other companies, ECL are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Parent 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 Parent 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 will be based on the lifetime ECL. The Parent Company uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Parent Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Parent Company's definition of default and historical data of three years for the origination, maturity date and default date. The Parent Company considers trade receivables in default when contractual payments 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 which may extend the definition of default to 90 days and beyond. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

iv. Determining the stage for impairment

At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Parent Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

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

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

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

vi. Modification of financial assets

The Parent Company derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Parent Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

(b) **Financial liabilities**

i. Initial recognition, classification and measurement

Financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities. The category depends on the purpose for which the liabilities were incurred and whether they are quoted in an active market. Management determines the category of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

All financial liabilities are recognized initially at fair value and, in the case of those measured at amortized costs, net of directly attributable transaction costs. Directly attributable transaction costs are documentary stamp tax, underwriting and selling fees, regulatory filing fees and other fees.

The Parent Company's financial liabilities include accounts and other payables (except for taxes payable), short-term and long-term debts, deposits and other liabilities, and lease liabilities.

The Parent Company has no financial liabilities at FVTPL.

ii. Subsequent measurement

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

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

This category generally applies to short-term and long-term debt.

iii. Derecognition

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

iv. *Offsetting*

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

There are no offsetting of financial instruments as at December 31, 2024 and 2023.

32.7 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and NRV. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and estimated costs to sell.

Cost of inventories represents accumulated costs of the various real estate projects. Cost includes those directly attributable to the construction of the projects and includes:

- Land cost;
- Land improvement cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Inventories that are leased out at market rates to earn revenues to partly cover for expenses on the condition that the intent to sell in the ordinary course of business has not changed are accounted and presented as inventory. The rent income from inventories that are leased out is included in other income in the statement of comprehensive income.

Inventories are derecognized when they are sold or there are no future benefits to the Parent Company. The carrying amount of those properties held for sale is recognized as an expense, reported as cost and expenses in the period in which the related revenue is recognized.

The Parent Company applies the approach presented in Philippine Interpretations Committee Questions and Answers (PIC Q&A) No. 2020-05 and accounts for repossession as a modification of the contract and reverses the previously recognized revenues and related cost of real estate sales recognized.

32.8 Materials, parts and supplies

Materials, parts and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

An allowance for inventory losses is provided for slow-moving, obsolete and defective materials, parts and supplies based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

32.9 Investments in subsidiaries, associates and joint ventures

The Parent Company's investments in its subsidiaries, associates and joint ventures are accounted for under the cost method and are carried at cost less accumulated provisions for impairment losses, if any. A subsidiary is an entity over which the Parent Company has control. The Parent Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. An associate is an entity in which the Parent Company has a significant influence and which is neither a subsidiary nor a joint venture.

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Parent Company disposes the investment or the investee reacquires its own equity instruments from the Parent Company.

32.10 Investment properties

Investment properties comprise completed property and property under construction or under re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Parent Company. It also includes land intended as investment property or with unintended future use.

The Parent Company uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Assets that are under construction are carried at cost (including borrowing costs) and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or under the condition as intended by the Parent Company.

Depreciation of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful lives of investment properties which comprised of buildings, range from 20-40 years.

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

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

As at December 31, 2024 and 2023, the Parent Company engages independent valuation specialist to assess the fair value. The Parent Company's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These are valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

32.11 Property and equipment

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

Land is carried at cost less any impairment in value.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Buildings and improvements	20-40
Furniture, fixtures and equipment	3-10
Transportation equipment	3-5

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

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

32.12 Impairment of non-financial assets

The Parent Company assesses at each reporting date whether there is an indication that an asset may be impaired (investments in subsidiaries, associates and joint ventures, investment properties, property and equipment and right-of-use assets). If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Parent Company's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Parent Company determines at each reporting date whether there is any objective evidence that the investment in subsidiaries, associates or joint ventures is impaired. If this is the case, the Parent Company calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investee company and recognizes the difference in the parent company statement of income.

32.13 Pension cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

32.14 Share-based payments

The Parent Company has equity-settled, share-based compensation plans with its employees.

PFRS 2 Options

For options granted after November 7, 2002 that have not vested on or before January 1, 2005, the cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in Note 23.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instrument that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Pre-PFRS 2 Options

For options granted before November 7, 2002 that has vested before January 1, 2005, the intrinsic value of stock options determined as at grant date is recognized as expense over the vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 22).

Employee Stock Ownership Plan

The Parent Company has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. The Parent Company treats its ESOWN plan as option exercisable within a given period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. For the unsubscribed shares where the employees still have the option to subscribe in the future, these are accounted for as options.

32.15 Equity

When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity and included under "Equity reserves" account in the equity section of the statement of financial position (Note 16).

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

32.16 Revenue from contract with customers

The Parent Company primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. Except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Parent Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

Residential development revenue (part of real estate sales in the statement of income)

The Parent Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

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

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as trade receivables under residential, commercial and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the customers' deposit account in the liabilities section of the parent company statement of financial position.

The Parent Company determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Parent Company applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the Parent Company determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

The calculation of financing component in a transaction price is based on various inputs such as transaction price, cash discount, payment scheme, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

Rental income (part of real estate sales in the statement of income)

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. No rental income is recognized when the Parent Company waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment.

The contract for the commercial spaces leased out by the Parent Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common use service area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the Parent Company determined that it is acting as an agent because the promise of the Parent Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Parent Company, are primarily responsible for the provisioning of the utilities while the Parent Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the Buildings, the Parent Company acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Parent Company has the discretion on how to price the CUSA and air-conditioning charges.

Interest income is recognized as it accrues using the effective interest method.

Investment income is recognized when the Parent Company's right to receive the payment is established.

32.17 Cost recognition

The Parent Company recognizes pre-launch costs relating to satisfied performance obligations. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Construction costs (part of cost of real estate sales in the statement of income)

Cost of real estate sold are determined using output method based on POC consistent with the manner of revenue recognition. Contract costs, which is determined using the standard cost method, include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, warranties, post constructions works and final contract settlements which may result in revisions to estimated costs (e.g., standard cost to actual cost) and gross margins are recognized in the year in which the changes are determined.

Customers' deposit

Customers' deposit is a contract liability which is the obligation to transfer goods or services to a customer for which the Parent Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent Company transfers goods or services to the customer, a customers' deposit is recognized when the payment is made or the payment is due (whichever is earlier). Customers' deposit are recognized as revenue when the control of the goods or services are transferred to the customers by the Parent Company which is essentially fulfillment of its performance obligation under the contract.

Customers' deposit also include payments received by the Parent Company from the customers for which revenue recognition has not yet commenced.

32.18 Costs to obtain contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Parent Company expects to recover them. The Parent Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Real estate costs and expenses” account in the statement of income.

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

Amortization, de-recognition and impairment of capitalized costs to obtain a contract

Following the pattern of real estate revenue recognition, the Parent Company amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Parent Company determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Parent Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Parent Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Parent Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price is removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

32.19 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Investment properties” and “Property and equipment” accounts in the statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Parent Company’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The Parent Company capitalizes borrowing costs relating to its investment properties and property and equipment under construction. The interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

32.20 Leases

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

Parent Company as lessee

Except for short-term leases and leases of low-value assets, the Parent Company applies a single recognition and measurement approach for all leases. The Parent Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Parent Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Parent Company's right-of-use assets include lease of land which is depreciated based on the term of the lease ranging from 5 to 47 years.

If ownership of the leased asset transfers to the Parent Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of nonfinancial assets section.

Lease liabilities

At the commencement date of the lease, the Parent Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating the lease, if the lease term reflects the Parent Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Parent Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Parent Company as lessor

Leases where the Parent Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Parent Company as a lessor

Leases in which the Parent Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

32.21 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period.

32.22 Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess of MCIT over the regular corporate income tax and unused NOLCO, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and interests in joint ventures.

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

32.23 Base Erosion and Profit Shifting (BEPS) Pillar 2

Pillar Two legislation has been implemented in certain jurisdictions. Legislation applicable to the Parent Company is effective on January 1, 2024. Given this, the Parent Company has assessed the applicable tax legislation in all the countries in which the Parent Company operates to determine whether or not a Pillar Two 'top-up' tax liability needs to be recognized.

The relevant set of rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two legislation provides for a transitional safe harbor ("TSH") that applies for the first three fiscal years following the entry into force of the relevant regulation; the TSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero.

A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

Based on the management assessment performed, the Parent Company, as an entity within the Philippines, passed the TSH test/s, thus, these jurisdictions are not subject to the detailed Pillar Two calculations and the top-up taxes are deemed to be zero.

32.24 Foreign currency transactions

Each entity in the Parent Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The exchange differences arising on the translation are taken directly to a separate component of equity under "Cumulative translation adjustments" account. Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the statement of income.

Investments in foreign associates are translated to Philippine Peso using the closing exchange rate prevailing at reporting date. The Parent Company's share in the results of operations of the foreign investee is translated using the exchange rate at the dates of the transactions or, where practicable, the rate that approximates the exchange rates at the dates of the transactions, such as the average rate for the period. Any resulting exchange difference is recognized as a separate component of equity.

32.25 Earnings per share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. Calculation of dilutive EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

32.26 Contingencies

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

32.27 Events after the reporting period

Post year-end events that provide additional information about the Parent Company's position at the reporting date (adjusting events) are reflected in the Parent Company financial statements. Post year-end events that are not adjusting events are disclosed in the Parent Company financial statements when material.

33 Supplemental information required by the Bureau of Internal Revenue (BIR)

In compliance with the requirements set forth by Revenue Regulations 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Value Added Tax (VAT)

The Parent Company is a VAT-registered company with VAT output tax declaration as follows:

	Net sales/receipts	Output VAT paid
Taxable sales:		
Sale of goods	19,332,518,621	2,319,902,235
Leasing income	6,340,970,939	760,916,513
Sales to government		
Others	7,302,164,785	876,259,774
Zero-rated sales	742,166,880	-
	33,717,821,225	3,957,078,522

The sale of goods is recorded under Land and residential sales account while leasing income is recorded under Rental income. The amount of VAT Input taxes claimed are broken down as follows:

	Amount
Balance at beginning of year (net input VAT position)	
Input tax carried over from 2022	263,204,531
Current year's purchases:	
Capital goods subject to amortization	59,995,458
Goods other than capital goods	79,923,473
Capital goods not subject to amortization	
Services lodged under other accounts	3,523,834,963
Services rendered by non-residents	
Total available input VAT	3,926,958,425
Less: Input tax on purchase of capital goods exceeding P1 million for the succeeding period	105,243,621
Importation of goods	
Total allowable input VAT	3,821,714,804
VAT payments for the year	135,363,718
Output VAT during the year	3,957,078,522
Balance at the end of the year	-

Documentary Stamp Tax (DST)

The DST paid or accrued on the following transactions are:

Transaction	Amount	DST
Interest expense and other financing charges		
DST on loans	24,957,546,792	187,181,601
DST on Intercompany loan	3,822,460,800	28,668,456
DST on original issue of shares of stock	9,894,677	98,947
Shares of stock not traded in stock exchange	9,894,677	74,210
Direct operating expenses		
DST on leases and other hiring agreements	1,619,566,970	3,239,388
DST on transfer of real property		-
DST on sale of shares		-
Others		-
General and administrative expenses		
DST on leases and other hiring agreements	5,430,000,000	40,725,000
DST on original issue of all debt instrument	218,640,760	437,298
Capitalized DST		
DST on promissory note		-
Others		
DST on leases and other hiring agreements	660,965,000	1,321,976
Balance at the end of the year	36,728,969,676	261,746,876

Details of taxes and licenses in 2024 follow:

The following are the taxes, licenses and permit fees in 2024 excluding DST:

	Direct operating expenses	General and administrative expenses	Total
Local			
Real property tax	643,203,879	187,695	643,391,574
License and permit fees	338,492,029	7,106,072	345,598,101
Inspection fees	1,585,338		1,585,338
Motor vehicle registration fees		550,722	550,722
Professional tax		29,933	29,933
Community tax	360		360
Others	16,176,354	1,646,985	17,823,339
	999,457,960	9,521,407	1,008,979,367
National			
Fringe benefits tax	-	30,362,647	30,362,647
Annual registration	-	-	-
		30,362,647	30,362,647
Documentary stamp tax	-	41,162,298	41,162,298
	999,457,960	81,046,352	1,080,504,312

Withholding Taxes

Details of withholding taxes in 2024 are as follows:

	Amount
Final withholding taxes	1,521,278,789
Expanded withholding taxes	1,082,897,783
Withholding taxes on compensation and benefits	372,727,430
Withholding VAT and other percentage taxes	14,279,088
Balance at end of year	2,991,183,090

Tax assessments and cases

The Parent Company has no deficiency tax assessments whether protested or not. The Parent Company has not been involved in any tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the BIR.

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	6	6	9	1

COMPANY NAME

BAY CITY COMMERCIAL VENTURES C

ORP. (A Wholly-owned Subsidiar

y of Ayala Land Inc.)

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

5TH FLOOR, ONE AYALA, 1 AYALA

AVENUE, AYALA CENTER, BARANGAY

SAN LORENZO, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if applicable
AFS	CRMD	Not applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
[redacted]	[redacted]	[redacted]

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	03/15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Arlene G. Negro	[redacted]	[redacted]	[redacted]

Contact Person's Address

5th Floor, One Ayala, 1 Ayala Avenue, Ayala Center, Barangay San Lorenzo, Makati 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 the 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

pwc Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)
5th Floor, One Ayala, 1 Ayala Avenue
Ayala Center, Brgy. San Lorenzo, Makati City, 1224

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bay City Commercial Ventures Corp. (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.

What we have audited

The Company's financial statements comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in equity for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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 PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on Bureau of Internal Revenue Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

May S. Centeno-Malabanan
Partner
[redacted]

Makati City
July 13, 2026

pwc Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)
5th Floor, One Ayala, 1 Ayala Avenue
Ayala Center, Brgy. San Lorenzo, Makati City 1224

None of the partners of the firm has any financial interest in Bay City Commercial Ventures Corp. or any family relationships with its president, officers or principal shareholders.

The supplementary information on taxes and licenses for the year ended December 31, 2025 is presented in Note 24 to the financial statements.

Isla Lipana & Co.

May S. Centeno-Malabanan
Partner

[redacted]

Makati City
July 13, 2026

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Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash in bank	2	134,968,819	159,646,816
Receivables, net	3	1,660,359,121	4,206,807,962
Input VAT	4	1,274,683,865	1,367,914,911
Other current assets	5	429,087,417	365,593,103
Total current assets		3,499,099,222	6,099,962,792
Non-current assets			
Investment properties, net	6	22,569,768,706	23,054,731,478
Property and equipment, net	7	10,961,052	3,333,168
Deferred tax assets	17	1,196,901,600	1,261,858,325
Other non-current assets	8	173,889,505	367,888,641
Total non-current assets		23,951,520,863	24,687,811,612
Total assets		27,450,620,085	30,787,774,404
Liabilities and equity			
Current liabilities			
Loans payables	18	13,058,515,417	14,761,913,286
Accounts and other payables	9	3,375,253,792	4,620,924,560
Security deposits	10	743,944,313	580,331,925
Lease liabilities	19	734,446,769	309,165,340
Advanced rent from merchants	10	129,919	26,109,293
Retention payable	11	2,439,307	3,232,372
Total current liabilities		17,914,729,517	20,301,676,776
Non-current liabilities			
Security deposits, net of current portion	10	169,844,572	322,960,651
Lease liabilities, net of current portion	19	6,337,351,864	6,496,758,346
Retention payable, net of current portion	11	7,681,275	4,448,903
Advanced rent from merchants, net of current portion	10	43,892,665	73,730,824
Total non-current liabilities		6,558,770,376	6,897,898,724
Total liabilities		24,473,499,893	27,199,575,500
Equity			
Capital stock			
Common shares	12	493,908,732	493,908,732
Preferred shares	12	5,745,278,592	5,745,278,592
Deficit		(3,262,067,132)	(2,650,988,420)
Total equity		2,977,120,192	3,588,198,904
Total liabilities and equity		27,450,620,085	30,787,774,404

(The notes on pages 1 to 39 are integral part of these financial statements.)

Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Revenues and other income			
Lease and other revenue	13	1,853,579,719	1,969,352,049
Dues	14	547,571,525	563,897,003
Interest income	15	904,663	450,211
Other income	15	27,189,243	46,626,768
		2,429,245,150	2,580,326,031
Costs and expenses			
Direct operating expenses	16	(1,933,203,132)	(1,823,336,427)
General and administrative expenses	16	(84,982,129)	(159,261,206)
Interest & finance charges	16	(950,189,514)	(896,980,011)
		(2,968,374,775)	(2,879,577,644)
Loss before income tax		(539,129,625)	(299,251,613)
Income tax expense	17	(71,949,087)	(17,421,617)
Net loss		(611,078,712)	(316,673,230)
Other comprehensive income		-	-
Total comprehensive loss for the year		(611,078,712)	(316,673,230)

(The notes on pages 1 to 39 are integral part of these financial statements.)

Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Share capital			
	Common shares (Note 12)	Preferred shares (Note 12)	Retained earnings (Note 12)	Total equity
Balances as at January 1, 2024	493,908,732	4,445,178,592	(2,597,553,435)	2,341,533,889
Comprehensive income for the year				
Loss for the year	-	-	(316,673,230)	(316,673,230)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(316,673,230)	(316,673,230)
Transactions with owners				
Preferred shares issuance (Note 12)	-	1,300,100,000	-	1,300,100,000
Transferred from NECC (Note 12)	-	-	263,238,245	263,238,245
Total transactions with owners	-	1,300,100,000	263,238,245	1,563,338,245
Balance as at December 31, 2024	493,908,732	5,745,278,592	(2,650,988,420)	3,588,198,904
Comprehensive income for the year				
Loss for the year	-	-	(611,078,712)	(611,078,712)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(611,078,712)	(611,078,712)
Balances as at December 31, 2025	493,908,732	5,745,278,592	(3,262,067,132)	2,977,120,192

(The notes on pages 1 to 39 are integral part of these financial statements.)

Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Loss before income tax		(539,129,625)	(299,251,613)
Adjustments for:			
Depreciation and amortization of ROU	6,7	702,489,031	708,438,401
Provision for expected credit losses	16	1,200,000	32,367,083
Interest expense and other finance charges	16	950,189,514	896,980,011
Amortization of deferred charges on security deposits	10	(4,328,252)	(9,349,440)
Interest income	15	(904,663)	(450,211)
Operating income before changes in working capital		1,109,516,005	1,328,734,231
Decrease (increase) in:			
Receivables		146,583,090	(1,038,863,318)
Input VAT		93,231,046	(1,075,718,968)
Other current assets		(70,454,045)	(103,569,425)
Other non-current assets		198,676,565	1,048,934,095
(Decrease) increase in:			
Accounts and other payables		(1,245,670,768)	3,063,186,243
Advance rent		(55,817,533)	26,109,292
Retention payable		2,439,307	4,328,598
Security deposits		11,705,464	458,694,038
Net cash generated from operations		190,209,131	3,711,834,786
Interest received	2	163,146	65,827
Interest paid		(53,104,037)	-
Income taxes paid		(32,631)	(13,165)
Net cash generated from operating activities		137,235,609	3,711,887,448
Cash flows from investing activities			
Acquisitions of:			
Property and equipment	7	(10,394,247)	-
Investment properties	6	(214,513,638)	(421,849,972)
Increase in advances to contractors		(3,938,829)	-
Collections of loan receivable from related parties	18	2,400,728,025	403,520,000
Loans extended to related parties	18	(3,000,000)	(2,794,963,102)
Net cash provided by (used in) investing activities		2,168,881,311	(2,813,293,074)
Cash flows from financing activities			
Proceeds from related party short-term borrowing	18	19,881,977,422	14,472,156,000
Payments of:			
Lease liability	19	(344,022,521)	(360,852,279)
Related party short-term loan borrowing	18	(21,602,933,304)	(13,938,451,382)
Interest in related party short-term loan borrowing	18	(265,816,514)	(954,946,922)
Net cash used in financing activities		(2,330,794,917)	(782,094,583)
Net (decrease) increase in cash		(24,677,997)	116,499,791
Cash at beginning of year		159,646,816	43,147,025
Cash at end of year	2	134,968,819	159,646,816

(The notes on pages 1 to 39 are integral part of these financial statements.)

Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Notes to the Financial Statement
As at and for the years ended December 31, 2025 and 2024
(All amounts are shown in Philippine Peso unless otherwise stated)

1 Corporate information

1.1 General information

Bay City Commercial Ventures Corp. (the "Company") is domiciled in the Philippines and was incorporated and registered with the Securities and Exchange Commission (SEC) on November 3, 2017. The Company started its commercial operations on September 26, 2019.

The Company is a wholly owned subsidiary of Ayala Land, Inc. (ALI or the Parent Company), a publicly listed company. ALI's parent company is Ayala Corporation (AC, the ultimate Parent Company). AC is a publicly listed company which is 47.84%-owned by Mermac, Inc. (2024 - 47.57%) and the rest by the public as at December 31, 2025. Both AC and ALI are incorporated in the Philippines.

The Company was organized primarily to own and manage Ayala Malls Manila Bay, Ayala Malls Cloverleaf, Ayala Malls The 30th, Ayala Malls Vertis and Ayala Land Office.

The Company's registered office address and principal place of business is at 5th Floor, One Ayala, 1 Ayala Avenue Ayala Center, Brgy. San Lorenzo, Makati City, 1224.

1.2 Merger with North Eastern Commercial Corporation (NECC)

In 2024, the Company entered into a merger with North Eastern Commercial Corporation (NECC), an entity under common control, to enhance operational efficiencies and strengthen market positioning. Under the terms of the merger agreement, the Company was designated as the surviving entity and will absorb all assets, liabilities, and ongoing operations of NECC. The formal approval for the merger was granted on January 19, 2024, with an effective date of January 19, 2024. As a result of this merger, the Company will continue to maintain the Company's existing relationships with clients, suppliers, and employees, ensuring minimal disruption to business operations.

1.3 Status of operations

The Company has incurred a net loss of P611,078,712 for the year ended December 31, 2025 (2024 - P316,673,230) which resulted to a deficit of P3,262,067,132 as at December 31, 2025 (2024 - P2,650,988,420). Further, as at December 31, 2025, the Company's current liabilities exceeded its current assets by P14,415,630,295 (2024 - P14,201,713,984).

The Company's malls continue to be operational and tenant contracts continue to be in place. The Company is also expecting continuous improvement from its resumption of operations as it and it's tenants continue to recover from the COVID 19 pandemic and expect to improve revenues by opening new stores and stabilizing operations. The financial statements are prepared on a going concern basis.

1.4 Approval for issuance of the financial statements

The accompanying financial statements at and for the year ended December 31, 2025 were approved by the Board of Directors in a meeting dated, July 13, 2026.

2 Cash

Cash as at 31 December consists of:

	2025	2024
Cash on hand	505,000	762,000
Cash in bank	134,463,819	158,884,816
	134,968,819	159,646,816

Cash in banks earns interest at the prevailing interest rates ranging from 0.11% to 0.12% in 2025 (2024 - 0.04% to 0.05%).

Interest income from cash in banks amounted to P163,146 in 2025 (2024 - P65,827) (Note 15).

3 Receivables, net

Receivables, net as at December 31 consist of:

	Note	2025	2024
Trade receivables			
Third parties		1,073,262,733	642,354,773
Less: Allowance for impairment losses		(215,950,411)	(218,061,622)
		857,312,322	424,293,151
Related parties	18	113,015,408	11,844,982
Net trade receivables		970,327,730	436,138,133
Accrued receivables		684,676,682	1,366,533,153
Loan receivables from related parties	18	3,002,917	2,401,668,668
Advances to officers		2,351,792	2,468,008
		1,660,359,121	4,206,807,962

Trade receivables pertain to lease receivables from retail spaces that are unsecured, non-interest bearing and are collectible within 15 days.

Accrued receivables pertain to rental revenues and revenues from exhibits that are already earned but not yet billed. The amounts are due within 30 days after billing date.

Receivables from related parties pertain mostly to loans and advances that are due and demandable and earn interest at the prevailing annual interest rates ranging from 5% to 6% in 2025 and 2024 (Note 18).

Advances to officers pertain to advances for employees' disposition of their functions and are subject to liquidation.

Movements in the allowance for impairment of trade receivables for the years ended December 31 are as follows:

	Note	2025	2024
Beginning of year		218,061,622	17,215,340
Provision for impairment	16	1,200,000	32,367,083
Transferred provisions from NECC		-	168,479,199
Write off		(3,311,211)	-
End of year		215,950,411	218,061,622

In 2025, the Company had written off a portion of the receivables fully provided with allowance amounting to P3,311,211, that, based on management's are no longer collectible upon exhausting all collection effort. There is no similar transaction in 2024.

Critical accounting estimate and assumption: Estimation of allowance for ECL

The Company maintains allowance for impairment loss on its receivables at a level adequate to provide for any potential uncollectible receivables. The level of this allowance is regularly evaluated by the Company. The Company performs a regular review of the age and status of these accounts, designed to identify accounts for impairment. The assessment of the correlation between historical observed default rates, forecasted economic conditions and ECL is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The determination of ECL is initially based on the Company's historically observed default rates adjusted to forward looking information. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The allowance for ECL as of December 31, 2025 amounted to P215.95 million (2024 - P218.06 million). The carrying value of receivables amounted to P1,660.36 million as of December 31, 2025 (2024 - P4,206.81 million).

4 Input VAT

Input VAT as at December 31:

	2025	2024
Input VAT	1,119,769,568	1,208,770,330
Deferred input VAT	154,914,297	159,144,581
	1,274,683,865	1,367,914,911

Input VAT represents taxes transferred to the Company by its supplier of goods or services as levied by the Philippine taxation laws and regulations. These are recoverable in future periods through application against output VAT.

Deferred input VAT pertains to the input vat recognized for the billed yet unpaid assets under construction. These are expected to be recorded as part of the input VAT to be applied to output VAT in the future periods.

5 Other current assets

Other current assets as at December 31:

	2025	2024
Creditable withholding taxes	251,052,680	171,080,736
Prepayments:		
Real property taxes	140,320,590	157,891,480
Materials and supplies	22,829,420	18,519,473
Commission - current portion	14,884,727	18,101,414
	429,087,417	365,593,103

Creditable withholding taxes will be claimed as tax credit and used against the income tax payable.

Materials and supplies refer to supplies of food and beverages being sold by the Company's cinema.

Prepaid commission pertains to commission paid for by the Company to a third party for obtaining a five (5) year lease agreement of office unit and parking spaces with a customer. Non-current portion of prepaid commissions is presented under other non-current assets (Note 8).

Creditable withholding taxes will be claimed as tax credit and used against the income tax payable.

6 Investment properties, net

Investment properties, net as at December 31:

	Building and improvements	Asset under construction	Rights-of-use asset (Note 19)	Total
At January 1, 2024				
Cost	18,055,916,315	532,308,021	3,352,663,994	21,940,888,330
Accumulated depreciation and amortization	(1,618,561,803)	-	(408,423,551)	(2,026,985,354)
Net book value	16,437,354,512	532,308,021	2,944,240,443	19,913,902,976
Year ended December 31, 2024				
Opening net book value	16,437,354,512	532,308,021	2,944,240,443	19,913,902,976
Additions	56,999,399	364,850,573	-	421,849,972
Transferred from NECC (Note 12)	2,547,407,586	-	878,690,662	3,426,098,248
Depreciation and amortization (Note 16)	(586,565,908)	(11,486,478)	(109,067,332)	(707,119,718)
Closing net book value	18,455,195,589	885,672,116	3,713,863,773	23,054,731,478
As at December 31, 2024				
Cost	20,660,323,300	897,158,594	4,231,354,656	25,788,836,550
Accumulated depreciation and amortization	(2,205,127,711)	(11,486,478)	(517,490,883)	(2,734,105,072)
Net book value	18,455,195,589	885,672,116	3,713,863,773	23,054,731,478
Year ended December 31, 2025				
Opening net book value	18,455,195,589	885,672,116	3,713,863,773	23,054,731,478
Additions	77,838,776	136,921,120	-	214,759,896
Transfers	7,351,585	(7,351,585)	-	-
Depreciation and amortization (Note 16)	(580,827,033)	(9,655,093)	(109,240,542)	(699,722,668)
Closing net book value	17,959,558,917	1,005,586,558	3,604,623,231	22,569,768,706
At December 31, 2025				
Cost	20,745,513,661	1,026,728,129	4,231,354,656	26,003,596,446
Accumulated depreciation and amortization	(2,785,954,744)	(21,141,571)	(626,731,425)	(3,433,827,740)
Net book value	17,959,558,917	1,005,586,558	3,604,623,231	22,569,768,706

Asset under construction consists of costs incurred in relation to the development and construction of commercial centers in different locations in the country primarily in Metro Manila which are expected to be completed in 2026. The asset under construction is transferred to the related investment property account when the construction and related activities to prepare the asset for its intended use are completed and the assets are already for lease to merchants.

In 2025, the Company recorded depreciation expense amounting to P699.72 million (2024 - P707.12 million) as part of direct operating expense (Note 16).

In 2025, rent income generated from investment properties amounted to P1,843.90 million (2024 - P1,953.71 million) (Note 13).

During the year 2025, the Company capitalized interest expense on loans payable to related parties in asset under construction amounting to P0.25 million (2024 - P 53.18 million) (Note 18).

In 2025, direct operating expenses amounting to P1,933.20 million (2024 - P1,823.33 million) represent expenses incurred from commercial leases on investment properties (Note 16).

The right-of-use assets pertain to lease agreements of Ayala Malls Manila Bay, Ayala Malls Cloverleaf, Ayala Malls The 30th, Ayala Malls Vertis, and Ayala Land Office.

The aggregate fair value of the investment properties of the Company amounted to P39,937 million as of December 31, 2025 (2024 - P26,790 million). The estimated fair value of the investment properties is based on the latest valuation reports performed by an independent appraiser.

Description of significant unobservable inputs to valuation

The description of valuation techniques and key inputs to fair valuation for the year ended December 31, 2025 and 2024 are as follows:

	Valuation technique	Significant inputs	Range (in absolute amount)	Relationship of unobservable inputs to fair value
Ayala Malls Vertis	Income approach using discounted cashflow method	Discount rate, capitalization rate, marketing cost, escalation rate	Discount rate - 10%	The higher the rate, the lower the fair value
			Capitalization rate - 3.50%	The higher the rate, the lower the fair value
			Marketing cost - 3.50%	The higher the rate, the lower the fair value
			Escalation rate - 4.90% to 6.92%	The higher the rate, the higher the fair value
Ayala Malls the 30th	Income approach using discounted cashflow method	Discount rate, capitalization rate, escalation rate, growth rate	Discount rate - 9.50%	The higher the rate, the lower the fair value
			Terminal capitalization rate - 4.50%	The higher the rate, the lower the fair value
			Rental escalation - 4.21% to 23.21%	The higher the rate, the higher the fair value
			Growth rate - 5%	The higher the rate, the higher the fair value
Ayala Malls Manila Bay	Income approach using discounted cashflow method	Discount rate, capitalization rate, marketing cost	Discount rate - 10%	The higher the rate, the lower the fair value
			Capitalization rate - 7%	The higher the rate, the lower the fair value
			Marketing cost - 3.5%	The higher the rate, the lower the fair value
Ayala Malls Cloverleaf	Income approach using discounted cashflow method	Discount rate, capitalization rate, marketing cost	Discount rate - 10%	The higher the rate, the lower the fair value
			Capitalization rate - 4.50%	The higher the rate, the lower the fair value
			Marketing cost - 3.5%	The higher the rate, the lower the fair value

Under income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset. It provides an indication of value by converting future cash flow to a single current value. Direct capitalization is a method used to convert a single year's income expectancy into a value indication either by dividing the net operating income estimate by an appropriate rate called capitalization rate, or by multiplying the income estimate by an appropriate factor. Net operating income is the actual or anticipated net income after all operating expenses are deducted from the gross revenues. Overall capitalization rate is an income rate that is applied to the subject property's income that reflects a market rate of return on the capital investment along with the recapture of the capital.

The Company's management believes that there were no conditions present in 2025 and 2024 that would significantly reduce the fair value of the investment properties from that determined on August 13, 2025 and June 14, 2023, respectively, based on the latest valuation reports performed by an independent appraiser.

The Company used Discounted Cash Flow Analysis as the valuation technique in determining the fair value measurement of the investment properties wherein a discounted cashflow is projected over a 10-year period of the total land area of 1,803,720 sq. m. in 2025 and 2024. The cash flow analysis, which comprise of annual income streams, are based upon the following assumptions and estimates related to discount rate, terminal capitalization rate and escalation rate.

The Company has no existing capital commitments related to investment properties as of December 31, 2025 and 2024 except for the asset under construction amounting to P1,005.59 million in 2025 and P885.67 million, respectively.

The total committed contract for the development of investment property as of December 31, 2025, amounted to P21,064.38 million of which P895.31 million were recognized as part of asset under construction as of December 31, 2025 (2024 - P885.67 million).

Critical accounting estimate and assumption: Estimation of useful lives of investment properties

The Company estimates the useful lives of investment properties based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of investment properties based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of investment properties would increase the recorded depreciation expense and decrease noncurrent assets.

Critical accounting judgment: Distinction between investment properties and owner-occupied 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 the property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as at the reporting date, the property is accounted for as investment properties only if an insignificant portion is held for use in the production or supply of goods or services or 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.

7 Property and equipment, net

Property and equipment, net as at December 31 consist of office equipment as follows:

	2025	2024
At January 1		
Cost	5,689,251	1,677,435
Accumulated depreciation	(2,356,083)	(572,325)
Net book value	3,333,168	1,105,110
Year ended December 31		
Opening net book value	3,333,168	1,105,110
Additions	10,394,247	-
Transfer from merger	-	4,011,816
AD – transfer from merger	-	(465,075)
Depreciation (Note 16)	(2,766,363)	(1,318,683)
Closing net book value	10,961,052	3,333,168
At December 31		
Cost	16,083,498	5,689,251
Accumulated depreciation	(5,122,446)	(2,356,083)
Net book value	10,961,052	3,333,168

8 Other non-current assets

Other non-current assets as at December 31:

	Note	2025	2024
Prepaid commissions		34,591,325	230,146,705
Deferred credits		44,889,534	44,889,534
Recoverable deposits	19	28,174,525	29,196,820
Advances to contractors		18,620,453	14,681,624
Others		47,613,668	48,973,958
		173,889,505	367,888,641

Prepaid commission pertains to commission paid for by the Company to a third party for obtaining a five (5) year lease agreement of office unit and parking spaces with a customer. Current portion of prepaid commissions is presented under other current assets (Note 5).

Advances to contractors and suppliers pertain to down payments relating to the construction of the mall. These are recouped upon receipt of progress billings based on percentage of accomplishments.

Deferred credits represent excess of the principal amount of the security deposit over the fair value of the recoverable deposit at the inception of the lease.

Recoverable deposits pertain to security deposits paid for the land lease of the Company. The security deposit is noninterest-bearing and is to be refunded at the end of the lease term.

The movements in recoverable deposits are as follows:

	Note	2025	2024
Balances at beginning of year		29,196,820	13,483,692
Additions		-	15,400,830
Withdrawals		(1,760,895)	-
Interest income	15	738,600	312,298
Balances at end of year		28,174,525	29,196,820

Advances to contractors and suppliers pertain to down payments relating to the construction of the mall. These are recouped upon receipt of progress billings based on percentage of accomplishments.

9 Accounts and other payables; other non-current liabilities

Accounts and other payables as at December 31:

	Notes	2025	2024
Trade payable			
Third parties		381,884,859	651,218,055
Related parties	18	831,008,278	1,093,480,541
Dividends payable	12,18	1,806,474,949	1,806,474,949
Accrued expenses		158,561,473	864,943,381
Construction bonds		115,152,835	120,991,857
Deferred output VAT		62,243,541	11,536,100
Taxes payable		19,927,857	72,279,677
		3,375,253,792	4,620,924,560

Trade payable pertains to billed purchases of goods and services, unpaid utility bills deposit, manpower services, marketing and advertising events and construction bond which are non-interest bearing are normally settled within 30 days. It also includes the outstanding payables to related parties on the construction services provided for the ongoing development of the assets under construction (Note 18).

Accrued expenses consist mainly of light and power, marketing costs, film share, advertising and promotion, professional fees, postal and communication, repairs and maintenance and insurance. These are normally settled within 15 to 60 day terms after billing date.

Construction bonds pertain to short-term bonds received from merchants as security for any adverse event that will cause disruptions, failure to complete the project due to insolvency of the contractors, or the job's failure to meet contract specifications.

Deferred output VAT pertains to transactions where collection or billing has occurred, but the related VAT is reportable in a subsequent period.

Taxes payables pertain to withholding taxes, amusement tax, cultural tax and documentary stamp tax which are noninterest-bearing payable and are subsequently remitted one month after the reporting date.

10 Security deposits and advance rent

Security deposits and advance rent as at December 31:

	2025	2024
Security deposits	840,387,881	846,023,521
Deferred credits	73,401,004	57,269,055
	913,788,885	903,292,576
Current portion of security deposits	(743,944,313)	(580,331,925)
	169,844,572	322,960,651

Security deposits represent advance rent payments from tenants which are to be returned upon termination of the related lease contracts. Security deposits are recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of investments.

The difference between the cash received and its fair values is included under "Deferred credits" and amortized using the straight-line method over the lease term.

The movements of deferred credits are as follows:

	Note	2025	2024
Balance at beginning of year		57,269,055	30,654,444
Additions		20,460,201	35,964,051
Amortization	15	(4,328,252)	(9,349,440)
Balance at end of year		73,401,004	57,269,055

Movements in the deposit liabilities are as follows:

	Note	2025	2024
Balances at beginning of year		846,023,521	475,252,982
Additions		743,944,313	580,331,926
Deposits paid		(752,699,050)	(219,012,664)
Accretion	16	3,119,097	9,451,277
Balances at end of year		840,387,881	846,023,521

Advanced rent recognized by the Company in 2025 amounting to P44,022,584 (2024 - P99.840,117) pertains to payments from long-term tenants and is equivalent to three months' rent. This shall be applied against the rent due for the last three months of the lease term or to be applied against any other obligation which remains due and unpaid upon the expiration of contract. As at December 31, 2025, the current portion amounting to P129,919 (2024 - P26,109,293) majority are from Offices. The non-current portion amounts to P43,892,665 (2024 - P73,730,824) as at December 31, 2025.

11 Retention payable

Retention payable, amounting to P10.12 million as at December 31, 2025 (2024 - P7.68 million) pertains to the portion of the progress billings of contractors withheld by the Company payable after full completion of a project.

Amounts recognized in the financial position

	2025	2024
Current	2,439,307	3,232,372
Non-current	7,681,275	4,448,903
	10,120,582	7,681,275

12 Equity

Capital stock

The Company's capital stock consists of the following number of shares as at December 31, 2025 and 2024 follows:

	2025		2024	
	Shares	Amount	Shares	Amount
Common shares				
at P1 par value per share				
Authorized	773,250,000	773,250,000	773,250,000	773,250,000
Issued and outstanding	493,908,732	493,908,732	493,908,732	493,908,732
Preferred shares.				
at P1 par value per share				
Redeemable Preferred A				
Authorized	6,959,250,000	6,959,250,000	6,959,250,000	6,959,250,000
Issued and outstanding	5,745,278,592	5,745,278,592	5,745,278,592	5,745,278,592

Common shares

The common shares shall have the following features:

a. Common shares with par value of One Peso (Php1.00) per share or a total par value;
b. Each common share confers upon a common shareholder;
c. The right to vote at any shareholder's meeting or any resolution of the shareholders; and
d. The right to distribution of income under such terms and conditions as the Board of Directors may approve.

Preferred Shares

The redeemable preferred shares shall have the following features:

a. With voting right;
b. Participate in dividends declared for common shares, as may be determined and approved by the Company's BOD;
c. Preference over holders of common shares in the distribution of corporate assets in the event of dissolution and liquidation of the Company and in the payment of dividend; and
d. Redeemable at the option of the Company at issue value and under such terms that the Company's BOD may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the Company's BOD.

The Plan of Merger has been approved and ratified by the respective Boards of Directors and stockholders of BCCVC and NECC on September 26, 2023. The One Billion Three Hundred Million One Hundred Thousand (1,300,100,000) preferred shares from NECC are merged with BCCVC effective January 19, 2024. This transaction is a non-cash activity. Accordingly, the outstanding capital stock of BCCVC after the merger shall be at 6,239,187,324.

Transferred retained earnings from NECC

On May 31, 2023, the NECC's BOD approved the declaration of cash dividends of P3,844 per common shares with an aggregate amount of P1.81 billion from the unrestricted retained earnings of NECC as of May 31, 2023 to the stockholders of record as of the same date. As of reporting date, the dividend payable is yet to be paid (Note 9).

On January 19, 2024, the retained earnings of NECC amounting to P263.24 million from result of operations on June 1, 2023 to December 31, 2023 was transferred to BCCVV as the surviving entity.

13 Leases and other revenue

Lease and other revenue accounts consist of the following:

	2025	2024
Lease revenue:		
Commercial spaces	1,406,710,592	1,539,844,905
Carpark and terminal fees	207,480,860	188,204,507
Cinema receipts	133,579,401	117,409,381
Exhibit and sponsorships	69,991,413	61,749,337
Commercial others	26,134,630	46,499,999
	1,843,896,896	1,953,708,129
Advertising fees	9,682,823	15,643,920
	1,853,579,719	1,969,352,049

Lease revenues from commercial spaces pertain to the monthly rentals of the merchants for their leased spaces in the mall. Leases with mall merchants are either fixed paying or variable (%) paying, depending on the lease contracts agreed with the Company.

Carpark and terminal fees pertain to fees for use of parking slots.

Cinema receipts pertain to the amount of revenue from the sale of movie tickets. This also includes rentals for use of cinema as venues for events.

Exhibits and sponsorship represent income from special events held at the mall's premises such as merchandise displays, food bazaars and other similar events.

Advertising fees pertain to the fixed amount of agreed fees under lease contracts with merchants.

14 Dues

The Company assessed that it acts as principal in the delivery of CUSA and air-conditioning charges and presented at a gross amount these recoveries under "Dues" in the statement of total comprehensive income.

Dues for the year ended December 31 are as follows:

	2025	2024
CUSA charges	266,758,242	312,797,814
Airconditioning charges	280,813,283	251,099,189
	547,571,525	563,897,003

Critical accounting judgment: Determination of whether the company is acting as a principal or an agent

The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the provision of CUSA and air conditioning, the Company acts as a principal because it retains the right to direct the service provider of air conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air conditioning charges.

15 Interest and other income

Interest income

Interest income for the years ended December 31 are as follows:

	Notes	2025	2024
Interest in income from:			
Intercompany loans	18	2,917	72,086
Recoverable deposits	8	738,600	312,298
Cash in bank	2	163,146	65,827
		904,663	450,211

Other income (expense)

Other income (expense) for the years ended December 31 are as follows:

	Note	2025	2024
Income from sale of ice and beverage		21,473,874	20,945,132
Realized foreign currency exchange gain (loss)		(2,370)	(648,943)
Amortization of deferred charges on security deposits	10	4,328,252	9,349,440
Others		1,389,487	16,981,139
		27,189,243	46,626,768

Others pertain to forfeited deposits.

16 Cost and expenses

Direct operating expenses consist of:

	Note	2025	2024
Depreciation and amortization	6	699,722,668	707,119,718
Utilities and other fees		524,118,714	503,932,440
Taxes and licenses		271,808,952	250,014,207
Repairs and maintenance		97,450,323	93,892,611
Rent & land lease		92,444,548	45,341,874
Marketing		66,054,261	54,822,188
Contracted services		48,425,334	51,008,140
Technical services		28,532,006	35,380,547
Dues & fees		26,615,745	23,769,018
Food and beverages		26,465,296	20,905,020
Training and seminars		24,602,465	6,721,878
Insurance		15,617,343	11,006,477
Supplies		3,758,175	5,422,101
Others		7,587,302	14,000,208
		1,933,203,132	1,823,336,427

Utilities and other fees pertain to electricity, water, security, janitorial, garbage fee, and pest control fees. Others pertain to postage fees, office supplies, and communication expenses.

General and administrative expenses consist of:

	Notes	2025	2024
Professional fees		40,081,720	93,074,417
Repairs and maintenance		9,758,622	11,984,309
Utilities and other fees		8,219,902	6,193,864
Contracted services		7,438,712	1,134,642
Postal & communication		4,680,534	4,261,243
Systems cost	18	4,218,255	6,124,208
Taxes and licenses		3,658,294	-
Depreciation	7	2,766,363	1,318,683
Supplies		1,535,364	1,268,856
Provision for expected credit losses	3	1,200,000	32,367,083
Representation		420,299	586,920
Transportation		356,284	578,699
Others		647,780	368,282
		84,982,129	159,261,206

Interest expense and other financing charges incurred by the Company consist of:

	Notes	2025	2024
Interest expense on lease liability	19	609,897,468	589,006,413
Interest expense on loans payable to related parties	18	284,068,912	235,553,687
Accretion on deposit liabilities	10	3,119,097	9,451,277
Other charges		53,104,037	62,968,634
		950,189,514	896,980,011

Other charges mainly pertain to bank charges and penalties for late payment of taxes and licenses.

17 Income tax

Income tax expense account consists of:

	2025	2024
Current	6,959,731	-
Deferred	64,956,725	17,416,109
Final	32,631	5,508
	71,949,087	17,421,617

As at December 31, 2025 and 2024, the Company recognized net deferred tax assets as follow:

	2025	2024
Deferred tax assets on:		
Lease liability	1,767,949,658	1,701,480,922
NOLCO	343,501,483	490,816,282
Advance rent	11,005,646	24,960,029
Provision for impairment loss	53,987,603	54,515,406
Others	1,739,933	-
	2,178,184,323	2,271,772,639
Deferred tax liability on:		
Right-of-use asset	(901,155,808)	(928,465,943)
Accrued rent income	(80,126,915)	(81,448,371)
	(981,282,723)	(1,009,914,314)
	1,196,901,600	1,261,858,325

The movements in deferred income tax assets, net follow:

	2025	2024
Beginning of year	1,261,858,325	1,278,218,486
Recognized in profit or loss	(64,956,725)	(17,416,109)
Transferred from NECC	-	1,055,948
End of year	1,196,901,600	1,261,858,325

On September 30, 2020, the BIR issued Revenue Regulations (RR) No. 25-2020, Rules and Regulations Implementing Section 4 (bbbb) of Bayanihan Act I relative to NOLCO under Section 34 (D)(3) of the National Internal Revenue Code, as amended, allowing qualified businesses or enterprises which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only. Accordingly, the NOLCO incurred by the Company in 2021 shall be carried over for the next five years until 2026.

As at December 31, 2025 and 2024, the expired portion and unexpired NOLCO that can be claimed as deduction from future taxable income are as follows:

Year incurred	Year of expiration	2025	2024
2025	2028	77,932,393	-
2023	2026	603,656,746	603,656,746
2022	2025	667,191,585	677,268,987
2021	2026	692,416,793	692,416,793
2020	2025	-	431,321,945
		2,041,197,517	2,404,664,471
Applied		-	(78,240,021)
Expired		(667,191,585)	(363,159,325)
Total		1,374,005,932	1,963,265,124
DTA @ 25%		343,501,483	490,816,282

As provided under Republic Act No. 8424, Tax Reform Act of 1997 (the "Act"), the Company shall pay the higher of Minimum Corporate Income Tax (MCIT) or the normal income tax. Beginning July 1, 2020, MCIT is calculated as 1% of gross income as defined under the Act. Any excess of MCIT over the normal income tax is carried forward annually and applied against the normal income tax due for the next three succeeding taxable years.

For the year ended December 31, 2025, the Company has MCIT amounting to P6,959,731 (2024 - nil). The related deferred tax on this MCIT is unrecognized.

The reconciliation between the provision for income tax computed using the statutory income tax rate to the provision for income tax as shown in the statements of income follows:

	2025	2024
Benefit from income tax at statutory tax rate	(134,782,406)	(74,812,903)
Tax effects of:		
Derecognized DTA on NOLCO	166,797,896	90,789,831
Nondeductible expenses	33,006,495	1,444,689
Unrecognized DTA on MCIT	6,959,731	-
Unallowable interest expense	8,157	3,291
Interest income subject to final tax	(40,786)	(3,291)
Income tax expense	71,949,087	17,421,617

Critical accounting estimate and assumption: Recognition of deferred tax assets

The recognition of deferred income tax assets depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied. The Company reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces the amounts to the extent that it is no longer probable that sufficient taxable profit will allow all or part of its deferred income tax assets to be utilized. Based on the management's assessment and judgment, the recognized deferred income tax assets as at December 31, 2025 amounting to P1,196.90 million (2024 - P1,261.86 million) are recoverable in the future.

18 Related party transaction

The following are the Company's relationships with related parties it transacts with:

Related parties	Relationship
Ayala Corporation (AC)	Ultimate parent
Ayala Land, Inc. (ALI)	Immediate parent
Other related parties	Entities under common control

The summary of transactions with related parties as at and for the years ended December 31, 2025 and 2024 are as follows:

Category	Terms and conditions	2025	2024
Entities under common control			
(a) Interest income from loan to related parties	This pertains to interest income from loans with an interest rate of 5.89% to 5.91%.	2,917	72,086
(b) Loans payable	This pertains to interest-bearing, unsecured loans payable usually payable in 30 days and an interest rate of 3% to 4%.	19,881,977,442	14,472,156,000
(c) Interest expense on loans payable	Refer to ref.(a)	284,068,912	235,553,687
(d) Loan receivable	This pertains to interest-bearing, unsecured loans payable usually payable in 30 days and an interest rate of 3% to 4%.	3,000,000	2,794,963,102
(e) Capitalized borrowing cost	Refer to ref.(a). This pertains to portion incurred capitalized as part of asset under construction.	246,258	53,182,768
(f) Interest income in cash in bank	These pertains to interest income from the cash held in bank with BPI (Note 2).	163,146	65,827
(g) Utility expenses	In its regular conduct of business, the Company has engaged and entered into transactions with various related parties to administer its tenant relations, advertisement and promotions, marketing, cinema and snack bar operations, accounting, and budget preparation of the Company. These are settled in cash, unsecured, non-interest bearing and payable on demand.	(33,107,009)	(189,247,991)
(h) Billed cinema receipts		1,445,693	68,673,486
(i) Reimbursements		(18,600,652)	(33,251,274)
(j) Rental		(21,064,386)	54,025,846
(k) Manpower		(778,954)	(6,906,301)
(l) Management fee		(54,806,604)	(96,470,104)
(m) Systems cost		(4,218,255)	(6,124,208)

The above amounts of related party receivables and payables, which are to be settled in cash at gross amounts, unsecured, non-interest bearing and payable on demand.

The tables below summarize the Company's balances with its related parties as at December 31:

Cash in bank (Note 2)

	Terms	Ref.	2025	2024
Entities under common control	The Company held cash in bank with BPI in 2025 and 2025, respectively.	e	134,463,819	158,884,816

Due from related parties (Note 3)

	Terms	Ref.	2025	2024
Trade receivables				
Entities under common control	These are settled in cash, unsecured, non-interest bearing which have no fixed repayment terms but is expected to be settled within 12 months from reporting date.	g	113,015,408	11,844,982
Loans receivables				
Entities under common control	These are settled in cash, unsecured, interest bearing which have no fixed repayment terms but is expected to be settled within 12 months from reporting date.	a	3,002,917	2,401,668,668
			116,018,325	2,413,513,650

The Company has not recognized any expected credit losses on amounts receivable from related parties for the years ended December 31, 2025 and 2024. Impairment assessment is undertaken each financial year.

The movement of loans receivable and interest income from related parties for the years ended December 31 are as follows:

	2025	2024
Principal:		
Beginning of year	2,400,728,025	9,284,923
Collection of loans from related entities	(2,400,728,025)	(403,520,000)
Loans extended to related parties	3,000,000	2,794,963,102
End of year	3,000,000	2,400,728,025
Interest receivable from loans:		
Beginning of year	940,643	868,557
Interest income	2,917	72,086
Collection of interest receivable	(940,643)	-
End of year	2,917	940,643
Total	3,002,917	2,401,668,668

In 2025, the Company offset the interest receivable collection against the interest payable on loans payable. This is considered as non-cash activity in the statements of cash flow.

Due to related parties (Note 9)

	Terms	Ref.	2025	2024
Trade payables				
Entities under common control	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest.	f,h,i,j,k,l	831,008,278	1,093,480,541
Dividends payable	Refer to Note 12.		1,806,474,949	1,806,474,949

Loans payable

	Terms	Ref.	2025	2024
Loans payables				
Parent company	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest. It is expected to be settled within 12 months from reporting date.	b	1,567,077,615	8,360,411,734
Entities under common control			11,441,766,140	6,207,306,670
			13,008,843,755	14,567,718,404
Interest payable				
Parent company	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest.	c,d	3,604,437	69,044,852
Entities under common control			46,067,225	125,150,030
			49,671,662	194,194,882
			13,058,515,417	14,761,913,286

The movement of loans payable and interest expense from related parties for the years ended December 31 are as follows:

	2025	2024
Principal:		
Beginning of year	14,567,718,404	14,034,013,786
Loans obtained from related parties	19,881,977,422	14,472,156,000
Settlement of loans from related entities	(21,602,933,304)	(13,938,451,382)
End of year	12,846,762,522	14,567,718,404
Interest payable from loans:		
Beginning of year	194,194,882	860,405,350
Interest expense	284,068,912	235,553,687
Borrowing cost capitalized during the year (Note 6)	246,258	53,182,767
Interest paid	(266,757,157)	(954,946,922)
End of year	211,752,895	194,194,882
Total	13,058,515,417	14,761,913,286

Compensation for key management personnel

The key management personnel of the Company are employees of ALI. The compensation of the said employees is paid by ALI and as such, the necessary disclosures required by PAS 24, Related Party Disclosures, are included in the financial statements of ALI.

19 Leases

Company as lessor

The Company enters into lease agreements with third parties on its investment property portfolio, covering the Company's retail space. These leases have terms ranging from 2 to 5 years and generally provide for either (a) fixed monthly rent; or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision on its rental charge on an annual basis based on prevailing market conditions.

On January 15 and October 1, 2021, Ayala Land, Inc. (ALI) executed Deeds of Sale with AREIT, Inc. covering The 30th and Vertis Mall and Corporate Center, respectively. In connection with these transactions, North Eastern Commercial Corp. (NECC) transferred to AREIT the related security deposits and advance rents associated with the office operations of the properties.

Meanwhile, the mall portions of The 30th and Vertis North continue to be operated by NECC, which remains the lessor for commercial spaces leased to retail tenants.

Total rent income and accrued rent income from lease of commercial spaces in 2025, amounted to P1,406.71 million (2024 - P1,539.84 million) (Note 13).

Total security deposit amounted to P913.79 million in 2025 (2024 - P903.29 million). Current security deposit amounted to P743.94 million in 2025 (2024 - P580.33 million) while long term portion amounted to P169.84 million (2024 - P322.96 million) (Note 10).

Total recoverable deposit amounted to P28.17 million in 2025 (2024 - P29.20 million) (Note 8).

Future minimum rentals receivable under non-cancellable operating leases of the Company as at December 31, 2025 and 2024, follows:

	2025	2024
Within one year	5,096,464,735	9,381,711,988
More than one year	2,645,660,144	4,635,613,259
	7,742,124,879	14,017,325,247

Company as lessee

Deed of Assignment with ALI

On December 28, 2017, the Company has entered into a Deed of Assignment with ALI recognizing that ALI has commenced the construction of a mixed-use commercial center which includes an above ground 5-level retail development, 5-level office development stacked on top of the retail development, and 3-level basement parking (the "Building") and the construction thereof is ongoing and a work in process. For and in consideration of the amount of P4,092.89 million, exclusive of value-added tax, ALI unconditionally and irrevocably assigns, transfers, and conveys its ownership, rights, interests, and obligations in the Building unto the Company.

ALI delivered to the Company the "work-in-progress" Building as well as the original and certified true copies of the contracts, permits and licenses which collectively comprise the assigned building. Each party paid the cost and expenses incurred by it in connection with the execution of the Deed of Assignment. Any income tax or capital gains from the transactions contemplated on part of ALI including documentary stamp tax shall be for the account of ALI.

Simultaneous with the assignment, transfer and conveyance of the ownership, rights, interests and obligations with respect to the building, ALI assigned to the Company the rights and obligations under its lease arrangement with D.M. Wenceslao and Associates, Inc. with respect to the lease of 92,317 square meters of land, where the building stands, for 45 years from January 1, 2015, to December 31, 2059, the Company has the option to renew three (3) years prior to its expiration.

The building has estimated useful life (EUL) 45 years and recorded as part of buildings and improvements as part of investment properties in the statement of financial position.

Rent expense pertains to variable portion of building lease with AREIT P92,444,548 in 2025 (2024 - P45,341,874).

Company as lessee (Lease agreements transferred from NECC)

NECC entered into various lease agreements as follows:

Date of contract	Type	Property.	Lessor	Term
January 15, 2021	Building retail podium	30th Malls	AREIT	36 years
October 1, 2021	Building retail podium	Vertis North	AREIT	36 years
October 2017	Land	Cloverleaf	AyalaLand Estates Inc.	40 years

In 2021, the NECC entered into building lease agreement with AREIT for a term of 36 years. The agreement pertains to the lease of a retail podium of The 30th. The lease agreement states that AREIT shall deliver to the NECC the physical possession of the leased premises on January 15, 2021. The lease generally provides for rates based on higher between the a) fixed rent plus 6% of gross rental income or (b) minimum guaranteed rent and shall be subject to 3% escalation every three (3) years.

On October 1, 2021, NECC entered into building lease agreement with AREIT for a term of 36 years. The agreement pertains to the lease of Vertis North Commercial Development Mall. The lease agreement states that AREIT shall deliver to the Company the physical possession of the leased premise on October 1, 2021. The lease generally provides for rates based on higher between the a) fixed rent plus 6% of gross rental income or (b) minimum guaranteed rent and shall be subject to 3% escalation every three (3) years.

Lease contract entered for the lease of Cloverleaf land is based on a variable lease payment based on a certain percentage of gross revenue.

The roll forward analysis of lease liabilities and movements for the years ended December 31 is as follows:

	2025	2024
As at January 1	6,805,923,686	5,633,913,648
Accretion of interest	609,897,468	589,006,413
Payments	(344,022,521)	(360,852,279)
Transfers from NECC	-	943,855,904
As at December 31	7,071,798,633	6,805,923,686
Current portion of lease liabilities	734,446,769	309,165,340
Lease liabilities - net of current portion	6,337,351,864	6,496,758,346

The following are the amounts recognized in the statements of comprehensive income under “Direct operating expenses” for the years ended December 31 (Note 16):

	Notes	2025	2024
Accretion of interest	16	609,897,468	589,006,413
Amortization of right-of-use assets	6	109,240,542	109,067,332
		719,138,010	698,073,745

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

	2025	2024
Within one year	390,321,597	643,192,224
After one year but not more than five years	2,221,329,026	2,119,989,647
More than five years	33,328,429,000	31,526,936,881
	35,940,079,623	34,290,118,752
Interest payable on leases	(28,868,280,992)	(27,484,195,066)
Present value of lease liabilities	7,071,798,631	6,805,923,686

The company fixed and variable rent recognized as rent expense in direct operating expenses amounting to 2025 P92,444,548 (2024 - P45,341,874).

Critical accounting judgement: Operating lease commitments - Company as lessor

The Company has entered commercial property leases on its investment property portfolio. The Company has determined that it retains all significant risks and rewards of ownership of the property, other than land, as it considered, among others, the length of the lease term as compared with the estimated useful life (EUL) of the asset.

A number of the Company's operating lease contracts are accounted for as non-cancellable operating leases, and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Company considered, among others, the significance of the penalty, including economic consequence, to the lessee.

Critical accounting judgement: Determination of lease term of contracts with renewal and termination options - Company as a lessee

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its lease of land as the renewal option is based on mutual agreement, thus not enforceable.

Critical accounting judgement: Distinction between investment property and owner-occupied property

The Company determines whether a property qualifies as an 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 the other assets used in the supply process.

Critical accounting judgement: Assessment on whether lease concessions granted constitute a lease modification

The Company applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Company determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease, including consideration of general and special laws in the Philippines which may apply. The Company assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore is not lease modification under PFRS 16.

The impact of lease concessions granted by the Company and accounted as not a lease modification increased total rental income by P165.71 million in 2025 (2024 - P198.29 million increase).

Critical accounting estimate and assumption: Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The incremental borrowing rate used by the Company to measure lease liabilities in 2023 and 2022 9.03%.

20 Fair value measurement

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly and indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of the Company's financial and non-financial assets and liabilities by level of the fair value hierarchy:

	December 31, 2025		
	Carrying value	Total fair value	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:			
Investment properties - building and improvements	17,959,558,917	39,936,573,000	39,936,573,000
Recoverable deposits	28,174,525	73,064,579	73,064,579
Liabilities for which fair values are disclosed:			
Lease liability	7,071,798,633	7,071,798,633	7,071,798,633
Security deposits	913,788,885	913,788,885	913,788,885

	December 31, 2024		
	Carrying value	Total fair value	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:			
Investment properties - building and improvements	18,455,195,589	26,789,998,000	26,789,998,000
Recoverable deposits	29,196,820	74,086,354	74,086,354
Liabilities for which fair values are disclosed:			
Lease liability	6,805,923,686	6,805,923,686	6,805,923,686
Security deposits	903,292,576	903,292,576	903,292,576

The Company does not have assets and liabilities categorized under level 1 and 2 of the fair value hierarchy.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash, receivable (except for "Receivables from employees") and accounts and other payables (except for "Taxes payable") - carrying amounts approximate fair values due to the relatively short term nature of these transactions (Level 1).

Management has determined that the estimated fair value of the security deposits is based on the discounted value of future cash flows using applicable rates. The discount rate used ranges from 1.99% to 6.56% in 2025 (2024 - 1.87% to 6.09% (Level 3).

The valuation technique used and significant inputs used by the Company in measuring the fair value of the investment properties and security deposits are summarized below:

	Valuation technique	Significant unobservable input (Level 3)
Other financial liabilities		
Lease liabilities	Discounted cash flow method	Discount for lack of marketability
Security deposits	Discounted cash flow method	Discount for lack of marketability

21 Financial risk management objectives and policies

The main purpose of the Company's financial assets and financial liabilities is to fund its operations and capital expenditure. The Company's principal financial assets and financial liabilities comprise cash, receivables, recoverable deposits, loans payable, accounts and other payables, security deposits, lease liability, and other noncurrent liabilities (except retention payable and advance rent).

The short-term intercompany debts were obtained primarily to raise financing for the Company's construction of the commercial center. The main risks arising from the use of financial assets and financial liabilities are credit risk, liquidity risk and market risk.

Exposure to credit, liquidity and market risks arise in the normal course of the Company's business activities. The Company's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis:
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Company monitors market price risk arising from all financial assets and financial liabilities and regularly reports financial management activities and the results of these activities to the BOD.

The Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

The Company's risk management policies are summarized below:

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of leases and long-term debt. The Company monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk.

The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long-term debt, while working capital requirements are sufficiently funded through cash collections.

Overall, the Company's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Company's business.

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2025 and 2024 based on contractual undiscounted payments. The table also provides an analysis on the maturity profile of the Company's financial assets used for liquidity requirements in order to provide a complete view of the Company's contractual commitments.

The analysis into relevant maturity groupings are based on the remaining period at the end of the reporting period to the contractual maturity dates:

	2025			
	<1 year	1 to <5 years	>5 years	Total
Financial assets at amortized cost				
Cash	134,968,819	-	-	134,968,819
Receivables				
Trade receivables	1,073,262,733	-	-	1,073,262,733
Accrued receivables	684,676,682	-	-	684,676,682
Receivable from related parties	116,018,325	-	-	116,018,325
Recoverable deposits	-	-	28,174,525	28,174,525
	2,008,926,559	-	28,174,525	2,037,101,084
Financial liabilities at amortized cost				
Accounts and other payables				
Trade payable	381,884,859	-	-	381,884,859
Other payables	2,796,044,700	-	-	2,796,044,700
Loans payable	13,058,515,417	-	-	13,058,515,417
Security deposits	743,944,313	169,844,572	-	913,788,885
Retention payable	2,439,307	7,681,275	-	10,120,582
Lease liability including future interest payable	390,321,597	2,221,329,026	33,328,429,000	35,940,079,623
	17,373,150,193	2,398,854,873	33,328,429,000	53,100,434,066
Net discounted financial liabilities	(15,364,223,634)	(2,398,854,873)	(33,300,254,475)	(51,063,332,982)

				2024
	<1 year	1 to <5 years	>5 years	Total
Financial assets at amortized cost				
Cash	159,646,816	-	-	159,646,816
Receivables				
Trade receivables	642,354,773	-	-	642,354,773
Accrued receivables	1,366,533,153	-	-	1,366,533,153
Receivable from related parties	2,413,513,650	-	-	2,413,513,650
Recoverable deposits	-	-	29,196,820	29,196,820
	4,582,048,392	-	29,196,820	4,611,245,212
Financial liabilities at amortized cost				
Accounts and other payables				
Trade payable	651,218,055	-	-	651,218,055
Other payables	3,764,898,871	-	-	3,764,898,871
Loans payable	14,761,913,286	-	-	14,761,913,286
Security deposits	580,331,925	322,960,651	-	903,292,576
Retention payable	3,232,372	4,448,903	-	7,681,275
Lease liability including future interest payable	643,192,224	2,119,989,647	31,526,936,881	34,290,118,752
	20,404,786,733	2,447,399,201	31,526,936,881	54,379,122,815
Net discounted financial liabilities	(15,822,738,341)	(2,447,399,201)	(31,497,740,061)	(49,767,877,603)

To address currently maturing contractual obligations, the Company plans to avail intercompany loans at terms agreed upon with counter parties.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risks are primarily attributable to trade receivables. To manage credit risk, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security bonds and deposits which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets comprise cash and receivables from related parties. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial assets and financial liabilities. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability.
The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

The Company’s cash in banks are considered high-grade while the remaining financial assets are considered standard grade.

The Company uses the following criteria to rate credit quality:

Class	Description
High grade	Financial assets that are deposited in/or transacted with reputable banks which have low probability of insolvency
Standard grade	Financial assets of companies that have the apparent ability to satisfy its obligations in full

The credit quality of the Company’s financial assets follows:

	Neither past due nor impaired				
2025	High grade	Medium grade	Low grade	Impaired	Total
Financial assets					
Cash (excluding cash on hand)	134,463,819	-	-	-	134,463,819
Receivables:					
Trade receivables	-	857,312,322	-	215,950,411	1,073,262,733
Accrued receivables	684,676,682	-	-	-	684,676,682
Receivable from related parties	-	116,018,325	-	-	116,018,325
Recoverable deposits	-	28,174,525	-	-	28,174,525
	819,140,501	1,001,505,172	-	215,950,411	2,036,596,084

2024	Neither past due nor impaired			Impaired	Total
	High grade	Medium grade	Low grade		
Financial assets					
Cash (excluding cash on hand)	158,884,816	-	-	-	158,884,816
Receivables:					
Trade receivables	-	424,293,151	-	218,061,622	642,354,773
Accrued receivables	1,366,533,153	-	-	-	1,366,533,153
Receivable from related parties	-	2,413,513,650	-	-	2,413,513,650
Recoverable deposits	-	29,196,820	-	-	29,196,820
	1,525,417,969	2,867,003,621	-	218,061,622	4,610,483,212

As at December 31, 2025 and 2024, cash in bank and receivable from related parties are classified as neither past due nor impaired and are graded as high quality.

The credit rating is based on the nature of the counterparty and the Company's internal assessment based on factors such as financial soundness and industry reputation.

Capital management

The primary objectives of the Company's capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks, to ensure that it maintains its premier credit rating so that access to the financial markets is unhampered, and to maximize stakeholder value. The Company will manage its capital structure and make adjustments to it, in light of changes in economic conditions.

The Company's capital is its paid-in capital net of deficit amounting to P2,977.12 million as at December 31, 2025 (2024 - P3,588.20 million). The Company is not subject to externally imposed capital requirements.

22 Critical accounting judgments and estimates

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

22.1 Critical accounting judgments

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

- *Distinction between investment property and owner-occupied property (Note 6)*
- *Determination of whether the company is acting as a principal or an agent (Note 14)*
- *Operating lease commitments - Company as lessor (Note 19)*
- *Determination of lease term of contracts with renewal and termination options - Company as a lessee (Note 19)*
- *Assessment on whether lease concessions granted constitute a lease modification (Note 19)*
- *Recoverability of nonfinancial assets*

The Company reviews nonfinancial assets for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's net selling price, except for investments where value in use computation is applied. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash- generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that may affect the financial statements.

As at December 31, 2025 and 2024, the carrying values of the Company's non-financial assets are as follows:

	Notes	2025	2024
Investment property	6	22,569,768,706	23,054,731,478
Input VAT	4	1,274,683,865	1,367,914,911
Advances to officers and employees	3	2,351,792	2,468,008
Property and equipment	7	10,961,052	3,333,168
Other current assets	5	429,087,417	365,593,103
Other noncurrent assets	8	100,825,446	292,441,997
		24,387,678,278	25,086,482,665

Management assessed that no impairment indicators exist on the Company's nonfinancial assets as at December 31, 2025 and 2024.

22.2 Management's use of estimates and assumptions

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- *Estimation of allowance for ECL (Note 3)*
- *Estimating useful lives of investment properties (Note 6)*
- *Recognition of deferred tax assets (Note 17)*
- *Leases - Estimating the incremental borrowing rate (Note 19)*

23 Material accounting policy information

23.1 Basis of preparation

The accompanying financial statements of the Company have been prepared using the historical cost basis, and are presented in Philippine Peso, which is the Company's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

23.2 Statement of compliance

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

23.3 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting:

Amendments to existing standards adopted by the Company effective January 1, 2025

The following amendments to existing standards have been adopted by the Company effective January 1, 2025:

- Lack of Exchangeability - Amendments to PAS 21;

  On 15 August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

  The adoption of the above amendment did not result in a material impact to the financial statements of the Company.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have a material impact on the Company's financial statements.

23.4 New standards and interpretations not yet adopted

The following amendments to existing standards are not mandatory for December 31, 2025 reporting period and have not been early adopted by the Company:

- *Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (Effective beginning on or after January 1, 2026)*

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The adoption of the above amendments is not expected to have a material impact on the financial statements of the Company except on the timing of derecognition of financial liability through electronic fund transfers and checks.

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

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

Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following items might potentially impact operating profit; and
- Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Company will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

In addition, there will be significant new disclosures required for:
- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
- for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

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

Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at December 31, 2025 reporting period that are considered to be relevant or have a material impact on the Company's financial statements.

23.5 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on the current/noncurrent classification.

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

All other assets are classified as noncurrent.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date;
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

All other liabilities are classified as non-current.

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

23.6 Fair value measurement

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

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

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

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement of financial instruments and for non-recurring fair value measurement of non-financial assets such as investment properties.

External valuers are involved for valuation of investment properties. Involvement of external valuers is assessed annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

Valuation are performed with sufficient regularity at least once every five (5) years enough to ensure that the fair value of the revalued assets revalued does not differ significantly from its carrying value.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed based on the Company's accounting policies. For these analyses, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23.7 Financial assets

Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI), and at FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

Measurement

For purposes of subsequent measurement, financial assets are classified in four categories
- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within the Company's business model with the objective to hold financial assets order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

The Company's financial assets at amortized cost include cash, receivables and recoverable deposits under "Other non current assets".

Impairment of financial assets

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

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

For other financial assets such as accrued receivable, related party receivables and advances to other companies, ECLs are recognized in two stages. For credit exposures, for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash, the Company applies the low credit risk simplification. The probability of default (PD) and loss given defaults (LGD) 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 will be based on the lifetime ECL. The Company uses the ratings from the ratings published by reputable rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The key inputs in the model include the Company's definition of default and historical data of three years for the origination, maturity date and default date. The Company considers trade receivables and contract assets 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 which may extend the definition of default to 90 days and beyond. However, 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.

23.8 Financial liabilities

Classification

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

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

The Company's financial liabilities consist of financial liabilities at amortized cost (loans and borrowings).

Measurement

After initial recognition, long-term debts are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized under the "Other income (expense)" account in the statements of comprehensive income when the liabilities are derecognized or impaired, and through the "Interest expense" account when the gains and losses are amortized.

This accounting policy applies to accounts and other payables (except statutory payables), long-term debt, deposits and other liabilities.

23.9 Offsetting financial instruments

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

23.10 Other current assets

Other current and noncurrent assets are carried at costs and pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company. These comprise of input value-added tax (VAT), prepaid expenses, supplies, advances and deposits.

(a) Value added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

- When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position.
- When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount

The net amount of VAT recoverable from, or payable, to the taxation authority is included as part of other current assets or accounts and other payables in the statement of financial position.

(b) Prepayments

Prepayments are carried at cost less the amortized portion. These typically comprise expenses for commissions that are not yet incurred but already paid in cash.

(c) Consumable supplies

Consumable supplies are stated at the lower of cost and net realizable value (NRV). Cost which includes all costs directly attributable to acquisition such as purchase price and transport cost, is determined using the weighted average cost method. NRV is based on the selling price less estimated costs necessary to make the sale.

23.11 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to day servicing of an investment property. Investment properties consist of properties that are held to earn rentals and that are not occupied by the Company. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value, if any.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life of the land improvements and buildings and improvements is 40 years. The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when either they have been disposed of, or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment properties when there is a change in use, evidenced by ending of owner occupation or commencement of an operating lease to another party. Transfers are made from investment properties when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Transfers between investment properties and owner-occupied properties do not change the carrying amount of the properties transferred and they do not change the cost of those properties for measurement or disclosure purposes.

Right-of-use assets

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

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

Right-of-use assets are subject to impairment. Refer to the accounting policies in the section impairment of non-financial assets.

23.12 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Building Equipment	7
Theater Equipment and projector	7
Theater seats	5
Office furniture and fixtures	5
Office Equipment	5
Welfare Equipment	5
Communications Equipment	5
Computer hardware and software	5

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

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

23.13 Other non-current assets

Other noncurrent assets constitute deposits and advances of the Company to its contractors. Deposits

(a) Recoverable deposits

Deposits are measured initially at fair value. After initial recognition, deposits are subsequently measured at amortized cost using the EIR method. The difference between cash received and its fair value is recorded under deferred credits and is amortized using the straight-line method.

(b) Advances to contractors

Advances to contractors and suppliers are carried at cost less impairment losses, if any. These represent advance payments to contractors for the construction and development of investment properties.

23.14 Impairment of nonfinancial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation and amortization charge are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Company determines at each reporting date whether there is any objective evidence that the investment in the company invested in the company is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the recoverable amount of the investment and the carrying cost and recognizes the amount in profit or loss.

23.15 Security Deposits

Security deposits are measured initially at fair value. After initial recognition, security deposits are subsequently measured at amortized cost using an effective interest method. The difference between cash received and its fair value is deferred (included in the deferred credits under "Security deposits") and amortized using the straight-line method.

23.16 Equity

Share capital

The Company's share capital consists of common shares and preferred shares. Capital stock is measured at par value. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds, net of any tax effects.

Preferred shares that are not redeemable or are redeemable at the option of the Company and where payment of dividends is discretionary are classified as equity.

Retained earnings (deficit)

Retained earnings (deficit) represent the cumulative balance of net income of the Company, net of any dividend distribution.

23.17 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company is in the business of leasing its investment property portfolio. Except for the provisioning of water and electricity wherein it is acting as agent, the Company has generally concluded that it is the principal in its revenue arrangements. The Company's non-lease performance obligations include common area management and administration of utility services.

The following specific recognition criteria must also be met before revenue or income is recognized:

Leasing revenue

Leasing revenue arising from investment properties are recognized in the statement of comprehensive income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Leases under contingent rents are recognized as income in the period in which they are earned.

Interest income

Interest is recognized as it accrues taking into account the effective yield on the underlying asset.

Dues

Dues pertain to CUSA and air-conditioning charges which are recognized gross of the related expenses when earned.

Other income

Other income is recognized when the related services have been rendered and the right to receive payment is established.

23.18 Cost and expenses

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

Direct operating expenses

Direct operating expenses are those directly attributable to the Company revenue-generating activities.

General and administrative expenses

General and administrative expenses constitute costs of administering the business.

Interest and other financing charges

Interest and other financing charges are recognized as incurred, taking into account the effective yield on the liability.

23.19 Leases

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

The Company as lessor - Operating Lease

Leases where the Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments under cancellable leases and variable lease payments under noncancellable leases are recognized as income based on the terms of the lease contract, or minimum rent or basic rent plus certain percentage of the gross revenue of the tenants whichever is higher, as provided under the terms of the lease contract.

Fixed lease payments under noncancellable leases are recognized on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rent is recognized as revenue in the period in which it is earned.

23.20 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

23.21 Income taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute this amount are those that have been enacted or substantively enacted as at the reporting date.

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of excess MCIT and NOLCO, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

23.22 Events after the end of the reporting period

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

24 Supplementary information required by the Bureau of Internal Revenue (BIR)

The Company reported and/or paid the following types of taxes for the year:

(i) Output VAT

The Company is a Value Added Tax (VAT)-registered company with output VAT declaration as follows:

	Net Sales/Receipts	Output VAT
Vatable sales	3,224,676,268	386,961,152
Exempt sales/receipts	212,397,777	-
	3,437,074,045	386,961,152

Exempt sales/receipts pertain to the gross receipts derived from admission tickets in showing motion pictures, films or movies which are not subject to VAT under Section 108 of the National Internal Revenue Code.

The Company's leasing income as declared in VAT returns are based on actual collections received.

(ii) Input VAT

The Company's importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

Details of input taxes claimed are broken down as follows:

	Amount
Balance at beginning of year	1,208,770,330
Current year's domestic purchases/payments for:	
Domestic purchases of goods other than capital goods	26,087,940
Domestic purchases of services	271,872,450
Total input tax claimed during the year	1,506,730,720
Application to output VAT during the year	(386,961,152)
Balance at December 31	1,119,769,568

(iii) Customs duties and Tariff

The Company does not have importations and customs tariff and fees paid for the year ended December 31, 2025.

(iv) Excise taxes

The Company does not have transactions subject to excise taxes for the year ended December 31, 2025.

(v) Documentary stamp taxes

Documentary stamp taxes paid for the year ended December 31, 2025 related to loans and lease contracts amounted to P38,721,610. As of December 31, 2025, P3,279,160 is accrued.

(vi) Other taxes and licenses

This includes all other taxes, local and national, including licenses and permit fees:

	Amount
Real property taxes	194,548,863
License and permit fees	77,260,089
	271,808,952

As of December 31, 2025, amusement tax and cultural tax amounting to P1,206,264 are accrued.

(vii) Withholding taxes

Withholding taxes accrued and paid and/or withheld as at and for the year ended December 31, 2025 consist of:

	Paid	Accrued	Total
Expanded withholding tax	95,402,408	15,435,754	110,838,162
Final tax	231,354	6,679	238,033
	95,633,762	15,442,433	111,076,195

(viii) Tax assessments

The Company has not received any Final Assessment Notice (FAN) for the year ended December 31, 2025

(ix) Tax cases

As at December 31, 2025, the Company does not have tax assessments which are either pending decision by the court or are being contested. In addition, the Company does not have any pending tax cases outside the administration of Bureau of Internal Revenue (BIR).

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	9	5	9	6

COMPANY NAME

C	A	P	I	T	O	L		C	E	N	T	R	A	L		C	O	M	M	E	R	C	I	A	L				
V	E	N	T	U	R	E	S		C	O	R	P	.																

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

3	R	D		F	L	O	O	R		C	A	P	I	T	O	L		C	E	N	T	R	A	L		M	A	L	L
C	O	R	N	E	R		G	A	T	U	S	L	A	O		S	T	R	E	E	T		A	N	D		N	O	R
T	H		C	A	P	I	T	O	L		R	O	A	D		B	A	C	O	L	O	D		C	I	T	Y		6
1	0	0		N	E	G	R	O	S		O	C	C	I	D	E	N	T	A	L										

Form Type	Department requiring the report	Secondary License Type, if Applicable
A A F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
N/A	700-7303	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	15TH DAY OF MARCH	DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Elaine Marie F. Alzona	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

3rd Floor Capitol Central Mall corner Gatuslao Street and North Capitol Road Bacolod City 6100 Negros Occidental

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 the 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.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
3rd Floor, Capitol Central Mall, corner Gatuslao Street and North Capitol Road
Barangay 8, Bacolod City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Capitol Central Commercial Ventures Corp. (the "Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of total comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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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 PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 ability of each entity within the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue (BIR) Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required in Note 18 to the financial statements are presented for the purposes of filing with the BIR and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Rose Dale M. Ando
Partner
[redacted]

Makati City
June 4, 2025

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
3rd Floor Capitol Central Mall corner Gatuslao Street and North Capitol Road
Barangay 8, Bacolod City

We have audited the financial statements of Capitol Central Commercial Ventures Corp. (the "Company") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated May 1, 2025

In compliance with Revised SRC Rule 68, based on the certification received from the Company's corporate secretary and the results of our work done, the Company has only one (1) shareholder owning one hundred (100) or more shares as at December 31, 2024.

Isla Lipana & Co.

Rose Dale M. Ando
Partner
[redacted]

Makati City
June 4, 2025

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Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash	2	14,258,699	14,309,131
Trade and other receivables	3	235,489,982	76,330,169
Other current assets	4	144,788,097	142,156,032
Total current assets		394,536,778	232,795,332
Non-current assets			
Investment property	5	3,953,281,897	3,981,639,319
Property and equipment	6	15,922,781	13,046,730
Right-of-use assets	11	267,217,646	273,940,796
Other non-current assets	7	770,241,661	874,459,779
Total non-current assets		5,006,663,985	5,143,086,624
Total assets		5,401,200,763	5,375,881,956
Liabilities and Equity			
Current liabilities			
Trade and other payables	8	2,443,321,637	2,545,373,989
Deposits	9	31,534,000	28,092,552
Lease liability	11	13,345,054	20,311,201
Total current liabilities		2,488,200,691	2,593,777,742
Non-current liabilities			
Deposits, net of current portion	9	155,656,974	138,325,244
Lease liability, net of current portion	11	445,054,322	430,455,182
Retention payable		1,713,807	513,807
Advance rent	9	10,770,454	2,439,368
Total non-current liabilities		613,195,557	571,733,601
Total liabilities		3,101,396,248	3,165,511,343
Equity			
Share capital	10	2,517,000,000	2,517,000,000
Deficit		(217,195,485)	(306,629,387)
Total equity		2,299,804,515	2,210,370,613
Total liabilities and equity		5,401,200,763	5,375,881,956

(The notes on pages 1 to 23 are an integral part of these financial statements.)

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Total Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Revenue			
Rental income	5	486,165,608	395,513,696
Dues	11	125,604,757	103,202,240
Other income		40,262,437	35,658,976
		652,032,802	534,374,912
Costs and expenses			
Direct operating expenses	12	(401,898,773)	(374,604,793)
General and administrative expenses	12	(48,940,037)	(37,967,624)
Cost of sales	12	(9,844,349)	(7,634,693)
		(460,683,159)	(420,207,110)
Other income (charges)			
Interest income	2	50,942	634,838
Interest expense	9,11,14	(97,074,733)	(97,597,891)
Other charges		(86,156)	-
		(97,109,947)	(96,963,053)
Income before income tax		94,239,696	17,204,749
Income tax expense	13	(4,805,794)	(1,635,985)
Net income for the year		89,433,902	15,568,764
Other comprehensive income		-	-
Total comprehensive income for the year		89,433,902	15,568,764

(The notes on pages 1 to 23 are an integral part of these financial statements.)

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Share Capital (Note 12)	Deficit	Total equity
Balances at January 1, 2023	2,517,000,000	(322,198,151)	2,194,801,849
Comprehensive income			
Net income for the year	-	15,568,764	15,568,764
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	15,568,764	15,568,764
Balances at December 31, 2023	2,517,000,000	(306,629,387)	2,210,370,613
Comprehensive income			
Net income for the year	-	89,433,902	89,433,902
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	89,433,902	89,433,902
Balances at December 31, 2024	2,517,000,000	(217,195,485)	2,299,804,515

(The notes on pages 1 to 23 are an integral part of these financial statements.)

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Income before income tax		94,239,696	17,204,749
Adjustments for:			
Depreciation	5,6,11	162,560,273	153,909,664
Interest expense	9,11,14	97,074,733	97,597,891
Provision for credit losses	3	5,209,388	-
Interest income	2	(50,942)	(634,838)
Operating income before working capital changes		359,033,148	268,077,466
Decrease (increase) in:			
Trade and other receivables		(168,819,183)	5,244,906
Other current assets		232,692,670	240,298,206
Other non-current assets		(132,082,062)	(278,857,030)
Increase (decrease) in:			
Trade and other payables		29,947,649	75,932,342
Deposits		16,370,380	(4,413,313)
Retention payable		1,200,000	-
Advance rent		8,331,086	-
Net cash flows generated from operations		346,673,688	306,282,577
Interest received		50,942	634,838
Final tax paid		(355,814)	-
Net cash generated from operating activities		346,368,816	306,917,415
Cash flows from investing activities			
Advances to suppliers and contractors		975,446	1,419,642
Additions to investment property	5	(125,121,088)	(81,617,579)
Additions to property and equipment	6	(5,234,664)	(669,691)
Net cash used in investing activities		(129,380,306)	(80,867,628)
Cash flows from financing activities			
Payment of lease liabilities	11	(33,136,797)	(32,613,041)
Availment of intercompany loans	14	3,005,987,000	1,843,175,000
Principal payment of intercompany loans	14	(3,137,987,000)	(1,998,175,000)
Interest paid for intercompany loans	14	(51,902,145)	(53,894,185)
Net cash used in financing activities		(217,038,942)	(241,507,226)
Net (decrease) increase in cash		(50,432)	(15,457,439)
Cash at beginning of year		14,309,131	29,766,570
Cash at end of year	2	14,258,699	14,309,131

(The notes on pages 1 to 23 are an integral part of these financial statements.)

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Notes to the Financial Statements
As at and for the years ended December 31, 2024 and 2023
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 Corporate information

Capitol Central Commercial Ventures Corp. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on December 4, 2017. The Company is a wholly-owned subsidiary of Ayala Land Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is a publicly-listed company which is 47.57% owned by Mermac, Inc. (2023 - 47.86%) and the rest by the public as of December 31, 2024.

The Company is organized primarily to develop, sell, own, acquire, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial or agricultural lands, buildings, structures or apertures, to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal and engage in other allied businesses, and to limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing.

The Company's registered office and principal place of business is at 3rd Floor Capitol Central Mall, corner Gatuslao Street and North Capitol Road, Bacolod City, 6100, Negros Occidental.

The Company does not have any employee. The accounting and administrative functions are performed by employees of AyalaLand Malls, Inc. (ALMI) (Note 14).

Approval for issuance of the Company's financial statements

The financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 30, 2025. There were no significant events from April 30, 2025 to June 4, 2025.

2 Cash

Cash as at December 31 consists of:

	2024	2023
Cash on hand	105,000	215,000
Cash in bank	14,153,699	14,094,131
	14,258,699	14,309,131

Cash in bank earns interest at the prevailing bank deposit rate.

The details of interest income from cash and cash equivalents are as follows:

	2024	2023
Cash in bank	17,236	13,069
Cash equivalents	-	2,280
	17,236	15,349

There are no restrictions on the Company's cash balances as at December 31, 2024 and 2023.

Other interest income amounting to P33,706 (2023 - P619,489) pertain to interest from penalties incurred by tenants.

3 Trade and other receivables

Trade and other receivables as at December 31 consist of:

	Note	2024	2023
Trade receivables		248,424,236	77,757,755
Advances to employees		1,212,232	1,176,140
Due from related parties	14	3,474,679	9,808,051
		253,111,147	88,741,946
Allowance for expected credit losses (ECL)		(17,621,165)	(12,411,777)
		235,489,982	76,330,169

Trade receivables represent rentals on retail and exhibit spaces and recovery charges for common area, utilities and other direct operating expenses with a term of 10 to 20 days from invoice date. These are non-interest bearing and unsecured.

Advances to employees pertain to noninterest-bearing advances to ALMI employees assigned to the Company which is subject to liquidation within 30 days.

Movements in the allowance for ECL are as follows:

	Note	2024	2023
Balance at beginning of year		12,411,777	12,411,777
Provisions during the year	12	5,209,388	-
		17,621,165	12,411,777

4 Other current assets

Other current assets as at December 31 consist of:

	2024	2023
Input Value-Added Tax (VAT)	50,766,933	67,589,708
Creditable withholding tax	62,798,508	46,217,025
Prepaid taxes	28,110,128	28,110,128
Materials, parts & supplies	306,454	239,171
Prepaid commission	2,806,074	-
	144,788,097	142,156,032

Input VAT is to be applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

Creditable withholding taxes refer to taxes which can be applied against future income tax payable.

Prepaid taxes are advance payment of real property tax.

Prepaid commission pertains to the commission paid by the Company to its real estate agent for the lease of an office space and is applied evenly throughout the lease term.

5 Investment property

Investment properties as at December 31 are as follows:

	2024	2023
Cost		
At January 1	4,688,538,382	4,606,920,803
Additions	125,121,088	81,617,579
At December 31	4,813,659,470	4,688,538,382
Accumulated depreciation and amortization		
At January 1	706,899,063	566,248,728
Depreciation and amortization (Note 12)	153,478,510	140,650,335
At December 31	860,377,573	706,899,063
Carrying amount	3,953,281,897	3,981,639,319

The Company's investment property pertains to Ayala Malls Capitol Central building. It is a seven-storey commercial mall composed of five levels of retail development and two parking levels stacked on top of the retail development.

The Company engaged an independent accredited appraiser to determine the fair value of its investment property. The fair value of the investment property is valued using the income approach through the discounted cash flow method. This approach measures the current value of an asset by calculating the present value of its future economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with the particular investment.

The fair value of the investment property is categorized under Level 3 of the fair value hierarchy. Fair value of the investment property amounted to P4,809,765,000 as at December 31, 2024 (2023 - P4,429,612,868), which was determined through an appraisal made on November 18, 2024.

There are no investment properties as at December 31, 2024 and 2023 that are pledged as security to liabilities.

Rental income and dues earned from investment properties are as follows:

	2024	2023
Over time		
Rental income	486,165,608	395,513,696
Dues	125,604,757	103,202,240

Direct operating expenses incurred from investment properties amounted to P401,898,773 (2023 - P374,604,793).

6 Property and equipment

Property and equipment as at December 31 are as follows:

	Machinery and equipment	Furniture and fixtures	Office equipment	Total
Cost				
At January 1, 2023	14,824,442	24,421,562	591,588	39,837,592
Additions	-	-	669,691	669,691
At December 31, 2023	14,824,442	24,421,562	1,261,279	40,507,283
Accumulated depreciation and amortization				
At January 1, 2023	6,040,405	14,451,980	413,618	20,906,003
Depreciation and amortization (Note 12)	1,647,170	4,798,716	108,664	6,554,550
At December 31, 2023	7,687,575	19,250,696	522,282	27,460,553
Cost				
At January 1, 2024	14,824,442	24,421,562	1,261,279	40,507,283
Additions	-	1,102,338	4,132,326	5,234,664
At December 31, 2024	14,824,442	25,523,900	5,393,605	45,741,947
Accumulated depreciation and amortization				
At January 1, 2024	7,687,575	19,250,696	522,282	27,460,553
Depreciation and amortization (Note 12)	1,647,170	89,345	622,098	2,358,613
At December 31, 2024	9,334,745	19,340,041	1,144,380	29,819,166
Carrying amount				
At December 31, 2023	7,136,867	5,170,866	738,997	13,046,730
At December 31, 2024	5,489,697	6,183,859	4,249,225	15,922,781

There are no property and equipment items that are pledged as security for liabilities of the Company as at December 31, 2024 and 2023.

There are no contractual purchase commitments for property and equipment as of December 31, 2024 and 2023.

Details of depreciation recognized in the statements of comprehensive income are as follows:

	Note	2024	2023
Direct operating expenses	12	978,624	5,402,553
General and administrative expenses	12	1,379,989	1,151,997
		2,358,613	6,554,550

7 Other non-current assets

Other non-current assets as at December 31 consist of:

	2024	2023
Accrued lease receivable	537,472,753	473,870,110
Input VAT, non-current	229,581,586	235,324,734
Deferred input VAT	-	163,052,154
Advances to suppliers and contractors	3,052,876	2,077,430
Others	134,446	135,351
	770,241,661	874,459,779

Accrued lease receivable pertains to the non-current portion of the impact of straight-line recognition of lease income from covered lessees.

Deferred input VAT pertains to VAT on purchases not yet paid as at year-end.

Advances to suppliers and contractors pertain to prepayments of the Company for construction of building and are applied to the progress billings of services rendered.

8 Trade and other payables

Trade and other payables as at December 31 consist of:

	Note	2024	2023
Due to related parties	14	2,215,570,290	2,370,409,075
Trade payables		200,078,891	102,290,143
Accrued expenses		24,554,636	59,844,942
Taxes payable		3,006,980	2,494,653
VAT payable		-	5,607,172
Deferred output VAT		-	4,560,052
Others		110,840	167,952
		2,443,321,637	2,545,373,989

Trade payables consist of amounts payable to suppliers which are noninterest-bearing and are normally settled on a 15- to 60-day term.

Accrued expenses consist mainly of accruals for utilities, repairs and maintenance and professional fees.

Deferred output VAT which relates to output VAT on the Company's income on rental and recoveries from its tenants which are not yet collected as at year-end.

Taxes payable consists of various taxes to be paid by the Company such as amusement taxes paid to the Local Government Unit (LGU) and expanded withholding taxes paid to Bureau of Internal Revenue (BIR), and are remitted within 30 days.

9 Deposits; Advance Rent

Deposits

Deposits as at December 31 consist of:

	2024	2023
Deposits		
Deferred credits	79,344,810	82,565,647
Security deposits	87,363,523	66,810,956
Construction bond	20,482,641	17,041,193
	187,190,974	166,417,796
Less: Non-current deposits	155,656,974	138,325,244
Deposits - current portion	31,534,000	28,092,552

Security deposits represent rent payments from tenants which are to be returned upon termination of the related lease contracts. Security deposits are recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of investments. The difference between the cash received and its fair value is recorded as "Deferred credits".

Movements in the deferred credits follow:

	2024	2023
At beginning of year	66,810,956	57,549,505
Additions	25,066,452	13,245,890
Amortization	(4,513,885)	(3,984,439)
At end of year	87,363,523	66,810,956

The accretion of the deposits which amounted to P4,402,798 (2023 - P3,632,753) is included in the statement of total comprehensive income under “Interest expense”.

Construction bonds represent cash bonds to be used as guarantees against damages to properties resulting from the construction, renovation or improvements being undertaken therein. The bond will be refunded after full completion of the construction, renovation or improvements and inspection by the Company.

Advance rent

Advance rent, pertaining to the tenants’ payment of rent in advance upon lease commencement or renewal, amounted to P10,770,454 and P2,439,368 in 2024 and 2023, respectively.

10 Equity

The details of the Company’s share capital as at December 31 follow:

	Common	Preferred	Total
Authorized share capital			
P1 par value	251,700,000	2,265,300,000	2,517,000,000
Issued and outstanding	251,700,000	2,265,300,000	2,517,000,000
Number of shares	251,700,000	2,265,300,000	2,517,000,000

Preferred Shares

The redeemable preferred shares shall have the following features:

a. With voting rights;
b. Participation in dividends declared for common shares, as may be determined and approved by the BOD;
c. Preference over holders of common shares in the distribution of corporate assets in the event of dissolution and liquidation of the Company and in the payment of dividend; and
d. Redeemable at the option of the Company at issue value and under such terms that the BOD may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the BOD.

Capital management

The primary objectives of the Company’s capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks, to ensure that it maintains its premier credit rating so the access to the financial markets are unhampered, and to maximize stakeholder value. The Company will manage its capital structure and make adjustments to it, in light of changes in economic conditions.

No changes were made in the Company’s objectives, policies or processes, for managing capital for the years ended December 31, 2024 and 2023.

The Company considers its equity, as presented in the statement of financial position, as its capital employed.

The Company is not subject to externally imposed capital requirements.

11 Leases

Operating leases - Company as Lessor

The Company entered into non-cancellable lease agreements with third parties and related parties on its investment property portfolio, covering the Company's retail units. These agreements have lease terms normally ranging from 1 to 5 years, with option to renew or extend, and generally provide for either: (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

All lease agreements include a clause to enable upward revision on the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases of the Company as at December 31 are as follows:

	2024	2023
Within one year	142,690,842	135,896,040
After one year but not more than five years	615,015,365	592,596,235
More than five years	3,726,927,688	3,892,110,173
	4,484,633,895	4,620,602,448

Lease agreement - Company as Lessee

In April 2012, ALI entered into a contract of lease for 50 years with the Province of Negros Occidental for Capitol Central land area in Bacolod City. In December 2017, ALI assigned the contract of lease to the Company. The contract is subject to renewal by mutual agreement of the parties.

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

	2024	2023
Current	13,345,054	20,311,201
Non-current	445,054,322	430,455,182
	458,399,376	450,766,383

Details and movements of lease liabilities as at and for the years ended December 31 are as follows:

	2024	2023
Balance at beginning of year	450,766,383	443,308,471
Payment of lease liabilities	(33,136,797)	(32,613,041)
Non-cash financing activity:		
Interest expense	40,769,790	40,070,953
Balance at end of year	458,399,376	450,766,383

Details of right-of-use assets as at December 31 and their movements for the years then ended follow:

	2024	2023
Cost		
At January 1 and December 31	307,483,067	307,483,067
Accumulated depreciation and amortization		
At January 1	33,542,271	26,837,492
Depreciation and amortization (Note 12)	6,723,150	6,704,779
At December 31	40,265,421	33,542,271
Carrying amount	267,217,646	273,940,796

Following are the amounts recognized in statements of total comprehensive income:

	2024	2023
Depreciation expense of right-of-use asset	6,723,150	6,704,779
Interest expense on lease liability	40,769,790	40,070,953
	47,492,940	46,775,732

Total minimum lease payments for the lease of the land are as follows:

	2024	2023
Within one year	35,874,346	33,156,593
After one year but not more than five years	144,095,088	143,497,385
More than five years	1,865,383,421	1,901,855,470
	2,045,352,855	2,078,509,448

Starting January 1, 2021, the Company adopted PIC Q&A No. 2018-12-H which prescribed the guidelines on the accounting for CUSA charges using the modified retrospective approach.

For 2024, dues (Note 5) pertain to CUSA and air-conditioning charges amounting to P82,809,415 and P42,795,342, respectively (2023 - P65,146,682 and P38,055,558 respectively). These accounts are recorded under Dues in the statements of total comprehensive income.

12 Cost and expenses

Direct operating expenses consist of:

	Notes	2024	2023
Depreciation and amortization	5,6,11	161,180,284	152,757,667
Light, power and utilities		120,473,256	104,480,122
Taxes		34,240,351	32,143,847
Repairs and maintenance		32,294,953	35,883,994
Film share		23,555,931	24,024,913
Marketing		18,475,679	18,857,991
Insurance		6,875,059	4,002,837
Transportation		1,692,003	386,809
Rent		584,270	478,790
Others		2,526,987	1,587,823
		401,898,773	374,604,793

General and administrative expenses consist of:

	Notes	2024	2023
Professional fees		30,098,855	24,104,333
Provision for credit losses	3	5,209,388	-
Taxes and licenses		4,868,232	6,162,747
Repairs and maintenance		3,378,870	3,056,479
Postal and communication		1,582,591	1,749,274
Transportation and travel		1,395,581	324,000
Depreciation	6	1,379,989	1,151,997
Contracted services		834,531	852,124
Meetings		147,000	93,930
Office supplies		45,000	253,545
Others		-	219,195
		48,940,037	37,967,624

Cost of sales pertain to the cost of the sold ice and beverage amounting to P9,844,349 in 2024 (2023 - P7,634,693).

13 Income tax

Income tax expense for the years ended December 31, 2024 and 2023 pertains to the minimum corporate income tax (MCIT).

As at December 31 the reconciliation of statutory income tax to the effective income tax follows:

	2024	2023
Income before income tax	94,239,696	17,204,749
Statutory income tax (25%)	23,559,924	4,301,187
Tax effects of:		
Movement in recognized deferred income tax asset on net operating loss carryover (NOLCO)	(4,153,434)	(2,662,324)
Applied NOLCO	(14,598,110)	-
Nondeductible interest expense	861	959
Interest income subject to final tax	(3,447)	(3,838)
Provision for income tax	4,805,794	1,635,984

The components of net deferred income tax assets (liabilities) are as follows:

	Notes	2024	2023
Deferred tax assets on:			
Lease liability	11	114,594,895	112,691,596
NOLCO		58,218,378	54,064,945
Accrued expenses	8	14,961,235	14,961,236
Advance rent		2,692,614	609,842
Security deposits, net		(141,592)	(113,821)
Provision for expected credit losses	3	4,405,291	3,102,944
Minimum corporate income tax (MCIT)		6,441,779	1,635,985
		201,172,600	186,952,727
Deferred tax liabilities on:			
Right-of-use asset	11	(66,804,412)	(68,485,199)
Accrued lease revenue		(134,368,188)	(118,467,528)
		(201,172,600)	(186,952,727)
Net deferred tax		-	-

The Company has recognized deferred income tax asset on NOLCO amounting to P58,218,378 as at December 31, 2024 (2023 - P54,064,945) up to the extent of the net deferred tax liability.

Following are the details of the Company's NOLCO and MCIT as at December 31:

	Year of	NOLCO		MCIT	
Year of incurrence	expiration	2024	2023	2024	2023
2020	2025	141,002,836	141,002,836	-	-
2021	2026	160,379,294	160,379,294	-	-
2022	2025	112,396,731	112,396,731	-	-
2023	2026	216,259,780	216,259,780	1,635,985	1,635,985
2024	2027	-	-	4,805,794	-
		630,038,641	630,038,641	6,441,779	1,635,985
Applied		(75,600,135)	(17,207,690)	-	-
		554,438,506	612,830,951	6,441,779	1,635,985
Deferred income tax		140,244,694	156,302,616	6,441,779	1,635,985

Income tax rate applied to NOLCO are 27.5% for 2020, and 25% for 2021 onwards.

14 Related party transactions

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

The Company, in its regular conduct of business, has entered into transactions with related parties consisting of advances and development, management, marketing and leasing and administrative service agreements. Transactions with related parties are on an arm's lengths basis, similar with transactions with third parties. Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company does not provide any allowance relating to receivable from related parties in prior years. There is also no ECL recognized for related party receivables in the current year since there are no history of default payments. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

Related party transactions and balances as at and for the year ended December 31 are as follows:

Due from related parties (Note 3):

	2024		2023	
	Transactions	Outstanding balance	Transactions	Outstanding balance
Parent company (a)	-	156,812	765,010	8,612,647
Entities under common control (b)	12,886,127	3,317,867	14,892,091	1,195,404
	12,886,127	3,474,679	15,657,101	9,808,051

Due to related parties (Note 8):

	2024		2023	
	Transactions	Outstanding balance	Transactions	Outstanding balance
Parent company (a)	9,604,374	1,555,427,034	5,812,543	1,553,464,780
Entities under common control (c) (d)	152,607,993	660,143,256	170,774,543	816,944,295
	162,212,367	2,215,570,290	176,587,086	2,370,409,075

Significant related party transactions include the following:

(a) Due from parent company pertains to reimbursement for parent company's share in training expenses and other allocated costs.

The Company obtains operating advances from parent company to support its working capital requirements. The amounts due to parent company are noninterest-bearing, unsecured and due and demandable.

(b) Due from entities under common control mainly pertain to receivables arising from lease of retail and exhibit spaces to related party tenants. The receivables pertain to monthly rent, common area charges and other recoveries. These are noninterest-bearing and unsecured.

(c) Due to entities under common control mainly pertain to payables arising from accounting, administrative and other functions performed by these related entities for the Company and other expenses incurred by the Company from these related entities. The amounts due to entities under common control are noninterest-bearing and unsecured.

(d) The Company obtained loans from related entities under common control to pay for its payables pertaining to the construction of commercial mall.

As at December 31, 2024, the outstanding balance of intercompany loans amounted to P645,595,000 (2023 - P777,595,000). Interest expense from these loans amounted to P51,902,145 for the year ended December 31, 2024 (2023 - P53,894,185).

Movement of intercompany loans during the year are as follows:

	2024	2023
Beginning	777,595,000	932,595,000
Availments	3,005,987,000	1,843,175,000
Payments	(3,137,987,000)	(1,998,175,000)
Ending	645,595,000	777,595,000

These intercompany loans are interest-bearing, unsecured and payable on demand.

(e) Transactions with BPI, an associate of AC

Cash in bank deposited to BPI amounted to P14,153,699 as at December 31, 2024 (2023 - P14,094,131). Interest income from cash in bank amounted to P17,236 in 2024 (2023 - P15,349) (Note 2).

(f) Key management personnel

The key management personnel of the Company are employees of ALI. The compensation of the said employees is paid by ALI and as such, the necessary disclosures required by PAS 24, *Related Party Disclosures,* are included in ALI's financial statements.

15 Financial instruments

The carrying values of cash in bank, trade and other receivables, and trade and other payables (excluding statutory liabilities) approximate their fair values due to the short-term nature of these financial instruments.

15.1 Fair value hierarchy

Except for the Company's security deposits, carrying values of the other financial instruments of the Company approximate their fair values due to the short-term nature of the transactions.

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

15.2 Financial risk management objectives and policies

The main purpose of the Company's financial instruments is to fund its operations. The main risks arising from the use of the financial instruments are credit risk and liquidity risk.

Exposure to credit and liquidity risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's credit risk is primarily attributable to cash in bank and trade and other receivables. To manage credit risks, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

The Company's maximum credit exposure on its financial assets is equivalent to the carrying amount of the assets.

For cash in bank, the Company adheres to fixed limits and guidelines in its dealings with counterparty bank. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty bank, management does not expect the financial institution to fail in meeting their obligations. Nevertheless, the Company closely monitors developments over counterparty bank and adjusts its exposure accordingly while adhering to pre-set limits.

For receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rate based on days past due of all customers as they have similar loss patterns. An allowance for expected credit losses amounting to P17,621,165 was recognized as at December 31, 2024 (2023 - P12,411,777) (Note 3).

As at December 31, 2024 and 2023, cash in bank is classified as fully performing and are graded as high quality. The rating is based on the nature of the counterparty.

Liquidity risk

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

The Company actively manages its liquidity position and guarantee that all operating, investing and financing needs are met. In mitigating liquidity risk, management measures and forecasts its cash commitments and holds a sufficient level of cash reserves.

The tables summarize the maturity profile of the Company's financial instruments based on contractual undiscounted payments:

	Less than 1 year	1 to 5 years	More than 5 years	Total
2024				
Financial assets				
Cash in bank	14,153,699	-	-	14,153,699
Trade and other receivables:	235,489,982	-	-	235,489,982
	249,643,681	-	-	249,643,681
Financial liabilities				
Trade and other payables:				
Due to related parties	2,215,570,290	-	-	2,215,570,290
Trade and other payables	200,078,892	-	-	200,078,892
Accrued expenses	24,554,636	-	-	24,554,636
Retention payable	1,713,807	-	-	1,713,807
Deposits	31,534,000	155,656,974	-	187,190,974
	2,473,451,625	155,656,974	-	2,629,108,599

	Less than 1 year	1 to 5 years	More than 5 years	Total
2023				
Financial assets at amortized cost				
Cash on hand and in bank	14,094,131	-	-	14,094,131
Trade and other receivables:	76,330,169	-	-	76,330,169
	90,424,300	-	-	90,424,300
Financial liabilities at amortized cost				
Trade and other payables:				
Due to related parties	2,370,409,075	-	-	2,370,409,075
Trade and other payables	102,326,919	-	-	102,326,919
Accrued expenses	59,844,942	-	-	59,844,942
Retention payable	513,807	-	-	513,807
Deposits	28,092,552	138,325,244	-	166,417,796
	2,561,187,295	138,325,244	-	2,699,512,539

16 Significant accounting judgments, estimates and assumptions

The preparation of the accompanying financial statements in accordance with PFRS requires the Company to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of changes are reflected in the financial statements as they become reasonably determinable.

16.1 Judgments

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

Classification of financial instruments

The Company exercises judgment in classifying financial instruments. The Company classifies a financial instrument, or its component, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a fin ancial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the Company's statements of financial position.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Determination of lease term of contract with renewal options - Company as a lessee

The Company has a lease contract that include extension options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its lease of land as the renewal option is based on mutual agreement, thus not enforceable.

Determination of type of lease - Company as lessee

The Company has entered into a contract with Province of Negros Occidental for the land where its investment properties are located. The Company has determined that all significant risks and rewards of ownership of these properties are retained by the lessor.

In determining whether a lease contract is cancellable or not, the Company considers among others, the significance of the penalty, including the economic consequence to the lessee. The Company accounts for the lease agreement with Province of Negros Occidental as a non-cancellable lease.

Distinction between investment property and owner-occupied property

The Company determines whether a property qualifies as an 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 the other assets used in the supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciations and another portion that is held for use in the supply of services or for administrative purposes. If these portions cannot be sold separately as at reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or 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.

Impairment assessment of nonfinancial assets

The Company assesses at each reporting date whether there is any indication that the nonfinancial assets may be impaired. The Company considers indications of impairment such as significant changes in asset usage, significant decline in market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. If such indication exists, the Company estimates the recoverable amount of the asset, which is the higher of the asset's fair value less cost to sell and value in use.

As at December 31, 2024 and 2023, no impairment indicators were identified for the Company's non-financial assets.

16.2 Estimates and assumptions

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

Provision for expected credit losses of trade receivables

The Company applies a simplified approach in calculating ECLs for receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.
At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Allowance for impairment loss on receivables amounted to P17,621,165 as at December 31, 2024 (2023 - P12,411,777). The carrying amounts of receivables are disclosed in Note 3.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to financial statements cannot be derived from active markets, they are determined using internal valuation techniques and generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. The fair values of the Company's financial instruments are disclosed in Note 15.

Estimating useful lives of investment property, right-of-use assets and property and equipment

The Company estimates the useful lives of its investment property, right-of-use assets and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above.

Estimating the incremental borrowing rate for leases

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

The Company's lease liabilities amounted to P458,399,376 as at December 31, 2024 (2023 - P450,766,383) (Note 11).

Recognition of deferred income tax assets

The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company looks at its projected performance in assessing the sufficiency of future taxable income.

The Company has recognized deferred tax assets amounting to P201,172,600 as at December 31, 2024 (2023 - P186,952,727) (Note 13).

17 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

17.1 Basis of preparation

The accompanying financial statements have been prepared using the historical cost basis and are presented in Philippine Peso, the Company's functional currency. All amounts are rounded off to the nearest peso unless otherwise indicated.

Statement of compliance

The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 16.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous year, except for the adoption of new standards effective 2024.

Unless otherwise indicated, adoption of these new standards did not have an impact on the amounts presented in the Company's financial position or performance:

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current
- Amendments to PFRS 16, Lease liability in a Sale and Leaseback
- Amendments to PAS 7 and PFRS 7, Supplier Finance Arrangements
- Certain Provision of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

Standards issued but not yet effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- Amendments to PFRS 17, Insurance Contracts

Effective beginning on or after January 1, 2026

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

Effective beginning on or after January 1, 2027

- Amendments to PFRS 18, Presentation and Disclosure in Financial Statements
- Amendments to PFRS 19, Subsidiaries without Public Accountability: Disclosures

17.2 Financial instruments

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The Company classifies its financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Company applies the simplified approach permitted by PFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

17.3 Security deposits

Deposits are measured initially at fair value. After initial recognition, deposits are subsequently measured at amortized cost using the effective interest method.

17.4 Investment properties

The Company uses the cost model in measuring its investment properties. Amortization is computed on a straight-line method over the estimated useful life of the investment property which is 40 years.

17.5 Property and equipment

Property and equipment is carried at cost less accumulated depreciation and impairment. Depreciation is computed on a straight-line method over the following estimated useful lives of the property and equipment:

	In years
Machinery and equipment	5 to 7
Furniture and fixtures	5
Office equipment	5

17.5 Impairment of nonfinancial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If such is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

17.6 Current and deferred income tax

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the uncertainty.

DIT assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized.

17.7 Revenue recognition

Rental income

Rental income under noncancellable and cancellable leases on investment properties is recognized in the statement of total comprehensive income on a straight-line basis over the lease term and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

Common usage service area charges and other income

CUSA and other income are recognized over time when the related services have been rendered and right to receive payments are established.

Interest income

Interest income is recognized as it accrues using the effective interest method.

17.8 Leases

(a) Company as lessee

The Company considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;

- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Company depreciates 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

On the other hand, the Company measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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.
On the statement of financial position, right-of-use assets have been presented as part of investment property while lease liabilities have been presented separately.

(b) Company as lessor

Rent income from operating leases is recognized in the statements of total comprehensive income on a straight-line basis over the lease term. Rent income is shown net of value-added tax. Any difference between the rent income determined on a straight-line basis and the actual lease payment is recognized as a rent receivable or unearned rent income as the case may be. These are included in non-current assets or liabilities, except if the remaining lease period is within one year after the reporting period, which are then classified as current assets or liabilities.

18 Supplementary information required under Revenue Regulations 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010 hereunder are the information on taxes, duties and licenses fees paid and/or accrued during the taxable year 2024:

(i) Value-added tax (VAT)

a. The Company has declared output VAT amounting to P77,117,452 on its sale of services amounting to P642,645,432 in 2024.

b. Details of input VAT follow:

Balance at January 1, 2024:	302,914,443
Capital Goods subject to amortization	908,040
Domestic purchases/payments for:	
Domestic purchases of services	45,325,717
Purchase of capital goods not exceeding 1,000,000	633,461
Purchase of capital goods exceeding 1,000,000	4,539,086
Domestic purchases of goods other than capital goods	3,145,224
	357,465,971
Applied against Output VAT during the year	(77,117,452)
Input VAT on capital goods exceeding 1M deferred for the succeeding period	-
Balance at December 31, 2024	280,348,519

(ii) Importations

The Company did not have any importations for the year ended December 31, 2024.

(iii) Excise taxes

The Company has not entered into any transactions subject to excise tax in 2024.

(iv) Documentary stamp tax

The Company paid documentary stamp taxes for the year ended December 31, 2024 amounting to P5,792,861 in relation to its intercompany loans.

(v) Withholding taxes

Details of withholding taxes paid and accrued and/or withheld for the year ended December 31, 2024 are as follows:

	Paid	Accrued	Total
Expanded withholding taxes	14,352,832	6,835,871	21,188,703
Final withholding taxes	355,814	50,166	405,980
Total	14,708,646	6,886,037	21,594,683

(vi) All other local and national taxes

The details of other taxes and licenses in 2024 follow:

	Amount
Real property taxes	28,110,128
Licenses and other filing fees	5,195,094
Community tax	10,500
	33,315,722

(vii) Tax assessments and cases

The Company has no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at December 31, 2024.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	9	5	9	6

COMPANY NAME

C	A	P	I	T	O	L		C	E	N	T	R	A	L		C	O	M	M	E	R	C	I	A	L				
V	E	N	T	U	R	E	S		C	O	R	P	.																

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

3	R	D		F	L	O	O	R		C	A	P	I	T	O	L		C	E	N	T	R	A	L		M	A	L	L
C	O	R	N	E	R		G	A	T	U	S	L	A	O		S	T	R	E	E	T		A	N	D		N	O	R
T	H		C	A	P	I	T	O	L		R	O	A	D		B	A	C	O	L	O	D		C	I	T	Y		6
1	0	0		N	E	G	R	O	S		O	C	C	I	D	E	N	T	A	L										

Form Type	Department requiring the report	Secondary License Type, if Applicable
A A F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
N/A	700-7303	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	15TH DAY OF MARCH	DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
MA. KRISELVA V. FERRER	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

3rd Floor Capitol Central Mall corner Gatuslao Street and North Capitol Road Bacolod City 6100 Negros Occidental

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

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

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
3rd Floor, Capitol Central Mall, corner Gatuslao Street and North Capitol Road
Bacolod City, 6100, Negros Occidental

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Capitol Central Commercial Ventures Corp. (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.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in equity for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

Isla Lipana & Co., 5/F Unit 8-13 The Grid, Donato Pison Avenue, San Rafael Mandurriao Iloilo City, Philippines
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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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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 PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue (BIR) Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 19 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Rose Dale M. Ando
Partner
[redacted]

Iloilo City
April 28, 2026

Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
3rd Floor, Capitol Central Mall, corner Gatuslao Street and North Capitol Road
Bacolod City, 6100, Negros Occidental

We have audited the financial statements of Capitol Central Commercial Ventures Corp. (the "Company") as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 28, 2026.

In compliance with the Revised SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of the work we performed, the Company has only one (1) shareholder owning one hundred (100) or more shares as at December 31, 2025.

Isla Lipana & Co.

Rose Dale M. Ando
Partner
[redacted]

Iloilo City
April 28, 2026

Isla Lipana & Co., 5/F Unit 8-13 The Grid, Donato Pison Avenue, San Rafael Mandurriao Iloilo City, Philippines
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Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash	2	14,936,289	14,258,699
Trade and other receivables, net	3	84,454,513	72,437,828
Other current assets	4	170,579,326	144,788,097
Total current assets		269,970,128	231,484,624
Non-current assets			
Investment properties, net	5	3,847,499,635	3,953,281,897
Property and equipment, net	6	15,081,827	15,922,781
Right-of-use assets	11	260,512,866	267,217,646
Other non-current assets	7	911,361,275	933,293,815
Total non-current assets		5,034,455,603	5,169,716,139
Total assets		5,304,425,731	5,401,200,763
Liabilities and Equity			
Current liabilities			
Trade and other payables	8	2,243,440,023	2,443,321,637
Deposits	9	33,766,375	31,534,000
Lease liability	11	19,494,816	13,345,054
Total current liabilities		2,296,701,214	2,488,200,691
Non-current liabilities			
Deposits, net of current portion	9	180,676,490	155,656,974
Lease liability, net of current portion	11	444,354,741	445,054,322
Retention payable		1,035,057	1,713,807
Advance rent	9	10,770,454	10,770,454
Total non-current liabilities		636,836,742	613,195,557
Total liabilities		2,933,537,956	3,101,396,248
Equity			
Share capital	10	2,517,000,000	2,517,000,000
Deficit		(146,112,225)	(217,195,485)
Total equity		2,370,887,775	2,299,804,515
Total liabilities and equity		5,304,425,731	5,401,200,763

The notes on pages 1 to 26 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Revenue			
Rental income	5	468,335,153	486,165,608
Dues	5,11	134,672,725	125,604,757
Other income		35,783,822	40,262,437
		638,791,700	652,032,802
Costs and expenses			
Direct operating expenses	12	428,596,512	401,898,773
General and administrative expenses	12	48,333,316	48,940,037
Cost of sales	12	8,875,692	9,844,349
		485,805,520	460,683,159
Income from operations		152,986,180	191,349,643
Other income (expenses), net			
Interest income	2,3	266,803	55,251
Interest expense	9,11,14	(78,987,725)	(97,074,733)
Other charges		-	(86,156)
		(78,720,922)	(97,105,638)
Income before income tax		74,265,258	94,244,005
Income tax expense	13	(3,181,998)	(4,810,103)
Net income for the year		71,083,260	89,433,902
Other comprehensive income		-	-
Total comprehensive income for the year		71,083,260	89,433,902

The notes on pages 1 to 26 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Share capital (Note 10)	Deficit	Total equity
Balances at January 1, 2024	2,517,000,000	(306,629,387)	2,210,370,613
Comprehensive income			
Net income for the year	-	89,433,902	89,433,902
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	89,433,902	89,433,902
Balances at December 31, 2024	2,517,000,000	(217,195,485)	2,299,804,515
Comprehensive income			
Net income for the year	-	71,083,260	71,083,260
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	71,083,260	71,083,260
Balances at December 31, 2025	2,517,000,000	(146,112,225)	2,370,887,775

The notes on pages 1 to 26 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		74,265,258	94,244,005
Adjustments for:			
Depreciation	5,6,11	181,054,340	162,560,273
Provision for credit losses	3	-	5,209,388
Interest expense	9,11,14	78,987,725	97,074,733
Interest income	2,3	(266,803)	(55,251)
Income before working capital changes		334,040,520	359,033,148
Changes in working capital:			
Trade and other receivables		(12,016,685)	(1,317,047)
Other current assets		(28,965,055)	227,886,876
Other non-current assets		22,388,611	(295,134,216)
Trade and other payables		11,165,074	51,942,828
Deposits		21,854,521	16,370,378
Retention payable		(678,750)	1,200,000
Advance rent		-	8,331,086
Net cash flows generated from operations		347,788,236	368,313,053
Interest received		258,631	50,942
Net cash provided by operating activities		348,046,867	368,363,995
Cash flows from investing activities			
Additions to:			
Investment properties	5	(62,437,283)	(125,121,088)
Property and equipment	6	(5,289,061)	(5,234,664)
Advances to suppliers and contractors		(456,071)	975,446
Net cash used in investing activities		(68,182,415)	(129,380,306)
Cash flows from financing activities			
Payment of lease liability	11	(35,874,346)	(33,136,797)
Availment of intercompany loans	14	1,632,038,583	3,005,987,000
Principal payment of intercompany loans	14	(1,846,408,583)	(3,137,987,000)
Interest paid for intercompany loans	14	(28,942,516)	(73,897,324)
Net cash used in financing activities		(279,186,862)	(239,034,121)
Net increase (decrease) in cash		677,590	(50,432)
Cash at January 1		14,258,699	14,309,131
Cash at December 31	2	14,936,289	14,258,699

The notes on pages 1 to 26 are an integral part of these financial statements.

Capitol Central Commercial Ventures Corp.

(A wholly-owned subsidiary of Ayala Land, Inc.)
Notes to the Financial Statements
As at and for the years ended December 31, 2025 and 2024
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

1.1 Corporate background

Capitol Central Commercial Ventures Corp. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on December 4, 2017. The primary purpose of the Company is to develop, sell, own, acquire, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial, or agricultural lands, buildings, structures, or appurtenances; to engage or invest in any other profitable business enterprise, venture, or establishment; and to own, hold in ownership, manage, deal, and engage in other allied businesses, to the extent permitted by law, alone or jointly with other persons, natural or artificial, except financial leasing.

The Company's registered office and principal place of business are at the 3rd Floor, Capitol Central Mall, corner of Gatuslao Street and North Capitol Road, Bacolod City, 6100, Negros Occidental.
The Company does not have any employees. The accounting and administrative functions are performed by employees of AyalaLand Malls, Inc. (ALMI).

The Company is a wholly owned subsidiary of Ayala Land, Inc. (ALI, the "Parent Company"). The ultimate parent of the Company is Ayala Corporation (AC). AC is a publicly listed company that is 47.84% owned by Mermac, Inc. (2024 - 47.57%), with the remainder owned by the public as of December 31, 2025. Both ALI and AC are incorporated in the Republic of the Philippines.

1.2 Approval of financial statements

The financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 28, 2026.

2 Cash

Cash as at December 31 consists of:

	2025	2024
Cash on hand	90,000	105,000
Cash in bank	14,846,289	14,153,699
	14,936,289	14,258,699

Cash in bank earns interest at the prevailing bank deposit rate.

Interest income earned on cash in bank amounted to P40,858 in 2025 (2024 - P17,236).

3 Trade and other receivables, net

Trade and other receivables, net as at December 31 consist of:

	Note	2025	2024
Trade receivables		98,017,330	85,372,082
Advances to employees		911,124	1,212,232
Due from related parties	14	3,147,224	3,474,679
		102,075,678	90,058,993
Allowance for expected credit losses (ECL)		(17,621,165)	(17,621,165)
		84,454,513	72,437,828

Trade receivables represent rentals of retail and exhibit spaces and recovery charges for common areas, utilities, and other direct operating expenses, with a term of 10 to 20 days from the invoice date. These are non-interest-bearing and unsecured.

Advances to employees pertain to non-interest-bearing advances to ALMI employees assigned to the Company, which are subject to liquidation within 30 days.

Other interest income amounting to P225,945 (2024 - P33,706) pertains to interest from penalties incurred by tenants and is presented as part of interest income in the statements of total comprehensive income.

Movements in the allowance for ECL are as follows:

	Note	2025	2024
January 1		17,621,165	12,411,777
Provision	12	-	5,209,388
December 31		17,621,165	17,621,165

4 Other current assets

Other current assets as at December 31 consist of:

	2025	2024
Creditable withholding tax (CWT)	81,717,288	62,798,508
Input value-added tax (VAT)	58,270,542	50,766,933
Prepaid taxes	28,110,128	28,110,128
Prepaid commission	2,104,556	2,806,074
Materials, parts and supplies	376,812	306,454
	170,579,326	144,788,097

CWT refers to taxes that can be applied against future income tax payable.

Input VAT is applied against output VAT. The remaining balance is assessed to be recoverable in future periods.

Prepaid taxes are advance payments of real property tax.

Prepaid commission pertains to the commission paid by the Company to its real estate agent for the lease of an office space and is applied evenly throughout the lease term.

5 Investment properties, net

The details and movements of investment properties, net as at and for the years ended December 31 are as follows:

	Note	2025	2024
Cost			
January 1		4,813,659,470	4,688,538,382
Additions		62,437,283	125,121,088
December 31		4,876,096,753	4,813,659,470
Accumulated depreciation			
January 1		860,377,573	706,899,063
Depreciation	12	168,219,545	153,478,510
December 31		1,028,597,118	860,377,573
Net book value		3,847,499,635	3,953,281,897

The Company's investment property pertains to the Ayala Malls Capitol Central building. It is a seven-storey commercial mall composed of five levels of retail development and two parking levels stacked on top of the retail development.

The Company engaged an independent accredited appraiser to determine the fair value of its investment property. The fair value of the investment property is measured using the income approach through the discounted cash flow method. This approach measures the current value of an asset by calculating the present value of its future economic benefits by discounting expected cash flows at a rate of return that compensates for the risks associated with the particular investment.

The fair value of the investment property is categorized under Level 3 of the fair value hierarchy. The fair value of the investment property amounted to P4,809,765,000 as at December 31, 2025 and 2024, which was determined through an appraisal made on November 18, 2024.

There are no investment properties as at December 31, 2025 and 2024 that are pledged as security for liabilities.

Rental income and dues earned from investment properties are as follows:

	Note	2025	2024
Rental income		468,335,153	486,165,608
Dues	11	134,672,725	125,604,757

Direct operating expenses incurred from investment properties amounted to P428,596,512 (2024 - P401,898,773) (Note 12.1).

6 Property and equipment, net

The details and movements of property and equipment, net, as at and for the years ended December 31, are as follows:

	Notes	Machinery and equipment	Furniture and fixtures	Office equipment	Total
Cost					
January 1, 2024		14,824,442	24,421,562	1,261,279	40,507,283
Additions		-	1,102,338	4,132,326	5,234,664
December 31, 2024		14,824,442	25,523,900	5,393,605	45,741,947
Additions		-	4,259,497	1,029,564	5,289,061
December 31, 2025		14,824,442	29,783,397	6,423,169	51,031,008
Accumulated depreciation					
January 1, 2024		7,687,575	19,250,696	522,282	27,460,553
Depreciation	12	1,647,170	89,345	622,098	2,358,613
December 31, 2024		9,334,745	19,340,041	1,144,380	29,819,166
Depreciation	12	1,647,170	1,320,761	3,162,084	6,130,015
December 31, 2025		10,981,915	20,660,802	4,306,464	35,949,181
Net book value					
December 31, 2024		5,489,697	6,183,859	4,249,225	15,922,781
December 31, 2025		3,842,527	9,122,595	2,116,705	15,081,827

There are no property and equipment items that are pledged as security for liabilities of the Company as at December 31, 2025 and 2024.

There are no contractual purchase commitments for property and equipment as at December 31, 2025 and 2024.

Details of depreciation recognized in the statements of total comprehensive income are as follows:

	Note	2025	2024
Direct operating expenses	12.1	-	978,624
General and administrative expenses	12.2	6,130,015	1,379,989
		6,130,015	2,358,613

7 Other non-current assets

Other non-current assets as at December 31 consist of:

	2025	2024
Accrued lease receivable	545,225,654	537,472,753
Input VAT, non-current	194,780,090	229,581,586
Deferred input VAT	168,623,375	163,052,154
Advances to suppliers and contractors	2,596,805	3,052,876
Others	135,351	134,446
	911,361,275	933,293,815

Accrued lease receivable pertains to the non-current portion of the impact of straight-line recognition of lease income from covered lessees.

Deferred input VAT pertains to VAT on purchases not yet paid as at year-end.

Advances to suppliers and contractors pertain to prepayments made by the Company for the construction of the building and are applied to the progress billings of services rendered.

8 Trade and other payables

Trade and other payables as at December 31 consist of:

	Note	2025	2024
Due to related parties	14	2,037,540,264	2,215,570,290
Trade payables		173,089,246	200,078,891
Accrued expenses		29,195,326	24,554,636
Taxes payable		3,468,763	3,006,980
Others		146,424	110,840
		2,243,440,023	2,443,321,637

Trade payables consist of amounts payable to suppliers, which are non-interest-bearing, unsecured, unguaranteed, and are normally settled on a 15- to 60-day term.

Accrued expenses consist mainly of accruals for utilities, repairs and maintenance, and professional fees.

9 Deposits; Advance rent

9.1 Deposits

Deposits as at December 31 consist of:

	2025	2024
Security deposits	111,252,684	87,363,523
Deferred credits	80,475,165	79,344,810
Construction bond	22,715,016	20,482,641
	214,442,865	187,190,974
Non-current portion	(180,676,490)	(155,656,974)
	33,766,375	31,534,000

(a) Security deposits

Security deposits represent rent payments from tenants which are to be returned upon termination of the related lease contracts. Security deposits are recorded at fair value, which is obtained by discounting future cash flows using applicable rates for similar types of investments. The difference between the cash received and its fair value is recorded as deferred credits.

The details and movements of security deposits as at and for the years ended December 31 are as follows:

	2025	2024
January 1	87,363,523	66,810,956
Additions	29,286,531	25,066,452
Accretion	(5,397,370)	(4,513,885)
December 31	111,252,684	87,363,523

The accretion of the deposits is presented as part of interest expense in the statements of total comprehensive income.

(b) Deferred credits

The details and movements of deferred credits as at and for the years ended December 31 are as follows:

	2025	2024
January 1	79,344,810	82,565,647
Additions	7,078,903	1,181,961
Amortization	(5,948,548)	(4,402,798)
December 31	80,475,165	79,344,810

The amortization of the deferred credits is presented as part of rental income in the statements of total comprehensive income.

(c) Construction bonds

Construction bonds represent cash bonds used as guarantees against damages to properties resulting from construction, renovation, or improvements undertaken thereon. The bonds will be refunded after full completion of the construction, renovation, or improvements and inspection by the Company.

9.2 Advance rent

Advance rent, pertaining to tenants' advance payment upon lease commencement or renewal, amounted to P10,770,454 in 2025 and 2024.

10 Equity

The details of the Company's share capital as at December 31 are as follows:

	Common	Preferred	Total
Authorized shares	251,700,000	2,265,300,000	2,517,000,000
Subscribed, issued and outstanding	251,700,000	2,265,300,000	2,517,000,000
Par value per share	P1.00	P1.00	P1.00

The Company's preferred shares have the following features:

- Each redeemable preferred share shall have the same voting rights as those attached to common shares;
- The redeemable preferred shares shall be redeemable in tranches at any time, as may be decided by the BOD, subject to the condition that in no case shall the redemption price of the actual number of redeemable preferred shares be less than the subscription cost of such shares as recorded in the books of the Company at the time of redemption; and
- The redeemable preferred shares shall have priority over common shares in the allocation of unrestricted retained earnings (whether in the form of profit or in connection with liquidation), in such forms as may be decided by the BOD.

11 Leases

11.1 Operating leases - Company as Lessor

The Company entered into non-cancellable lease agreements with third parties and related parties on its investment property portfolio, covering the Company's retail units. These agreements have lease terms normally ranging from one to five years, with options to renew or extend, and generally provide for either:(a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

All lease agreements include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases of the Company as at December 31 are as follows:

	2025	2024
Within one year	149,406,591	142,690,842
After one year but not more than five years	536,673,991	615,015,365
More than five years	2,142,624,794	3,726,927,688
	2,828,705,376	4,484,633,895

11.2 Lease agreement - Company as Lessee

In April 2012, ALI entered into a contract of lease for 50 years with the Province of Negros Occidental for the Capitol Central land area in Bacolod City. In December 2017, ALI assigned the contract of lease to the Company. The contract is subject to renewal by mutual agreement of the parties.

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

	2025	2024
Current	19,494,816	13,345,054
Non-current	444,354,741	445,054,322
	463,849,557	458,399,376

The details and movements of lease liability as at and for the years ended December 31 are as follows:

	2025	2024
January 1	458,399,376	450,766,383
Cash transaction:		
Payments of lease liability	(35,874,346)	(33,136,797)
Non-cash transaction:		
Interest expense	41,324,527	40,769,790
December 31	463,849,557	458,399,376

The details and movements of right-of-use (ROU) asset as at and for the years ended December 31 are as follows:

	Note	2025	2024
Cost		307,483,067	307,483,067
Accumulated depreciation			
January 1		40,265,421	33,542,271
Depreciation	12.1	6,704,780	6,723,150
December 31		46,970,201	40,265,421
Net book value		260,512,866	267,217,646

The following amounts were recognized in the statements of total comprehensive income:

	Note	2025	2024
Depreciation of ROU asset	12.1	6,704,780	6,723,150
Interest expense on lease liability		41,324,527	40,769,790
		48,029,307	47,492,940

Starting January 1, 2021, the Company adopted PIC Q&A No. 2018-12-H, which prescribes the guidelines on the accounting for common usage service area (CUSA) charges using the modified retrospective approach.

For 2025, CUSA and air-conditioning charges amounted to P87,386,419 and P47,286,306, respectively (2024 - P82,809,415 and P42,795,342, respectively). These amounts are recorded under dues in the statements of total comprehensive income.

12 Cost and expenses

12.1 Direct operating expenses

Direct operating expenses consist of:

	Notes	2025	2024
Depreciation of investment properties and ROU asset	5,11	174,924,326	161,180,284
Light, power, and utilities		120,923,524	120,473,256
Taxes and licenses		35,917,803	34,240,351
Repairs and maintenance		30,075,930	32,294,953
Marketing		20,917,404	18,475,679
Film share		20,332,531	23,555,931
Professional fees		10,739,697	871,542
Insurance		9,970,905	6,875,059
Transportation		1,114,335	1,692,003
Rent		516,855	584,270
Others		3,163,202	1,655,445
		428,596,512	401,898,773

12.2 General and administrative expenses

General and administrative expenses consist of:

	Notes	2025	2024
Professional fees		30,504,425	30,098,855
Depreciation of property and equipment	6	6,130,015	1,379,989
Repairs and maintenance		4,114,218	3,378,870
Taxes and licenses		3,462,369	4,868,232
Postal and communication		1,519,424	1,582,591
Transportation and travel		1,017,000	1,395,581
Contracted services		864,300	834,531
Office supplies		391,565	45,000
Meetings		330,000	147,000
Provision for credit losses	3	-	5,209,388
		48,333,316	48,940,037

Cost of sales pertains to the cost of the sold ice and beverages amounting to P8,875,692 in 2025 (2024 - P9,844,349).

13 Income tax

The details of the Company's income tax expense for the years ended December 31 are as follows:

	2025	2024
Current	3,173,826	4,805,794
Final	8,172	4,309
	3,181,998	4,810,103

Current income tax expense for the years ended December 31, 2025 and 2024 represents minimum corporate income tax (MCIT) using the MCIT rate of 2% on gross income, which can be carried over and applied against income tax due for the next three years.

The reconciliation of the income tax expense computed at the applicable statutory tax rates to actual income tax expense as shown in the statements of total comprehensive income for the years ended December 31 is as follows:

	2025	2024
Income before income tax	74,265,258	94,244,005
Income tax expense at statutory income tax rate of 25%	18,566,315	23,561,001
Tax effects of:		
Nondeductible interest expense	1,498	861
Interest income subject to final tax	(5,994)	(3,447)
Others	8,172	4,309
Movement in recognized deferred income tax (DIT) asset on net operating loss carryover (NOLCO)	(4,141,496)	(4,153,434)
Applied NOLCO	(11,246,497)	(14,599,187)
Provision for income tax	3,181,998	4,810,103

The components of net DIT assets (liabilities) are as follows:

	2025	2024
DIT assets on:		
Lease liability	115,962,389	114,594,895
NOLCO	55,801,335	59,942,831
Accrued expenses	14,961,235	14,961,236
Security deposits	7,828,612	6,479,269
Provision for ECL	4,405,291	4,405,291
Advance rent	2,692,614	2,692,614
MCIT	7,891,152	4,717,326
	209,542,628	207,793,462
DIT liabilities on:		
Accrued lease revenue	136,306,413	134,368,188
ROU asset	65,128,216	66,804,412
Deferred credits	8,107,999	6,620,862
	209,542,628	207,793,462
Net DIT asset (liabilities)	-	-

The Company has recognized a DIT asset on NOLCO amounting to P55,801,335 as at December 31, 2025 (2024 - P59,942,831), to the extent of the net DIT liability. Management expects the Company to generate future taxable income based on recent trends and forecasts to utilize the NOLCO; however, uncertainty remains as to the amount of such taxable income. Accordingly, management exercised prudence by limiting the recognition of the DIT asset arising from NOLCO to the extent supported by the DIT liability.

Following are the details of the Company's NOLCO and MCIT as at December 31:

Year of incurrence	Year of expiration	NOLCO		MCIT	
		2025	2024	2025	2024
2020	2025	65,355,509	141,002,836	-	-
2021	2026	160,379,294	160,379,294	-	-
2022	2025	112,396,731	112,396,731	-	-
2023	2026	216,259,780	216,259,780	1,635,985	1,635,985
2024	2027	-	-	3,081,341	3,081,341
2025	2028	-	-	3,173,826	-
		554,391,314	630,038,641	7,891,152	4,717,326
Applied		(78,098,159)	(75,647,327)	-	-
Expired		(112,396,731)	-	-	-
		363,896,424	554,391,314	7,891,152	4,717,326

Income tax rates applied to NOLCO are 27.5% for 2020, and 25% for 2021 onwards.

14 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly, through one or more intermediaries, who control, are controlled by, or are under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, and close members of the family of any such individual.

The Company does not provide any allowance relating to receivables from related parties in prior years. There is also no ECL recognized for related party receivables in the current year since there is no history of default payments. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

In the ordinary course of business, the Company transacts with its related parties. The transactions and balances of accounts with related parties are as follows:

14.1 Due from related parties (Note 3)

	2025		2024	
	Transactions	Outstanding balance	Transactions	Outstanding balance
Parent Company (a)	-	160,137	-	156,812
Entities under common control (b)	21,592,072	2,987,087	12,886,127	3,317,867
		3,147,224		3,474,679

14.2 Due to related parties (Note 8)

	2025		2024	
	Transactions	Outstanding balance	Transactions	Outstanding balance
Parent Company (c)	3,431,813	1,576,130,728	9,604,374	1,555,427,034
Entities under common control (d, e)	156,432,690	461,409,536	152,607,993	660,143,256
		2,037,540,264		2,215,570,290

(a) Due from the Parent Company pertains to reimbursement of the Parent Company's share in training expenses and other allocated costs. The amount is collectible in cash, non-interest-bearing, unsecured, and not impaired.

(b) Due from entities under common control mainly pertain to receivables arising from the lease of retail and exhibit spaces to related-party tenants. These receivables pertain to monthly rent, common area charges, and other recoveries. The amounts are collectible in cash, non-interest-bearing, unsecured, and not impaired.

(c) Due to the Parent Company pertains to operating advances obtained by the Company to support its working capital requirements. These amounts are payable in cash, non-interest-bearing, unsecured, and unguaranteed.

(d) Due to entities under common control mainly pertain to payables arising from accounting, administrative, and other functions performed by these related entities for the Company, as well as other expenses incurred with them. These amounts are payable in cash, non-interest-bearing, unsecured, and unguaranteed. As at December 31, 2025, amounts due to related parties arising from these transactions amounted to P48,856,403 (2024 - P36,543,435).

(e) The Company obtained loans from related parties to settle payables relating to the construction of the commercial mall. The amounts are payable in cash, interest-bearing, unsecured, and unguaranteed. As at December 31, 2025, the outstanding balance of loans from related parties amounted to P412,553,133 (2024 - P623,599,821). Interest expense on these loans amounted to P32,265,828 for the year ended December 31, 2025 (2024 - P51,902,145).

The details and movements of loans from related parties as at and for the years ended December 31 are as follows:

	2025	2024
January 1	623,599,821	777,595,000
Cash transactions:		
Availments	1,632,038,583	3,005,987,000
Payments of:		
Principal	(1,846,408,583)	(3,137,987,000)
Interest	(28,942,516)	(73,897,324)
Non-cash transaction:		
Interest expense	32,265,828	51,902,145
December 31	412,553,133	623,599,821

14.3 Transactions with BPI, an associate of AC (Note 2)

Cash in bank is deposited with BPI, an entity under common control (Note 2).

14.4 Key management personnel

The key management personnel of the Company are employees of ALI. The compensation of these employees is paid by ALI, and as such, the necessary disclosures required by PAS 24*, Related Party Disclosures*, are included in ALI's financial statements..

15 Significant accounting estimates, assumptions, and judgments

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make estimates, assumptions, and judgments that affect the amounts reported in the financial statements and accompanying notes. Estimates, assumptions, and judgments 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.

15.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Provision for ECL of trade receivables (Note 3)

The Company applies the simplified approach in calculating ECLs for trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust historical credit loss experience for forward-looking information. At each reporting date, the historical observed default rates are updated, and changes in forward-looking estimates are analyzed.

Assessing the correlation between historical observed default rates, forecast economic conditions, and ECLs involves significant estimation. The amount of ECLs is sensitive to changes in circumstances and forecasts of economic conditions. The Company's historical credit loss experience and forecasts of economic conditions may not be representative of customers' actual default behavior in the future.

Allowance for impairment loss on receivables amounted to P17,621,165 as at December 31, 2025 and 2024. The carrying amounts of trade receivables are disclosed in Note 3.

(b) Fair value of financial instruments (Note 16)

When the fair values of financial assets and financial liabilities recognized in the statements of financial position or disclosed in the notes to the financial statements cannot be determined using active markets, they are measured using internal valuation techniques and generally accepted market valuation models. The inputs to these models are derived from observable market data where possible; otherwise, estimates are used in determining fair values. The fair values of the Company's financial instruments are disclosed in Note 16.

(c) Estimating useful lives of investment property, property and equipment, and ROU asset (Notes 5, 6 and 11)

The Company estimates the useful lives of its investment property, right-of-use assets, and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed at least annually and are revised if expectations differ from previous estimates due to physical wear and tear or technical or commercial obsolescence. Changes in these estimates may materially affect future operating results.

As at December 31, 2025, if the actual useful lives of investment properties, property and equipment, and right-of-use assets were to differ by 5% from management's estimates, the carrying amounts of these assets would change by an estimated P192.37 million (2024 - P197.66 million), P754,091 (2024 - P796,139), and P13.02 million (2024 - P13.36 million), respectively, lower or higher for the year ended December 31, 2025.

(d) Estimating the incremental borrowing rate (IBR) for leases (Note 11)

The Company uses its incremental borrowing rate to measure lease liabilities since the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate represents the rate of interest the Company would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Accordingly, the IBR reflects the rate the Company would have to pay, which requires estimation when observable rates are not available or need adjustment to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs, such as market interest rates, when available, and applies entity-specific estimates, such as its standalone credit profile.

The Company's lease liability and ROU assets are disclosed in Note 11.

(e) Recognition of DIT assets (Note 13)

The Company reviews the carrying amount of deferred income tax assets at each reporting date and reduces the balance to the extent that it is no longer probable that sufficient future taxable income will be available to utilize all or part of the deferred tax assets. In assessing the availability of future taxable income, the Company considers its projected operating performance.

The Company recognized DIT assets as disclosed in Note 13.

15.2 Judgments

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

(a) Determination of lease term of contract with renewal options - Company as a lessee (Note 11)

The Company has lease contracts that include extension options. The Company applies judgment in assessing whether it is reasonably certain to exercise the option to renew the lease by considering all relevant factors that create an economic incentive to do so. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not exercise, the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its lease of land since the renewal option is subject to mutual agreement and, therefore, is not enforceable.

(b) Determination of type of lease - Company as lessee (Note 11)

The Company has entered into a contract with the Province of Negros Occidental for the land on which its investment properties are located. The Company has determined that all significant risks and rewards of ownership of the land are retained by the lessor.

In determining whether a lease contract is cancellable, the Company considers, among others, the significance of penalties, including the economic consequences to the lessee. The Company accounts for the lease agreement with the Province of Negros Occidental as a non-cancellable lease.

(c) Distinction between investment property and owner-occupied property (Note 5)

The Company determines whether a property qualifies as an investment property. In making this judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by the Company. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the supply process.

Some properties comprise a portion held to earn rentals or for capital appreciation and another portion held for use in the supply of services or for administrative purposes. If these portions cannot be sold separately as at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or 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 this assessment.

(d) Evaluation of non-financial assets for impairment (Notes 4,5,6,7)

The Company assesses at each reporting date whether there is any indication that the non-financial assets may be impaired. The Company considers indications of impairment such as significant changes in asset usage, a significant decline in market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results, and significant negative industry or economic trends. If such indication exists, the Company estimates the recoverable amount of the asset, which is the higher of the asset's fair value less costs to sell and value in use.

As at December 31, 2025 and 2024, no impairment indicators were identified for the Company's non-financial assets.

16 Financial instruments

16.1 Fair value hierarchy

The carrying values of cash in bank, trade and other receivables, accrued lease receivable under other non-current assets, trade and other payables (excluding taxes payable), construction bonds, lease liability, and retention payable approximate their fair values.

Security deposits, which are classified as financial liabilities, are initially measured at fair value and subsequently carried at amortized cost and, therefore, do not necessarily approximate fair value at the reporting date.

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

16.2 Financial risk and capital management objectives and policies

The main purpose of the Company's financial instruments is to fund its operations. The main risks arising from the use of these financial instruments are credit risk and liquidity risk.

Exposure to credit and liquidity risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's credit risk is primarily attributable to cash in bank and trade and other receivables. To manage credit risk, the Company maintains defined credit policies and continuously monitors its exposure to credit risks.

The Company's maximum credit exposure on its financial assets is equivalent to the carrying amounts of these assets.

	Notes	2025	2024
Cash in bank	2	14,846,289	14,153,699
Due from related parties	14	3,147,224	3,474,679
Trade receivables	3	98,017,330	85,372,082
		116,010,843	103,000,460

For cash in bank, the Company adheres to fixed limits and guidelines in its dealings with counterparty banks. Bank limits are established on the basis of an internal rating system that principally covers liquidity, capital adequacy, and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect these financial institutions to fail in meeting their obligations. Nevertheless, the Company closely monitors developments relating to counterparty banks and adjusts its exposure accordingly while adhering to preset limits.

As at December 31, 2025 and 2024, cash in bank is classified as fully performing and graded as high quality. The rating is based on the nature of the counterparty.

For receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. An allowance for ECL amounting to P17,621,165 was recognized as at December 31, 2025 and 2024 (Note 3).

(b) Liquidity risk

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

The Company manages liquidity through an assessment of the minimum amount of funds needed to meet operating and investment requirements, identification of sources of funding, and periodic reporting and review of the credit facilities made available to the Company. The Company considers its available funds and liquidity in managing its long-term financial requirements. For short-term funding, the Company's policy is to ensure that there are sufficient operating inflows to match repayments of short-term obligations such as trade and other payables.

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31, based on contractual undiscounted payments:

	Notes	Less than one year	One to five years	Total
2025				
Trade and other payables				
Due to related parties	8,14	2,037,540,264	-	2,037,540,264
Trade payables	8	173,089,246	-	173,089,246
Accrued expenses	8	29,195,326	-	29,195,326
Deposits*	9	33,766,375	100,201,325	133,967,700
Lease liability	11	19,494,816	444,354,741	463,849,557
Retention payable		1,035,057	-	1,035,057
Others	8	146,424	-	146,424
		2,294,267,508	544,556,066	2,838,823,574

	Notes	Less than one year	One to five years	Total
2024				
Trade and other payables:				
Due to related parties	8,14	2,215,570,290	-	2,215,570,290
Trade payables	8	200,078,891	-	200,078,891
Accrued expenses	8	24,554,636	-	24,554,636
Deposits*	9	31,534,000	76,312,164	107,846,164
Lease liability	11	13,345,054	445,054,322	458,399,376
Retention payable		1,713,807	-	1,713,807
Others	8	110,840	-	110,840
		2,486,907,518	521,366,486	3,008,274,004

**Excluding deferred credits amounting to P80,475,165 for the year ended December 31, 2025 (2024 - P79,344,810)*

(c) Capital management

The primary objectives of the Company's capital management policies are to afford financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks, to ensure that it maintains its premier credit rating so that access to the financial markets remains unhampered, and to maximize stakeholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

No changes were made to the Company's objectives, policies, or processes for managing capital for the years ended December 31, 2025 and 2024

.
The Company considers its equity, as presented in the statement of financial position, as its capital employed.

The Company is not subject to externally imposed capital requirements.

17 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

17.1 Basis of preparation

The accompanying financial statements have been prepared using the historical cost basis and are presented in Philippine Peso (P), which is also the Company's functional currency. All amounts are rounded to the nearest Philippine peso unless otherwise indicated.

The financial statements have been prepared in compliance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 15.

17.2 Changes in accounting policies and disclosures

(a) Amendments to existing standards adopted by the Company effective January 1, 2025

There are no new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have a material impact on the Company's financial statements.

(b) Standards issued but not yet effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

(i) Amendments to PFRS 9 and PFRS 7, Amendments to the Classification and Measurement of Financial Instruments *(Effective beginning on or after January 1, 2026)*

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Company except on the timing of derecognition of financial liability through electronic fund transfers and checks.

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

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

Management is currently assessing the detailed implications of applying the new standard on the Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    - management-defined performance measures;
    - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
    - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

(iii) Amendments to PFRS 19, Subsidiaries without Public Accountability: Disclosures *(effective for annual periods beginning on or after January 1, 2027)*

- Issued in May 2025, PFRS 19 allows for certain eligible subsidiaries of parent entities that report under PFRS Accounting Standards to apply reduced disclosure requirements.

- The adoption of the above amendments is not expected to have a material impact on the disclosures on the financial statements of the Company.

17.3 Financial instruments

(a) Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income [OCI] or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The Company does not have financial assets measured at fair value as at December 31, 2025 and 2024.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are subsequently measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains or losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(iii) Impairment

The Company assesses on a forward-looking basis the ECL associated with its financial assets carried at amortized cost. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate.

The Company applies the simplified approach in calculating ECL for trade receivables, using lifetime ECL. A provision matrix has been established based on historical credit loss experience, adjusted for forward-looking factors specific to customers and the economic environment.

For other financial assets such as receivable from related parties, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, regardless of the timing of the default (a lifetime ECL).

For cash, 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, as cash placements qualify as 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 is measured based on the lifetime ECL.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade."

The key inputs used in the model include the Company's definition of default and historical data covering three years, including the origination date, maturity date, and default date. 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 recover the outstanding contractual amounts in full before considering any credit enhancements held by the Company.

(iv) Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. In performing this assessment, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information, as well as forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset credit quality improves and there is no longer a significant increase in credit risk since origination, the loss allowance measurement reverts from a lifetime ECL to a 12-month ECL.

(b) Financial liabilities

Financial liabilities pertain to issued financial instruments that contain contractual obligations to deliver cash or other financial assets to the holder or to settle the obligation other than through the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The Company's financial liabilities include trade and other payables (excluding taxes payable), deposits (excluding deferred credits), retention payable, and lease liability.

Financial liabilities are subsequently measured at amortized cost, except those that are held for trading or designated upon initial recognition as at fair value through profit or loss.

17.4 Deposits

Deposits are measured initially at fair value. After initial recognition, deposits are subsequently measured at amortized cost using the effective interest method.

17.5 Investment properties

The Company uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Depreciation is computed on a straight-line method over the estimated useful life of the investment property, which is 40 years.

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

17.6 Property and equipment

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

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

	In years
Machinery and equipment	5 to 7
Furniture and fixtures	5
Office equipment	5

17.7 Impairment of nonfinancial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the Company's statements of total comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Company's statements of total comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining estimated useful life.

17.8 Taxes

(a) Current tax

Current tax assets and liabilities for the current period are measured at the amounts expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute these amounts are those that have been enacted or substantively enacted as at the reporting date.

(b) Deferred tax

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

DIT liabilities are recognized for all taxable temporary differences, subject to certain exceptions. DIT assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

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

DIT assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Income tax relating to items recognized directly in equity is also recognized directly in equity and not in the statements of total comprehensive income.

DIT assets and liabilities are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, and the DIT balances relate to the same taxable entity and the same taxation authority.

(c) VAT

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

(d) CWT

CWT pertains to taxes withheld on income payments and may be applied against income tax due. The balance of taxes withheld is recoverable in future periods. The balance at each reporting date represents the unutilized amount after deducting any income tax payable. CWT is stated at its realizable value.

17.9 Equity

The Company considers the underlying substance and economic reality of its own equity instruments and not merely their legal form in determining their proper classification.

Share capital

Share capital is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs, and taxes, are charged against retained earnings.

Preferred shares are assessed to determine if they can be classified as debt or equity. These are classified as equity when they do not contain an obligation for the Company to deliver cash or other financial assets to the holders or redeem the shares at a specific date.

17.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, net of discounts and rebates. The following specific recognition criteria must also be met before revenue is recognized:

(a) Rental income

Rental income under non-cancellable and cancellable leases on investment properties is recognized in the statements of total comprehensive income on a straight-line basis over the lease term and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contracts.

(b) CUSA charges and other income

CUSA charges and other income are recognized when the related services have been rendered and the right to receive payment has been established.

(c) Interest income

Interest income is recognized as it accrues using the effective interest method.

17.11 Expense recognition

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

(a) Direct operating expenses

Direct operating expenses are those that are directly attributable to the Company's revenue-generating activities.

(b) General and administrative expenses

General and administrative expenses constitute the costs of administering the business.

17.12 Leases

(a) Company as lessee

The Company assesses whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company assesses whether the contract meets the following key criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

At the lease commencement date, the Company recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made at or before the commencement date, net of any lease incentives received. Subsequently, the Company depreciates 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

The Company measures the lease liability at the present value of the lease payments not yet paid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or otherwise the Company's incremental borrowing rate. To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by entities that do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e., term, currency, and security).

Lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments based on an index or rate, amounts expected to be payable under residual value guarantees, and payments arising from renewal or termination options that are reasonably certain to be exercised.

Subsequent to initial measurement, the lease liability is reduced by lease payments made and increased by interest expense. The lease liability is remeasured to reflect any reassessment or lease modification, or changes in in-substance fixed lease payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedients for short-term leases and leases of low-value assets. Payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(b) Company as lessor

Leases where the Company does not transfer substantially all the risks and rewards of ownership of the underlying assets are classified as operating leases. Lease payments under cancellable leases and variable lease payments under non-cancellable leases are recognized as income based on the terms of the lease contract, or at minimum rent or basic rent plus a specified percentage of the tenants' gross revenue, whichever is higher.

Fixed lease payments under non-cancellable leases are recognized on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rent is recognized as revenue in the period in which it is earned.

17.13 Related party relationships and transactions

(a) Related party relationship

A related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party, or to exercise significant influence over the other party in making financial and operating decisions.

Related party relationships also exist among entities under common control with the reporting entity, or between the reporting entity and its key management personnel, directors, or shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship rather than its legal form.

(b) Related party transaction

A related party transaction is a transfer of resources, rights, or obligations between a reporting entity and a related party, regardless of whether a price is charged.

17.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is applied, the increase in the provision due to the passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

17.15 Contingencies

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

17.16 Events after the reporting period

Post-year-end events up to the date when the financial statements are authorized for issue that provide additional evidence of conditions existing at the reporting date (adjusting events) are reflected in the financial statements. Significant post-year-end events that do not provide evidence of conditions existing at the reporting date (non-adjusting events) are disclosed in the notes to the financial statements when material.

18 Reclassification

Certain items in the 2024 financial statements were reclassified to conform with the current year’s presentation. These reclassifications do not materially impact the previously reported statements of financial position and statements of cash flows. These also did not impact the previously reported statements of total comprehensive income and statements of changes in equity.

19 Supplementary information required by the Bureau of Internal Revenue (BIR)

19.1 Revenue Regulations (RR) No. 15-2010

The following information required by RR No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

(a) VAT

Details of the Company's output VAT and input VAT in 2025 are as follows:

(i) Output VAT

	Net revenues	Output VAT
Sales of services	599,451,959	71,934,235

(ii) Input VAT

	Amount
January 1	280,348,519
Domestic purchases/payments for:	
Domestic purchases of services	44,171,120
Purchase of capital goods not exceeding 1,000,000	95,702
Purchase of capital goods exceeding 1,000,000	-
Domestic purchases of goods other than capital goods	339,200
Creditable VAT withheld	30,325
Applied against Output VAT during the year	(71,934,235)
Input VAT on capital goods exceeding 1M deferred for the succeeding period	-
December 31	253,050,631

(b) Importations

The Company did not have any importations for the year ended December 31, 2025.

(c) Excise taxes

The Company did not enter into any transactions subject to excise taxes for the year ended December 31, 2025.

(d) Documentary stamp tax

Documentary stamp taxes paid by the Company in relation to its loans from related parties amounted to P3,450,370 for the year ended December 31, 2025.

(e) Withholding taxes

Details of withholding taxes paid and accrued for the year ended December 31, 2025 are as follows:

	Paid	Accrued	Total
Expanded withholding taxes	17,286,065	1,715,780	19,001,845

(f) All other local and national taxes

Other local and national taxes incurred by the Company for the year ended December 31, 2025 consist of the following:

	Amount
Real property taxes	28,110,128
Licenses and other filing fees	7,809,174
Community tax	10,500
	35,929,802

(g) Tax assessments and cases

The Company has no final assessment notices and/or formal letters of demand from the BIR. As at December 31, 2025, the Company also has no pending tax cases, litigation, or lawsuits of any kind, whether within or outside the administration of the BIR.

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the 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.

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

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

Isla Lipana & Co (the Philippine member firm of PricewaterhouseCoopers), the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed by:

PAUL A. BIRKETT
Chairman

DocuSigned by:

ANGELITA C. DELA ROSA
Treasurer

Signed by:
Kriselva Ferrer

MA. KRISELVA V. FERRER
Chief Finance Officer
28 April 2026

SUBSCRIBED AND SWORN to before me this MAY 20 2026 affiants exhibiting to me their respective Philippine passports as follows:

	Passport/ID No.	Date of Issue	Place of Issue
Paul A. Birkett			
Angelita C. Dela Rosa			
Ma. Kriselva V. Ferrer			

ATTY. JOHN MARK A. CAMALON
NOTARY PUBLIC

[redacted]

Doc. No. 495
Page No. 100
Book No. 572
Series of 2026

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Certificate Of Completion

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Document Pages: 1
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Signer Events	Signature	Timestamp
Kriselva Ferrer ferrerbangbang.almi@ayalamalls.com.ph Security Level: Email, Account Authentication (None)	Signed by: kriselva Ferrer F88DF42FEDC04F6... Signature Adoption: Pre-selected Style Using IP Address: 140.82.199.159	Sent: 5/14/2026 4:10:19 PM Viewed: 5/14/2026 4:18:45 PM Signed: 5/14/2026 4:19:06 PM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Angelita C. Dela Rosa delarosa.anj@ayalaland.com.ph Ayala Malls Group Controller AMICASSA Security Level: Email, Account Authentication (None)	DocuSigned by: 51AF7DF339C4458... Signature Adoption: Uploaded Signature Image Using IP Address: 203.177.211.10	Sent: 5/14/2026 4:19:08 PM Resent: 5/15/2026 9:11:19 AM Viewed: 5/15/2026 9:21:26 AM Signed: 5/15/2026 9:21:39 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Mr. Paul Birkett birkettpaul.almi@ayalamalls.com.ph Security Level: Email, Account Authentication (None)	Signed by: 9610B818A1447C... Signature Adoption: Uploaded Signature Image Using IP Address: 203.177.211.10	Sent: 5/15/2026 9:21:40 AM Viewed: 5/15/2026 10:34:28 AM Signed: 5/15/2026 10:35:10 AM
Electronic Record and Signature Disclosure: Accepted: 5/15/2026 10:34:28 AM ID: fe5721de-89c3-4467-be2f-92faf82c5979		

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/14/2026 4:10:19 PM
Certified Delivered	Security Checked	5/15/2026 10:34:28 AM
Signing Complete	Security Checked	5/15/2026 10:35:10 AM
Completed	Security Checked	5/15/2026 10:35:10 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ALMI Feria, Hanah P.

From: eafs@bir.gov.ph
Sent: Saturday, May 16, 2026 6:32 PM
To: AMCC Tax ORUS
Cc: ALMI Salamisan, Joyce Grace S.
Subject: Your BIR AFS eSubmission uploads were received

Hi CAPITOL CENTRAL COMMERCIAL VENTURES CORP.,

Valid files

- EAFS009902434TCRTY122025-03.pdf
- EAFS009902434ITRTY122025.pdf
- EAFS009902434OTHTY122025.pdf
- EAFS009902434TCRTY122025-02.pdf
- EAFS009902434RPTTY122025.pdf
- EAFS009902434TCRTY122025-01.pdf
- EAFS009902434AFSTY122025.pdf

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- <None>

Transaction Code: **AFS-0-9HDD6GFL0MXR1V1Z2MSRTM1SY0ZQW2V4R**
Submission Date/Time: **May 16, 2026 06:31 PM**
Company TIN: **009-902-434**

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

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

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REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. CS201736691
COMPANY TIN 009-873-397

CERTIFICATE OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Articles of Incorporation and By-Laws of

BAY CITY COMMERCIAL VENTURES CORP.

were duly approved by the Commission on this date upon the issuance of this Certificate of Incorporation in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg.68), and copies of said Articles and By-Laws are hereto attached.

This Certificate grants juridical personality to the corporation but does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

As a registered corporation, it shall submit annually to this Commission the reports indicated at the back of this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Pasay City, Metro Manila, Philippines, this 3rd day of November, Twenty Seventeen.

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

BUWIS
BS32016
1940671

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SEC Reportorial and Monitoring Requirements for Domestic Corporations

DOCUMENT	Filing Period
General Information Sheet (GIS) The GIS should be certified and sworn to by the corporate secretary. The GIS of domestic corporations, except banks and insurance companies, with annual gross sales or gross revenues of at least Php5,000,000.00 shall also be submitted in ***electronic format*** (i.e. on diskettes or compact disc)	**Within 30 calendar days from the date of the actual annual stockholders' or members' meeting;** - if unable to hold stockholders' or members' meeting for the calendar year not later than January 30 of the next calendar year - all changes arising between annual meetings and those affecting the information stated in the GIS shall be reflected in an amended GIS labeled as such and the changes clearly highlighted; the amended GIS shall be submitted within 30 calendar days after the occurrence or effectivity of such change.
Financial Statements (FS) stamped "received" by the Bureau of Internal Revenue The FS of the following domestic corporations shall be audited by an independent certified public accountant (CPA) accredited with the Board of Accountancy (BOA) a.) stock corporations with paid-up capital Php50,000.00 ***or more***, and b.) non-stock corporations with annual gross receipts of Php100,000.00 ***or more***, or total assets of Php500,000.00 or more The FS of the following domestic corporations shall, at the minimum, be certified under oath by the treasurer of the corporation: a.) stock corporations with paid-up capital of less than Php50,000.00; and b.) non-stock corporations with annual gross receipts of less than Php100,000.00 or total assets of less than Php500,000.00;	**Within 120 calendar days after the end of the fiscal year as specified in the by-laws** **NOTE:** For the year 2013, the FS of companies whose fiscal year ends on December 31,2012, the filing in the SEC Main Office shall be based on the last numerical digit of the SEC registration or license number of the corporation as follows: **April 15, 16, 17, 18, 19 — "1", "2"** **April 22, 23, 24, 25, 26 — "3", "4"** **April 29, 30, May 2 & 3 — "5", "6"** **May 6, 7, 8, 9, 10 — "7", "8"** **May 14, 15, 16, 17 — "9", "0"** Prior to April 15, 2013, all corporations may file their FS regardless of the last numerical digit of their registration or license number.
The FS of the domestic corporations, except banks and insurance companies, with annual gross sales or gross revenues of at least Php5,000,000.00 shall also be submitted in electronic format (i.e. on diskettes or compact disc).	**Within 30 days from the last day of submission of the FS**
Affidavit of Non-Operation (in addition to the GIS and the Financial Statements stamped "received" by the Bureau of Internal Revenue), in case of non-operation	**Within 120 days after the end of the fiscal year as specified in the by-laws**
Stock and Transfer Book (for stock corporation) or **Membership Book** (for non-stock corporation)	**Within 30 days from the date of the issuance of the certificate of incorporation**

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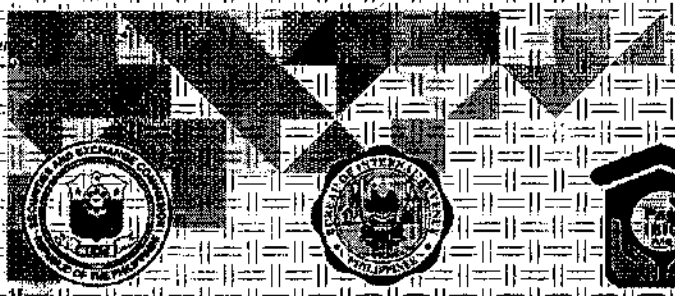

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SOCIAL SECURITY SYSTEM

UNIFIED REGISTRATION RECORD (URR)

COMPANY NAME

BAY CITY COMMERCIAL VENTURES CORP

SEC REGISTRATION NUMBER

CS201736691

TAX IDENTIFICATION NUMBER (TIN)

009-873-397-000

BUSINESS/TRADE NAMES

PAG-IBIG EMPLOYER NUMBER (Eyer ID)

207916740007

PHILHEALTH EMPLOYER NUMBER (PEN)

PRINCIPAL ADDRESS

5/F GLORIETTA 4 AYALA CENTER MAKATI,
METRO MANILA

SSS EMPLOYER NUMBER (ER No.)

0395911655

PHONE NO

09178663347

FAX NO

MOBILE NO

E-MAIL ADDRESS

AUTHORIZED REPRESENTATIVE (to be filled up by company - for presentation to social agencies)

11-06-2017 12:53:21 PM

DUPLICATE COPY

COVER SHEET

for Applications at

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

REGISTRATION

SEC Registration Number

Company Name

BAY CITY COMMERCIAL VENTURES CORP.

Principal Office (No./Street/Barangay/City/Town/Province)

5TH FLOOR, GLORIETTA 4, AYALA CENTER, MAKATI CITY, 1224, METRO MANILA

Company's Telephone Number/s

7598000 local 8057

Contact Person

CATHY PAGUIO

Contact Person's Telephone Number

9178663347

Contact Person's Address

5Th Floor, Glorietta 4, Ayala Center, Makati City

To be accomplished by CRMD Personnel

		Date	Signature
Assigned Processor			

Document I.D.

Recived by Corporate Filing and Records Division (CFRD)

Forwarded to:

- ☐ Corporate and Partnership Registration Division
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Divison
- ☐ Licensing Unit
- ☐ Compliance Monitoring Division

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SECURITIES AND EXCHANGE COMMISSION
NOV 0 3 2017
By: Time:

ARTICLES OF INCORPORATION

OF

BAY CITY COMMERCIAL VENTURES CORP.

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY THAT:

FIRST. The name of the Corporation shall be:

BAY CITY COMMERCIAL VENTURES CORP.

SECOND. That the purposes for which the Corporation is formed are:

PRIMARY PURPOSE

To develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial or agricultural lands, buildings, structures or apertures, to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing.

SECONDARY PURPOSES

1. To deposit or invest its funds in any banking institutions, savings, and loan associations, or realty estate corporations and to withdraw or dispose of any deposits or investments so made.

2. To engage in the business of promoting, managing, administering, or assisting in any operation or business whose underlying securities or assets consists chiefly of real property or any interest therein including the discounting or land purchases contracts without acting as stock broker or dealer in securities.

3. To promote, underwrite, contract for, manage, or administer, alone or jointly with others, any building operation, mortgage bond issues, real estate developments or any other transactions, or any other transactions involving rights to real estate or any interest therein without acting as managers of real estate investment trusts.

4. Insofar as the laws of the Philippines, to permit, purchase, invest or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of personal properties of every kind and description, including shares of stock, bonds, debentures, contracts, or obligations of any corporation, association, domestic or foreign, engaged in dealing in the same or similar business.

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5. To establish and conduct a general amusement or entertainment enterprise and to furnish amusement or entertainment to the public, as well as to acquire, establish, own, hold, sell, lease, conduct and manage fairs, cinema houses, carnivals, exhibitions, contests, theatrical productions or amusement or entertainment enterprises of every kind and nature.

6. To deal, engage, and transact, directly or indirectly, in all forms of activities and mercantile acts and transactions concerning all kinds of real or personal property, goods, wares, chattel, choses in action, tangible and intangible properties, technical and industrial equipment, personal and real rights, commercial papers, evidence of indebtedness, or other forms of obligations, services, and all other things including future ones, which are not excluded from the commerce of men or which are not contrary to law or good morals.

7. To carry and undertake any business transactions or operation commonly carried on by persons, natural or artificial, engaged in the manufacture, production, exportation, importation, wholesale, retail, promotion and merchandising of any and all kinds of merchandise, goods and wares which are lawful objects of commerce.

8. In general, to carry on any other lawful activity whatsoever in connection with the foregoing or which is calculated, directly or indirectly, to promote the interest of the Corporation or to enhance the value of its properties and do each and everything necessary, suitable or proper for the accomplishment of any of the purposes, or which shall at any time appear conducive to, or expedient for, the protection or benefit of the Corporation.

THIRD. The place where the principal office of the Corporation is to be established is at the 5th Floor, Glorietta 4, Ayala Center, Makati City, 1224, Metro Manila, but it may establish branch offices in any part of the Philippines as may be approved by the Board of Directors.

FOURTH. The term for which the Corporation is to exist is fifty (50) years from and after the date of issuance of the certificate of incorporation.

FIFTH. The names, nationalities, and residences of the incorporators are as follows:

Name	Nationality	Residence
Maria Rowena M. Tomeldan	Filipino	[redacted]
Myrna Lynne C. Fernandez	Filipino	
Ruby P. Chiong	Filipino	
Joseph F. Reyes	Filipino	
Roann F. Hinolan-Batoon	Filipino	

SIXTH. The number of directors of the Corporation is five (5) who are also the incorporators.

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SEVENTH. That the authorized capital stock of the Corporation is Seven Billion Seven Hundred Thirty-Two Million Five Hundred Thousand Pesos (PhP7,732,500,000.00), Philippine Currency, consisting of:

(i) Seven Hundred Seventy-Three Million Two Hundred Fifty Thousand (773,250,000) Common Shares with a par value of One Peso (Php1.00) per share or a total par value of Seven Hundred Seventy-Three Million Two Hundred Fifty Thousand Pesos (PhP773,250,000.00);

(ii) Six Billion Nine Hundred Fifty-Nine Million Two Hundred Fifty Thousand (6,959,250,000) Redeemable Preferred Shares with a par value of One Peso (Php1.00) per share or a total par value of Six Billion Nine Hundred Fifty-Nine Million Two Hundred Fifty Thousand Pesos (Php6,959,250,000.00), provided that the Redeemable Preferred A Shares shall have the following features:

(a) With voting rights;

(b) Participate in dividends declared for Common Shares, as may be determined and approved by the Board of Directors;

(c) Preference over holders of Common Shares in the distribution of corporate assets in the event of dissolution and liquidation of the Corporation and in the payment of dividend;

(d) Redeemable at the option of the Corporation at issue value and under such terms that the Board of Directors may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the Board of Directors.

EIGHTH. The subscribers to the capital stock and the amount paid-in to their subscriptions are as follows:

Name	Nationality	Type of Share	No. of Shares Subscribed	Amount Subscribed (in PhP)	Amount Paid (in PhP)
Ayala Land, Inc. TIN No. 000-153-790-000	Filipino	Common	193,312,495	193,312,495.00	48,328,120.00
		Preferred	1,739,812,500	1,739,812,500.00	434,953,125.00
Maria Rowena M. Tomeldan	Filipino	Common	1	1.00	1.00
Myrna Lynne C. Fernandez	Filipino	Common	1	1.00	1.00
Ruby P. Chiong	Filipino	Common	1	1.00	1.00
Joseph F. Reyes	Filipino	Common	1	1.00	1.00
Roann F. Hinolan-Batoon	Filipino	Common	1	1.00	1.00
TOTAL		Common	193,312,500	193,312,500.00	48,328,125.00
		Preferred	1,739,812,500	1,739,812,500.00	434,953,125.00
			1,933,125,000	1,933,125,000.00	483,281,250.00

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NINTH. No transfer of stock or interest which would reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Corporation and this restriction shall be indicated in all the stock certificates issued by the Corporation.

TENTH. Ruby P. Chiong has been elected by the subscribers as treasurer of the Corporation to act as such until her successor is duly elected and qualified to receive for and in the name and for the benefit of the Corporation, all subscriptions paid in by the subscribers.

ELEVENTH. The incorporators undertake to change the name of the Corporation as herein provided, or as amended thereafter, immediately upon receipt of notice of directive from the Securities and Exchange Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that the name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good customs or public policy.

[Signature page follows]

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IN WITNESS WHEREOF, we have set our hands this SEP 2 1 2017 at Makati City.

MARIA ROWENA M. TOMELDAN
[redacted]

MYRNA LYNNE C. FERNANDEZ
[redacted]

RUBY P. CHIONG
[redacted]

ROANN F. HINOLAN-BATOON
[redacted]

JOSEPH F. REYES
[redacted]

WITNESSES:

[Acknowledgment page follows]

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ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

I certify that, on this date SEP 2 1 2017, before me, a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

	Competent Evidence of Identity		
Name	*TIN*	*Government ID No.*	*Date/Place Issued*
Maria Rowena M. Tomeldan Myrna Lynne C. Fernandez Ruby P. Chiong Roann F. Hinolan-Batoon Joseph F. Reyes	[redacted]		

who are personally known to me to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date at the place hereinabove written.

Doc. No. 394;
Page No. 80;
Book No. VII;
Series of 2017.

JOANNE M. LIM
NOTARY PUBLIC
ROLL NO. 55362
MAKATI CITY, PHILIPPINES

JOANNE M. LIM
Notary Public - Makati City
[redacted]

Notarial DST pursuant to
Sec. 188 of the Tax Code
affixed on Notary Public's copy.

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REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

TREASURER'S AFFIDAVIT

I, **RUBY P. CHIONG**, having been duly sworn in accordance with law, hereby depose and state that:

I am the elected Treasurer of BAY CITY COMMERCIAL VENTURES CORP.;

As Treasurer, I am authorized to act as such until my successor has been duly elected and qualified in accordance with the By-Laws of the Corporation;

I certify that twenty-five percent (25%) of the authorized capital stock of the abovementioned Corporation has been subscribed, Four Hundred Thirty-Four Million Nine Hundred Fifty-Three Thousand One Hundred Twenty-Five Pesos (PhP434,953,125.00) has been paid, and received by me in cash for the benefit and credit of the Corporation.

IN WITNESS WHEREOF, I hereby sign this Affidavit this SEP 2 1 2017 in Makati City, Philippines.

RUBY P. CHIONG
Treasurer-in-Trust

SUBSCRIBED AND SWORN to before me this SEP 2 1 2017 at Makati City, affiant exhibiting to me her Passport with number [redacted] and with expiry date on 19 November 2018 issued at DFA, Pampanga, as competent evidence of identity

Doc. No. 348;
Page No. 90;
Book No. VII;
Series of 2017.

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

JOANNE M. LIM
NOTARY PUBLIC
ROLL NO. 55362
MAKATI CITY, PHILIPPINES

JOANNE M. LIM
Notary Public – Makati City
[redacted]

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BY-LAWS

OF

BAY CITY COMMERCIAL VENTURES CORP.

Article I
Subscription, Issuance and Transfer of Shares

Section 1. Subscription. Subscribers to the capital stock of the Corporation shall pay to the Corporation the subscription value or the subscription price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. Certificates. The stockholder shall be entitled to one or more certificates for each fully paid stock subscription in his name in the books of the Corporation. The stock certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificates shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

Section 3. Transfer of Shares. Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, assigned or pledged by the delivery of the certificates duly endorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the Corporation only upon record thereof in the books of the Corporation. The Secretary shall cancel the stock certificates and issue new certificates to the transferee.

No shares of stock against which the Corporation holds an unpaid claim shall be transferable in the books of the Corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. Lost Certificates. In case any certificate is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

Article II
Meetings of Stockholders

Section 1. Annual/Regular Meetings. The annual meetings of stockholders shall be held at the principal office or at any place designated by the Board of Directors on the 15th day of March of each year, or if a legal holiday, then on the day following.

Section 2. Special Meeting. The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or (b) at the written request of stockholders representing a majority of the outstanding capital stock, or (c) by the President.

Section 3. Place of Meeting. Stockholders' meetings, whether regular or special, shall be held at the principal office of the Corporation or at any place designated by the Board of Directors in Metro Manila.

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Section 4. **Notice of Meeting.** Notices for regular or special meetings of stockholders may be sent by the Secretary to each stockholder by personal delivery or by mail, postal or electronic, addressed to the physical or electronic or e-mail address of the stockholder registered in the books of the Corporation, at least two (2) weeks prior to the date of the meeting. The notice shall state the place, date and hour of the meeting, and a statement of matters to be transacted at the meeting.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. **Quorum.** Unless otherwise provided by law, in all regular or special meetings of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Section 6. **Conduct of Meeting.** Meetings of the stockholders shall be presided over by the Chairman, or in his absence, the President or if none of the foregoing is in office, present and acting, by a chairman to be chosen by the stockholders. The Secretary shall act as secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting.

Section 7. **Manner of Voting.** At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to the scheduled meeting or by their personal presence at the meeting.

Section 8. **Closing of Transfer Books or Fixing of Record Date.** For the purpose of determining the stockholders entitled to notice of, or to vote at, any meetings of stockholders or any adjournment thereof, or to receive payment of any dividend, or to exercise any right under the law, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

Article III
Board of Directors

Section 1. **Powers of the Board.** Unless otherwise provided by law, the corporate powers of the Corporation shall be exercised, all business conducted and all property of the Corporation controlled and held by the Board of Directors to be elected by the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following express powers:

a) From time to time, to make and change rules and regulations not inconsistent with these By-Laws for the management of the Corporation's business and affairs;

b) To purchase, receive, take or otherwise acquire for and in the name of the Corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board of Directors may deem proper or convenient;

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c) To invest the funds of the Corporation in another corporations or for purposes other than those for which the Corporation was organized, subject to such stockholders' approval as may be required by law;

d) To incur such indebtedness as the Board of Directors may deem necessary, to issue evidence of indebtedness, including without limitation, notes, deeds of trust, bonds, debentures or securities, subject to such stockholders' approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties and rights of the Corporation;

e) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the Corporation;

f) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the Corporation or its officers are either plaintiffs or defendants in connection with the business of the Corporation;

g) To delegate, from time to time, any of the powers of the Board of Directors which may lawfully be delegated in the course of the current business of the Corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the Corporation with such powers and upon such terms as may be deemed fit;

h) To implement these By-Laws and to act on any matter not covered by these By-Laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.

Section 2. **Election and Term.** The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

Section 3. **Vacancies.** Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or special meeting of stockholders called for the purpose, after giving notice as prescribed in these By-Laws.

Section 4. **Meetings.** Regular meetings of the Board of Directors shall be held quarterly on such dates and at places as the Chairman of the Board of Directors shall decide, or upon the request of a majority of the Directors.

Section 5. **Notice.** Written notice of the regular or special meeting of the Board of Directors, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message, postal or electronic, addressed to the physical or electronic or e-mail address of the director. A director may waive this requirement, either expressly or impliedly.

Section 6. **Quorum.** A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board of Directors.

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Section 7. Conduct of Meetings. Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors, or in his absence, the President or if none of the foregoing is in office, present and acting, by any other director chosen by the Board of Directors. The Secretary shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary for the meeting.

The directors may attend any meeting of the Board of Directors either in person, or by means of telephone conferencing, video conferencing or similar communications equipment in accordance with the requirements of applicable laws and regulations. A director participating by telephone conference or video conference or such other similar communications equipment shall also be deemed to be present in person at such meeting and shall be entitled to vote and be considered for purposes of determining a quorum.

Article IV
Officers

Section 1. Election/Appointment. Immediately after the election, the Board of Directors, may formally organize by electing the Chairman, the President, the Treasurer, the Chief Finance Officer, the Secretary and Assistant Secretary at said meeting.

The Board may from time to time, appoint such other officers as it may determine to be necessary or proper. Any two (2) or more compatible positions may be held concurrently by the same person, except that no one shall act as President and Treasurer, or Secretary at the same time.

Section 2. Chairman of the Board. The Chairman of the Board of Directors shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him.

Section 3. President. The President, who shall be a director, shall be the Chief Executive Officer of the Corporation and shall also have administration and direction of the day-to-day business affairs of the Corporation. He shall also exercise the following functions:

a) To initiate and develop corporate objectives and policies and formulate long-range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;

b) To have general supervision and management of the business affairs and property of the Corporation;

c) To ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control;

d) Subject to the guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the Corporation, prescribe their duties, and determine their salaries;

e) To oversee the preparation of the budgets and the statements of accounts of the Corporation;

f) To prepare such statements and reports of the Corporation as may be required of him by law;

g) To represent the Corporation at all functions and proceedings;

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h) To execute, on behalf of the Corporation, all contracts, agreements and other instruments affecting the interests of the Corporation, which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;

i) To make reports to the Board of Directors and stockholders;

j) To sign certificates of stock; and

k) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

The President may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer(s), subject always to his supervision and control.

Section 4. Secretary. The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties:

a) To record the minutes and transactions of all meetings of the directors and stockholders and to maintain minute books of such meetings in the form and manner required by law;

b) To keep record books showing the details required by law with respect to the stock certificates of the Corporation, including ledgers and transfer books showing all shares of the Corporation subscribed, issued and transferred;

c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature to all corporate documents requiring the same;

d) To attend to the giving and serving of all notices of the Corporation required by law or these By-Laws to be given;

e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;

f) To act as the inspector at the election of directors and as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum and the validity and effect of proxies; to receive votes, ballots or consents; to hear and determine questions in connection with the right to vote; to count and tabulate all votes, determine the result and do such acts as are proper to conduct the election; and

g) To perform such other duties as are incidental to his office or as may be assigned to him by the Board of Directors or the President.

Section 5. Assistant Secretary. He shall, if qualified, act as Secretary in the absence of the latter. He shall have such powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 6. Treasurer. The Treasurer of the Corporation shall have the following duties:

a) To keep full and accurate accounts of receipts and disbursements in the books of the Corporation;

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b) To have custody of and be responsible for all the funds, securities and bonds of the Corporation;

c) To deposit in the name and to the credit of the Corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds and similar valuable effects belonging to the Corporation which may come under his control;

d) To be primarily responsible in securing the necessary credit lines and/or funds required by the Corporation; and

e) To exercise such powers and perform such duties and functions as may be assigned to him by the Board of Directors or by the President.

Section 7. Chief Finance Officer. The Chief Finance Officer shall serve as the Controller and shall have the following responsibilities:

a) To have custody of all of the Corporation's books of account, including oversight in the maintenance of these books of account and records of all assets, liabilities and transactions of the Corporation to ascertain accuracy and completeness;

b) To render an annual statement showing the financial condition of the Corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;

c) To prepare financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies; and

d) To exercise such powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 8. Term of Office. The term of office of all officers shall be for a period of one (1) year and until their successors are duly elected and qualified. Such officers may, however, be sooner removed for cause.

Section 9. Vacancies. If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

Section 10. Compensation. The officers shall receive such remuneration as the Board of Directors may determine. All officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A director shall not be precluded from serving the Corporation in any other capacity as an officer, agent or otherwise and receiving compensation therefor.

Article V
Committees

Section 1. **Executive Committee.** There shall be an Executive Committee composed of not less than three (3) members from the Board of Directors to be appointed by the Board of Directors which, in accordance with the authority granted by the Board of Directors or during the absence of the Board of Directors, shall act by majority vote of all its members on such specific matters within the competence

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of the Board of Directors as may from time to time be delegated to the Executive Committee, except with respect to:

(a) Approval of any action for which shareholders' approval is also required;

(b) The filling of vacancies on the Board of Directors or in the Executive Committee;

(c) The amendment, repeal or adoption of Articles of Incorporation and By-Laws of the Corporation;

(d) The amendment or repeal of any resolution of the Board of Directors, which by its express terms is not so amendable or repealable;

(e) The distribution of cash dividends; and

(f) The exercise of powers delegated by the Board of Directors exclusively to other committees, if any.

All actions of the Executive Committee shall be reported to the Board of Directors at the meeting thereof following such action and shall be subject to revision or alteration by the Board of Directors, provided that no rights or acts of third parties shall be affected by such revision or alteration.

Section 2. Other Committees. The Board of Directors may also create such other committees as it may deem necessary.

Article VI
Offices

Section 1. The principal office of the Corporation shall be located at the place stated in the Third Article of the Articles of Incorporation. The Corporation may have such other branch offices, either within or outside the Philippines, as the Board of Directors may designate.

Article VII
Audit of Books, Fiscal Year and Dividends

Section 1. External Auditors. At the annual stockholders' meeting, the external auditors of the Corporation for the ensuing year shall be appointed. The external auditors shall examine, verify and report on the earnings and expenses of the Corporation.

Section 2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

Section 3. Dividends. Dividends shall be declared and paid out of the unrestricted retained earnings and shall be payable in cash, property or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

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Article VIII
Amendments

Section 1. These By-Laws may be amended or repealed or new by-laws adopted by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new By-Laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of power to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of the stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

Article IX
Seal

Section 1. Form and Inscription. The Corporate seal shall be determined by the Board of Directors.

Article X
Adoption Clause

The foregoing By-Laws were adopted by all the stockholders of the Corporation on SEP 21 2017 at the principal office of the Corporation.

IN WITNESS WHEREOF, we, the undersigned stockholders present at said meeting and voting thereat in favor of the adoption of said By-Laws, have hereunto subscribed our names this SEP 21 2017 at Makati City.

MARIA ROWENA M. TOMELDAN

MYRNA LYNNE C. FERNANDEZ

RUBY P. CHIONG

ROANN F. HINOLAN-BATOON

JOSEPH F. REYES

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OFFICIAL RECEIPT
Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554

Accountable Form No. 51 Revised 2006	ORIGINAL
DATE November 3, 2017	No. 1594561

PAYOR: BAY CITY COMMERCIAL VENTURES CORP
MAKATI

NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
REGISTRATION			15,465,000.00
LRF (A0830			154,660.00
BY-LAWS			1,000.00

SECURITIES AND EXCHANGE COMMISSION
APPROVED ON
11-6-17
DATE CLAIMED
11-6-17
COMPANY REGISTRATION AND MONITORING DEPT.
CERD

11-3

TOTAL PHP 15,620,660.00

AMOUNT IN WORDS
FIFTEEN MILLION SIX HUNDRED TWENTY THOUSAND SIX HUNDRED SIXTY PESOS AND 0/100

Received
- ☐ Cash
- ☐ Treasury Warrant
- ☒ Check
- ☐ Money Order

Received the Amount Stated Above

Mary Jane Dominguez
COLLECTING OFFICER

Treasury Warrant, Check, Money Order Number: Check-Deutche Bank-100388241

Date of Treasury Warrant, Check, Money Order: 10/26/17

O.R. No. 1594561

NOTE: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

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Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554

PAYMENT ASSESSMENT FORM No. 09222017-662993

DATE	RESPONSIBILITY CENTER (DEPARTMENT)
09/22/2017	CRMD

PAYOR: BAY CITY COMMERCIAL VENTURES CORP
MAKATI

	NATURE OF COLLECTION	ACCOUNT CODE	AMOUNT
	REGISTRATION	606	15,465,000.00
	LRF (A0823)	131	154,660.00
	BY-LAWS	606	1,000.00
TOTAL AMOUNT TO BE PAID			Php 15,620,660.00

Assessed by:
JENNY

Machine Validation:

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Print Finish

Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION

Reservation Payment Confirmation

This certifies that the name **BAY CITY COMMERCIAL VENTURES CORP.** has been reserved from **November 3, 2017** to **December 3, 2017.**

Reference Reservation Number (RRN): **RRN20171103082400471**

Type of Industry: Real Estate Activities With Own Or Leased Property

Breakdown of Fees:

Reservation Fee: Php 40.00

TOTAL: Php 40.00

Important Reminders:

NOTE: The fact that the name is available at the date verified, it is not to be regarded as an approval of the registration of the company or any application for change of name. No expense for printing of materials using a verified name should be incurred until registration takes effect. As this is a computer printout, any erasure or alteration on this document nullifies verification.

The applicant undertakes to change the reserved name in case another person or firm has acquired a prior right to the use of the said firm name or the same is deceptively or confusingly similar to one already registered.

Please do not pay for your Name Reservation and Extension WITHIN THE SAME DAY via Funds Transfer. You may course your payment at any selected UnionBank branches or at the SEC Teller.

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Securities and Exchange Commission
PHILIPPINES

COMPANY REGISTRATION AND MONITORING DEPARTMENT

DIRECTORS/INCORPORATORS

Gentlemen:

Please be advised that the Commission was not able to receive the **Phil-Health** (Social Agencies) Employer Registration Number (ERN) due to system error encountered in the Integrated Business Registry System (IBRS).

Please be advised to apply before the said Social Agencies for your ERN. Attached is a copy of your Certificate of Incorporation.

Yours most respectfully,

FERDINAND B. SALES
Director

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SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

The following document has been received:

Receiving: ARIEL FETALVO
Receipt Date and Time: September 08, 2025 02:40:27 PM

Company Information

SEC Registration No.: CS201736691
Company Name: BAY CITY COMMERCIAL VENTURES CORP.
Industry Classification: K70100
Company Type: Stock Corporation

Document Information

Document ID: OST10908202583690629
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: May 28, 2025
Submission Type: Amendment
Remarks: None

Acceptance of this document is subject to review of forms and contents

AMENDED GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**DATE REGISTERED:**
BAY CITY COMMERCIAL VENTURES CORP.	NOVEMBER 3, 2017
BUSINESS/TRADE NAME:	
BAY CITY COMMERCIAL VENTURES CORP.	**FISCAL YEAR END:**
SEC REGISTRATION NUMBER:	
CS201736691	December 31
DATE OF ANNUAL MEETING PER BY-LAWS:	**CORPORATE TAX IDENTIFICATION NUMBER (TIN)**
15TH DAY OF MARCH	009-873-397
ACTUAL DATE OF ANNUAL MEETING:	**WEBSITE/URL ADDRESS:**
MAY 28, 2025	N.A.
COMPLETE PRINCIPAL OFFICE ADDRESS:	**E-MAIL ADDRESS:**
5TH FLOOR, ONE AYALA, 1 AYALA AVENUE, AYALA CENTER, BARANGAY SAN LORENZO, MAKATI CITY	N.A.
COMPLETE BUSINESS ADDRESS:	**FAX NUMBER:**
5TH FLOOR, ONE AYALA, 1 AYALA AVENUE, AYALA CENTER, BARANGAY SAN LORENZO, MAKATI CITY	8892-5112

OFFICIAL E-MAIL ADDRESS	**ALTERNATE E-MAIL ADDRESS**	**OFFICIAL MOBILE NUMBER**	**ALTERNATE MOBILE NUMBER**
ali.ccsg@amicassa.com.ph	BCCVC@ayalamalls.com ph	0945-208-8045	0917-844-9745

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER:	**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):**
PWC ISLA LIPANA & CO. GINA S. DETERA	N.A.	7908-3455

PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:	**INDUSTRY CLASSIFICATION:**	**GEOGRAPHICAL CODE:**
Please see Annex "A"	REAL ESTATE ACTIVITIES WITH OWN OR LEASED PROPERTY	N.A.

========== **INTERCOMPANY AFFILIATIONS** ==========

PARENT COMPANY	**SEC REGISTRATION NO.**	**ADDRESS**
AYALA LAND, INC.	152747	31ST FLOOR, TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
N.A.		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

This General Information Sheet is being amended to report the election of Officer and Director as approved by the Company's Board of Directors on September 2, 2025

AMENDED GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: **BAY CITY COMMERCIAL VENTURES CORP.**

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ◉ Yes ○ No

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☑ None of the above

Describe nature of business: REAL ESTATES AS PROVIDED UNDER RA 11521

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ◉ Yes ○ No

AMENDED GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **BAY CITY COMMERCIAL VENTURES CORP.**

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	773,250,000	1.00	773,250,000.00
	PREFERRED***	6,959,250,000	1.00	6,959,250,000.00
	TOTAL	**7,732,500,000**	**TOTAL P**	**7,732,500,000.00**

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	493,908,732	N.A.	1.00	493,908,732.00	8%
	1	PREFERRED	5,745,278,592	N.A.	1.00	5,745,278,592.00	92%
		TOTAL	**6,239,187,324**	**TOTAL**	**TOTAL P**	**6,239,187,324.00**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N.A.							
Percentage of Foreign Equity :	0%	**TOTAL**	**0**	**TOTAL**	**TOTAL P**	**0.00**	**0%**
					TOTAL SUBSCRIBED P	**6,239,187,324.00**	**100%**

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	493,908,732	1.00	493,908,732.00	8%
	1	PREFERRED	5,745,278,592	1.00	5,745,278,592.00	92%
		TOTAL	**6,239,187,324**	**TOTAL P**	**6,239,187,324.00**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N.A.						
		TOTAL	**0**	**TOTAL P**	**-**	**0%**
				TOTAL PAID-UP P	**6,239,187,324.00**	**100%**
				ADDITIONAL PAID UP CAPITAL P	**-**	
				TOTAL CAPITALIZATION P	**6,239,187,324.00**	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

*** With no voting

AMENDED GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: **BAY CITY COMMERCIAL VENTURES CORP.**

D I R E C T O R S / O F F I C E R S

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. PAUL A. BIRKETT [redacted]	BRITISH	N	C	M	Y	CHAIRMAN	N.A.	[redacted]
2. JOSE RAMON E. KATIPUNAN [redacted]	FILIPINO	N	M	M	Y	PRESIDENT	N.A.	[redacted]
3. ANGELITA C. DELA ROSA [redacted]	FILIPINO	N	M (Effective 2 September 2025)	F	Y	TREASURER (Effective 2 September 2025)	N.A.	[redacted]
4. MICHAEL BRIAN C. SY [redacted]	FILIPINO	N	M	M	Y	N.A.	N.A.	[redacted]
5. ROANN F. HINOLAN-BATOON [redacted]	FILIPINO	Y	M	F	Y	N.A.	N.A.	[redacted]
6. ARLENE G. NEGRO [redacted]	FILIPINO	N	-	F	N	CHIEF FINANCE OFFICER	N.A.	[redacted]
7. MARIA PAULA G. ROMERO-BAUTISTA [redacted]	FILIPINO	N	-	F	N	CORPORATE SECRETARY	N.A.	[redacted]
8. TRIXIE CARMELA J. GONZALES [redacted]	FILIPINO	N	-	F	N	ASSISTANT CORPORATE SECRETARY	N.A.	[redacted]
9. MILLETTE A. ARNEDO [redacted]	FILIPINO	N	-	F	N	DATA PROTECTION OFFICER (Effective 2 September 2025)	N.A.	[redacted]
10. AILEEN Q. PESCADOR [redacted]	FILIPINO	N	-	F	N	GENERAL MANAGER	N.A.	[redacted]
11. JACKLYN KATE D. YAP [redacted]	FILIPINO	N	-	F	N	AMLC COMPLIANCE OFFICER	N.A.	[redacted]
12. -NOTHING FOLLOWS-								
13.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

AMENDED GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: **BAY CITY COMMERCIAL VENTURES CORP.**

TOTAL NUMBER OF STOCKHOLDERS: **6**

NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: **1**

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: **PhP 23,981,452,360.00**

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1 AYALA LAND, INC.	COMMON	493,908,727	493,908,727.00	100.00%	6,239,187,319.00	000-153-790-000
FILIPINO	PREFERRED	5,745,278,592	5,745,278,592.00			
31ST FLOOR, TOWER ONE, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY	**TOTAL**	**6,239,187,319**	**6,239,187,319.00**			
2. PAUL A. BIRKETT	COMMON	1	1.00	0.00%	1.00	[redacted]
BRITISH						
[redacted]						
	TOTAL	**1**	**1.00**			
3. JOSE RAMON E. KATIPUNAN	COMMON	1	1.00	0.00%	1.00	[redacted]
FILIPINO						
[redacted]						
	TOTAL	**1**	**1.00**			
4. ANGELITA C. DELA ROSA	COMMON	1	1.00	0.00%	1.00	[redacted]
FILIPINO						
[redacted]						
	TOTAL	**1**	**1.00**			
5. MICHAEL BRIAN C. SY	COMMON	1	1.00	0.00%	1.00	[redacted]
FILIPINO						
[redacted]						
	TOTAL	**1**	**1.00**			
6. ROANN F. HINOLAN-BATOON	COMMON	1	1.00	0.00%	1.00	[redacted]
FILIPINO						
[redacted]						
	TOTAL	**1**	**1.00**			
7. NOTHING FOLLOWS						
	TOTAL AMOUNT OF SUBSCRIBED CAPITAL		6,239,187,324.00	**100.00%**	**6,239,187,324.00**	
				TOTAL AMOUNT OF PAID-UP CAPITAL		
				ADDITIONAL PAID-IN CAPITAL	**-**	
				TOTAL CAPITALIZATION	**6,239,187,324.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

****This includes the shares previously registered under North Eastern Commercial Corporation. Pursuant to the merger approved by the Securities and Exchange Commission on January 19, 2024, The North Eastern Commercial Corporation was merged into Bay City Commercial Ventures Corporation with Bay City Commercial Ventures Corporation as the surviving entity. Accordingly, all rights, interests, properties, and liabilities of North Eastern Commercial Corporation have been transferred to and assumed by Bay City Commercial Ventures Corporation.***

AMENDED GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**BAY CITY COMMERCIAL VENTURES CORP.**		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	1
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PhP 23,981,452,360.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. N.A.				0.00%		
9.				0.00%		
10.				0.00%		
11.				0.00%		
12.				0.00%		
13.				0.00%	0.00	
14.				0.00%	0.00	
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			6,239,187,324.00	**100.00%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**6,239,187,324.00**	
ADDITIONAL PAID-IN CAPITAL					**-**	
TOTAL CAPITALIZATION					**6,239,187,324.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

AMENDED GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== PLEASE PRINT LEGIBLY ==========

CORPORATE NAME:	**BAY CITY COMMERCIAL VENTURES CORP.**		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	1
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PhP 23,981,452,360.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15. N.A.				0.00%		
16.				0.00%		
17.				0.00%		
18.				0.00%		
19.				0.00%		
20.				0.00%		
21.				0.00%		
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			6,239,187,324.00	**100%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**6,239,187,324.00**	
ADDITIONAL PAID-IN CAPITAL					**-**	
TOTAL CAPITALIZATION					**6,239,187,324.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

AMENDED GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **BAY CITY COMMERCIAL VENTURES CORP.**

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	N.A.	N.A.
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N.A.	N.A.
1.3 LOANS/ CREDITS/ ADVANCES	N.A.	N.A.
1.4 GOVERNMENT TREASURY BILLS	N.A.	N.A.
1.5 OTHERS	N.A.	N.A.

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N.A.		

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
	N.A.	N.A.

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: (2,597,553,435.00)

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: N.A.

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH		
5.2 STOCK		
5.3 PROPERTY		
TOTAL	0.00	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY: N.A.

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	N.A.	N.A.	N.A.
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT*
N.A.	9	0	380

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**Manpower complement is composed of service providers engaged by the Company.*

Note: The financial information in this General Information Sheet are based on the Company's 2023 Audited Financial Statements

I, MARIA PAULA G. ROMERO-BAUTISTA, Corporate Secretary of BAY CITY COMMERCIAL VENTURES CORP., declare under penalty of perjury that all matters set forth have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this SEP 08 2025 Makati City.

MARIA PAULA G. ROMERO-BAUTISTA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me in Makati City on SEP 08 2025 by affiant who personally appeared before me and exhibited to me her competent evidence of identity consisting of PASSPORT ID NO. P7427296A issued on June 4, 2018 at Department of Foreign Affairs, Manila.

DOC NO. 226;
PAGE NO. 47;
BOOK NO. XIII;
SERIES OF 2025.
Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 138 of the NIRC) affixed on Court's copy.

TRIXIE CARMELA J. GONZALES
NOTARY PUBLIC
ROLL NO. 74043
MAKATI CITY, PHILIPPINES

TRIXIE CARMELA J. GONZALES
Notary Public – Makati City
[redacted]

ANNEX "A"

BAY CITY COMMERCIAL VENTURES CORP.
Primary Purpose

TO DEVELOP, SELL, OWN, ACQUIRE, LEASE, HOLD, MORTGAGE, ADMINISTER, OR OTHERWISE DEAL WITH OR INVEST IN COMMERCIAL, RESIDENTIAL, INDUSTRIAL OR AGRICULTURAL LANDS, BUILDINGS, STRUCTURES OR APERTURES, TO ENGAGE OR INVEST IN ANY OTHER PROFITABLE BUSINESS ENTERPRISE, VENTURE OR ESTABLISHMENT, AND TO OWN, HOLD IN OWNERSHIP, MANAGE, DEAL AND ENGAGE IN OTHER ALLIED BUSINESSES, AND TO THE LIMIT AND EXTENT PERMITTED BY LAW, ALONE OR JOINTLY, WITH OTHER PERSONS, NATURAL OR ARTIFICIAL EXCEPT FINANCIAL LEASING. *****00000*****

BENEFICIAL OWNERSHIP DECLARATION

FOR THE YEAR: 2025

SEC REGISTRATION NUMBER: **CS201736691**

CORPORATE NAME: **BAY CITY COMMERCIAL VENTURES CORP.**

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	**Description**
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	**SPECIFIC RESIDENTIAL ADDRESS**	**NATIONALITY**	**DATE OF BIRTH**	**TAX IDENTIFICATION NO.**	**% OF OWNERSHIP[1] / % OF VOTING RIGHTS[2]**	**TYPE OF BENEFICIAL OWNER[3] Direct (D) or Indirect (I)**	**CATEGORY OF BENEFICIAL OWNERSHIP**
BIRKETT, PAUL, ANDREW	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (CHAIRMAN)
KATIPUNAN, JOSE RAMON, ESCOLIN	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR & PRESIDENT
DELA ROSA, ANGELITA, CABALLERO	[redacted] PI VILLAGE, MAKATI CITY	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR & TREASURER)
SY, MICHAEL BRIAN, CALILUNG	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR)
HINOLAN- BATOON, ROANN, FUENTES	[redacted]	FILIPINO	[redacted]	[redacted]	0%	I	I (DIRECTOR)

Note: This page is not for uploading on the SEC iView.

[1] For Stock Corporations.

[2] For Non-Stock Corporations.

[3] For Stock Corporations.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: January 19, 2026 02:21:28 PM

Company Information

SEC Registration No.: CS201736691
Company Name: BAY CITY COMMERCIAL VENTURES CORP.
Industry Classification: K70100
Company Type: Stock Corporation

Document Information

Document ID: OST10119202683850866
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2023
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

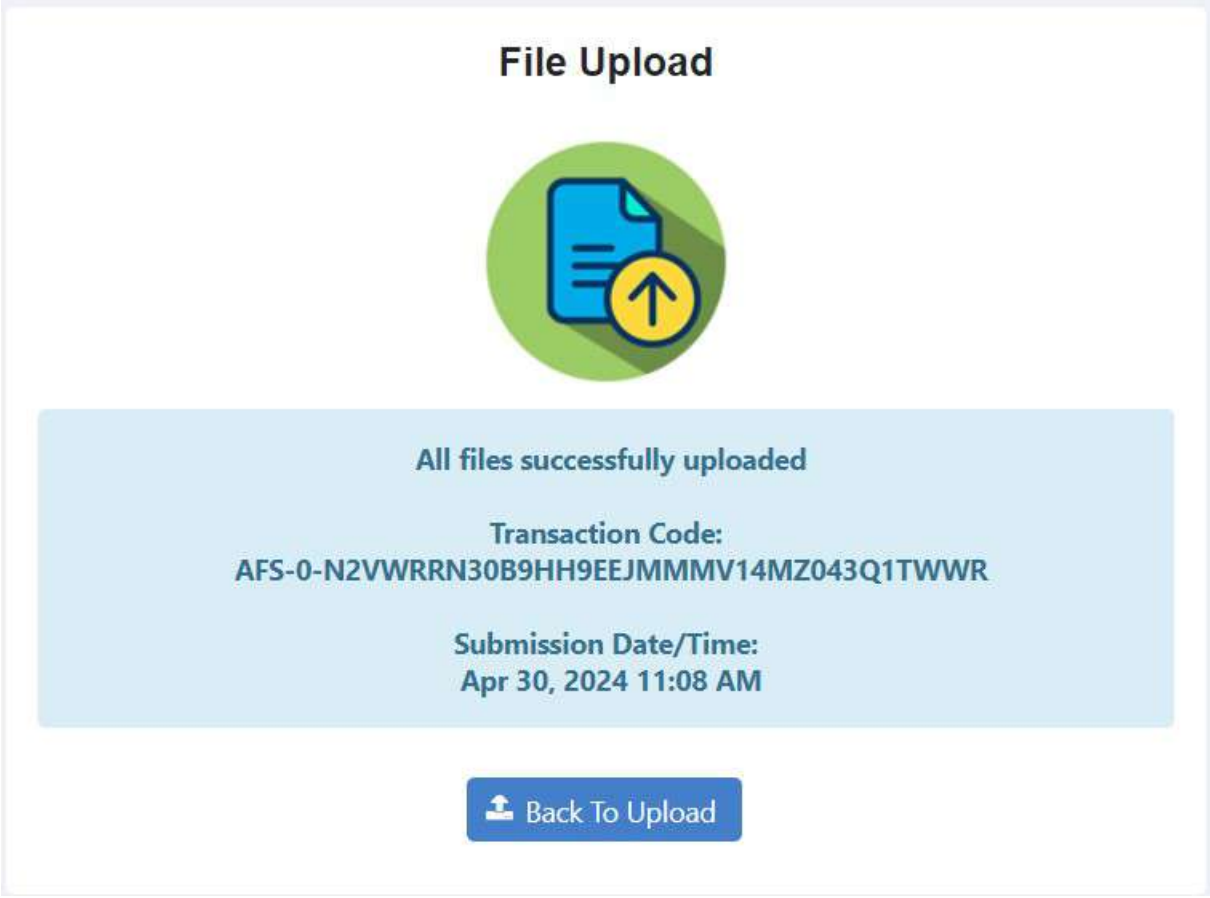
ALMI Ramos, Jaicel

From: ALMI Lopez, Tesa Y.
Sent: Tuesday, 15 April 2025 5:47 pm
To: ALMI Ramos, Jaicel
Subject: FW: AMBB 2023 Filing - eafs

From: ALMI Tandoc, John Carlos J. <tandocjohncarlos.almi@ayalamalls.com.ph>
Sent: Tuesday, 30 April 2024 11:09 am
To: ALMI Lopez, Tesa Y. <lopeztesa.almi@ayalamalls.com.ph>
Cc: Negro, Arlene G. <negro.arlene@ayalaland.com.ph>; ALMI Ching, Beverly S. <chingbeverly.almi@ayalamalls.com.ph>
Subject: AMBB 2023 Filing

Hi Miss Tesa,

Done with the tentative filing of Manila Bay.



Regards,
Jade

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	6	6	9	1

COMPANY NAME

BAY CITY COMMERCIAL VENTURES C

ORP. (A Wholly-owned Subsidiar

y of Ayala Land Inc.)

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

5TH FLOOR, ONE AYALA, 1 AYALA

AVENUE, AYALA CENTER, BARANGAY

SAN LORENZO, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if applicable
AFS	CRMD	Not applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
negro.arlene@ayalaland.com.ph	(02) 7586-6057	0917-582-2583

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	03/15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Arlene G. Negro	[redacted]	[redacted]	Not applicable

Contact Person's Address

5th Floor, One Ayala, 1 Ayala Avenue, Ayala Center, Barangay San Lorenzo, Makati 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 the 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

Independent Auditor's Report

To the Board of Directors and Shareholders of
Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)
5th Floor, Glorietta 4
Ayala Center, Makati City, 1224

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bay City Commercial Ventures Corp. (the "Company") as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at December 31, 2023;
- the statement of total comprehensive income for the year ended December 31, 2023;
- the statement of changes in equity for the year ended December 31, 2023;
- the statement of cash flows for the year ended December 31, 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Other Matter

The financial statements of the Company as at and for the year ended December 31, 2022 were audited by another auditor whose report, dated June 2, 2023, expressed an unmodified opinion to those statements.

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 PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Gina S. Detera
Partner
[redacted]

Makati City
June 4, 2025

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)
5th Floor, Glorietta 4
Ayala Center, Makati City, 1224

We have audited the financial statements of Bay City Commercial Ventures Corp. (the "Company") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated June 4, 2025.

In compliance with Revised SRC Rule 68, based on the certification received from the Company's corporate secretary and the results of our work done as at December 31, 2023, the Company has only one (1) shareholder owning one hundred (100) or more shares.

Isla Lipana & Co.

Gina S. Detera
Partner
[redacted]

Makati City
June 4, 2025

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Bay City Commercial Ventures Corp.

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2,18	43,147,025	20,831,611
Receivables	3	808,868,625	864,006,196
Input VAT	4	292,195,943	289,587,079
Other current assets	5	262,023,678	222,855,874
Total current assets		1,406,235,271	1,397,280,760
Non-current assets			
Investment properties	6	19,913,902,976	20,342,421,449
Property and equipment	7	1,105,110	453,351
Deferred tax assets	17	1,243,386,268	1,015,326,872
Other non-current assets	8	1,416,822,735	1,414,799,159
Total non-current assets		22,575,217,089	22,773,000,831
Total assets		23,981,452,360	24,170,281,591
Liabilities and Equity			
Current liabilities			
Loan payable	18	14,894,419,136	14,581,407,328
Accounts and other payables	9	589,903,647	653,671,026
Current portion of security deposits	10	362,550,249	348,817,142
Current portion of lease liability	19	228,161,367	278,355,279
Total current liabilities		16,075,034,399	15,862,250,775
Non-current liabilities			
Security deposit - non-current portion	10	82,048,289	72,091,452
Lease liabilities - non-current portion	19	5,405,752,281	5,139,126,347
Retention payable	11	3,352,677	87,767
Advance rent	10	73,730,825	63,203,139
Total non-current liabilities		5,564,884,072	5,274,508,705
Total liabilities		21,639,918,471	21,136,759,480
Equity			
Capital stock			
Common shares	12	493,908,732	493,908,732
Preferred shares	12	4,445,178,592	4,445,178,592
Deficit		(2,597,553,435)	(1,905,565,213)
Total equity		2,341,533,889	3,033,522,111
Total liabilities and equity		23,981,452,360	24,170,281,591

The notes on pages 1 to 33 are integral part of these financial statements.

Bay City Commercial Ventures Corp.

Statement of Total Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Revenue and other income			
Lease and other revenue	13	806,425,932	599,735,170
Dues	14	213,303,173	170,598,198
Interest income	2,8,15	4,828,980	3,827,422
Other income	15	9,938,788	4,352,509
		1,034,496,873	778,513,299
Costs and expenses	16		
Direct Operating Expenses		1,090,262,520	988,606,643
General and administrative expenses		45,682,288	36,157,546
Interest & Finance Charges		818,594,763	680,139,950
		1,954,539,571	1,704,904,139
Loss before income tax		(920,042,698)	(926,390,840)
Benefit from income tax	17	228,054,476	211,363,615
Net loss		(691,988,222)	(715,027,225)
Other comprehensive income		-	-
Total comprehensive loss for the year		(691,988,222)	(715,027,225)

The notes on pages 1 to 33 are integral part of these financial statements.

Bay City Commercial Ventures Corp.

Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Share capital			
	Common shares (note 12)	**Preferred shares (Note 12)**	**Retained earnings**	**Total equity**
Balances as of January 1, 2022	493,908,732	4,445,178,592	(1,190,537,988)	3,748,549,336
Comprehensive income for the year				
Profit for the year	-	-	(715,027,225)	(715,027,225)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-		(715,027,225)	(715,027,225)
Balances as of December 31, 2022	493,908,732	4,445,178,592	(1,905,565,213)	3,033,522,111
Comprehensive income for the year				
Profit for the year	-	-	(691,988,222)	(691,988,222)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(691,988,222)	(691,988,222)
Balances as at December 31, 2023	493,908,732	4,445,178,592	(2,597,553,435)	2,341,533,889

The notes on pages 1 to 33 are integral part of these financial statements.

Bay City Commercial Ventures Corp.

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Loss before income tax		(920,042,698)	(926,390,840)
Adjustments for:			
Depreciation and amortization of ROU	6,7,16	545,176,905	509,461,846
Interest expense and other finance charges	16	818,594,763	680,139,950
Interest income	2,8,15,18	(4,828,980)	(3,827,422)
Operating profit before changes in working capital		438,899,990	259,383,534
Decrease (increase) in:			
Receivables		54,584,291	(129,361,370)
Input VAT		2,048,547	(24,404,373)
Other current assets		(39,167,804)	2,941,416
Increase (decrease) in:			
Accounts and other payables		(94,043,662)	360,181,389
Advance rent		10,527,686	-
Retention payable		3,264,910	(15,989,180)
Security deposits		23,578,725	58,937,094
Net cash generated from operations		399,692,683	511,688,510
Interest received		24,601	29,773
Income taxes paid		(4,920)	(5,955)
Net cash generated from operating activities		399,712,364	511,712,328
Cash flows from investing activities			
Acquisitions of:			
Property and equipment	7	(844,411)	(263,393)
Investment properties	6	(94,253)	-
(Increase) decrease in other non-current assets		(6,680,987)	112,459,563
Collections of loan receivable from related parties	18	715,077	234,473
Interest collected	18	-	104,140
Net cash (used in) provided by investing activities		(6,904,574)	112,534,783
Cash flows from financing activities			
Availments of related party short-term borrowing	18	15,779,956,000	14,865,980,000
Payments of:			
Lease liability	19	(279,039,390)	(260,776,001)
Related party short-term loan borrowing	18	(15,447,303,889)	(15,229,876,081)
Interest for related party short-term loan borrowing	18	(424,105,097)	-
Net cash used in financing activities		(370,492,376)	(624,672,082)
Net increase (decrease) in cash		22,315,414	(424,971)
Cash at beginning of year		20,831,611	21,256,582
Cash at end of year	2	43,147,025	20,831,611

The notes on pages 1 to 33 are integral part of these financial statements.

Bay City Commercial Ventures Corp.

Notes to the financial statements
As at and for the year ended December 31, 2023
(With comparative figures as at and for the year ended December 31, 2022)
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 Corporate information

1.1 General information

Bay City Commercial Ventures Corp. (the Company) is domiciled in the Philippines and was incorporated and registered with the Securities and Exchange Commission (SEC) on November 3, 2017. The Company started its commercial operations on September 26, 2019.

The Company is a wholly owned subsidiary of Ayala Land, Inc. (ALI or the Parent Company), a publicly listed company. ALI's parent company is Ayala Corporation (AC, the ultimate Parent Company). AC is a publicly-listed company which is 47.33%-owned by Mermac, Inc. and the rest by the public. Both AC and ALI are incorporated in the Philippines.

In 2023, the Company operates the commercial center, Ayala Malls Manila Bay, which it leases to retailers. The Company's registered office address and principal place of business is at 5th Floor, Glorietta 4, Ayala Center, Makati City, 1224.

1.2 Subsequent events

Effective January 19, 2024, the Philippines Securities and Exchange Commission (SEC) approved the merger of the Company with North Eastern Commercial Corporation (“NECC”), with the Company as the surviving corporation.

1.3 Approval for issuance of the financial statements

The accompanying financial statements as at and for the year ended December 31, 2023 was approved by the Board of Directors in a meeting dated June 4, 2025. There were no other significant subsequent events identified from December 31, 2023 until June 4, 2025 that would require disclosures or adjustments in the 2023 financial statements.

2 Cash

Cash as at 31 December consists of:

	2023	2022
Cash on hand	376,204	570,000
Cash in bank	42,770,821	20,261,611
	43,147,025	20,831,611

Cash in banks earns interest at the prevailing interest rates.

Interest income from cash in bank amounted to P24,601 in 2023 (2022 – P29,773) (Notes 15 and 18).

3 Receivables

Receivables as at December 31:

	Notes	2023	2022
Trade receivables			
Third parties		299,942,141	440,227,822
Related parties	18	46,201,904	20,100,610
Allowance for impairment losses		(17,215,340)	(17,215,340)
Net Trade receivables		328,928,705	443,113,092
Accrued receivables		468,996,761	409,401,419
Receivable from related parties	18	10,153,480	10,706,760
Advances to officers		789,679	784,925
		808,868,625	864,006,196

Trade receivables pertain to lease receivables from retail spaces. These are interest-bearing and are generally collectible in 30 to 60 days.

Accrued receivables pertain to rental revenues and revenue from exhibits that are already earned but not yet billed. The amounts are due within 30 days after billing date.

Receivables from related parties pertain mostly to loans and advances that are due and demandable and earn interest at the prevailing annual interest rates ranging from 5% to 6% (2022 - 3% to 4%) (Note 18).

Advances to officers pertain to advances for employees' disposition of their functions. These are collected through salary deduction if not liquidated within a reasonable time.

There are no movements in the allowance for expected credit losses for the years ended December 31, 2023 and 2022.

4 Input VAT

Input VAT as at December 31:

	Note	2023	2022
Input VAT		1,206,105,636	1,240,596,667
Deferred input VAT		366,061,193	333,618,709
		1,572,166,829	1,574,215,376
Non-current portion - Input VAT	8	(1,279,970,886)	(1,284,628,297)
		292,195,943	289,587,079

Input VAT represents taxes transferred to the Company by its supplier of goods or services as levied by the Philippine taxation laws and regulations. These are recoverable in future periods through application against output VAT.

Deferred input VAT pertains to the input vat recognized for the billed yet unpaid assets under construction. These are expected to be recorded as part of the input VAT to be applied to output VAT in the future periods.

5 Other current assets

Other current assets as at December 31:

	2023	2022
Prepayments:		
Materials and supplies	21,446,524	1,696,628
Commission - current portion	4,643,175	4,643,175
Real property taxes	148,429,782	177,338,541
Creditable withholding taxes	87,504,197	39,177,530
	262,023,678	222,855,874

Materials and supplies refer to supplies of food and beverages being sold by the Company's cinema.

Prepayments for real property taxes for the years 2023 and 2022 are amortized during the year.

Prepaid commission pertains to commission paid for by the Company to a third party for obtaining a five (5) year lease agreement of office unit and parking spaces with a customer. Non-current portion of prepaid commissions is presented under other non-current assets (Note 8).

Creditable withholding taxes will be claimed as tax credit and used against the income tax payable.

6 Investment properties

Investment properties as at December 31:

	Building and improvements	Asset under construction	Right-of-use asset (Note 19)	Total
At January 1, 2022				
Cost	16,158,603,036	2,511,774,398	3,352,569,741	22,022,947,175
Accumulated depreciation	(727,491,693)	-	(245,181,280)	(972,672,973)
Net book value	15,431,111,343	2,511,774,398	3,107,388,461	21,050,274,202
Year ended December 31, 2022				
Opening net book value	15,431,111,343	2,511,774,398	3,107,388,461	21,050,274,202
Additions and adjustments	-	(198,524,625)	-	(198,524,625)
Transfer	1,780,941,752	(1,780,941,752)	-	-
Depreciation (Note 16)	(427,706,993)	-	(81,621,135)	(509,328,128)
Closing net book value	16,784,346,102	532,308,021	3,025,767,326	20,342,421,449
At December 31, 2022				
Cost	17,939,544,788	532,308,021	3,352,569,741	21,824,422,550
Accumulated depreciation	(1,155,198,686)	-	(326,802,415)	(1,482,001,101)
Net book value	16,784,346,102	532,308,021	3,025,767,326	20,342,421,449
Year ended December 31, 2023				
Opening net book value	16,784,346,102	532,308,021	3,025,767,326	20,342,421,449
Additions	-	134,846,879	94,253	134,941,132
Adjustments	(18,475,352)	-	-	(18,475,352)
Transfers	134,846,879	(134,846,879)	-	-
Depreciation (Note 16)	(463,363,117)	-	(81,621,136)	(544,984,253)
Closing net book value	16,437,354,512	532,308,021	2,944,240,443	19,913,902,976
At December 31, 2023				
Cost	18,055,916,315	532,308,021	3,352,663,994	21,940,888,330
Accumulated depreciation	(1,618,561,803)	-	(408,423,551)	(2,026,985,354)
Net book value	16,437,354,512	532,308,021	2,944,240,443	19,913,902,976

In 2023, the Company recorded depreciation expense amounting to P544.98 million (2022 - P509.33 million) as part of direct operating expense (Note 16).

In 2023, rent income generated from investment properties amounted to P798.80 million (2022 - P599.65 million) (Note 13).

During the year 2023, the Company capitalized interest expense on loans payable to related parties in asset under construction amounting to P134.85 million (2022 – nil).

In 2023, direct operating expenses amounting to P1,090.26 million (2022 - P988.61 million) represent expenses incurred from commercial leases on investment properties (Note 16).

The aggregate fair value of the investment properties of the Company amounted to P22,953.62 million as at December 31, 2023 and 2022. The estimated fair value of the investment properties was determined by management using the income approach (Note 20).

Under income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset. It provides an indication of value by converting future cash flow to a single current value. Direct capitalization is a method used to convert a single year's income expectancy into a value indication either by dividing the net operating income estimate by an appropriate rate called capitalization rate, or by multiplying the income estimate by an appropriate factor. Net operating income is the actual or anticipated net income after all operating expenses are deducted from the gross revenues. Overall capitalization rate is an income rate that is applied to the subject property's income that reflects a market rate of return on the capital investment along with the recapture of the capital.

The Company's management believes that there were no conditions present in 2023 that would significantly reduce the fair value of the investment properties from that determined on December 31, 2023.

Description of significant unobservable inputs to valuation

The Company used Discounted Cash Flow Analysis as the valuation technique in determining the fair value measurement of the investment properties wherein a discounted cashflow is projected over a 10-year period of the total land area of 1,803,720 sq. m. in 2023 and 2022. The cash flow analysis, which comprise of annual income streams are based upon the following assumptions and estimates:

- Discounted rate is estimated at 11% for 2023 and 2022
- Capitalization rate adopted to arrive at the terminal value is 8% for 2023 and 2022

The Company has no existing capital commitments related to investment properties as at December 31, 2023 and 2022 except for the asset under construction amounting to P532.31 million in 2023 and 2022.

7 Property and equipment

Property and equipment as at December 31 consist of:

	2023	2022
At January 1		
Cost	833,024	569,631
Accumulated depreciation	(379,673)	(245,955)
Net book value	453,351	323,676
Year ended December 31		
Opening net book value	453,351	323,676
Additions	844,411	263,393
Depreciation (Note 16)	(192,652)	(133,718)
Closing net book value	1,105,110	453,351
At December 31		
Cost	1,677,435	833,024
Accumulated depreciation	(572,325)	(379,673)
Net book value	1,105,110	453,351

8 Other non-current assets

Other non-current assets as at December 31:

	Notes	2023	2022
Input VAT – non-current	4	1,279,970,886	1,284,628,297
Advances to contractors		66,090,795	64,052,982
Deferred credits		46,249,823	46,249,823
Recoverable deposits		13,483,692	13,483,692
Prepaid commission - net of current		11,027,539	6,384,365
		1,416,822,735	1,414,799,159

Input VAT – non-current is expected to be utilized beyond 12 months (Note 4).

Advances to contractors and suppliers pertain to down payments relating to the construction of the mall. These are recouped upon receipt of progress billings based on percentage of accomplishments.

Deferred credits represent the unamortized portion of the excess of the principal amount of the security deposit over the fair value of the recoverable deposit at the inception of the lease.

In 2023, the Company recognized interest income from the recoverable deposits under Interest income - others amounting to P4.64 million (2022 - P3.80 million) (Note 15); and interest expense under "Other financing charges" amounting to P2.60 million (2022 - P0.01 million) (Note 16). The interest income pertains to the accretion of the security deposit using the effective interest method while interest expense pertains to the straight-line amortization of the deferred credits.

Recoverable deposits pertain to security deposits paid for the land lease of the Company. The security deposit is noninterest-bearing and is to be refunded at the end of the lease term.

9 Accounts and other payables

Accounts and other payables as at December 31:

	Note	2023	2022
Trade payable			
Third parties		302,617,846	249,051,575
Related parties	18	73,818,212	99,939,506
Accrued payable		13,166,284	126,222,092
Construction bonds		80,343,189	80,044,135
Taxes payable		119,958,116	98,413,718
		589,903,647	653,671,026

Trade payable pertains to billed purchases of goods and services, unpaid utility bills deposit, manpower services, marketing and advertising events and construction bond which are noninterest bearing are normally settled within 30 days. It also includes the outstanding payables to MDC Build Plus, Inc. and Makati Development Corporation on the construction services provided for the ongoing development of the asset under constructions (Note 18).

Accrued expenses consist mainly of light and power, marketing costs, film share, advertising and promotion, professional fees, postal and communication, repairs and maintenance and insurance. These are normally settled within on 15 to 60 day terms after billing date.

Construction bonds pertain to bonds received from merchants as security for any adverse event that will cause disruptions, failure to complete the project due to insolvency of the contractors, or the job's failure to meet contract specifications.

Taxes payable pertains to withholding taxes and amusement and cultural tax which are noninterest-bearing payables and are subsequently remitted one month after the reporting date.

10 Security deposits and advance rent

Security deposits

	2023	2022
Security deposits	475,252,982	444,286,730
Deferred credits	(30,654,444)	(23,378,136)
	444,598,538	420,908,594
Current portion of security deposits	(362,550,249)	(348,817,142)
	82,048,289	72,091,452

Security deposits represent advance rent payments from tenants which are to be returned upon termination of the related lease contracts. Security deposits are recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of investments. The difference between the cash received and its fair values is included under "Deferred credits" and amortized using the straight-line method over the lease term.

	Note	2023	2022
Balance at beginning of year		23,378,136	10,915,209
Additions		12,030,109	16,188,546
Amortization	16	(4,753,801)	(3,725,619)
Balance at end of year		30,654,444	23,378,136

Advance rent

Advance rent recognized by the Company in 2023 amounting to P73.73 million (2022 – P63.20 million) pertains to payments from long-term tenant and is equivalent to three months' rent. This shall be applied against the rent due for the last three months of the lease term or to be applied against any other obligation which remains due and unpaid upon the expiration of contract.

11 Retention payable

Retention payable, amounting to P3.35 million as at December 31, 2023 (2022 - P0.09 million) pertains to the portion of the progress billings of contractors withheld by the Company payable after full completion of a project.

12 Equity

Capital stock

The Company's capital stock consists of the following number of shares as at December 31, 2023 and 2022 follows:

	Shares	Amount
Common shares at P1 par value per share		
Authorized	773,250,000	773,250,000
Issued and outstanding	493,908,732	493,908,732
Preferred shares at P1 par value per share		
Redeemable Preferred A		
Authorized	6,959,250,000	6,959,250,000
Issued and outstanding	4,445,178,592	4,445,178,592

Preferred shares

The redeemable preferred shares shall have the following features:

a. With voting rights;
b. Participate in dividends declared for common shares, as may be determined and approved by the Company's BOD;
c. Preference over holders of common shares in the distribution of corporate assets in the event of dissolution and liquidation of the Company and in the payment of dividend; and
d. Redeemable at the option of the Company at issue value and under such terms that the Company's BOD may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the Company's BOD.

Capital management

The primary objectives of the Company's capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks, to ensure that it maintains its premier credit rating so that access to the financial markets is unhampered, and to maximize stakeholder value. The Company will manage its capital structure and make adjustments to it, in light of changes in economic conditions.

The Company's capital are its paid-in capital net of decifit amounting to P2,341.53 million as at December 31, 2023 (2022 - P3,033.52 million). The Company is not subject to externally imposed capital requirements.

13 Lease and other revenue

Lease and other revenue account consists of the following:

	2023	2022
Lease revenue:		
Commercial spaces and others	670,552,117	513,481,824
Carpark and terminal fees	61,617,174	44,130,798
Cinema receipts	45,258,745	26,699,830
Exhibits and sponsorships	21,375,585	15,334,234
	798,803,621	599,646,686
Advertising fees	7,622,311	88,484
	806,425,932	599,735,170

Lease revenues from commercial spaces pertain to the monthly rentals of the merchants for their leased spaces in the mall. Leases with mall merchants are either fixed paying or variable (%) paying, depending on the lease contracts agreed with the Company.

Carpark and terminal fees pertain to fees for use of parking slots.

Cinema receipts pertain to the amount of revenues from the sale of movie tickets. This also includes rentals for use of cinema as venues for events.

Exhibits and sponsorship represent income from special events held at the mall's premises such as merchandise displays, food bazaars and other similar events.

Advertising fees pertain to the fixed amount of agreed fees under lease contracts with merchants.

14 Dues

The Company assessed that it acts as principal in the delivery of CUSA and air-conditioning charges and presented at gross amounts these recoveries under "Dues" in the statement of comprehensive income. Dues for the year ended December 31, 2023 pertain to CUSA and air-conditioning charges amounting to P86.22 million and P127.08 million (2022 - P79.41 million and P91.19 million) respectively.

15 Interest and other income

Interest income

	Note	2023	2022
Interest income from:			
Cash in bank	2	24,601	29,773
Loans to related parties	18	161,797	-
Others	8	4,642,582	3,797,649
		4,828,980	3,827,422

Others pertains to interest income from the amortization of the recoverable deposit using effective interest method.

Other income

	2023	2022
Income from sale of ice and beverage	8,744,397	3,639,453
Others	1,194,391	713,056
	9,938,788	4,352,509

16 Cost and expenses

Direct operating expenses consist of:

	Note	2023	2022
Depreciation	6	544,984,253	509,328,128
Utilities and other fees		190,980,238	158,415,429
Taxes and licenses		186,663,913	192,221,189
Repairs and maintenance		69,336,785	38,609,775
Marketing and management fees		31,677,506	26,725,566
Miscellaneous		28,782,323	32,701,063
Insurance		16,750,008	16,781,833
Food and beverages		4,566,775	3,908,841
Others		16,520,719	9,914,819
		1,090,262,520	988,606,643

General and administrative expenses consist of:

	Note	2023	2022
Contracted services		30,053,583	20,447,881
Repairs and maintenance		6,673,868	4,864,868
Systems Cost		5,459,087	120,000
Postal & Communication		1,806,135	1,666,837
Professional fees		778,218	2,133,064
Supplies		548,672	625,514
Depreciation	7	192,652	133,718
Transportation		104,586	35,519
Representation		50,000	36,056
Commission expense		-	4,643,175
Miscellaneous		15,487	1,450,914
		45,682,288	36,157,546

Interest and other financing charges incurred by the Company consist of:

	Notes	2023	2022
Interest expense on lease liability	19	495,471,412	475,887,591
Interest expense on loans payable to related parties	18	269,617,915	200,526,740
Other financing charges	8,10	53,505,436	3,725,619
		818,594,763	680,139,950

Other financial charges pertain to interest expense from the present value computation of the recoverable deposits and security deposits, and documentary stamp taxes related to loans.

17 Income tax

Income tax account consists of:

	2023	2022
Deferred	(228,059,396)	(211,369,570)
Final	4,920	5,955
	(228,054,476)	(211,363,615)

As at December 31, 2023 and 2022, the Company recognized net deferred tax assets as follow:

	2023	2022
Deferred tax assets on:		
Lease liability	1,408,478,411	1,354,370,406
NOLCO	601,166,117	450,251,931
Advance rent	18,432,707	15,800,786
Provision for impairment loss	4,303,836	4,303,836
	2,032,381,071	1,824,726,959
Deferred tax liability on:		
Right-of-use asset	(736,036,547)	(756,441,831)
Accrued rent income	(52,958,256)	(52,958,256)
	(788,994,803)	(809,400,087)
	1,243,386,268	1,015,326,872

As at December 31, 2023 and 2022, the expired portion and unexpired NOLCO that can be claimed as deduction from future taxable income are as follows:

Year incurred	2023	Expired	Balance	Expiration Year
2023	603,656,746	-	603,656,746	2026
2022	677,268,986	-	677,268,986	2025
2021	692,416,793	-	692,416,793	2026
2020	431,321,945	-	431,321,945	2025
	2,404,664,470	-	2,404,664,470	
DTA @ 25%			601,166,117	

Year incurred	2022	Expired	Balance	Expiration Year
2022	677,268,986	-	677,268,986	2025
2021	692,416,793	-	692,416,793	2026
2020	431,321,945	-	431,321,945	2025
2019	81,012,116	81,012,116	-	2022
	1,882,019,840	81,012,116	1,801,007,724	
DTA @ 25%			450,251,931	

The reconciliation between the provision for income tax computed using the statutory income tax rate to the provision for income tax as shown in the statements of income follows:

	2023	2022
Benefit from income tax at statutory tax rate	(230,010,675)	(231,597,710)
Tax effects of:		
Nondeductible expenses	1,956,199	929,994
Nontaxable income		(949,412)
Unallowable interest expense	1,230	1,972
Interest income subject to final tax	(1,230)	(1,489)
Expired NOLCO	-	20,253,030
Benefit from income tax	(228,054,476)	(211,363,615)

18 Related party transaction

The following are the Company's relationships with related parties it transacts with:

Related parties	Relationship
Ayala Corporation (AC)	Ultimate parent
Ayala Land, Inc. (ALI)	Immediate parent
Other related parties	Entities under common control

The summary of transactions with related parties as at and for the years ended December 31, 2023 and 2022 are as follows:

Category	Terms and conditions	2023	2022
Entities under common control			
(a) Interest income from loan to related parties	This pertains to interest income from loans with an interest rate of 5.89% to 5.91%.	161,797	-
(b) Loans payable	This pertains to interest-bearing, unsecured loans payable usually payable in 30 days and an interest rate of 3% to 4%.	15,779,956,000	14,865,980,000
(c) Interest expense on loans payable	Refer to ref.(c) above.	269,617,915	200,526,740
(d) Capitalized Borrowing Cost	Refer to ref.(c) above. This pertains to portion incurred capitalized as part of asset under construction.	134,846,879	-
(e) Interest income in cash in bank	These pertains to interest income from the cash held in bank with BPI (Note 2).	24,601	29,773
(f) Utility expenses	Refer to ref. (i)	190,980,238	141,708,105
(g) Billed cinema receipts	Refer to ref. (i)	291,056	766,180
(h) Reimbursements	Refer to ref. (i)	24,464,734	80,366
(i) Rental	Refer to ref. (i)	8,266,445	-
(j) Construction	Refer to ref. (i)	1,000,000	15,397,720
(k) Manpower	Refer to ref. (i)	51,599,715	38,310,327
(l) Management fee	Refer to ref. (i)	1,112,656	1,484,856

The above amounts of related party receivables and payables, which are to be settled in cash, represent the following transactions:

i. In its regular conduct of business, the Company has engaged and entered into transactions with various related parties to administer its tenant relations, advertisement and promotions, marketing, cinema and snack bar operations, accounting, and budget preparation of Ayala Malls Manila Bay. These are settled in cash, unsecured, non-interest bearing and payable on demand.

The tables below summarizes the Company's balances with its related parties as at December 31:

Cash in bank (Note 2)

	Terms and conditions	Ref.	2023	2022
Entities under common control	The Company held cash in bank with BPI in 2023 and 2022, respectively.	d	42,770,821	20,261,611

Due from related parties (Note 3)

	Terms and conditions	Ref.	2023	2022
Trade receivables				
Entities under common control	These are settled in cash, unsecured, non-interest bearing which have no fixed repayment terms but is expected to be settled within 12 months from reporting date.	g, i, j	46,201,904	20,100,610
Non-trade receivables				
Entities under common control	These are settled in cash, unsecured, interest bearing which have no fixed repayment terms.	h	10,153,480	10,706,760
			56,355,384	30,807,370

Due to related parties (Note 9)

	Terms and conditions	Ref.	2023	2022
Trade payables				
Entities under common control	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest.	f, l, j	73,818,212	99,939,506

Loans and interest payable

	Terms and conditions	Ref.	2023	2022
Loans payable				
Parent company	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest.		7,355,900,022	7,270,765,000
Entities under common control			6,678,113,764	6,430,596,675
			14,034,013,786	13,701,361,675
Interest payable				
Parent company	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest.		74,683,104	397,967,201
Entities under common control			785,722,246	482,078,452
			860,405,350	880,045,653
		b, c	14,894,419,136	14,581,407,328

The movement of loans receivable and interest income from related parties for the years ended December 31 are as follows:

	2023	2022
Principal:		
Beginning of year	10,000,000	10,234,473
Collection of loans from related entities	(715,077)	(234,473)
End of year	9,284,923	10,000,000
Interest income from loans:		
Beginning of year	706,760	810,900
Interest income	161,797	-
Interest collected	-	(104,140)
End of year	868,557	706,760
Total	10,153,480	10,706,760

The movement of loans payable and interest expense from related parties for the years ended December 31 are as follows:

	2023	2022
Principal:		
Beginning of year	13,701,361,675	14,065,257,756
Loans extended by related parties	15,779,956,000	14,865,980,000
Settlement of loans from related entities	(15,447,303,889)	(15,229,876,081)
End of year	14,034,013,786	13,701,361,675
Interest expense from loans:		
Beginning of year	880,045,653	679,518,913
Interest expense	269,617,915	200,526,740
Borrowing cost capitalized during the year (Note 6)	134,846,879	-
Interest paid	(424,105,097)	-
End of year	860,405,350	880,045,653
Total	14,894,419,136	14,581,407,328

Terms and conditions of transactions with related parties

The Company has not recognized any expected credit losses on amounts receivable from related parties for the years ended December 31, 2023 and 2022. Impairment assessment is undertaken each financial year.

Compensation of key management personnel

The key management personnel of the Company are employees of ALI. The compensation of the said employees is paid by ALI and as such, the necessary disclosures required by PAS 24, Related Party Disclosures, are included in the financial statements of ALI.

19 Leases

Company as lessor

The Company enters into lease agreements with third parties on its investment property portfolio, covering the Company's retail space. These leases have terms ranging from 2 to 5 years and generally provide for either: (a) fixed monthly rent; or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision on its rental charge on an annual basis based on prevailing market conditions.

Total rent income and accrued rent income from lease of commercial spaces in 2023, amounted to P651.86 million (2022 - P510.1 million).

Future minimum rentals receivable under non-cancellable operating leases of the Company as at December 31, 2023 and 2022, follows:

	2023	2022
Within one year	1,183,052,743	213,647,774
More than one year	860,166,394	303,312,725
	2,043,219,137	516,960,499

Company as lessee

Deed of Assignment with ALI

On December 28, 2017, the Company has entered into a Deed of Assignment with ALI recognizing that ALI has commenced the construction of a mixed use commercial center which includes an above ground 5-level retail development, 5-level office development stacked on top of the retail development, and 3-level basement parking (the "Building") and the construction thereof is ongoing and a work in process. For and in consideration of the amount of P4,092.89 million, exclusive of value-added tax, ALI unconditionally and irrevocably assigns, transfers, and conveys its ownership, rights, interests, and obligations in the Building unto the Company.

ALI delivered to the Company the "work-in-progress" Building as well as the original and certified true copies of the contracts, permits and licenses which collectively comprise the assigned building. Each party paid the cost and expenses incurred by it in connection with the execution of the Deed of Assignment. Any income tax or capital gains from the transactions contemplated on part of ALI including documentary stamp tax shall be for the account of ALI.

Simultaneous with the assignment, transfer and conveyance of the ownership, rights, interests and obligations with respect to the Building, ALI assigned to the Company the rights and obligations under its lease arrangement with D.M. Wenceslao and Associates, Inc. with respect to the lease of 92,317 square meters of land for 45 years from January 1, 2015 to December 31, 2059.

The rollforward analysis of lease liabilities and movements for the years ended December 31 as follows:

	Note	2023	2022
As at January 1		5,417,481,626	5,202,370,036
Accretion of interest	19	495,471,412	475,887,591
Payments		(279,039,390)	(260,776,001)
As at December 31		5,633,913,648	5,417,481,626
Current portion of lease liabilities		228,161,367	278,355,279
Lease liabilities - net of current portion		5,405,752,281	5,139,126,347

The following are the amounts recognized in the statements of comprehensive income under “Direct operating expenses” for the years ended December 31 (Note 16):

	Notes	2023	2022
Accretion of interest	19	495,471,412	475,887,591
Amortization of right-of-use assets	6	81,621,136	81,621,135
		577,092,548	557,508,726

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

	2023	2022
Within one year	287,505,541	273,814,801
After one year but not more than five years	1,668,082,081	1,588,649,601
More than five years	29,588,366,961	29,955,304,982
	31,543,954,583	31,817,769,384

20 Fair value measurement

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly and indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of the Company's financial and nonfinancial assets and liabilities by level of the fair value hierarchy:

	December 31, 2023		
	Carrying value	Total fair value	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:			
Investment properties - building and improvements	19,913,902,976	22,953,620,000	22,953,620,000
Recoverable deposits	13,483,692	13,483,692	13,483,692
Liabilities for which fair values are disclosed:			
Lease liability	5,633,913,648	5,633,913,648	5,633,913,648
Security deposits	444,598,538	444,598,538	444,598,538

	December 31, 2022		
	Carrying value	Total fair value	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:			
Investment properties - building and improvements	20,342,421,449	22,953,620,000	22,953,620,000
Recoverable deposits	13,483,692	13,483,692	13,483,692
Liabilities for which fair values are disclosed:			
Lease liability	5,417,481,626	5,417,481,626	5,417,481,626
Security deposits	420,908,594	420,908,594	420,908,594

The Company does not have assets and liabilities categorized under level 1 and 2 of the fair value hierarchy.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash, receivable (except for "Receivables from employees") and accounts and other payables (except for "Taxes payable") - carrying amounts approximate fair values due to the relatively short-term nature of these transactions.

Management has determined that the estimated fair value of the security deposits is based on the discounted value of future cash flows using applicable rates. The discount rate used ranges from 1.87% to 7.59% in 2023 and 2022.

The valuation technique used and significant inputs used by the Company in measuring the fair value of the investment properties and security deposits and constructions bonds are summarized below:

	Valuation technique	Significant unobservable input (Level 3)
Other financial liabilities		
Lease liability	Discounted cash flow method	Discount for lack of marketability
Security deposits	Discounted cash flow method	Discount for lack of marketability

21 Financial risk management objectives and policies

The main purpose of the Company's financial assets and financial liabilities is to fund its operations and capital expenditures. The Company's principal financial assets and financial liabilities comprise cash, accounts receivables (except advances to contractors and receivable from employees), long-term debt, deposits and other noncurrent liabilities (except retention payable and advance rent).

The long-term debts were obtained primarily to raise financing for the Company's construction of the commercial center. The main risks arising from the use of financial assets and financial liabilities are credit risk, liquidity risk and market risk.

Exposure to credit, liquidity and market risks arise in the normal course of the Company's business activities. The Company's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis:
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Company monitors market price risk arising from all financial assets and financial liabilities and regularly reports financial management activities and the results of these activities to the BOD.

The Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

The Company's risk management policies are summarized below:

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of leases and long-term debt. The Company monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk.

The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long-term debt, while working capital requirements are sufficiently funded through cash collections.

Overall, the Company's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Company's business.

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2023 and 2022 based on contractual undiscounted payments. The table also provides an analysis on the maturity profile of the Company's financial assets used for liquidity requirements in order to provide a complete view of the Company's contractual commitments.

The analyses into relevant maturity groupings are based on the remaining period at the end of the reporting period to the contractual maturity dates:

	2023			
	<1 year	1 to <10 years	>10 years	Total
Financial assets at amortized cost				
Cash in bank	42,770,821	-	-	42,770,821
Receivables				
Trade receivables	299,942,141	-	-	299,942,141
Accrued receivables	468,996,761	-	-	468,996,761
Receivable from related parties	56,355,384	-	-	56,355,384
Recoverable deposits	-	-	59,733,515	59,733,515
	868,065,107	-	59,733,515	927,798,622
Financial liabilities (amortized cost)				
Accounts and other payables				
Trade payable	302,617,846	-	-	302,617,846
Other payables	93,509,883	-	-	93,509,883
Loans and other payable to related parties	14,968,237,348	-	-	14,968,237,348
Security deposits	362,550,249	82,048,289	-	444,598,538
Retention payable	3,352,677	-	-	3,352,677
Lease liability	287,505,541	3,801,484,641	27,454,964,401	31,543,954,583
	16,017,773,544	3,883,532,930	27,454,964,401	47,396,270,875
Net discounted financial liabilities	(15,149,708,437)	(3,883,532,930)	(27,395,230,886)	(46,468,472,253)

	2022			
	<1 year	1 to <10 years	>10 years	Total
Financial assets at amortized cost				
Cash in bank	20,261,611	-	-	20,261,611
Receivables				
Trade receivables	440,227,822	-	-	440,227,822
Accrued receivables	409,401,419	-	-	409,401,419
Receivable from related parties	30,807,370	-	-	30,807,370
Recoverable deposits	-	-	59,733,515	59,733,515
	900,698,222	-	59,733,515	960,431,737
Financial liabilities (amortized cost)				
Accounts and other payables				
Trade payable	253,131,173	-	-	253,131,173
Other payables	139,166,628	-	-	139,166,628
Loans and other payable to related parties	14,681,346,834			14,681,346,834
Security deposits	348,817,142	72,091,452	-	420,908,594
Retention payable	87,767	-	-	87,767
Lease liability	273,814,801	3,616,213,796	27,967,740,787	31,857,769,384
	15,696,364,345	3,688,305,248	27,967,740,787	47,352,410,380
Net discounted financial liabilities	(14,795,666,123)	(3,688,305,248)	(27,908,007,272)	(46,391,978,643)

To address currently maturing contractual obligations, the Company plans to avail intercompany loans at terms agreed upon with counter parties.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risks are primarily attributable to trade receivables. To manage credit risk, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security bonds and deposits which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets comprise cash and receivables from related parties. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial assets and financial liabilities. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

The Company’s cash in banks are considered high-grade while the remaining financial assets are considered standard grade.

The Company uses the following criteria to rate credit quality:

Class	Description
High grade	Financial assets that are deposited in/or transacted with reputable banks which have low probability of insolvency
Standard grade	Financial assets of companies that have the apparent ability to satisfy its obligations in full

The credit quality of the Company’s financial assets follows:

	Neither past due nor impaired			
2023	High grade	Medium grade	Low grade	Total
Financial assets				
Cash (excluding cash on hand)	42,770,821	-	-	42,770,821
Receivable:				
Trade receivables	-	299,942,141	-	299,942,141
Accrued receivables	468,996,761	-	-	468,996,761
Receivable from related parties	-	56,355,384	-	56,355,384
Recoverable deposits	-	59,733,515	-	59,733,515
	511,767,582	416,031,040	-	927,798,622

	Neither past due nor impaired			
2022	High grade	Medium grade	Low grade	Total
Financial assets				
Cash (excluding cash on hand)	20,261,611	-	-	20,261,611
Receivable:				
Trade receivables	-	440,227,822	-	440,227,822
Accrued receivables	409,401,419	-	-	409,401,419
Receivable from related parties	-	30,807,370	-	30,807,370
Recoverable deposits	-	59,733,515	-	59,733,515
	429,663,030	530,768,707	-	960,431,737

As at December 31, 2023 and 2022, cash in bank and receivable from related parties are classified as neither past due nor impaired and are graded as high quality.

The credit rating is based on the nature of the counterparty and the Company's internal assessment based on factors such as financial soundness and industry reputation.

22 Reclassification

The Company has reclassified certain accounts in its December 31, 2023 financial statements to conform with the current year presentation.

Statement of cash flows for the year ended December 31, 2022

a. Collections of loan receivable from related parties previously presented under net cash flows from financing activities were reclassified to net cash generated from investing activities to conform with the 2023 financial statements presentation.

Such reclassifications, which resulted in a more appropriate presentation, did not impact previously reported statement of financial position, statement of total comprehensive income and statement of changes in equity as at and for the year ended December 31, 2022.

23 Critical accounting judgments and estimates

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

23.1 Critical accounting judgments

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

Operating lease commitments - Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined that it retains all significant risks and rewards of ownership of the property, other than land, as it considered, among others, the length of the lease term as compared with the estimated useful life (EUL) of the asset.

A number of the Company's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Company considered, among others, the significance of the penalty, including economic consequence, to the lessee.

Determination of lease term of contracts with renewal and termination options - Company as a lessee

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its lease of land as the renewal option is based on mutual agreement, thus not enforceable.

Assessment on whether lease concessions granted constitute a lease modification

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Company waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

The Company applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Company determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease, including consideration of general and special laws in the Philippines which may apply. The Company assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The impact of lease concessions granted by the Company and accounted as not a lease modification decreased total rental income by P122.73 million in 2023 (2022 - P96.91 million decrease).

Distinction between investment property and owner-occupied property

The Company determines whether a property qualifies as an 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 the other assets used in the supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciations and another portion that is held for use in the supply of services or for administrative purposes. If these portions cannot be sold separately as at reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or 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.

Critical accounting judgment: Realizability of deferred income tax assets

The Company performs an annual evaluation of the likelihood that deferred income tax assets will be realized. The assessment is based on historic and expected levels of taxable income, and the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred income tax assets.

Management believes that based on its assessment and projected taxable income tax positions, as a result of on-going business initiatives, the amounts of recognized deferred income tax assets as at

December 31, 2023 and 2022 are fully realizable.

23.2 Management's use of estimates and assumptions

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The incremental borrowing rate used by the Company to measure lease liabilities in 2023 and 2022 9.03%.

The Company's lease liabilities amounted to P5,633,913,648as at December 31, 2023 (2022 - P5,417,481,626) (Note 19).

Estimating impairment of financial assets at amortized cost

For cash, 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. The Company uses a provision matrix to calculate ECLs for trade receivables both from related parties and non-affiliates. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions (e.g., inflation rate and gross domestic product). The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Company has not yet recognized provision for impairment losses since its operation has only started during the year.

In 2023 and 2022, the Company did not recognize provision for impairment loss on receivables (Note 3). The carrying value of trade and other receivables as at December 31, 2023 amounted to P808,868,625 (2022 - ₱864,006,196) (Note 3).

Estimating useful lives of investment properties and property and equipment

The Company estimates the useful lives of its property and equipment, investment property and intangible assets based on the period over which these assets are expected to be available for use.

The EUL of property and equipment, investment properties, and intangible assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in estimates brought about by changes in factor. A reduction in the EUL of property and equipment, investment property, and intangible assets would increase depreciation and amortization expense and decrease noncurrent assets.

As at December 31, 2023 and 2022, carrying values are as follows:

	Notes	2023	2022
Investment property	6, 20	19,913,902,976	20,342,421,449
Property and equipment	7	1,105,110	453,351
		19,915,008,086	20,342,874,800

Evaluating impairment of nonfinancial assets

The Company reviews nonfinancial assets (i.e., advances to contractors, advances to officers and employees, prepayments and other current assets, investment properties, property and equipment and deferred input VAT) for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's net selling price, except for investments where value in use computation is applied. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash- generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that may affect the financial statements.

As at December 31, 2023 and 2022, the carrying values of the Company's nonfinancial assets are as follows:

	Notes	2023	2022
Investment property	6,19	19,913,902,976	20,342,421,449
Input VAT	4,8	1,572,166,829	1,574,215,376
Advances to officers and employees	3	789,679	784,925
Property and equipment	7	1,105,110	453,351
Other current assets	5	262,023,678	222,855,874
Other noncurrent assets		77,118,334	70,437,347
		21,827,106,606	22,211,168,322

Management assessed that no impairment indicators exist on the Company's nonfinancial assets as at December 31, 2023 and 2022.

Recognition of deferred tax assets

The Company reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets 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 assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of deferred tax assets to be utilized. The Company looks at its projected performance in assessing the sufficiency of future taxable income. In such assessment, external factors which may limit the utilization of deferred tax assets are taken into consideration.

As at December 31, 2023, the Company recognized net deferred tax assets amounting to P1,243.39 million (2022 - P1,015.33 million) as management assessed that there will be sufficient future taxable income against which these deductible difference be utilized (Note 17).

24 Material accounting policy information

24.1 Basis of preparation

The financial statements have been prepared using historical cost basis and are presented in Philippine Peso (P), which is also the Company's functional currency. All amounts are rounded off to the nearest peso unless otherwise indicated.

24.2 Statement of compliance

The accompanying financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

24.3 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2023:

- Definition of Accounting Estimates - Amendments to PAS 8
- Disclosure of Accounting Policies - Amendments to PAS 1 and PFRS Practice Statement 2

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

24.4 New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Company. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

24.5 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on the current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

All other liabilities are classified as non-current.

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

24.6 Fair value measurement

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

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

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

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement of financial instruments and for non-recurring fair value measurement of non-financial assets such as investment properties.

External valuers are involved for valuation of investment properties. Involvement of external valuers is assessed annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company’s external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed based on the Company’s accounting policies.

For these analyses, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company’s external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

24.7 Financial assets

Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI), and at FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

Measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within the Company's business model with the objective to hold financial assets order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

The Company's financial assets at amortized cost include cash, receivables and deposits under "Other non-current assets".

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income. This category includes investments in Unit Investment Trust Fund (UITF).

Impairment of financial assets

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

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

For other financial assets such as accrued receivable, related party receivables and advances to other companies, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash, the Company applies the low credit risk simplification. The probability of default (PD) and loss given defaults (LGD) 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 will be based on the lifetime ECL. The Company uses the ratings from the ratings published by reputable rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The key inputs in the model include the Company's definition of default and historical data of three years for the origination, maturity date and default date. The Company considers trade receivables and contract assets 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 which may extend the definition of default to 90 days and beyond. However, 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.

24.8 Financial liabilities

Classification

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

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

The Company's financial liabilities consist of financial liabilities at amortized cost (loans and borrowings).

Measurement

After initial recognition, long-term debts are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized under the "Other income (expense)" account in the statements of comprehensive income when the liabilities are derecognized or impaired, and through the "Interest expense" account when the gains and losses are amortized.

This accounting policy applies to accounts and other payables (except statutory payables), long-term debt, deposits and other liabilities.

24.9 Offsetting financial instruments

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

24.10 Other current assets

Other current and noncurrent assets are carried at costs and pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company. These comprise of input value-added tax (VAT), prepaid expenses, supplies, advances and deposits.

(a) Value added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

- When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position.
- When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable, to the taxation authority is included as part of other current assets or accounts and other payables in the statement of financial position.

(b) Prepayments

Prepayments are carried at cost less the amortized portion. These typically comprise expenses for commissions that are not yet incurred but already paid in cash.

(c) Consumable supplies

Consumable supplies are stated at the lower of cost and net realizable value (NRV). Cost which includes all costs directly attributable to acquisition such as purchase price and transport cost, is determined using the weighted average cost method. NRV is based on the selling price less estimated costs necessary to make the sale.

24.11 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to day servicing of an investment property.

Investment properties consist of properties that are held to earn rentals and that are not occupied by the Company. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value, if any.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life of the land improvements and buildings and improvements is 40 years. The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when either they have been disposed of, or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment properties when there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Transfers between investment properties and owner-occupied properties do not change the carrying amount of the properties transferred and they do not change the cost of those properties for measurement or disclosure purposes.

24.12 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and is computed on a straight-line basis over the estimated useful lives of property and equipment of 3 to 5 years.

The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the amounts, period and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

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

Fully depreciated assets are still carried in the accounts until they are no longer in use or disposed of.

24.13 Other noncurrent assets

Other noncurrent assets constitute deposits and advances of the Company to its contractors. Deposits

(a) Deposits

Deposits are measured initially at fair value. After initial recognition, deposits are subsequently measured at amortized cost using the EIR method. The difference between cash received and its fair value is recorded under deferred credits and is amortized using the straight-line method.

(b) Advances to contractors

Advances to contractors and suppliers are carried at cost less impairment losses, if any. These represent advance payments to contractors for the construction and development of investment properties.

24.14 Impairment of nonfinancial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation and amortization charge are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Company determines at each reporting date whether there is any objective evidence that the investment in the investee company is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the recoverable amount of the investment and the carrying cost and recognizes the amount in profit or loss.

24.15 Equity

Share capital

The Company's share capital consists of common shares and preferred shares. Capital stock is measured at par value. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds, net of any tax effects.

Preferred shares that are not redeemable or are redeemable at the option of the Company and where payment of dividends is discretionary are classified as equity.

Retained earnings

Retained earnings represent the cumulative balance of net income of the Company, net of any dividend distribution.

24.16 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company is in the business of leasing its investment property portfolio. Except for the provisioning of water and electricity wherein it is acting as agent, the Company has generally concluded that it is the principal in its revenue arrangements. The Company's non-lease performance obligations include common area management and administration of utility services.

The following specific recognition criteria must also be met before revenue or income is recognized:

Leasing revenue

Leasing revenue arising from investment properties are recognized in the statement of comprehensive income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Leases under contingent rents are recognized as income in the period in which they are earned.

Interest income

Interest is recognized as it accrues taking into account the effective yield on the underlying asset.

Dues

Dues pertain to CUSA and air-conditioning charges which are recognized gross of the related expenses when earned.

Other income

Other income is recognized when the related services have been rendered and the right to receive payment is established.

24.17 Costs and expenses

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

Direct operating expenses

Direct operating expenses are those directly attributable to the Company revenue-generating activities.

General and administrative expenses

General and administrative expenses constitute costs of administering the business.

Interest and other financing charges

Interest and other financing charges are recognized as incurred, taking into account the effective yield on the liability.

24.18 Leases

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

The Company as lessor - Operating Lease

Leases where the Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments under cancellable leases and variable lease payments under noncancellable leases are recognized as income based on the terms of the lease contract, or minimum rent or basic rent plus certain percentage of the gross revenue of the tenants whichever is higher, as provided under the terms of the lease contract.

Fixed lease payments under noncancellable leases are recognized on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rent is recognized as revenue in the period in which it is earned.

24.19 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Rent concession

The Company recognizes rent concessions arising as a direct consequence of the COVID-19 pandemic as variable lease payments, particularly as a deduction from rent expense, having met all the following criteria of amendments to PFRS 16, COVID-19 related Rent Concessions:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021;
- There is no substantive change to other terms and conditions of the lease.

24.20 Income taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute this amount are those that have been enacted or substantively enacted as at the reporting date.

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of excess MCIT and NOLCO, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary difference associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

24.21 Events after the end of the reporting period

Any post year-end event that provides additional information about the Company’s financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

25 Supplementary information required by the Bureau of Internal Revenue (BIR)

The Company reported and/or paid the following types of taxes for the year:

(i) Output VAT

The Company's importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

The Company is a Value Added Tax (VAT)-registered company with output VAT declaration of P169,913,238 for the year based on the amount reflected under various accounts but mainly on leases.

Gross receipts derived from admission tickets in showing motion pictures, films or movies amounting to P56,495,238 are not subject to VAT under Section 108 of the National Internal Revenue Code.

The Company's leasing income as declared in VAT returns are based on actual collections received.

(ii) Input VAT

Details of input taxes claimed are broken down as follows:

	Amount
Balance at beginning of year	1,240,596,667
Current year's domestic purchases/payments for:	135,422,207
Applied output VAT	(169,913,238)
Balance at December 31	1,206,105,636

(iii) Customs duties and Tariff

The Company does not have importations and customs tariff and fees paid for the year ended December 31, 2023.

(iv) Excise taxes

The Company does not have transactions subject to excise taxes for the year ended December 31, 2023.

(v) Documentary stamp taxes

Documentary stamp taxes paid for the year ended December 31, 2023 amounted to P859,344. As of December 31, 2023, P33,444,624 is accrued.

(vi) Other taxes and licenses

This includes all other taxes, local and national, including licenses and permit fees:

Real property taxes	173,747,541
License and permit fees	12,916,372
	186,663,913

(vii) Withholding taxes

Withholding taxes accrued and paid and/or withheld as at and for the year ended December 31, 2023 consist of:

	Paid	Accrued	Total
Expanded withholding tax	81,143,592	12,432,162	93,575,754
Final tax	-	631,865	631,865
	81,143,592	P13,064,027	P94,207,619

(viii) Tax assessments

The Company has not received any Final Assessment Notice (FAN) for the year ended December 31, 2023.

(ix) Tax cases

As at December 31, 2023, the Company does not have tax assessments which are either pending decision by the court or are being contested. In addition, the Company does not have any pending tax cases outside the administration of Bureau of Internal Revenue (BIR).

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

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Company Name: BAY CITY COMMERCIAL VENTURES CORP.
Industry Classification: K70100
Company Type: Stock Corporation

Document Information

Document ID: OST10119202683883719
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

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COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	3	6	6	9	1

COMPANY NAME

BAY CITY COMMERCIAL VENTURES CORPORATION

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

5TH FLOOR, ONE AYALA, 1 AYALA AVENUE, AYALA CENTER, BARANGAY SAN LORENZO, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if applicable
AFS	CRMD	Not applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
negro.arlene@ayalaland.com.ph	[redacted]	[redacted]

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	03/15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Arlene G. Negro	[redacted]	[redacted]	Not applicable

Contact Person's Address

5th Floor, One Ayala, 1 Ayala Avenue, Ayala Center, Barangay San Lorenzo, Makati 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 the 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

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)
5th Floor, One Ayala, 1 Ayala Avenue
Ayala Center, Brgy. San Lorenzo, Makati City, 1224

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bay City Commercial Ventures Corp. (the "Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of total comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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 PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

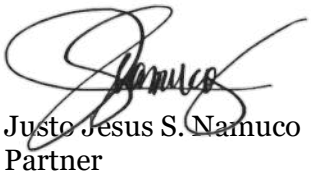
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.



Justo Jesus S. Namuco
Partner
[redacted]

Makati City
November 14, 2025

Isla Lipana & Co.

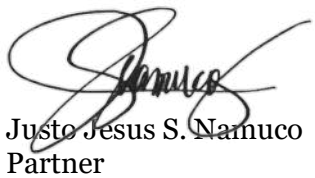
Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)
5th Floor, One Ayala, 1 Ayala Avenue
Ayala Center, Brgy. San Lorenzo, Makati City, 1224

We have audited the financial statements of Bay City Commercial Ventures Corp. (the "Company") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated November 14, 2025.

In compliance with Revised SRC Rule 68, based on the certification received from the Company's corporate secretary and the results of our work done, the Company has only one (1) shareholder owning one hundred (100) or more shares as at December 31, 2024.

Isla Lipana & Co.



Justo Jesus S. Namuco
Partner
[redacted]

Makati City
November 14, 2025

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Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash	2	159,646,816	43,147,025
Receivables	3	4,206,807,962	808,868,625
Input VAT	4	1,367,914,911	292,195,943
Other current assets	5	365,593,103	262,023,678
Total current assets		6,099,962,792	1,406,235,271
Non-current assets			
Investment properties	6	23,054,731,478	19,913,902,976
Property and equipment	7	3,333,168	1,105,110
Deferred tax assets	17	1,261,858,325	1,243,386,268
Other non-current assets	8	367,888,641	1,416,822,735
Total non-current assets		24,687,811,612	22,575,217,089
Total assets		30,787,774,404	23,981,452,360
Liabilities and equity			
Current liabilities			
Loans payable	18	14,761,913,286	14,894,419,136
Accounts and other payables	9	4,568,495,932	589,903,647
Security deposits	10	580,331,925	362,550,249
Lease liabilities	19	309,165,340	228,161,367
Advance rent	10	26,109,293	-
Retention payable	11	3,232,372	-
Total current liabilities		20,249,248,148	16,075,034,399
Non-current liabilities			
Security deposits, net of current portion	10	322,960,651	82,048,289
Lease liabilities, net of current portion	19	6,496,758,346	5,405,752,281
Retention payable, net of current portion	11	4,448,903	3,352,677
Advance rent, net of current portion	10	73,730,824	73,730,825
Other non-current liabilities	9	52,428,628	-
Total non-current liabilities		6,950,327,352	5,564,884,072
Total liabilities		27,199,575,500	21,639,918,471
Equity			
Capital stock			
Common shares	12	493,908,732	493,908,732
Preferred shares	12	5,745,278,592	4,445,178,592
Deficit		(2,650,988,420)	(2,597,553,435)
Total equity		3,588,198,904	2,341,533,889
Total liabilities and equity		30,787,774,404	23,981,452,360

The notes on pages 1 to 37 are integral part of these financial statements.

Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Total Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Revenue and other income			
Lease and other revenue	13	1,969,352,049	806,425,932
Dues	14	563,897,003	213,303,173
Interest income	15	450,211	4,828,980
Other income	15	46,626,768	9,938,788
		2,580,326,031	1,034,496,873
Costs and expenses	16		
Direct operating expenses		1,823,336,427	1,090,262,520
General and administrative expenses		159,261,206	45,682,288
Interest & finance charges		896,980,011	818,594,763
		2,879,577,644	1,954,539,571
Loss before income tax		(299,251,613)	(920,042,698)
Income tax benefit	17	17,421,617	228,054,476
Net loss		(281,829,996)	(691,988,222)
Other comprehensive income		-	-
Total comprehensive loss for the year		(281,829,996)	(691,988,222)

The notes on pages 1 to 37 are integral part of these financial statements.

Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Changes in Equity
For the year ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Share capital			
	Common shares (Note 12)	**Preferred shares (Note 12)**	**Retained earnings (Note 12)**	**Total equity**
Balances as at January 1, 2023	493,908,732	4,445,178,592	(1,905,565,213)	3,033,522,111
Comprehensive loss for the year				
Loss for the year	-	-	(691,988,222)	(691,988,222)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(691,988,222)	(691,988,222)
Balances as at December 31, 2023	493,908,732	4,445,178,592	(2,597,553,435)	2,341,533,889
Comprehensive loss for the year				
Loss for the year	-	-	(281,829,996)	(281,829,996)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(281,829,996)	(281,829,996)
Transactions with owners				
Preferred shares issuance (Note 12)	-	1,300,100,000	-	1,300,100,000
Transferred from NECC (Note 12)	-	-	228,395,011	228,395,011
Total transactions with owners	-	1,300,100,000	228,395,011	1,528,495,011
Balances as at December 31, 2024	493,908,732	5,745,278,592	(2,650,988,420)	3,588,198,904

The notes on pages 1 to 37 are integral part of these financial statements.

Bay City Commercial Ventures Corp.
(A wholly owned subsidiary of Ayala Land, Inc.)

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Loss before income tax		(299,251,613)	(920,042,698)
Adjustments for:			
Depreciation and amortization of ROU	6,7	708,438,401	545,176,905
Interest expense and other finance charges	16	896,980,011	818,594,763
Interest income	15	(450,211)	(4,828,980)
Operating income before changes in working capital		1,305,716,588	438,899,990
(Increase) decrease in:			
Receivables		(1,006,496,235)	54,584,291
Input VAT		(1,075,718,968)	2,048,547
Other current assets		(103,569,425)	(39,167,804)
Other non-current assets		1,048,934,095	(6,680,987)
Increase (decrease) in:			
Accounts and other payables		3,053,836,803	(94,043,662)
Advance rent		26,109,292	10,527,686
Retention payable		4,328,598	3,264,910
Security deposits		458,694,038	23,578,725
Net cash generated from operations		3,711,834,786	393,011,696
Interest received		65,827	24,601
Income taxes paid		(13,165)	(4,920)
Net cash generated from operating activities		3,711,887,448	393,031,377
Cash flows from investing activities			
Acquisitions of:			
Property and equipment	7	-	(844,411)
Investment properties	6	(421,849,972)	(94,253)
Collections of loan receivable from related parties	18	403,520,000	715,077
Loans extended to related parties	18	(2,794,963,102)	-
Net cash used in investing activities		(2,813,293,074)	(223,587)
Cash flows from financing activities			
Availments of related party short-term borrowing	18	14,472,156,000	15,779,956,000
Payments of:			
Lease liability	19	(360,852,279)	(279,039,390)
Related party short-term loan borrowing	18	(13,938,451,382)	(15,447,303,889)
Interest in related party short-term loan borrowing	18	(954,946,922)	(424,105,097)
Net cash provided by (used in) financing activities		(782,094,583)	(370,492,376)
Net increase in cash		116,499,791	22,315,414
Cash at beginning of year		43,147,025	20,831,611
Cash at end of year	2	159,646,816	43,147,025

The notes on pages 1 to 37 are integral part of these financial statements.

Bay City Commercial Ventures Corp.

Notes to the financial statements
As at and for the years ended December 31, 2024 and 2023
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 Corporate information

1.1 General information

Bay City Commercial Ventures Corp. (the "Company") is domiciled in the Philippines and was incorporated and registered with the Securities and Exchange Commission (SEC) on November 3, 2017. The Company started its commercial operations on September 26, 2019.

The Company is a wholly owned subsidiary of Ayala Land, Inc. (ALI or the Parent Company), a publicly listed company. ALI's parent company is Ayala Corporation (AC, the ultimate Parent Company). AC is a publicly listed company which is 47.33%-owned by Mermac, Inc. and the rest by the public. Both AC and ALI are incorporated in the Philippines.

The Company was organized primarily to own and manage Ayala Malls Manila Bay, Ayala Malls Cloverleaf, Ayala Malls The 30th, Ayala Malls Vertis and Ayala Land Office.

The Company's registered office address and principal place of business is at 5th Floor, One Ayala, 1 Ayala Avenue Ayala Center, Brgy. San Lorenzo, Makati City, 1224.

1.2 Merger with North Eastern Commercial Corporation (NECC)

In 2024, the Company entered into a merger with North Eastern Commercial Corporation (NECC), an entity under common control, to enhance operational efficiencies and strengthen market positioning. Under the terms of the merger agreement, the Company was designated as the surviving entity and will absorb all assets, liabilities, and ongoing operations of NECC. The formal approval for the merger was granted on January 19, 2024, with an effective date of January 19, 2024. As a result of this merger, the Company will continue to maintain the Company's existing relationships with clients, suppliers, and employees, ensuring minimal disruption to business operations.

1.3 Approval for issuance of the financial statements

The accompanying financial statements at and for the year ended December 31, 2024 were approved by the Board of Directors in a meeting dated November 14, 2025. There are no other significant subsequent events from December 31, 2024, to opinion date that would require adjustment or disclosure in the financial statements.

2 Cash

Cash as at 31 December consists of:

	2024	2023
Cash on hand	762,000	376,204
Cash in bank	158,884,816	42,770,821
	159,646,816	43,147,025

Cash in banks earns interest at the prevailing interest rates.

Interest income from cash in banks amounted to P65,827 in 2024 (2023 - P24,601) (Note 15).

3 Receivables

Receivables as at December 31:

	Note	2024	2023
Trade receivables			
Third parties		642,354,773	299,942,141
Related parties	18	11,844,982	46,201,904
Allowance for impairment losses		(218,061,622)	(17,215,340)
Net trade receivables		436,138,133	328,928,705
Accrued receivables		1,366,533,153	468,996,761
Receivable from related parties	18	2,401,668,668	10,153,480
Advances to officers		2,468,008	789,679
		4,206,807,962	808,868,625

Trade receivables pertain to lease receivables from retail spaces. These are interest-bearing and are generally collectible in 30 to 60 days.

Accrued receivables pertain to rental revenues and revenues from exhibits that are already earned but not yet billed. The amounts are due within 30 days after billing date.

Receivables from related parties pertain mostly to loans and advances that are due and demandable and earn interest at the prevailing annual interest rates ranging from 5% to 6% (2023 - 5% to 6%) (Note 18).

Advances to officers pertain to advances for employees' disposition of their functions. These are collected through salary deduction if not liquidated within a reasonable time.

Movements in the allowance for impairment of receivables for the years ended December 31 are as follows:

	Note	2024	2023
Beginning of year		17,215,340	17,215,340
Provision for impairment	16	32,367,083	-
Transferred provisions from NECC		168,479,199	-
End of year		218,061,622	17,215,340

4 Input VAT

Input VAT as at December 31:

	Note	2024	2023
Input VAT		1,208,770,330	1,206,105,636
Deferred input VAT		159,144,581	366,061,193
		1,367,914,911	1,572,166,829
Non-current portion - Input VAT	8	-	(1,279,970,886)
		1,367,914,911	292,195,943

Input VAT represents taxes transferred to the Company by its supplier of goods or services as levied by the Philippine taxation laws and regulations. These are recoverable in future periods through application against output VAT.

Deferred input VAT pertains to the input vat recognized for the billed yet unpaid assets under construction. These are expected to be recorded as part of the input VAT to be applied to output VAT in the future periods.

5 Other current assets

Other current assets as at December 31:

	2024	2023
Prepayments:		
Materials and supplies	18,519,473	21,446,524
Commission - current portion	18,101,414	4,643,175
Real property taxes	157,891,480	148,429,782
Creditable withholding taxes	171,080,736	87,504,197
	365,593,103	262,023,678

Materials and supplies refer to supplies of food and beverages being sold by the Company's cinema.

Prepaid commission pertains to commission paid for by the Company to a third party for obtaining a five (5) year lease agreement of office unit and parking spaces with a customer. Non-current portion of prepaid commissions is presented under other non-current assets (Note 8).

Creditable withholding taxes will be claimed as tax credit and used against the income tax payable.

6 Investment properties

Investment properties as at December 31:

	Building and improvements	Asset under construction	Right-of-use asset (Note 19)	Total
At January 1, 2023				
Cost	17,939,544,788	532,308,021	3,352,569,741	21,824,422,550
Accumulated depreciation	(1,155,198,686)	-	(326,802,415)	(1,482,001,101)
Net book value	16,784,346,102	532,308,021	3,025,767,326	20,342,421,449
Year ended December 31, 2023				
Opening net book value	16,784,346,102	532,308,021	3,025,767,326	20,342,421,449
Additions	-	134,846,879	94,253	134,941,132
Adjustments	(18,475,352)	-	-	(18,475,352)
Transfer	134,846,879	(134,846,879)	-	-
Depreciation (Note 16)	(463,363,117)	-	(81,621,136)	(544,984,253)
Closing net book value	16,437,354,512	532,308,021	2,944,240,443	19,913,902,976
At December 31, 2023				
Cost	18,055,916,315	532,308,021	3,352,663,994	21,940,888,330
Accumulated depreciation	(1,618,561,803)	-	(408,423,551)	(2,026,985,354)
Net book value	16,437,354,512	532,308,021	2,944,240,443	19,913,902,976
Year ended December 31, 2024				
Opening net book value	16,437,354,512	532,308,021	2,944,240,443	19,913,902,976
Additions	56,999,399	364,850,573	-	421,849,972
Transferred from NECC (Note 19)	2,547,407,586	-	878,690,662	3,426,098,248
Depreciation (Note 16)	(586,565,908)	(11,486,478)	(109,067,332)	(707,119,718)
Closing net book value	18,455,195,589	885,672,116	3,713,863,773	23,054,731,478
At December 31, 2024				
Cost	20,660,323,300	897,158,594	4,314,133,343	26,544,293,935
Accumulated depreciation	(2,205,127,711)	(11,486,478)	(600,269,570)	(3,489,562,457)
Net book value	18,455,195,589	885,672,116	3,713,863,773	23,054,731,478

In 2024, the Company recorded depreciation expense amounting to P707.12 million (2023 - P544.98 million) as part of direct operating expense (Note 16).

In 2024, rent income generated from investment properties amounted to P1,953.71 million (2023 - P798.80 million) (Note 13).

During the year 2024, the Company capitalized interest expense on loans payable to related parties in asset under construction amounting to P 53.18 million (2023 - P134.85 million). And the Company's target completion of AUC is within the following year 2025.

In 2024, direct operating expenses amounting to P1,823.33 million (2023 - P1,090.26 million) represent expenses incurred from commercial leases on investment properties (Note 16).

The right-of-use assets pertain to lease agreements of Ayala Malls Manila Bay, Ayala Malls Cloverleaf, Ayala Malls The 30th, Ayala Malls Vertis and Ayala Land Office

The aggregate fair value of the investment properties of the Company amounted to P26,790 million as of December 31, 2024 (2023 – P22,953.62 million). The estimated fair value of the investment properties is based on the latest valuation reports performed by an independent appraiser.

Under income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset. It provides an indication of value by converting future cash flow to a single current value. Direct capitalization is a method used to convert a single year's income expectancy into a value indication either by dividing the net operating income estimate by an appropriate rate called capitalization rate, or by multiplying the income estimate by an appropriate factor. Net operating income is the actual or anticipated net income after all operating expenses are deducted from the gross revenues. Overall capitalization rate is an income rate that is applied to the subject property's income that reflects a market rate of return on the capital investment along with the recapture of the capital.

The Company's management believes that there were no conditions present in 2024 and 2023 that would significantly reduce the fair value of the investment properties from that determined on June 14, 2023 based on the latest valuation reports performed by an independent appraiser.

Description of significant unobservable inputs to valuation

The Company used Discounted Cash Flow Analysis as the valuation technique in determining the fair value measurement of the investment properties wherein a discounted cashflow is projected over a 10-year period of the total land area of 1,803,720 sq. m. in 2024 and 2023. The cash flow analysis, which comprises of annual income streams, are based upon the following assumptions and estimates:

- Discounted rate is estimated at 11% for 2024 and 2023
- Capitalization rate adopted to arrive at the terminal value is 8% for 2024 and 2023

The Company has no existing capital commitments related to investment properties as of December 31, 2024 and 2023 except for the asset under construction amounting to P3,789.71 million in 2024 and P532.31 million in 2023.

The total committed contract for the development of investment property as of December 31, 2024, amounted to P22,802.31 million, of which P885.67 million were recognized as part of asset under construction as of December 31, 2024 (2023 - P532.31 million).

7 Property and equipment

Property and equipment as at December 31 consist of office equipment as follows:

	2024	2023
At January 1		
Cost	1,677,435	833,024
Accumulated depreciation	(572,325)	(379,673)
Net book value	1,105,110	453,351
Year ended December 31		
Opening net book value	1,105,110	453,351
Additions	-	844,411
Transfer from merger	4,011,816	-
AD – transfer from merger	(465,075)	-
Depreciation (Note 16)	(1,318,683)	(192,652)
Closing net book value	3,333,168	1,105,110
At December 31		
Cost	5,689,251	1,677,435
Accumulated depreciation	(2,356,083)	(572,325)
Net book value	3,333,168	1,105,110

8 Other non-current assets

Other non-current assets as at December 31:

	Notes	2024	2023
Prepaid commissions		230,146,705	-
Deferred credits		44,889,534	46,249,823
Recoverable deposits	19	29,196,820	13,483,692
Advances to contractors		14,681,624	66,090,795
Input VAT – non-current	4	-	1,279,970,886
Others		48,973,958	11,027,539
		367,888,641	1,416,822,735

Prepaid commission pertains to commission paid for by the Company to a third party for obtaining a five (5) year lease agreement of office unit and parking spaces with a customer. Current portion of prepaid commissions is presented under other current assets (Note 5).

Input VAT – non-current is expected to be utilized beyond 12 months (Note 4).

Advances to contractors and suppliers pertain to down payments relating to the construction of the mall. These are recouped upon receipt of progress billings based on percentage of accomplishments.

Deferred credits represent the unamortized portion of the excess of the principal amount of the security deposit over the fair value of the recoverable deposit at the inception of the lease. The Company recognized amortization of deferred credits on rental deposits amounting to P1.36 million (2023- nil) (Note 15).

Recoverable deposits pertain to security deposits paid for the land lease of the Company. The security deposit is noninterest-bearing and is to be refunded at the end of the lease term.

In 2024, the Company recognized interest income from the recoverable deposits under Interest income - others amounting to P0.31 million (2023 - P4.80 million) (Note 15); and interest expense under "Other financing charges" amounting to P9.98 million (2023 - P2.60 million) (Note 16). The interest income pertains to the accretion of the recoverable deposit using the effective interest method while interest expense pertains to the straight-line amortization of the deferred credits.

9 Accounts and other payables; other non-current liabilities

Accounts and other payables

Accounts and other payables as at December 31:

	Note	2024	2023
Trade payable			
Third parties		651,218,055	302,617,846
Related parties	18	1,041,051,913	73,818,212
Dividends payable	12	1,806,474,949	-
Accrued payable		864,943,381	13,166,284
Construction bonds		120,991,857	80,343,189
Deferred output VAT		11,536,100	60,620,674
Taxes payable		72,279,677	59,337,442
		4,568,495,932	589,903,647

Trade payable pertains to billed purchases of goods and services, unpaid utility bills deposit, manpower services, marketing and advertising events and construction bond which are non-interest bearing are normally settled within 30 days. It also includes the outstanding payables to related parties on the construction services provided for the ongoing development of the assets under construction (Note 18).

Accrued expenses consist mainly of light and power, marketing costs, film share, advertising and promotion, professional fees, postal and communication, repairs and maintenance and insurance. These are normally settled within 15 to 60 day terms after billing date.

Construction bonds pertain to short-term bonds received from merchants as security for any adverse event that will cause disruptions, failure to complete the project due to insolvency of the contractors, or the job's failure to meet contract specifications.

Taxes payables pertain to withholding taxes, amusement tax, cultural tax and documentary stamp tax which are noninterest-bearing payable and are subsequently remitted one month after the reporting date.

Other non-current liabilities amounting to P52.42 million (2023 nil) pertain to Manila Bay’s intercompany loan from NECC that was transferred from merger.

10 Security deposits and advance rent

Security deposits

	2024	2023
Security deposits	846,023,521	475,252,982
Deferred credits	57,269,055	(30,654,444)
	903,292,576	444,598,538
Current portion of security deposits	(580,331,925)	(362,550,249)
	322,960,651	82,048,289

Security deposits represent advance rent payments from tenants which are to be returned upon termination of the related lease contracts. Security deposits are recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of investments.

The difference between the cash received and its fair values is included under "Deferred credits" and amortized using the straight-line method over the lease term.

	2024	2023
Balance at beginning of year	30,654,444	23,378,136
Additions	62,680,724	12,030,109
Amortization	(36,066,113)	(4,753,801)
Balance at end of year	57,269,055	30,654,444

Advance rent

Advance rent recognized by the Company in 2024 amounting to P99.84 million (2023 - P73.73 million) pertains to payments from long-term tenants and is equivalent to three months' rent. This shall be applied against the rent due for the last three months of the lease term or to be applied against any other obligation which remains due and unpaid upon the expiration of contract. The current portion in 2024 amounting to P26.11 million majority are from Offices (2023 – nil).

11 Retention payable

Retention payable, amounting to P7.68 million as at December 31, 2024 (2023 - P3.35 million) pertains to the portion of the progress billings of contractors withheld by the Company payable after full completion of a project.

12 Equity

Capital stock

The Company's capital stock consists of the following number of shares as at December 31, 2024 and 2023 follows:

	2024		2023	
	Shares	Amount	Shares	Amount
Common shares				
at P1 par value per share				
Authorized	773,250,000	773,250,000	773,250,000	773,250,000
Issued and outstanding	493,908,732	493,908,732	493,908,732	493,908,732
Preferred shares				
at P1 par value per share				
Redeemable Preferred A				
Authorized	6,959,250,000	6,959,250,000	6,959,250,000	6,959,250,000
Issued and outstanding	5,745,278,592	5,745,278,592	4,445,178,592	4,445,178,592

Preferred shares

The redeemable preferred shares shall have the following features:

a. With voting right;
b. Participate in dividends declared for common shares, as may be determined and approved by the Company's BOD;
c. Preference over holders of common shares in the distribution of corporate assets in the event of dissolution and liquidation of the Company and in the payment of dividend; and
d. Redeemable at the option of the Company at issue value and under such terms that the Company's BOD may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the Company's BOD.

The Plan of Merger has been approved and ratified by the respective Boards of Directors and stockholders of BCCVC and NECC on September 26, 2023. The One Billion Three Hundred Million One Hundred Thousand (1,300,100) preferred shares from NECC are merged with BCCVC effective January 19, 2024. This transaction is a non-cash activity. Accordingly, the outstanding capital stock of BCCVC after the merger shall be at 6,239,187,324.

Transferred retained earnings from NECC

On May 31, 2023, the NECC's BOD approved the declaration of cash dividends of P3,844 per common shares with an aggregate amount of P1.81 billion from the unrestricted retained earnings of NECC as of May 31, 2023 to the stockholders of record as of the same date. As of reporting date, the dividend payable is yet to be paid (Note 9).

On January 19, 2024, the retained earnings of NECC amounting to P281,926,800 from result of operations on June 1, 2023 to December 31, 2023 was transferred to BCCVV as the surviving entity.

Common shares

The common shares shall have the following features:

a. Common shares with par value of One Peso (Php1.00) per share or a total par value;
b. Each common share confers upon a common shareholder;
c. The right to vote at any shareholder's meeting or any resolution of the shareholders; and
d. The right to distribution of income under such terms and conditions as the Board of Directors may approve.

Capital management

The primary objectives of the Company's capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks, to ensure that it maintains its premier credit rating so that access to the financial markets is unhampered, and to maximize stakeholder value. The Company will manage its capital structure and make adjustments to it, in light of changes in economic conditions.

The Company's capital is its paid-in capital net of deficit amounting to P3,334.52 million as at December 31, 2024 (2023 - P2,341.53 million). The Company is not subject to externally imposed capital requirements.

13 Lease and other revenue

Lease and other revenue accounts consist of the following:

	2024	2023
Lease revenue:		
Commercial spaces and others	1,586,344,904	670,552,117
Carpark and terminal fees	188,204,507	61,617,174
Cinema receipts	117,409,381	45,258,745
Exhibits and sponsorships	61,749,337	21,375,585
	1,953,708,129	798,803,621
Advertising fees	15,643,920	7,622,311
	1,969,352,049	806,425,932

Lease revenues from commercial spaces pertain to the monthly rentals of the merchants for their leased spaces in the mall. Leases with mall merchants are either fixed paying or variable (%) paying, depending on the lease contracts agreed with the Company.

Carpark and terminal fees pertain to fees for use of parking slots.

Cinema receipts pertain to the amount of revenue from the sale of movie tickets. This also includes rentals for use of cinema as venues for events.

Exhibits and sponsorship represent income from special events held at the mall's premises such as merchandise displays, food bazaars and other similar events.

Advertising fees pertain to the fixed amount of agreed fees under lease contracts with merchants.

14 Dues

The Company assessed that it acts as principal in the delivery of CUSA and air-conditioning charges and presented at a gross amount these recoveries under "Dues" in the statement of comprehensive income. Dues for the year ended December 31, 2024, pertain to CUSA and air-conditioning charges amounting to P312.80 million and P251.10 million (2023 - P105.77 million and P127.08 million) respectively.

15 Interest and other income

Interest income

	Notes	2024	2023
Interest in income from:			
Intercompany loans	18	72,086	161,797
Cash in bank	2	65,827	24,601
Others		312,298	4,642,582
		450,211	4,828,980

Others pertain to interest income from the amortization of the recoverable deposit using effective interest method.

Other income (expense)

		2024	2023
Income from sale of ice and beverage		20,945,132	8,744,397
Realized foreign currency exchange gain (loss)		(648,943)	-
Amortization of deferred credits on rental deposits	8	(1,360,289)	-
Others		27,690,868	1,194,391
		46,626,768	9,938,788

Others pertain to forfeited deposits.

16 Cost and expenses

Direct operating expenses consist of:

	Note	2024	2023
Depreciation	6	707,119,718	544,984,253
Utilities and other fees		503,932,440	190,980,238
Taxes and licenses		250,014,207	186,663,913
Repairs and maintenance		93,892,611	69,336,785
Marketing		54,822,188	31,677,506
Contracted Services		51,008,140	-
Rent & land lease	13	45,341,874	-
Technical services		35,380,547	12,080,505
Dues & fees		23,769,018	15,202,727
Food and beverages		20,905,020	4,566,775
Insurance		11,006,477	16,750,008
Training and seminars		6,721,878	1,499,091
Supplies		5,422,101	-
Others		14,000,208	16,520,719
		1,823,336,427	1,090,262,520

Utilities and other fees pertain to electricity, water, security, janitorial, garbage fee, and pest control fees.

Others pertain to postage fees, office supplies, and communication expenses.

General and administrative expenses consist of:

	Notes	2024	2023
Contracted services		92,989,160	30,053,583
Provision for credit losses	3	32,367,083	-
Repairs and maintenance		11,984,309	6,673,868
Systems cost	18	6,124,208	5,459,087
Postal & communication		4,261,243	1,806,135
Utilities and other fees		6,193,864	-
Depreciation	7	1,318,683	192,652
Supplies		1,268,856	548,672
Professional fees		1,219,899	778,218
Representation		586,920	50,000
Transportation		578,699	104,586
Miscellaneous		368,282	15,487
		159,261,206	45,682,288

Interest and other financing charges incurred by the Company consist of:

	Notes	2024	2023
Interest expense on lease liability	19	589,006,413	495,471,412
Interest expense on loans payable to related parties	18	235,553,687	269,617,915
Other financing charges		72,419,911	53,505,436
		896,980,011	818,594,763

Other financial charges pertain to interest expense from the present value computation of the recoverable deposits and security deposits.

17 Income tax

Income tax benefit account consists of:

	2024	2023
Deferred	17,416,109	228,059,396
Final	5,508	(4,920)
	17,421,617	228,054,476

As at December 31, 2024 and 2023, the Company recognized net deferred tax assets as follow:

	2024	2023
Deferred tax assets on:		
Lease liability	1,701,480,922	1,408,478,411
NOLCO	490,816,282	601,166,117
Advance rent	24,960,029	18,432,707
Provision for impairment loss	54,515,406	4,303,836
	2,271,772,639	2,032,381,071
Deferred tax liability on:		
Right-of-use asset	(928,465,943)	(736,036,547)
Accrued rent income	(81,448,371)	(52,958,256)
	(1,009,914,314)	(788,994,803)
	1,261,858,325	1,243,386,268

The movements in deferred income tax assets, net follow:

	2024	2023
Beginning of year	1,243,386,268	1,015,326,872
Recognized in profit or loss	17,416,109	228,059,396
Transferred from NECC	1,055,948	-
End of year	1,261,858,325	1,243,386,268

As at December 31, 2024 and 2023, the expired portion and unexpired NOLCO that can be claimed as deduction from future taxable income are as follows:

Year incurred	Beginning	Used	Written-off or expired	Balance	Expiration Year
2023	603,656,746	-	-	603,656,746	2026
2022	677,268,986	-	10,077,401	667,191,585	2025
2021	692,416,793	-	-	692,416,793	2026
2020	431,321,945	78,240,021	353,081,924	-	2025
	2,404,664,470	78,240,021	363,159,325	1,963,265,124	
DTA @ 25%	601,166,118	19,560,005	90,789,831	490,816,282	

The reconciliation between the provision for income tax computed using the statutory income tax rate to the provision for income tax as shown in the statements of income follows:

	2024	2023
Benefit from income tax at statutory tax rate	(74,812,903)	(230,010,675)
Tax effects of:		
Nondeductible expenses	1,444,689	1,956,199
Unallowable interest expense	3,291	1,230
Interest income subject to final tax	(3,291)	(1,230)
Derecognition of deferred tax assets from NOLCO	90,789,831	-
Benefit from income tax	17,421,617	(228,054,476)

18 Related party transaction

The following are the Company's relationships with related parties it transacts with:

Related parties	Relationship
Ayala Corporation (AC)	Ultimate parent
Ayala Land, Inc. (ALI)	Immediate parent
Other related parties	Entities under common control

The summary of transactions with related parties as at and for the years ended December 31, 2024 and 2023 are as follows:

Category	Terms and conditions	2024	2023
Entities under common control			
(a) Interest income from loan to related parties	This pertains to interest income from loans with an interest rate of 5.89% to 5.91%.	72,086	161,797
(b) Loans payable	This pertains to interest-bearing, unsecured loans payable usually payable in 30 days and an interest rate of 3% to 4%.	14,472,156,000	15,779,956,000
(c) Interest expense on loans payable	Refer to ref.(a)	235,553,687	269,617,915
(d) Capitalized borrowing cost	Refer to ref.(a). This pertains to portion incurred capitalized as part of asset under construction.	53,182,768	134,846,879
(e) Interest income in cash in bank	These pertains to interest income from the cash held in bank with BPI (Note 2).	65,827	24,601
(f) Utility expenses	Refer to ref. (i) below	(189,247,991)	(218,317,771)
(g) Billed cinema receipts	Refer to ref. (i) below	68,673,486	291,056
(h) Reimbursements	Refer to ref. (i) below	(33,251,274)	24,464,734
(i) Rental	Refer to ref. (i) below	54,025,846	8,266,445
(j) Construction	Refer to ref. (i) below	-	1,000,000
(k) Manpower	Refer to ref. (i) below	(6,906,301)	(51,599,715)
(l) Management fee	Refer to ref. (i) below	(96,470,104)	(1,112,656)
(m) Systems cost	Refer to ref. (i) below	(6,124,208)	(5,459,087)

The above amounts of related party receivables and payables, which are to be settled in cash, represent the following transactions:

i. In its regular conduct of business, the Company has engaged and entered into transactions with various related parties to administer its tenant relations, advertisement and promotions, marketing, cinema and snack bar operations, accounting, and budget preparation of the Company. These are settled in cash, unsecured, non-interest bearing and payable on demand.

The tables below summarize the Company's balances with its related parties as at December 31:

Cash in bank (Note 2)

	Terms and conditions	Ref.	2024	2023
Entities under common control	The Company held cash in bank with BPI in 2024 and 2023, respectively.	e	158,884,816	42,770,821

Due from related parties (Note 3)

	Terms and conditions	Ref.	2024	2023
Trade receivables				
Entities under common control	These are settled in cash, unsecured, non-interest bearing which have no fixed repayment terms but is expected to be settled within 12 months from reporting date.	g,i	11,844,982	46,201,904
Loans receivables				
Entities under common control	These are settled in cash, unsecured, interest bearing which have no fixed repayment terms but is expected to be settled within 12 months from reporting date.	a	2,401,668,668	10,153,480
			2,413,513,650	56,355,384

The movement of loans receivable and interest income from related parties for the years ended December 31 are as follows:

	2024	2023
Principal:		
Beginning of year	9,284,923	10,000,000
Collection of loans from related entities	(403,520,000)	(715,077)
Loans extended to related parties	2,794,963,102	-
End of year	2,400,728,025	9,284,923
Interest income from loans:		
Beginning of year	868,557	706,760
Interest income	72,086	161,797
End of year	940,643	868,557
Total	2,401,668,668	10,153,480

Due to related parties (Note 9)

	Terms and conditions	Ref.	2024	2023
Trade payables				
Entities under common control	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest.	f,h,j,k,l,m	1,041,051,913	73,818,212
Loans payables				
Parent company	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest. It is expected to be settled within 12 months from reporting date.	b	8,360,411,734	7,355,900,022
Entities under common control			6,207,306,670	6,678,113,764
			14,567,718,404	14,034,013,786
Interest payable				
Parent company	The outstanding balance is repayable in cash, due on demand, unsecured, unguaranteed and bears no interest.	c,d	69,044,852	74,683,104
Entities under common control			125,150,030	785,722,246
			194,194,883	860,405,350
			14,761,913,286	14,894,419,136

Compensation for key management personnel

The key management personnel of the Company are employees of ALI. The compensation of the said employees is paid by ALI and as such, the necessary disclosures required by PAS 24, Related Party Disclosures, are included in the financial statements of ALI.

The movement of loans payable and interest expense from related parties for the years ended December 31 are as follows:

	2024	2023
Principal:		
Beginning of year	14,034,013,786	13,701,361,675
Loans extended by related parties	14,472,156,000	15,779,956,000
Settlement of loans from related entities	(13,938,451,382)	(15,447,303,889)
End of year	14,567,718,404	14,034,013,786
Interest expense from loans:		
Beginning of year	860,405,350	880,045,653
Interest expense	235,553,687	269,617,915
Borrowing cost capitalized during the year (Note 6)	53,182,768	134,846,879
Interest paid	(954,946,922)	(424,105,097)
End of year	194,194,883	860,405,350
Total	14,761,913,287	14,894,419,136

The Company has not recognized any expected credit losses on amounts receivable from related parties for the years ended December 31, 2024 and 2023. Impairment assessment is undertaken each financial year.

19 Leases

Company as lessor

The Company enters into lease agreements with third parties on its investment property portfolio, covering the Company's retail space. These leases have terms ranging from 2 to 5 years and generally provide for either (a) fixed monthly rent; or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. All leases include a clause to enable upward revision on its rental charge on an annual basis based on prevailing market conditions.

Total rent income and accrued rent income from lease of commercial spaces in 2024, amounted to P1,586.34 million (2023 - P670.55 million) (Note 13).

Total security deposit amounted to P903.29 million in 2024 (2023 - P444.60 million). Current security deposit amounted to P580.33 million in 2024 (2023 - P362.55 million) while long term portion amounted to P322.96 million (2023 - P82.05 million) (Note 10).

Total recoverable deposit amounted to P29.20 million in 2024 (2023 – P13.48 million) (Note 8).

Company as lessor (Lease agreements transferred from NECC)

On January 15, 2021, ALI entered into a Deed of Sale with AREIT for the 30th Commercial Development. NECC transferred to AREIT all security deposits and advance rents, related to the operations of the transferred property.

Effective October 1, 2021, ALI entered into a property for-share swap agreement with AREIT which included the Vertis North Commercial Development. NECC transferred to AREIT all security deposits, advance rents, and construction bonds related to the operations of the transferred property.

During 2024, the carrying amount of P878.69 million was transferred to the Company as part of the Plan of Merger (Note 6).

Future minimum rentals receivable under non-cancellable operating leases of the Company as at December 31, 2024 and 2023, follows:

	2024	2023
Within one year	9,381,711,988	1,183,052,743
More than one year	4,635,613,259	860,166,394
	14,017,325,247	2,043,219,137

Company as lessee

Deed of Assignment with ALI

On December 28, 2017, the Company has entered into a Deed of Assignment with ALI recognizing that ALI has commenced the construction of a mixed-use commercial center which includes an above ground 5-level retail development, 5-level office development stacked on top of the retail development, and 3-level basement parking (the "Building") and the construction thereof is ongoing and a work in process. For and in consideration of the amount of P4,092.89 million, exclusive of value-added tax, ALI unconditionally and irrevocably assigns, transfers, and conveys its ownership, rights, interests, and obligations in the Building unto the Company.

ALI delivered to the Company the "work-in-progress" Building as well as the original and certified true copies of the contracts, permits and licenses which collectively comprise the assigned building. Each party paid the cost and expenses incurred by it in connection with the execution of the Deed of Assignment. Any income tax or capital gains from the transactions contemplated on part of ALI including documentary stamp tax shall be for the account of ALI.

Simultaneous with the assignment, transfer and conveyance of the ownership, rights, interests and obligations with respect to the building, ALI assigned to the Company the rights and obligations under its lease arrangement with D.M. Wenceslao and Associates, Inc. with respect to the lease of 92,317 square meters of land, where the building stands, for 45 years from January 1, 2015, to December 31, 2059, the Company has the option to renew three (3) years prior to its expiration. The building has estimated useful life (EUL) 45 years and recorded as part of buildings and improvements as part of investment properties in the statement of financial position.

Company as lessee (Lease agreements transferred from NECC)

NECC entered into various lease agreements as follows:

Date of contract	Type	Property	Lessor	Term
January 15, 2021	Building retail podium	30th Malls	AREIT	36 years
October 1, 2021	Building retail podium	Vertis North	AREIT	36 years
October 2017	Land	Cloverleaf	AyalaLand Estates Inc.	40 years

In 2021, the NECC entered into building lease agreement with AREIT for a term of 36 years. The agreement pertains to the lease of a retail podium of The 30th. The lease agreement states that AREIT shall deliver to the NECC the physical possession of the leased premises on January 15, 2021. The lease generally provides for rates based on higher between the a) fixed rent plus 6% of gross rental income or (b) minimum guaranteed rent and shall be subject to 3% escalation every three (3) years.

On October 1, 2021, NECC entered into building lease agreement with AREIT for a term of 36 years. The agreement pertains to the lease of Vertis North Commercial Development Mall. The lease agreement states that AREIT shall deliver to the Company the physical possession of the leased premise on October 1, 2021. The lease generally provides for rates based on higher between the a) fixed rent plus 6% of gross rental income or (b) minimum guaranteed rent and shall be subject to 3% escalation every three (3) years.

Lease contract entered for the lease of Cloverleaf land is based on a variable lease payment based on a certain percentage of gross revenue.

The roll forward analysis of lease liabilities and movements for the years ended December 31 is as follows:

	2024	2023
As at January 1	5,633,913,648	5,417,481,626
Accretion of interest	589,006,413	495,471,412
Payments	(360,852,279)	(279,039,390)
Transfers from NECC	943,855,904	-
As at December 31	6,805,923,686	5,633,913,648
Current portion of lease liabilities	309,165,340	228,161,367
Lease liabilities - net of current portion	6,496,758,346	5,405,752,281

The following are the amounts recognized in the statements of comprehensive income under “Direct operating expenses” for the years ended December 31 (Note 16):

	Notes	2024	2023
Accretion of interest	16	589,006,413	495,471,412
Amortization of right-of-use assets	6	109,067,332	81,621,136
		698,073,745	577,092,548

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

	2024	2023
Within one year	643,192,224	287,505,541
After one year but not more than five years	2,119,989,647	1,668,082,081
More than five years	31,526,936,881	29,588,366,961
	31,722,545,927	31,543,954,583

The following provides information on the Company's fixed and variable rent recognized as rent expense in direct operating expenses:

2024	Fixed Rent	Variable Rent	Total
Fixed	-	-	-
Variable rent only	-	-	-
	-	-	-
2023			
Fixed	-	-	-
Variable rent only	-	45,341,874	45,341,874
	-	45,341,874	45,341,874

20 Fair value measurement

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly and indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of the Company's financial and non-financial assets and liabilities by level of the fair value hierarchy:

	December 31, 2024		
	Carrying value	Total fair value	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:			
Investment properties - building and Improvements	23,054,731,478	26,789,998,000	26,789,998,000
Recoverable deposits	29,196,820	29,196,820	29,196,820
Liabilities for which fair values are disclosed:			
Lease liability	6,805,923,686	6,805,923,686	6,805,923,686
Security deposits	903,292,576	903,292,576	903,292,576

	December 31, 2023		
	Carrying value	Total fair value	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed:			
Investment properties - building and Improvements	19,913,902,976	22,953,620,000	22,953,620,000
Recoverable deposits	13,483,692	13,483,692	13,483,692
Liabilities for which fair values are disclosed:			
Lease liabilities	5,633,913,648	5,633,913,648	5,633,913,648
Security deposits	475,252,982	475,252,982	475,252,982

The Company does not have assets and liabilities categorized under level 1 and 2 of the fair value hierarchy.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash, receivable (except for "Receivables from employees") and accounts and other payables (except for "Taxes payable") - carrying amounts approximate fair values due to the relatively short-term nature of these transactions (Level 1).

Management has determined that the estimated fair value of the security deposits is based on the discounted value of future cash flows using applicable rates. The discount rate used ranges from 1.87% to 6.09% in 2024 (2023 - 1.87% to 7.59%) (Level 2).

The valuation technique used and significant inputs used by the Company in measuring the fair value of the investment properties and security deposits are summarized below:

	Valuation technique	Significant unobservable input (Level 3)
Other financial liabilities		
Lease liabilities	Discounted cash flow method	Discount for lack of marketability
Security deposits	Discounted cash flow method	Discount for lack of marketability

21 Financial risk management objectives and policies

The main purpose of the Company's financial assets and financial liabilities is to fund its operations and capital expenditure. The Company's principal financial assets and financial liabilities comprise cash, receivables, long-term debt, deposits and other noncurrent liabilities (except retention payable and advance rent).

The short-term intercompany debts were obtained primarily to raise financing for the Company's construction of the commercial center. The main risks arising from the use of financial assets and financial liabilities are credit risk, liquidity risk and market risk.

Exposure to credit, liquidity and market risks arise in the normal course of the Company's business activities. The Company's financial condition and operating results would not be materially affected by the current changes in liquidity, credit, interest, currency and market conditions.

The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis:
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Company monitors market price risk arising from all financial assets and financial liabilities and regularly reports financial management activities and the results of these activities to the BOD.

The Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

The Company's risk management policies are summarized below:

Liquidity risk

Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of leases and long-term debt. The Company monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk.

The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long-term debt, while working capital requirements are sufficiently funded through cash collections.

Overall, the Company's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Company's business.

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2024 and 2023 based on contractual undiscounted payments. The table also provides an analysis on the maturity profile of the Company's financial assets used for liquidity requirements in order to provide a complete view of the Company's contractual commitments.

The analysis into relevant maturity groupings are based on the remaining period at the end of the reporting period to the contractual maturity dates:

	2024			
	<1 year	1 to <10 years	>10 years	Total
Financial assets at amortized cost				
Cash in bank	158,884,816	-	-	158,884,816
Receivables				
Trade receivables	642,354,773	-	-	642,354,773
Accrued receivables	1,366,533,153	-	-	1,366,533,153
Receivable from related parties	2,413,513,650	-	-	2,413,513,650
Recoverable deposits	-	-	29,196,820	29,196,820
	4,581,286,392	-	29,196,820	4,610,483,212
Financial liabilities at amortized cost				
Accounts and other payables				
Trade payable	651,218,055	-	-	651,218,055
Other payables	2,899,439,764	-	-	2,899,439,764
Payable to related parties	14,761,913,286	-	-	14,761,913,286
Security deposits	580,331,925	322,960,651	-	903,292,576
Retention payable	3,232,372	4,448,903	-	7,681,275
Lease liability	375,227,556	3,728,137,903	25,102,460,140	29,205,825,599
	19,198,016,220	4,128,894,195	25,102,460,140	48,429,370,555
Net discounted financial liabilities	(14,616,729,828)	(4,128,894,195)	(25,073,263,320)	(43,818,887,343)

	2023			
	<1 year	1 to <10 years	>10 years	Total
Financial assets at amortized cost				
Cash in bank	42,770,821	-	-	42,770,821
Receivables				
Trade receivables	299,942,141	-	-	299,942,141
Accrued receivables	468,996,761	-	-	468,996,761
Receivable from related parties	56,355,384	-	-	56,355,384
Recoverable deposits	-	-	59,733,515	59,733,515
	868,065,107	-	59,733,515	927,798,622
Financial liabilities (amortized cost)				
Accounts and other payables				
Trade payable	302,617,846	-	-	302,617,846
Other payables	93,509,883	-	-	93,509,883
Payable to related parties	14,968,237,348	-	-	14,968,237,348
Security deposits	362,550,249	82,048,289	-	444,598,538
Retention payable	3,352,677	-	-	3,352,677
Lease liability	287,505,541	3,801,484,641	27,494,964,401	31,583,954,583
	16,017,773,544	3,883,532,930	27,494,964,401	47,396,270,875
Net discounted financial liabilities	(15,149,708,437)	(3,883,532,930)	(27,435,230,886)	(46,428,472,253)

To address currently maturing contractual obligations, the Company plans to avail intercompany loans at terms agreed upon with counter parties.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risks are primarily attributable to trade receivables. To manage credit risk, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security bonds and deposits which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets comprise cash and receivables from related parties. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial assets and financial liabilities. Bank limits are established on the basis of an internal rating system that principally covers the areas at liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

The Company’s cash in banks are considered high-grade while the remaining financial assets are considered standard grade.

The Company uses the following criteria to rate credit quality:

Class	Description
High grade	Financial assets that are deposited in/or transacted with reputable banks which have low probability of insolvency
Standard grade	Financial assets of companies that have the apparent ability to satisfy its obligations in full

The credit quality of the Company’s financial assets follows:

	Neither past due nor impaired			
2024	High grade	Medium grade	Low grade	Total
Financial assets				
Cash (excluding cash on hand)	158,884,816	-	-	158,884,816
Receivable:				
Trade receivables	-	642,354,773		642,354,773
Accrued receivables	1,366,533,153	-	-	1,366,533,153
Receivable from related parties	-	2,413,513,650	-	2,413,513,650
Recoverable deposits	-	29,196,820	-	29,196,820
	1,525,417,969	3,085,065,243	-	4,610,483,212

	Neither past due nor impaired			
2023	High grade	Medium grade	Low grade	Total
Financial assets				
Cash (excluding cash on hand)	42,770,821		-	42,770,821
Receivable:				
Trade receivables	-	299,942,141	-	299,942,141
Accrued receivables	468,996,761		-	468,996,761
Receivable from related parties	-	56,355,384	-	56,355,384
Recoverable deposits	-	59,733,515	-	59,733,515
	511,767,582	416,031,040	-	927,798,622

As at December 31, 2024 and 2023, cash in bank and receivable from related parties are classified as neither past due nor impaired and are graded as high quality.

The credit rating is based on the nature of the counterparty and the Company's internal assessment based on factors such as financial soundness and industry reputation.

22 Note to statements of cash flows

The roll forward of liabilities in financing activities are as follows:

	2024		
	Receivable from related parties	Payable to related parties	Lease liabilities (Note 19)
Balance at January 1	56,355,384	14,894,419,136	5,633,913,648
Cash flows:			
Collections/payments	(403,520,000)	(14,893,398,304)	(360,852,279)
Availments/lending	2,794,963,102	14,472,156,000	-
Non-cash:			
Transfers from NECC	-		943,855,904
Accretion of interest	72,086	235,553,687	589,006,413
Borrowing cost capitalized during the year	-	53,182,768	-
Balance at December 31	2,447,870,572	14,761,913,287	6,805,923,686

	2023		
	Receivable from related parties	Payable to related parties	Lease liabilities (Note 19)
Balance at January 1	30,699,230	14,581,407,328	5,417,481,626
Cash flows:			
Collections/payments	(715,077)	(15,871,408,986)	(279,039,390)
Availments/lending	-	15,779,956,000	-
Non-cash:			
Accretion of interest	161,797	269,617,915	495,471,412
Borrowing cost capitalized during the year	-	134,846,879	-
Advances	26,209,434	-	-
Balance at December 31	56,355,384	14,894,419,136	5,633,913,648

23 Critical accounting judgments and estimates

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

23.1 Critical accounting judgments

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

Operating lease commitments - Company as lessor

The Company has entered commercial property leases on its investment property portfolio. The Company has determined that it retains all significant risks and rewards of ownership of the property, other than land, as it considered, among others, the length of the lease term as compared with the estimated useful life (EUL) of the asset.

A number of the Company's operating lease contracts are accounted for as non-cancellable operating leases, and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Company considered, among others, the significance of the penalty, including economic consequence, to the lessee.

Determination of lease term of contracts with renewal and termination options - Company as a lessee

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its lease of land as the renewal option is based on mutual agreement, thus not enforceable.

Assessment on whether lease concessions granted constitute a lease modification

The Company applies judgment when assessing whether the rent concessions granted is considered a lease modification under PFRS 16.

In making this judgment, the Company determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease, including consideration of general and special laws in the Philippines which may apply. The Company assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore is not lease modification under PFRS 16.

The impact of lease concessions granted by the Company and accounted as not a lease modification increased total rental income by P198.29 million in 2024 (2023 - P122.73 million decrease).

Distinction between investment property and owner-occupied property

The Company determines whether a property qualifies as an 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 the other assets used in the supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If these portions cannot be sold separately as at reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or 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.

23.2 Management's use of estimates and assumptions

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The incremental borrowing rate used by the Company to measure lease liabilities in 2023 and 2022 9.03%.

The Company's lease liabilities amounted to P6,805,923,686 as at December 31, 2024
(2023 - P5,633,913,648 (Note 19).

Estimating impairment of financial assets at amortized cost

For cash, 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. The Company uses a provision matrix to calculate ECLs for trade receivables both from related parties and non-affiliates. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions (e.g., inflation rate and gross domestic product). The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Company has not yet recognized provision for impairment losses since its operation has only started during the year.

In 2024 and 2023, the Company recognize provision for impairment loss on receivables amounting to P32,367,083 (Note 16). The carrying value of trade and other receivables as at December 31, 2024 amounted to P4,206,807,962(2023 - P808,868,622) (Note 3).

Estimating useful lives of investment properties and property and equipment

The Company estimates the useful lives of its property and equipment, investment property and intangible assets based on the period over which these assets are expected to be available for use.

The EUL of property and equipment, investment properties, and intangible assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in estimates brought about by changes in factor. A reduction in the EUL of property and equipment, investment property, and intangible assets would increase depreciation and amortization expense and decrease noncurrent assets.

As at December 31, 2024 and 2023, carrying values are as follows:

	Notes	2024	2023
Investment property	6, 20	23,054,731,478	19,913,902,976
Property and equipment	7	3,333,168	1,105,110
		23,058,064,646	19,915,008,086

Evaluating impairment of nonfinancial assets

The Company reviews nonfinancial assets (i.e., advances to contractors, advances to officers and employees, prepayments and other current assets, investment properties, property and equipment and deferred input VAT) for impairment of value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's net selling price, except for investments where value in use computation is applied. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash- generating unit to which the asset belongs. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that may affect the financial statements.

As at December 31, 2024 and 2023, the carrying values of the Company's non-financial assets are as follows:

	Notes	2024	2023
Investment property	6,19	23,054,731,478	19,913,902,976
Input VAT	4,8	1,367,914,911	1,572,166,829
Advances to officers and employees	3	2,468,008	789,679
Property and equipment	7	3,333,168	1,105,110
Other current assets	5	365,593,103	262,023,678
Other noncurrent assets		292,441,997	77,118,334
		25,086,482,665	21,827,106,606

Management assessed that no impairment indicators exist on the Company's nonfinancial assets as at December 31, 2024 and 2023.

Recognition of deferred tax assets

The Company reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets 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 assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of deferred tax assets to be utilized. The Company looks at its projected performance in assessing the sufficiency of future taxable income. In such assessment, external factors which may limit the utilization of deferred tax assets are taken into consideration.

As at December 31, 2024, the Company recognized net deferred tax assets amounting to P1,115.21 million (2023 - P1,243.39 million) as management assessed that there will be sufficient future taxable income against which this deductible difference be utilized (Note 17).

24 Material accounting policy information

24.1 Basis of preparation

The accompanying financial statements of the Company have been prepared using the historical cost basis, and are presented in Philippine Peso, which is the Company's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

24.2 Statement of compliance

The accompanying separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

24.3 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2024:

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

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

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

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

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

The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

As at December 31, 2024 and 2023, the Company has no outstanding borrowings that are subject to any debt covenants. The above amended standard does not have a significant effect on the financial statements of the Company.

- *Lease liability in sale and leaseback – Amendments to IFRS 16*

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

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

For the year ended December 31, 2024, the above amended standard does not have a significant effect on the financial statements of the Company as the Company do not have a sale and leaseback transactions as a lessee.

- *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

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

The new disclosures will provide information about:

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

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.
For the year ended December 31, 2024, the above amended standard does not have an impact on the financial statements of the Company as the Company do not have SFAs.

24.4 New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

24.5 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on the current/noncurrent classification.

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

All other assets are classified as noncurrent.
A liability is current when it is:
- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

All other liabilities are classified as non-current.

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

24.6 Fair value measurement

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

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

The Company determines the policies and procedures for both recurring fair value measurement of financial instruments and for non-recurring fair value measurement of non-financial assets such as investment properties.

External valuers are involved for valuation of investment properties. Involvement of external valuers is assessed annually by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

Valuation are performed with sufficient regularity at least once every five (5) years enough to ensure that the fair value of the revalued assets revalued does not differ significantly from its carrying value.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed based on the Company's accounting policies.
For these analyses, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.
The Company, in conjunction with the Company's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

24.7 Financial assets

Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI), and at FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within the Company's business model with the objective to hold financial assets order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

The Company's financial assets at amortized cost include cash, receivables and deposits under "Other non-current assets".

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income. This category includes investments in Unit Investment Trust Fund (UITF).

Impairment of financial assets

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

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

For other financial assets such as accrued receivable, related party receivables and advances to other companies, ECLs are recognized in two stages. For credit exposures, for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash, the Company applies the low credit risk simplification. The probability of default (PD) and loss given defaults (LGD) 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 will be based on the lifetime ECL. The Company uses the ratings from the ratings published by reputable rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The key inputs in the model include the Company's definition of default and historical data of three years for the origination, maturity date and default date. The Company considers trade receivables and contract assets 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 which may extend the definition of default to 90 days and beyond. However, 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.

24.8 Financial liabilities

Classification

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

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

The Company's financial liabilities consist of financial liabilities at amortized cost (loans and borrowings).

Measurement

After initial recognition, long-term debts are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized under the "Other income (expense)" account in the statements of comprehensive income when the liabilities are derecognized or impaired, and through the "Interest expense" account when the gains and losses are amortized.

This accounting policy applies to accounts and other payables (except statutory payables), long-term debt, deposits and other liabilities.

24.9 Offsetting financial instruments

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

24.10 Other current assets

Other current and noncurrent assets are carried at costs and pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company. These comprise of input value-added tax (VAT), prepaid expenses, supplies, advances and deposits.

(a) Value added tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

- When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position.
- When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable, to the taxation authority is included as part of other current assets or accounts and other payables in the statement of financial position.

(b) Prepayments

Prepayments are carried at cost less the amortized portion. These typically comprise expenses for commissions that are not yet incurred but already paid in cash.

(c) Consumable supplies

Consumable supplies are stated at the lower of cost and net realizable value (NRV). Cost which includes all costs directly attributable to acquisition such as purchase price and transport cost, is determined using the weighted average cost method. NRV is based on the selling price less estimated costs necessary to make the sale.

24.11 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to day servicing of an investment property.
Investment properties consist of properties that are held to earn rentals and that are not occupied by the Company. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value, if any.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life of the land improvements and buildings and improvements is 40 years. The useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when either they have been disposed of, or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment properties when there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.
Transfers between investment properties and owner-occupied properties do not change the carrying amount of the properties transferred and they do not change the cost of those properties for measurement or disclosure purposes.

24.12 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and is computed on a straight-line basis over the estimated useful lives of property and equipment of 3 to 5 years.

The assets' residual values, estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the amounts, period and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

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

Fully depreciated assets are still carried in the accounts until they are no longer in use or disposed of.

24.13 Other noncurrent assets

Other noncurrent assets constitute deposits and advances of the Company to its contractors. Deposits

(a) Deposits

Deposits are measured initially at fair value. After initial recognition, deposits are subsequently measured at amortized cost using the EIR method. The difference between cash received and its fair value is recorded under deferred credits and is amortized using the straight-line method.

(b) Advances to contractors

Advances to contractors and suppliers are carried at cost less impairment losses, if any. These represent advance payments to contractors for the construction and development of investment properties.

24.14 Impairment of nonfinancial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation and amortization charge are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Company determines at each reporting date whether there is any objective evidence that the investment in the company invested in the company is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the recoverable amount of the investment and the carrying cost and recognizes the amount in profit or loss.

24.15 Equity

Share capital

The Company's share capital consists of common shares and preferred shares. Capital stock is measured at par value. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds, net of any tax effects.

Preferred shares that are not redeemable or are redeemable at the option of the Company and where payment of dividends is discretionary are classified as equity.

Retained earnings

Retained earnings represent the cumulative balance of net income of the Company, net of any dividend distribution.

24.16 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company is in the business of leasing its investment property portfolio. Except for the provisioning of water and electricity wherein it is acting as agent, the Company has generally concluded that it is the principal in its revenue arrangements. The Company's non-lease performance obligations include common area management and administration of utility services.

The following specific recognition criteria must also be met before revenue or income is recognized:

Leasing revenue

Leasing revenue arising from investment properties are recognized in the statement of comprehensive income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Leases under contingent rents are recognized as income in the period in which they are earned.

Interest income

Interest is recognized as it accrues taking into account the effective yield on the underlying asset.
Dues

Dues pertain to CUSA and air-conditioning charges which are recognized gross of the related expenses when earned.

Other income

Other income is recognized when the related services have been rendered and the right to receive payment is established.

24.17 Costs and expenses

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

Direct operating expenses

Direct operating expenses are those directly attributable to the Company revenue-generating activities.

General and administrative expenses

General and administrative expenses constitute costs of administering the business.

Interest and other financing charges

Interest and other financing charges are recognized as incurred, taking into account the effective yield on the liability.

24.18 Leases

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

The Company as lessor - Operating Lease

Leases where the Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments under cancellable leases and variable lease payments under noncancellable leases are recognized as income based on the terms of the lease contract, or minimum rent or basic rent plus certain percentage of the gross revenue of the tenants whichever is higher, as provided under the terms of the lease contract.

Fixed lease payments under noncancellable leases are recognized on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rent is recognized as revenue in the period in which it is earned.

24.19 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

24.20 Income taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute this amount are those that have been enacted or substantively enacted as at the reporting date.

Deferred income tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of excess MCIT and NOLCO, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

24.21 Events after the end of the reporting period

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

25 Supplementary information required by the Bureau of Internal Revenue (BIR)

The Company reported and/or paid the following types of taxes for the year:

(i) Output VAT

The Company's importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

The Company is a Value Added Tax (VAT)-registered company with output VAT declaration of P412,671,709 for the year based on the amount reflected under various accounts but mainly on leases.

Gross receipts derived from admission tickets in showing motion pictures, films or movies amounting to P201,892,296 are not subject to VAT under Section 108 of the National Internal Revenue Code.

The Company's leasing income as declared in VAT returns are based on actual collections received.

(ii) Input VAT

Details of input taxes claimed are broken down as follows:

	Amount
Balance at beginning of year	1,206,105,636
Current year's domestic purchases/payments for:	415,336,403
Applied output VAT	(412,671,709)
Balance at December 31	1,208,770,330

(iii) Customs duties and Tariff

The Company does not have importations and customs tariff and fees paid for the year ended December 31, 2024.

(iv) Excise taxes

The Company does not have transactions subject to excise taxes for the year ended December 31, 2024.

(v) Documentary stamp taxes

Documentary stamp taxes paid for the year ended December 31, 2024 amounted to P36,111,325. As of December 31, 2024, P2,945,313 is accrued.

(vi) Other taxes and licenses

This includes all other taxes, local and national, including licenses and permit fees:

Real property taxes	184,880,919
License and permit fees	65,133,288
	250,014,207

As of December 31, 2024, amusement tax and cultural tax amounting to P58,760,387 are accrued.

(vii) Withholding taxes

Withholding taxes accrued and paid and/or withheld as at and for the year ended December 31, 2024 consist of:

	Paid	Accrued	Total
Expanded withholding tax	105,400,905	10,538,685	115,939,590
Final tax	1,909,139	35,292	1,944,431
	107,310,044	10,573,977	117,884,021

(viii) Tax assessments

The Company has not received any Final Assessment Notice (FAN) for the year ended December 31, 2024.

(ix) Tax cases

As at December 31, 2024, the Company does not have tax assessments which are either pending decision by the court or are being contested. In addition, the Company does not have any pending tax cases outside the administration of Bureau of Internal Revenue (BIR).

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. CS201718182
COMPANY TIN 009-690-653

CERTIFICATE OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Articles of Incorporation and By-Laws of

MAKATI CORNERSTONE LEASING CORP.

were duly approved by the Commission on this date upon the issuance of this Certificate of Incorporation in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg.68), and copies of said Articles and By-Laws are hereto attached.

This Certificate grants juridical personality to the corporation but does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

As a registered corporation, it shall submit annually to this Commission the reports indicated at the back of this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Pasay City, Metro Manila, Philippines, this 5th day of June, Twenty Seventeen.

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

BUWIS KENTASI NTERNAS DST 428.16 194062

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SEC Reportorial and Monitoring Requirements for Domestic Corporations

DOCUMENT	Filing Period
General Information Sheet (GIS) The GIS should be certified and sworn to by the corporate secretary. The GIS of domestic corporations, except banks and insurance companies, with annual gross sales or gross revenues of at least Php5,000,000.00 shall also be submitted in ***electronic format*** (i.e. on diskettes or compact disc)	**Within 30 calendar days from the date of the actual annual stockholders' or members' meeting:** - if unable to hold stockholders' or members' meeting for the calendar year not later than January 30 of the next calendar year - all changes arising between annual meetings and those affecting the information stated in the GIS shall be reflected in an amended GIS labeled as such and the changes clearly highlighted; the amended GIS shall be submitted within 30 calendar days after the occurrence or effectivity of such change.
Financial Statements (FS) stamped "received" by the Bureau of Internal Revenue The FS of the following domestic corporations shall be audited by an independent certified public accountant (CPA) accredited with the Board of Accountancy (BOA) a.) stock corporations with paid-up capital Php50,000.00 ***or more*** ; and b.) non-stock corporations with annual gross receipts of Php100,000.00 ***or more*** , or total assets of Php500,000.00 or more The FS of the following domestic corporations shall, at the minimum, be certified under oath by the treasurer of the corporation: a.) stock corporations with paid-up capital of less than Php50,000.00; and b.) non-stock corporations with annual gross receipts of less than Php100,000.00 or total assets of less than Php500,000.00	**Within 120 calendar days after the end of the fiscal year as specified in the by-laws**
The FS of the domestic corporations, except banks and insurance companies, with annual gross sales or gross revenues of at least Php5,000,000.00 shall also be submitted in electronic format (i.e. on diskettes or compact disc)	**Within 30 days from the last day of submission of the FS**
Affidavit of Non-Operation (in addition to the GIS and the Financial Statements stamped "received" by the Bureau of Internal Revenue), in case of non-operation	**Within 120 days after the end of the fiscal year as specified in the by-laws**
Stock and Transfer Book (for stock corporation) or **Membership Book** (for non-stock corporation)	**Within 30 days from the date of the issuance of the certificate of incorporation**

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UNIFIED REGISTRATION RECORD (URR)

COMPANY NAME	SEC REGISTRATION NUMBER
MAKATI CORNERSTONE LEASING CORP.	CS201718182
	TAX IDENTIFICATION NUMBER (TIN)
BUSINESS/TRADE NAMES	009-690-653-000
	PAG-IBIG EMPLOYER NUMBER (Eyer ID)
	207446350000
	PHILHEALTH EMPLOYER NUMBER (PEN)
PRINCIPAL ADDRESS	
28/F TOWER1&EXCHANGE PLAZA AYALATRIANGLE AYALA AVE. MAKATI, METRO MANILA	SSS EMPLOYER NUMBER (ER No.)
	0395730399

PHONE NO.	02-9083804	FAX NO.	
MOBILE NO.		E-MAIL ADDRESS	

AUTHORIZED REPRESENTATIVE (to be filled up by company - for presentation to social agencies)

06-05-2017 05:15:45 PM

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COVER SHEET

for Applications at

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application	SEC Registration Number
REGISTRATION	

Company Name

MAKATI CORNERSTONE LEASING

Principal Office (No./Street/Barangay/City/Town/Province)

28TH FLOOR TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE AYALA AVE. MAKATI CITY

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	(02) 908-3804	

Contact Person	Contact Person's Telephone Number
ANGELICA C. DELA ROSA	(02) 908-3804

delarosa.ang@ayalaland.com.ph

Contact Person's Address

Rm 308 Sunrise Condo Building, 226 Ortigas Avenue, San Juan City

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To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor		
Document I.D.		
Received by Corporate Filing and Records Division (CFRD)		
Forwarded to:		
☐ Corporate and Partnership Registration Division		
☐ Green Lane Unit		
☐ Financial Analysis and Audit Divison		
☐ Licensing Unit		
☐ Compliance Monitoring Division		

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SECURITIES AND EXCHANGE COMMISSION
Green Lane Unit CRMD
JUN 02 2017
RECEIVED
By: Time: 11:08AM

ARTICLES OF INCORPORATION

OF

MAKATI CORNERSTONE LEASING CORP.

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a stock corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY THAT:

FIRST. The name of the Corporation shall be:

MAKATI CORNERSTONE LEASING CORP.

SECOND. That the purposes for which the Corporation is formed are:

PRIMARY PURPOSE

To develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial, residential, industrial or agricultural lands, buildings, structures or apertures, to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing.

SECONDARY PURPOSES

1. To deposit or invest its funds in any banking institutions, buildings and loan associations, or realty estate corporations and to withdraw or dispose of any deposits or investments so made.

2. To engage in the business of promoting, managing, administering, or assisting in any operation or business whose underlying securities or assets consists chiefly of real property or any interest therein including the discounting or land purchases contracts without acting as stock broker or dealer in securities.

3. To promote, underwrite, contract for, manage, or administer, alone or jointly with others, any building operation, mortgage bond issues, real estate developments or any other transactions, real estate developments, or any other transactions involving rights to real estate or any interest therein without acting as managers of real estate investment trusts.

4. Insofar as the laws of the Philippines, to permit, purchase, invest or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of personal properties of every kind and description, including shares of stock, bonds, debentures, contracts, or

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obligations of any corporation, association, domestic or foreign, engaged in dealing in the same or similar business.

5. To establish and conduct a general amusement or entertainment enterprise and to furnish amusement or entertainment to the public, as well as to acquire, establish, own, hold, sell, lease, conduct and manage fairs, cinema houses, carnivals, exhibitions, contests, theatrical productions or amusement or entertainment enterprises of every kind and nature.

6. To deal, engage, and transact, directly or indirectly, in all forms of activities and mercantile acts and transactions concerning all kinds of real or personal property, goods, wares, chattel, choses in action, tangible and intangible properties, technical and industrial equipment, personal and real rights, commercial papers, evidence of indebtedness, or other forms of obligations, services, and all other things including future ones, which are not excluded from the commerce of men or which are not contrary to law or good morals.

7. To carry and undertake any activity or operation commonly carried on by persons, natural or artificial, engaged in the manufacture, production, exportation, importation, wholesale, retail, promotion and merchandising of any and all kinds of merchandise, goods and wares which are lawful objects of commerce.

8. In general, to carry on any other lawful activity whatsoever in connection with the foregoing or which is calculated, directly or indirectly, to promote the interest of the Corporation or to enhance the value of its properties and do each and everything necessary, suitable or proper for the accomplishment of any of the purposes, or which shall at any time appear conducive to, or expedient for, the protection or benefit of the Corporation.

THIRD. The place where the principal office of the Corporation is to be established is at the 28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City, 1226, Metro Manila but it may establish branch offices in any part of the Philippines as may be approved by the Board of Directors.

FOURTH. The term for which the Corporation is to exist is fifty (50) years from and after the date of issuance of the certificate of incorporation.

FIFTH. The names, nationalities, and residences of the incorporators are as follows:

Name	Nationality	Residence
Jose Emmanuel H. Jalandoni	Filipino	[redacted]
Maria Rowena M. Tomeldan	Filipino	
Carol T. Mills	Filipino	
Francisco Ma. D. Roxas	Filipino	
Ruby P. Chiong	Filipino	

SIXTH. The number of directors of the Corporation is five (5) who are also the incorporators.

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SEVENTH. That the authorized capital stock of the Corporation is Five Billion Nine Hundred Million Pesos (PhP5,900,000,000.00), Philippine Currency, consisting of:

(i) One Million Five Hundred Forty-Two Thousand Five Hundred (1,542,500) Common Shares with a par value of One Thousand Pesos (Php1,000.00) per share or a total par value of One Billion Five Hundred Forty-Two Million Five Hundred Thousand Pesos (Php1,542,500,000.00);

(ii) One Million Four Hundred Fifty-Two Thousand Five Hundred (1,452,500) Redeemable Preferred A Shares with a par value of One Thousand Pesos (Php1,000.00) per share or a total par value of One Billion Four Hundred Fifty-Two Million Five Hundred Thousand Pesos (Php1,452,500,000.00), provided that the Redeemable Preferred A Shares shall have the following features:

(a) With voting rights;

(b) Participate in dividends declared for Common Shares, as may be determined and approved by the Board of Directors;

(c) Preference over holders of Common Shares in the distribution of corporate assets in the event of dissolution and liquidation of the Corporation and in the payment of dividend;

(d) Redeemable at the option of the Corporation at issue value and under such terms that the Board of Directors may determine, in any case subject to the payment of all accrued and unpaid dividends on the shares, and once redeemed, may be reissued for a reasonable price fixed by the Board of Directors.

(iii) Two Million Nine Hundred Five Thousand (2,905,000) Redeemable Preferred B Shares with a par value of One Thousand Pesos (Php1,000.00) per share or a total par value of Two Billion Nine Hundred Five Million Pesos (Php2,905,000,000.00), provided that the Redeemable Preferred Shares B shall have the following features:

a. With voting rights;

b. Entitled to receive dividends at 5% per annum, repriceable, payable semi-annually;

c. Shall have priority over the Common Shares in the allocation of unrestricted retained earnings for the declaration of dividends (whether in the form of the profits or in connection with liquidation) in such form as may be decided by the Board of Directors;

d. Non-cumulative;

e. Non-participating in any other or further dividends beyond that specifically payable on the shares;

f. No pre-emptive rights to any issue of shares, Common or Preferred;

g. Redeemed at the option of the Corporation at issue value and under such terms that the Board of Directors may determine, and once redeemed, may be reissued for a reasonable price fixed by the Board of Directors.

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EIGHTH. The subscribers to the capital stock and the amount paid-in to their subscriptions are as follows:

Name	Nationality	Type of Share	No. of Shares Subscribed	Amount Subscribed (in PhP)	Amount Paid (in PhP)
Ayala Land, Inc.	Filipino	Common	385,620	385,620,000.00	96,405,000.00
TIN No.		Preferred A	363,125	363,125,000.00	90,781,250.00
000-153-790-000		Preferred B	726,250	726,250,000.00	181,562,500.00
Jose Emmanuel H. Jalandoni	Filipino	Common	1	1,000.00	1,000.00
Maria Rowena M. Tomeldan	Filipino	Common	1	1,000.00	1,000.00
Carol T. Mills	Filipino	Common	1	1,000.00	1,000.00
Francisco Ma. D. Roxas	Filipino	Common	1	1,000.00	1,000.00
Ruby P. Chiong	Filipino	Common	1	1,000.00	1,000.00
TOTAL		Common	385,625	385,625,000.00	96,410,000.00
		Preferred A	363,125	363,125,000.00	90,781,250.00
		Preferred B	726,250	726,250,000.00	181,562,500.00
			1,475,000	1,475,000,000.00	368,753,750.00

NINTH. No transfer of stock or interest which would reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Corporation and this restriction shall be indicated in all the stock certificates issued by the Corporation.

TENTH. Ruby P. Chiong has been elected by the subscribers as treasurer of the Corporation to act as such until her successor is duly elected and qualified to receive for and in the name and for the benefit of the Corporation, all subscriptions paid in by the subscribers.

ELEVENTH. The incorporators undertake to change the name of the Corporation as herein provided, or as amended thereafter, immediately upon receipt of notice of directive from the Securities and Exchange Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that the name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good customs or public policy.

[Signature page follows]

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IN WITNESS WHEREOF, we have set our hands this MAR 0 3 2017 at Makati City.

JOSE EMMANUEL H. JALANDONI

MARIA ROWENA M. TOMELDAN

CAROL T. MILLS

RUBY P. CHIONG

FRANCISCO MA. D. ROXAS

WITNESSES:

JULIE ANN M. BELARMINO

[Acknowledgment page follows]

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ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

I certify that, on this date, before me, a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

	Competent Evidence of Identity		
Name	*TIN*	*Government ID No.*	*Date/Place Issued*
Jose Emmanuel H. Jalandoni Maria Rowena M. Tomeldan Ruby P. Chiong Carol T. Mills Francisco Ma. D. Roxas	[redacted]		

who are personally known to me to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date at the place hereinabove written.

Doc. No. 65;
Page No. 12;
Book No. I;
Series of 2016.

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

NIMFA L. PEREZ-PARAS
NOTARY PUBLIC
ROLL NO. 37625
MAKATI CITY, PHILIPPINES

NIMFA L. PEREZ-PARAS
Notary Public – Makati City
[redacted]

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REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

TREASURER'S AFFIDAVIT

I, **RUBY P. CHIONG**, having been duly sworn in accordance with law, hereby depose and state that:

I am the elected Treasurer of MAKATI CORNERSTONE LEASING CORP.;

As Treasurer, I am authorized to act as such until my successor has been duly elected and qualified in accordance with the By-Laws of the Corporation;

I certify that twenty-five percent (25%) of the authorized capital stock of the abovementioned Corporation has been subscribed, Three Hundred Sixty-Eight Million Seven Hundred Fifty-Three Thousand Seven Hundred Fifty Pesos (PhP368,753,750.00) has been paid, and received by me in cash for the benefit and credit of the Corporation.

IN WITNESS WHEREOF, I hereby sign this Affidavit this MAR 0 6 2017 in Makati City, Philippines.

RUBY P. CHIONG
Treasurer-in-Trust
TIN 132-204-947

SUBSCRIBED AND SWORN to before me this MAR 0 6 2017 at Makati City, affiant exhibiting to me her Passport with [redacted] expiry date on 19 November 2018 issued at DFA, Manila, as competent evidence of identity

Doc. No. 420;
Page No. 86;
Book No. III;
Series of 2017.

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

JOANNE M. LIM
NOTARY PUBLIC
ROLL NO. 55362
MAKATI CITY, PHILIPPINES

JOANNE M. LIM
Notary Public – Makati City
[redacted]

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BY-LAWS

OF

MAKATI CORNERSTONE LEASING CORP.

Article I
Subscription, Issuance and Transfer of Shares

Section 1. Subscription. Subscribers to the capital stock of the Corporation shall pay to the Corporation the subscription value or the subscription price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. Certificates. The stockholder shall be entitled to one or more certificates for each fully paid stock subscription in his name in the books of the Corporation. The stock certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificates shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

Section 3. Transfer of Shares. Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, assigned or pledged by the delivery of the certificates duly endorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the Corporation only upon record thereof in the books of the Corporation. The Secretary shall cancel the stock certificates and issue new certificates to the transferee.

No shares of stock against which the Corporation holds an unpaid claim shall be transferable in the books of the Corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. Lost Certificates. In case any certificate is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

Article II
Meetings of Stockholders

Section 1. Annual/Regular Meetings. The annual meetings of stockholders shall be held at the principal office or at any place designated by the Board of Directors on the third Friday of July of each year, or if a legal holiday, then on the day following.

Section 2. Special Meeting. The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, or (b) by the President.

Section 3. Place of Meeting. Stockholders' meetings, whether regular or special, shall be held at the principal of the Corporation or at any place designated by the Board of Directors.

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Section 4. Notice of Meeting. Notices for regular or special meetings of stockholders may be sent by the Secretary to each stockholder by personal delivery or by mail, postal or electronic, addressed to the physical or electronic or e-mail address of the stockholder registered in the books of the Corporation, at least two (2) weeks prior to the date of the meeting. The notice shall state the place, date and hour of the meeting, and a statement of matters to be transacted at the meeting.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. Quorum. Unless otherwise provided by law, in all regular or special meetings of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Section 6. Conduct of Meeting. Meetings of the stockholders shall be presided over by the Chairman, or in his absence, the President or if none of the foregoing is in office, present and acting, by a chairman to be chosen by the stockholders. The Secretary shall act as secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting.

Section 7. Manner of Voting. At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to the scheduled meeting or by their personal presence at the meeting.

Section 8. Closing of Transfer Books or Fixing of Record Date. For the purpose of determining the stockholders entitled to notice of, or to vote at, any meetings of stockholders or any adjournment thereof, or to receive payment of any dividend, or to exercise any right under the law, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

Article III
Board of Directors

Section 1. Powers of the Board. Unless otherwise provided by law, the corporate powers of the Corporation shall be exercised, all business conducted and all property of the Corporation controlled and held by the Board of Directors to be elected by the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following express powers:

a) From time to time, to make and change rules and regulations not inconsistent with these By-Laws for the management of the Corporation's business and affairs;

b) To purchase, receive, take or otherwise acquire for and in the name of the Corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board of Directors may deem proper or convenient;

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c) To invest the funds of the Corporation in another corporations or for purposes other than those for which the Corporation was organized, subject to such stockholders' approval as may be required by law;

d) To incur such indebtedness as the Board of Directors may deem necessary, to issue evidence of indebtedness, including without limitation, notes, deeds of trust, bonds, debentures or securities, subject to such stockholders' approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties and rights of the Corporation;

e) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the Corporation;

f) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the Corporation or its officers are either plaintiffs or defendants in connection with the business of the Corporation;

g) To delegate, from time to time, any of the powers of the Board of Directors which may lawfully be delegated in the course of the current business of the Corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the Corporation with such powers and upon such terms as may be deemed fit;

h) To implement these By-Laws and to act on any matter not covered by these By-Laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.

Section 2. Election and Term. The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

Section 3. Vacancies. Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or special meeting of stockholders called for the purpose, after giving notice as prescribed in these By-Laws.

Section 4. Meetings. Regular meetings of the Board of Directors shall be held quarterly on such dates and at places as the Chairman of the Board of Directors shall decide, or upon the request of a majority of the Directors.

Section 5. Notice. Written notice of the regular or special meeting of the Board of Directors, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message, postal or electronic, addressed to the physical or electronic or e-mail address of the director. A director may waive this requirement, either expressly or impliedly.

Section 6. Quorum. A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board of Directors.

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Section 7. Conduct of Meetings. Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors, or in his absence, the President or if none of the foregoing is in office, present and acting, by any other director chosen by the Board of Directors. The Secretary shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary for the meeting.

The directors may attend any meeting of the Board of Directors either in person, or by means of telephone conferencing, video conferencing or similar communications equipment in accordance with the requirements of applicable laws and regulations. A director participating by telephone conference or video conference or such other similar communications equipment shall also be deemed to be present in person at such meeting and shall be entitled to vote and be considered for purposes of determining a quorum.

Article IV
Officers

Section 1. Election/Appointment. Immediately after the election, the Board of Directors, may formally organize by electing the Chairman, the President, the Treasurer, the Chief Finance Officer, the Secretary and Assistant Secretary at said meeting.

The Board may from time to time, appoint such other officers as it may determine to be necessary or proper. Any two or more compatible positions may be held concurrently by the same person, except that no one shall act as President and Treasurer, or Secretary at the same time.

Section 2. Chairman of the Board. The Chairman of the Board of Directors shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him.

Section 3. President. The President, who shall be a director, shall be the Chief Executive Officer of the Corporation and shall also have administration and direction of the day-to-day business affairs of the Corporation. He shall also exercise the following functions:

a) To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman of the Board of Directors;

b) To initiate and develop corporate objectives and policies and formulate long-range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;

c) To have general supervision and management of the business affairs and property of the Corporation;

d) To ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control;

e) Subject to the guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the Corporation, prescribe their duties, and determine their salaries;

f) To oversee the preparation of the budgets and the statements of accounts of the Corporation;

g) To prepare such statements and reports of the Corporation as may be required of him by law;

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h) To represent the Corporation at all functions and proceedings;

i) To execute, on behalf of the Corporation, all contracts, agreements and other instruments affecting the interests of the Corporation, which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;

j) To make reports to the Board of Directors and stockholders;

k) To sign certificates of stock; and

l) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

The President may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer(s), subject always to his supervision and control.

Section 4. Secretary. The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties:

a) To record the minutes and transactions of all meetings of the directors and stockholders and to maintain minute books of such meetings in the form and manner required by law;

b) To keep record books showing the details required by law with respect to the stock certificates of the Corporation, including ledgers and transfer books showing all shares of the Corporation subscribed, issued and transferred;

c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature to all corporate documents requiring the same;

d) To attend to the giving and serving of all notices of the Corporation required by law or these By-Laws to be given;

e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;

f) To act as the inspector at the election of directors and as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum and the validity and effect of proxies; to receive votes, ballots or consents; to hear and determine questions in connection with the right to vote; to count and tabulate all votes, determine the result and do such acts as are proper to conduct the election; and

g) To perform such other duties as are incidental to his office or as may be assigned to him by the Board of Directors or the President.

Section 5. Assistant Secretary. He shall, if qualified, act as Secretary in the absence of the latter. He shall have such powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 6. Treasurer. The Treasurer of the Corporation shall have the following duties:

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a) To keep full and accurate accounts of receipts and disbursements in the books of the Corporation;

b) To have custody of and be responsible for all the funds, securities and bonds of the Corporation;

c) To deposit in the name and to the credit of the Corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds and similar valuable effects belonging to the Corporation which may come under his control;

d) To be primarily responsible in securing the necessary credit lines and/or funds required by the Corporation; and

e) To exercise such powers and perform such duties and functions as may be assigned to him by the Board of Directors or by the President.

Section 7. Chief Finance Officer. The Chief Finance Officer shall serve as the Controller and shall have the following responsibilities:

a) To have custody of all of the Corporation's books of account, including oversight in the maintenance of these books of account and records of all assets, liabilities and transactions of the Corporation to ascertain accuracy and completeness;

b) To render an annual statement showing the financial condition of the Corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;

c) To prepare financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies; and

d) To exercise such powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

Section 8. Term of Office. The term of office of all officers shall be for a period of one (1) year and until their successors are duly elected and qualified. Such officers may, however, be sooner removed for cause.

Section 9. Vacancies. If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

Section 10. Compensation. The officers shall receive such remuneration as the Board of Directors may determine. All officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A director shall not be precluded from serving the Corporation in any other capacity as an officer, agent or otherwise and receiving compensation therefor.

Article V
Committees

Section 1. **Executive Committee.** There shall be an Executive Committee composed of not less than three (3) members from the Board of Directors to be appointed by the Board of Directors which, in

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accordance with the authority granted by the Board of Directors or during the absence of the Board of Directors, shall act by majority vote of all its members on such specific matters within the competence of the Board of Directors as may from time to time be delegated to the Executive Committee, except with respect to:

(a) Approval of any action for which shareholders' approval is also required;

(b) The filling of vacancies on the Board of Directors or in the Executive Committee;

(c) The amendment, repeal or adoption of Articles of Incorporation and By-Laws of the Corporation;

(d) The amendment or repeal of any resolution of the Board of Directors, which by its express terms is not so amendable or repealable;

(e) The distribution of cash dividends; and

(f) The exercise of powers delegated by the Board of Directors exclusively to other committees, if any.

All actions of the Executive Committee shall be reported to the Board of Directors at the meeting thereof following such action and shall be subject to revision or alteration by the Board of Directors, provided that no rights or acts of third parties shall be affected by such revision or alteration.

Section 2. Other Committees. The Board of Directors may also create such other committees as it may deem necessary.

Article VI
Offices

Section 1. The principal office of the Corporation shall be located at the place stated in the Article III of the Articles of Incorporation. The Corporation may have such other branch offices, either within or outside the Philippines, as the Board of Directors may designate.

Article VII
Audit of Books, Fiscal Year and Dividends

Section 1. External Auditors. At the annual stockholders' meeting, the external auditors of the Corporation for the ensuing year shall be appointed. The external auditors shall examine, verify and report on the earnings and expenses of the Corporation.

Section 2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

Section 3. Dividends. Dividends shall be declared and paid out of the unrestricted retained earnings and shall be payable in cash, property or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

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Article VIII
Amendments

Section 1. These By-Laws may be amended or repealed or new by-laws adopted by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new By-Laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of power to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of the stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

Article IX
Seal

Section 1. Form and Inscription. The Corporate seal shall be determined by the Board of Directors.

Article X
Adoption Clause

The foregoing By-Laws were adopted by all the stockholders of the Corporation on MAR 0 3 2017 at the principal office of the Corporation.

IN WITNESS WHEREOF, we, the undersigned stockholders present at said meeting and voting thereat in favor of the adoption of said By-Laws, have hereunto subscribed our names this MAR 0 3 2017 at Makati City.

JOSE EMMANUEL H. JALANDONI

MARIA ROWENA M. TOMELDAN

CAROL T. MILLS

RUBY P. CHIONG

FRANCISCO MA. D. ROKAS

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Finish

Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION

Reservation Payment Confirmation

This certifies that the name **MAKATI CORNERSTONE LEASING CORP.** has been reserved from **March 7, 2017 to June 5, 2017.**

Reference Reservation Number (RRN): **RRN20170307134141832**

Type of Industry: Real Estate Activities With Own Or Leased Property

Breakdown of Fees:

Reservation Fee: Php 40.00

TOTAL: Php 40.00

Important Reminders:

NOTE: The fact that the name is available at the date verified, it is not to be regarded as an approval of the registration of the company or any application for change of name. No expense for printing of materials using a verified name should be incurred until registration takes effect. As this is a computer printout, any erasure or alteration on this document nullifies verification.

The applicant undertakes to change the reserved name in case another person or firm has acquired a prior right to the use of the said firm name or the same is deceptively or confusingly similar to one already registered.

Please do not pay for your Name Reservation and Extension WITHIN THE SAME DAY via Funds Transfer. You may course your payment at any selected UnionBank branches or at the SEC Teller.

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www.sec.gov.ph

5/5/2017 3:3

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OFFICIAL RECEIPT
Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554

Accountable Form No. 51 Revised 2006	**ORIGINAL**
DATE June 2, 2017	**No.** 1539946

PAYOR MAKATI CORNERSTONE LEASING CORP.
MAKATI CITY

NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
REGISTRATION	605	CRMD	11,890,000.00
LRF (40823)	131	CRMD	118,010.00
BY-LAWS	605	CRMD	1,000.00
		TOTAL	PHP 11,919,010.00

6-7-17 RECEIVED 6-06-17 CORPORATE FINANCE MONITORING DEPT. SEC COMPANY

AMOUNT IN WORDS
ELEVEN MILLION NINE HUNDRED NINETEEN THOUSAND AND 00/100

Received	Received the Amount Stated Above
☐ Cash ☐ Treasury Warrant ☑ Check ☐ Money Order	
Treasury Warrant, Check, Money Order Number Check-Deutsche Bank-1003794534	Kimberly C. Bales **COLLECTING OFFICER**
Date of Treasury Warrant, Check, Money Order 6/7/17	**O.R. No.** 1539946

NOTE: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

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Securities and Exchange Commission
PHILIPPINES

COMPANY REGISTRATION AND MONITORING DEPARTMENT

DIRECTORS/INCORPORATORS

Gentlemen:

Please be advised that the Commission was not able to receive the **Phil-Health** (Social Agencies) Employer Registration Number (ERN) due to system error encountered in the Integrated Business Registry System (IBRS).

Please be advised to apply before the said Social Agencies for your ERN. Attached is a copy of your Certificate of Incorporation.

Yours most respectfully,

FERDINAND B. SALES
Director

SEC Building, EDSA, Greenhills, Mandaluyong City | (+632) 584-0923 / (+632) 584-5554
www.sec.gov.ph | inquiry@sec.gov.ph

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SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: ARIEL FETALVO
Receipt Date and Time: January 22, 2026 10:25:35 PM

Company Information

SEC Registration No.: CS201718182
Company Name: MAKATI CORNERSTONE LEASING CORP.
Industry Classification: K70100
Company Type: Stock Corporation

Document Information

Document ID: OST10122202683892372
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: December 23, 2025
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2025

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**DATE REGISTERED:**
MAKATI CORNERSTONE LEASING CORP.	JUNE 5, 2017
BUSINESS/TRADE NAME:	
MAKATI CORNERSTONE LEASING CORP.	**FISCAL YEAR END:**
SEC REGISTRATION NUMBER:	
CS201718182	December 31
DATE OF ANNUAL MEETING PER BY-LAWS:	**CORPORATE TAX IDENTIFICATION NUMBER (TIN)**
EVERY 3RD FRIDAY OF JULY OF EACH YEAR	009-690-653
ACTUAL DATE OF ANNUAL MEETING:	**WEBSITE/URL ADDRESS:**
DECEMBER 23, 2025	N.A.
COMPLETE PRINCIPAL OFFICE ADDRESS:	**E-MAIL ADDRESS:**
28TH FLOOR, TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY	N.A.
COMPLETE BUSINESS ADDRESS:	**FAX NUMBER:**
28TH FLOOR, TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY	N.A.

OFFICIAL E-MAIL ADDRESS	**ALTERNATE E-MAIL ADDRESS**	**OFFICIAL MOBILE NUMBER**	**ALTERNATE MOBILE NUMBER**
corporateservices@aglegal.com.ph	[redacted]	[redacted]	[redacted]

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER:		**SEC ACCREDITATION NUMBER (if applicable):**	**TELEPHONE NUMBER(S):**
ISLA LIPANA & CO.	DEXTER DJ V. TOLEDAÑA	N.A.	N.A.
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:		**INDUSTRY CLASSIFICATION:**	**GEOGRAPHICAL CODE:**
Please see Annex "A"		REAL ESTATE ACTIVITIES WITH OWN OR LEASED PROPERTY	N.A.

========== **INTERCOMPANY AFFILIATIONS** ==========

PARENT COMPANY	**SEC REGISTRATION NO.**	**ADDRESS**
AYALA LAND, INC.	152747	31ST FLOOR, TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
N.A.		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: **MAKATI CORNERSTONE LEASING CORP.**

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ◉ **Yes** ○ **No**

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☑ None of the above

Describe nature of business: REAL ESTATE AS PROVIDED UNDER RA 11521

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ◉ **Yes** ○ **No**

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **MAKATI CORNERSTONE LEASING CORP.**

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	1,542,500	1,000.00	1,542,500,000.00
	PREFERRED A***	1,452,500	1,000.00	1,452,500,000.00
	PREFERRED B***	2,905,000	1,000.00	2,905,000,000.00
	TOTAL	**5,900,000**	**TOTAL P**	**5,900,000,000.00**

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	578,820	N.A.	1,000.00	578,820,000.00	26%
	1	PREFERRED A	363,125	N.A.	1,000.00	363,125,000.00	16%
	1	PREFERRED B	1,272,016	N.A.	1,000.00	1,272,016,000.00	57%
		TOTAL	**2,213,961**	**TOTAL**	**TOTAL P**	**2,213,961,000.00**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N.A.							
Percentage of Foreign Equity :	0%	**TOTAL**	**0**	**TOTAL**	**TOTAL P**	**0.00**	**0%**
					TOTAL SUBSCRIBED P	**2,213,961,000.00**	**100%**

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	6	COMMON	578,820	1,000.00	578,820,000.00	26%
	1	PREFERRED A	363,125	1,000.00	363,125,000.00	16%
	1	PREFERRED B	1,272,016	1,000.00	1,272,016,000.00	57%
		TOTAL	**2,213,961**	**TOTAL P**	**2,213,961,000.00**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
N.A.						
		TOTAL	**0**	**TOTAL P**	**-**	**0%**
				TOTAL PAID-UP P	**2,213,961,000.00**	**100%**
				TOTAL CAPITALIZATION P	**2,213,961,000.00**	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

*** With voting rights.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME **MAKATI CORNERSTONE LEASING CORP.**

D I R E C T O R S / O F F I C E R S

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. JOSE RAMON E. KATIPUNAN [redacted]	FILIPINO	N	C	M	Y	CHAIRMAN	N.A.	[redacted]
2. TOMAS JULIAN R. SANTOS [redacted]	FILIPINO	N	M	M	Y	PRESIDENT	N.A.	[redacted]
3. ROANN F. HINOLAN-BATOON [redacted]	FILIPINO	N	M	F	Y	N.A.	N.A.	[redacted]
4. PATRICIA GAIL Y. SAMANIEGO [redacted]	FILIPINO	N	M	F	Y	N.A.	N.A.	[redacted]
5. DANIEL JAN E. DEL MUNDO [redacted]	FILIPINO	N	M	M	Y	CHIEF FINANCE OFFICER & TREASURER	N.A.	[redacted]
6. MARIA PAULA G. ROMERO-BAUTISTA [redacted]	FILIPINO	N	-	F	N	CORPORATE SECRETARY	N.A.	[redacted]
7. LINDEZA R. ROGERO-GAVINO [redacted]	FILIPINO	N	-	F	N	ASSISTANT CORPORATE SECRETARY	N.A.	[redacted]
8. -NOTHING FOLLOWS-								
9.								
10.								
11.								
12.								
13.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**MAKATI CORNERSTONE LEASING CORP.**
TOTAL NUMBER OF STOCKHOLDERS: 6	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:** 1
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	PhP 8,621,540,878.00

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1 AYALA LAND, INC. FILIPINO [redacted]	COMMON	578,815	578,815,000.00	100.00%	2,213,956,000.00	[redacted]
	PREFERRED A	363,125	363,125,000.00			
	PREFERRED B	1,272,016	1,272,016,000.00			
	TOTAL	**2,213,956**	**2,213,956,000.00**			
2. JOSE RAMON E. KATIPUNAN FILIPINO [redacted]	COMMON	1	1,000.00	0.00%	1,000.00	[redacted]
	TOTAL	**1**	**1,000.00**			
3. TOMAS JULIAN R. SANTOS FILIPINO [redacted]	COMMON	1	1,000.00	0.00%	1,000.00	[redacted]
	TOTAL	**1**	**1,000.00**			
4. ROANN F. HINOLAN-BATOON FILIPINO [redacted]	COMMON	1	1,000.00	0.00%	1,000.00	[redacted]
	TOTAL	**1**	**1,000.00**			
5. PATRICIA GAIL Y. SAMANIEGO FILIPINO [redacted]	COMMON	1	1,000.00	0.00%	1,000.00	[redacted]
	TOTAL	**1**	**1,000.00**			
6. DANIEL JAN E. DEL MUNDO FILIPINO [redacted]	COMMON	1	1,000.00	0.00%	1,000.00	[redacted]
	TOTAL	**1**	**1,000.00**			
7. -NOTHING FOLLOWS-						
	TOTAL AMOUNT OF SUBSCRIBED CAPITAL		2,213,961,000.00	**100.00%**	**2,213,961,000.00**	
	TOTAL AMOUNT OF PAID-UP CAPITAL					
	TOTAL CAPITALIZATION				**2,213,961,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**MAKATI CORNERSTONE LEASING CORP.**		
TOTAL NUMBER OF STOCKHOLDERS:	6	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	**1**
TOTAL ASSETS BASED ON LATEST AUDITED FS:	PhP 8,621,540,878.00		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. N.A.				0.00%		
9.				0.00%		
10.				0.00%		
11.				0.00%		
12.				0.00%		
13.				0.00%		
14.				0.00%		
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			2,213,961,000.00	**100.00%**		
TOTAL AMOUNT OF PAID-UP CAPITAL					**2,213,961,000.00**	
TOTAL CAPITALIZATION					**2,213,961,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**MAKATI CORNERSTONE LEASING CORP.**		
TOTAL NUMBER OF STOCKHOLDERS:	6	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	1
TOTAL ASSETS BASED ON LATEST AUDITED FS:	PhP 8,621,540,878.00		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15. N.A.				0.00%		
16.				0.00%		
17.				0.00%		
18.				0.00%		
19.				0.00%		
20.				0.00%		
21.				0.00%		
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			2,213,961,000.00	**100%**		
				TOTAL AMOUNT OF PAID-UP CAPITAL	**2,213,961,000.00**	
				TOTAL CAPITALIZATION	**2,213,961,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: **MAKATI CORNERSTONE LEASING CORP.**

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	**AMOUNT (PhP)**	**DATE OF BOARD RESOLUTION**
1.1 STOCKS	N.A.	N.A.
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N.A.	N.A.
1.3 LOANS/ CREDITS/ ADVANCES	N.A.	N.A.
1.4 GOVERNMENT TREASURY BILLS	N.A.	N.A.
1.5 OTHERS	N.A.	N.A.

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	**DATE OF BOARD RESOLUTION**	**DATE OF STOCKHOLDERS RATIFICATION**
N.A.		

3. TREASURY SHARES	**NO. OF SHARES**	**% AS TO THE TOTAL NO. OF SHARES ISSUED**
	N.A.	**N.A.**

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: **PhP** **14,584,077.00**

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: **N.A.**

TYPE OF DIVIDEND	**AMOUNT (PhP)**	**DATE DECLARED**
5.1 CASH		
5.2 STOCK		
5.3 PROPERTY		
TOTAL	**0.00**	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD: **N.A.**

DATE	**NO. OF SHARES**	**AMOUNT**

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	**SEC**	**B S P**	**I C**
TYPE OF LICENSE/REGN.	N.A.	N.A.	N.A.
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	**TOTAL NO. OF OFFICERS**	**TOTAL NO. OF RANK & FILE EMPLOYEES**	**TOTAL MANPOWER COMPLEMENT***
N.A.	**5**	**0**	**125**

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**Manpower complement is composed of service providers engaged by the Company.*

I, MARIA PAULA G. ROMERO-BAUTISTA, Corporate Secretary of MAKATI CORNERSTONE LEASING CORP., declare under penalty of perjury that all matters set forth have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this JAN 22 2026 in Makati City.

MARIA PAULA G. ROMERO-BAUTISTA
Corporate Secretary

SUBSCRIBED AND SWORN TO to me this JAN 22 2026 at Makati City, the affiant exhibited to me, as competent evidence of identity, her [redacted] Department of Foreign Affairs in Manila, Philippines.

DOC NO. 208;
PAGE NO. 43;
BOOK NO. IV;
SERIES OF 2026.

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Court's copy.

JOHN PAULO S. VICENCIO
NOTARY PUBLIC
ROLL NO. 78727
MAKATI CITY, PHILIPPINES

JOHN PAULO S. VICENCIO
Notary Public – Makati City
[redacted]

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	0	1	6	7	7	4

COMPANY NAME

N	O	R	T	H		T	R	I	A	N	G	L	E		H	O	T	E	L		V	E	N	T	U	R	E	S	,
I	N	C	.		D	O	I	N	G		B	U	S	I	N	E	S	S		U	N	D	E	R		T	H	E		
N	A	M	E		A	N	D		S	T	Y	L	E		O	F		S	E	D	A		V	E	R	T	I	S		
N	O	R	T	H																										

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

3	F		W	e	s	t		T	o	w	e	r	,		S	e	d	a		B	G	C	,		3	0	t	h	
S	t	r	e	e	t		C	o	r	n	e	r		1	1	t	h		A	v	e	n	u	e	,		B	o	n	
i	f	a	c	i	o		G	l	o	b	a	l		C	i	t	y	,		1	6	3	4	,		T	a	g	u	
i	g		C	i	t	y	,		M	e	t	r	o		M	a	n	i	l	a											

Form Type	Department requiring the report	Secondary License Type, if Applicable
A A F S	S E C	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
[redacted]	[redacted]	[redacted]

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	2nd Wednesday of March	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Elaine Marie F. Alzona	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

3rd West Tower, Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634, Taguig City, Metro Manila

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 the 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.

Independent Auditor's Report

To the Board of Directors and Shareholder of
North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)
3rd Floor, West Tower SEDA BGC,
30th Street Co. 11th Avenue, Bonifacio Global City
1634 Taguig City, Metro Manila

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of North Triangle Hotel Ventures, Inc. (the "Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of total comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

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 PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue (BIR) and Bangko Sentral ng Pilipinas (BSP) Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required by the BSP under Circular No. 1075 and by the BIR under Revenue Regulations No. 15-2010 as disclosed in Notes 19 and 20, respectively, 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 are the responsibility of management. The supplementary information have been subjected to the auditing procedures applied in the audits 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.

Isla Lipana & Co.

Catherine H. Santos
Partner
[redacted]

Makati City
April 30, 2025

Statement Required by Rule 68
Securities Regulation Code (SRC)
As Amended on October 3, 2019

To the Board of Directors and Shareholder of
North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)
3rd Floor, West Tower SEDA BGC,
30th Street Co. 11th Avenue, Bonifacio Global City
1634 Taguig City, Metro Manila

We have audited the financial statements of North Triangle Hotel Ventures, Inc. (the "Company") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 30, 2025.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has only one (1) shareholder owning one hundred (100) or more shares as at December 31, 2024.

Isla Lipana & Co.

Catherine H. Santos
Partner
[redacted]

Makati City
April 30, 2025

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash	2	92,805,195	36,586,472
Accounts and other receivables	3	99,973,082	100,646,647
Due from related parties	8	13,924,455	14,527,547
Inventories	4	7,712,651	6,078,652
Other current assets	6	20,127,099	46,464,134
Total current assets		234,542,482	204,303,452
Non-current assets			
Hotel property and equipment	5	1,834,084,013	1,903,029,494
Deferred income tax assets, net	12	10,803,903	16,257,552
Other non-current assets	6	15,359,476	16,105,609
Total non-current assets		1,860,247,392	1,935,392,655
Total assets		2,094,789,874	2,139,696,107
Liabilities and Equity			
Current liabilities			
Accounts and other payables	7	318,607,962	263,968,812
Due to related parties	8	574,916,306	753,953,236
Total current liabilities		893,524,268	1,017,922,048
Non-current liability			
Retirement benefit liability	13	7,295,776	7,028,451
Total liabilities		900,820,044	1,024,950,499
Equity			
Share capital	9	1,000,000,000	1,000,000,000
Retained earnings		191,732,288	111,756,802
Remeasurement gain on defined benefit obligation, net of tax	13	2,237,542	2,988,806
Total equity		1,193,969,830	1,114,745,608
Total liabilities and equity		2,094,789,874	2,139,696,107

The notes on pages 1 to 27 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statements of Total Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Revenues			
Rooms		492,773,037	325,929,411
Food and beverage		407,465,726	433,807,327
Other operated departments		10,898,468	6,023,733
		911,137,231	765,760,471
Cost of sales and services			
Food and beverage	4	(276,988,333)	(243,573,486)
Property operations and maintenance		(124,174,255)	(101,690,445)
Rooms		(98,679,686)	(68,644,760)
Depreciation	5	(89,139,536)	(87,059,321)
Land rental	8, 14	(29,172,995)	(24,523,136)
Management fee	8, 14	(22,791,402)	(19,158,697)
Credit card commission		(13,578,770)	(9,694,267)
Estate association dues	8	(1,510,346)	(1,466,355)
Other operated departments		(1,043,195)	(802,780)
Amortization	6	(479,920)	(555,544)
		(657,558,438)	(557,168,791)
Gross operating income		253,578,793	208,591,680
Operating expenses			
General and administrative	10	(46,104,832)	(39,415,190)
Sales and marketing	11	(34,759,730)	(17,299,192)
Information and telecommunication systems		(15,279,116)	(15,017,442)
Security service		(14,826,911)	(9,339,229)
Property taxes		(14,052,885)	(12,491,454)
Insurance		(4,681,782)	(1,878,000)
Retirement expense	13	(1,868,920)	(1,628,535)
		(131,574,176)	(97,069,042)
Other income (expense), net			
Unrealized foreign currency gain (loss)	2	217,703	(87,915)
Interest income	2	56,735	50,025
Interest expense	8	(2,244,651)	(27,420,760)
Other income		531,561	587,527
		(1,438,652)	(26,871,123)
Income before income tax		120,565,965	84,651,515
Income tax expense	12	(40,590,479)	(22,830,486)
Net income for the year		79,975,486	61,821,029
Other comprehensive income (loss) for the year			
Item that will not be reclassified to profit or loss in subsequent years			
Remeasurement gain (loss) on defined benefit obligation, net of tax	13	(751,264)	275,470
Total comprehensive income for the year		79,224,222	62,096,499

The notes on pages 1 to 27 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
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Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Share capital (Note 9)		Retained earnings	Remeasurement gain on defined benefit obligation, net of tax	Total equity
	Common	Preferred			
Balances as at January 1, 2023	200,000,000	800,000,000	49,935,773	2,713,336	1,052,649,109
Total comprehensive income for the year					
Net income for the year	-	-	61,821,029	-	61,821,029
Other comprehensive income	-	-	-	275,470	275,470
Total comprehensive income for the year	-	-	61,821,029	275,470	62,096,499
Balances as at December 31, 2023	200,000,000	800,000,000	111,756,802	2,988,806	1,114,745,608
Total comprehensive income for the year					
Net income for the year	-	-	79,975,486	-	79,975,486
Other comprehensive loss	-	-	-	(751,264)	(751,264)
Total comprehensive income for the year	-	-	79,975,486	(751,264)	79,224,222
Balances as at December 31, 2024	200,000,000	800,000,000	191,732,288	2,237,542	1,193,969,830

The notes on pages 1 to 27 are an integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
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Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Income before income tax		120,565,967	84,651,515
Adjustments for:			
Depreciation and amortization	5,6	89,619,456	87,614,865
Interest expense	8	2,244,651	27,420,760
Retirement expense	13	1,868,920	1,628,535
Provision for doubtful accounts	3	1,819,532	43,578
Interest income	2	(56,735)	(50,025)
Unrealized foreign exchange loss (gain)	2	(217,703)	87,915
Operating income before changes in working capital		215,844,088	201,397,143
Changes in working capital:			
Accounts and other receivables		(1,102,389)	(36,038,471)
Due from related parties		603,092	(2,000,000)
Inventories		(1,633,999)	213,321
Other current assets		(11,678,018)	65,184,007
Accounts and other payables		69,351,914	63,001,739
Due to related parties		78,544,069	(341,475,482)
Net cash provided by (absorbed by) operations		349,928,757	(49,717,743)
Retirement benefits paid	13	(2,603,280)	(845,221)
Interest received		56,735	50,025
Income taxes paid	12	(2,343,643)	(1,116,971)
Net cash provided by (used in) operating activities		345,038,569	(51,629,910)
Cash flows from investing activities			
Additions to hotel property and equipment	5	(20,194,055)	(18,017,453)
Decrease (increase) in other non-current assets		746,133	(1,982,483)
Net cash used in investing activities		(19,447,922)	(19,999,936)
Cash flows from financing activities			
Payment of interest expense		(12,008,627)	(20,626,405)
Increase (decrease) in due to related parties	8	(257,581,000)	95,190,120
Net cash provided by (used in) financing activities		(269,589,627)	74,563,715
Net increase in cash		56,001,020	2,933,869
Effect of foreign exchange rate changes on cash		217,703	(87,915)
Cash at January 1		36,586,472	33,740,518
Cash at December 31	2	92,805,195	36,586,472

The notes on pages 1 to 27 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Notes to the Financial Statements
As at and for the years ended December 31, 2024 and 2023
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated.)

1 Corporate information

North Triangle Hotel Ventures, Inc. (the Company) is a domestic corporation registered with the Securities and Exchange Commission (SEC) on October 18, 2010. The Company was organized with the primary purpose of owning, holding in ownership, managing, dealing and engaging in the general business of a hotel, inn, resort, restaurant, café, bar, entertainment, and other allied businesses and, to the limit and extent permitted by law, to acquire and own, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements necessary or required by its business and to use such lands, building and improvements thereto for the conduct and operation of the general nature of its business and object and all other matter incidental thereto. The Company is also registered with the Bangko Sentral ng Pilipinas (BSP) to operate as a money changer/foreign exchange dealer.

The Company is wholly owned by AyalaLand Hotels and Resorts Corp. (AHRC) (the Parent Company). AHRC is a wholly owned subsidiary of Ayala Land, Inc. (ALI). ALI's parent is Ayala Corporation (AC) which is 47.86%-owned by Mermac, Inc. (the ultimate parent company) and the rest by the public, as at December 31, 2024. Both ALI and AC are publicly listed companies and are incorporated and registered in the Philippines.

The Company owns Seda Vertis North (the Hotel), a hotel of 438 guestrooms and suites. The Hotel, located at Sola Corner Lux Drives, Vertis North, Diliman, Quezon City, was opened to the public in April 2017.

The registered address of the Company is at 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila.

The financial statements of the Company were approved and authorized for issue by the Board of Directors (BOD) on April 30, 2025.

2 Cash

Cash as at December 31 consists of:

	2024	2023
Cash on hand	902,585	958,906
Cash in banks	91,902,610	35,627,566
	92,805,195	36,586,472

Cash on hand includes the petty cash fund of the Company for its immediate cash expenditures.

Cash in banks earn annual interest at the prevailing deposit rates of 0.25% to 0.35% in 2024 and 2023. Interest income earned on cash in banks amounted to P56,735 and P50,025 in year 2024 and 2023, respectively.

The Company recorded unrealized foreign exchange gain from its dollar account amounting to P217,703 for the year ended December 31, 2024 (2023 - P87,915 loss).

3 Accounts and other receivables

Accounts and other receivables as at December 31 consist of:

	2024	2023
Trade		
Government	33,107,452	14,032,302
Corporate	23,052,983	38,081,264
Credit cards	18,190,882	10,818,107
Guest	12,667,472	12,998,168
Travel agency	8,055,231	17,805,757
	95,074,020	93,735,598
Less: Allowance for doubtful accounts	(2,268,194)	(448,662)
	92,805,826	93,286,936
Advances to employees	2,206,808	2,658,955
Others	4,960,448	4,700,756
	99,973,082	100,646,647

Trade receivables pertain to amounts collectible from customers arising from sales and services of the Company operations. These are noninterest-bearing and are normally collectible within a 1- to 60- day term.

The classes of trade receivables of the Company are as follows:

- Government - pertains to receivables from government agencies, embassies and government-owned and controlled corporations;
- Corporate - pertains to receivables from companies or establishments that have existing credit lines with the Company;
- Credit cards - arise from credit card transactions of hotel guests from room use, banquets and restaurant;
- Guest - pertains to balance of all current in-house accounts or catering accounts for ongoing functions as well as a limited number of house accounts established with proper approval, which are kept current; and
- Travel agency - pertains to receivables of the Hotel from travel agents.

Movements in the allowance for doubtful accounts for the years ended December 31 are as follows:

	Note	2024	2023
Balance at beginning of year		448,662	405,084
Provision for doubtful accounts	10	1,819,532	43,578
Balance at end of year		2,268,194	448,662

Advances to employees pertain to cash advances made by the Company which are due within one (1) year and recoverable through salary deduction or through liquidation.

4 Inventories

Inventories as at December 31 consist of:

	2024	2023
Food	4,194,677	2,412,497
Beverage	2,252,405	2,858,830
Guest supplies	1,265,569	807,325
	7,712,651	6,078,652

Inventories recognized as part of food and beverage under cost of sales and services in the statement of total comprehensive income amounted to P158.42 million in 2024 (2023 - P156.98 million).

Food and beverage reported under cost of sales and services in the statement of total comprehensive income include payroll and related expenses, uniforms, supplies, and other costs and expenses.

5 Hotel property and equipment

Details and movements of hotel property and equipment as at and for the years ended December 31 are as follows:

	Hotel building and improvements	Machinery and equipment	Furniture, fixtures and equipment	Total
Cost				
January 1, 2023	2,057,375,512	66,614,012	279,733,216	2,403,722,740
Additions	1,646,024	15,000,152	1,371,277	18,017,453
December 31, 2023	2,059,021,536	81,614,164	281,104,493	2,421,740,193
Additions	302,494	12,627,984	7,263,577	20,194,055
December 31, 2024	2,059,324,030	94,242,148	288,368,070	2,441,934,248
Accumulated depreciation				
January 1, 2023	249,319,992	34,692,938	147,638,448	431,651,378
Depreciation	52,075,366	7,215,238	27,768,717	87,059,321
December 31, 2023	301,395,358	41,908,176	175,407,165	518,710,699
Depreciation	52,083,139	8,988,279	28,068,118	89,139,536
December 31, 2024	353,478,497	50,896,455	203,475,283	607,850,235
Net book value				
As at December 31, 2023	1,757,626,178	39,705,988	105,697,328	1,903,029,494
As at December 31, 2024	1,705,845,533	43,345,693	84,892,787	1,834,084,013

There were no unpaid additions as at December 31, 2024 and 2023.

The Company has no restrictions on its property and none of these have been pledged as security for its obligation.

Management assessed that there are no indicators that property and equipment are impaired as at December 31, 2024 and 2023.

6 Other assets

(a) Other current assets

Other current assets as at December 31 consist of:

	2024	2023
Prepayments	20,127,099	7,732,249
Creditable withholding tax	-	7,179,526
Input VAT, net	-	31,552,359
	20,127,099	46,464,134

Prepayments mainly include prepayments for taxes, dues and subscriptions. These are expected to be fully amortized within one year.

Creditable withholding tax pertains to taxes withheld on income payments and can be applied against income tax due. The balances of taxes withheld is recovered in future periods.

Input VAT, net pertains to taxes imposed on purchase of goods and services. These can be applied against output VAT in future periods.

(b) Other non-current assets

Other non-current assets as at December 31 consist of:

	2024	2023
Advances to contractors	11,232,517	11,232,517
Deferred input VAT	3,030,679	3,296,892
Operating equipment	1,096,280	1,576,200
	15,359,476	16,105,609

Advances to contractors are downpayments made and recouped upon receipt of progress billing based on percentage of accomplishment.

Details and movements of operating equipment, net as at and for the years ended December 31 are as follows:

	2024	2023
Cost		
At January 1	2,396,936	329,007
Additions	-	2,067,929
At December 31	2,396,936	2,396,936
Accumulated depreciation		
At January 1	820,736	265,192
Amortization	479,920	555,544
At December 31	1,300,656	820,736
Net book value	1,096,280	1,576,200

Operating equipment includes China, glassware, silverware, linen, uniforms, drapes and curtains to be used in the Hotel operations. Operating equipment is expensed ratably to the appropriate department expense account over its period of consumption.

Management assessed that there are no indicators that operating equipment are impaired as at December 31, 2024 and 2023.

7 Accounts and other payables

Accounts and other payables as at December 31 consist of:

	Note	2024	2023
Accrued expenses		148,293,789	159,580,928
Trade payables		80,401,765	61,356,715
Taxes payable		59,418,613	20,395,941
Guest deposits	16(b)	22,245,357	8,834,147
Interest payable	8	2,464,477	4,632,546
Service charge payable		1,837,086	5,051,163
Retention payable		718,466	695,528
Others		3,228,409	3,421,844
		318,607,962	263,968,812

Trade payables pertain to amounts due to suppliers for purchases of goods and services. These are normally settled on a 15- to 90- day term.

Accrued expenses pertain to unpaid salaries, utilities, interest, maintenance, professional fees, and other general and administrative expenses of the Company. These are normally settled within 30- to 60- day term.

Taxes payable pertain to expanded withholding taxes on purchases of goods and services, withholding taxes on compensation and taxes due to local government unit. For withholding taxes, these are normally remitted the following month. However, for taxes due to local government, this is remitted quarterly.

Guest deposits refer to amounts paid by guests in advance to guarantee reservation. These are recognized as revenue once the performance obligation has been satisfied.

Interest payable pertains to the interest from loans and intercompany payables. These are normally settled quarterly.

Service charge payable pertains to service charges levied on hotel revenues. These are settled together with the employees' semi-monthly payroll. The Hotel charges a 5% service fee of the total bill amount on the room accommodation services and sale of food and beverage. 100% of the collected service fee represents benefits that are directly distributable to the employees, as required by the Labor Code of the Philippines in compliance with Republic Act No. 11360 which was enacted on August 7, 2019.

Retention payable pertains to holdout amount withheld from the contractor from its progress billings which will be released after the completion of the contracted works. This will cover back charges that may arise from quality issues on the contracted works. These are recouped upon receipt of billings. Retention payables that are beyond one year from year end date are presented as noncurrent liability.

Others pertain to SSS, PhilHealth, and HDMF premiums payable.

8 Related party transactions

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, Related Party Disclosures.

The table below summarizes the Company's transactions and balances with its related parties as at and for the years ended December 31, 2024 and 2023.

	Elements of transaction				
	Volume/Amount	Receivable	Payable	Terms	Conditions
December 31, 2024					
Intermediate Parent					
Advances for operating expenses (a)	-	27,547	(26,253,710)	Non-interest bearing	Unsecured; Due and demandable
Land rental (b)	29,172,995	-	(12,150,187)	Non-interest bearing	Unsecured; Due and demandable
Parent					
Management fees (c)	22,791,402	-	(8,154,364)	Non-interest bearing	Unsecured; Due and demandable
Loyalty program (d)	2,543,899	-	(8,578,871)	Non-interest bearing	Unsecured; Due and demandable
Entities under common control					
Operating advances (e)	404,500,000	13,896,908	(404,500,000)	Non-interest bearing	Unsecured; Due and demandable
Affiliates					
Supply of chilled water (e)	36,658,983	-	(109,169,923)	Non-interest bearing	Unsecured; Due and demandable
Operating advances (f)	-	-	(6,109,251)	Interest bearing	Unsecured; Due and demandable
Estate association dues	1,510,346	-	-	Non-interest bearing	Due and demandable
Interest expense (f)	2,244,651	-	-	Interest bearing	Unsecured; Due and demandable
		13,924,455	(574,916,306)		
Cash in bank (g)	39,983,516	-	-	Interest bearing	Unsecured; Unrestricted
Interest income (g)	44,452	-	-	Interest ranges from 0.25% to 0.35%	

	Elements of transaction				
	Volume/Amount	Receivable	Payable	Terms	Conditions
December 31, 2023					
Intermediate Parent					
Advances for operating expenses (a)	-	27,547	-	Non-interest bearing	Unsecured; Due and demandable
Land rental (b)	24,523,136	-	(6,272,099)	Non-interest bearing	Unsecured; Due and demandable
Parent					
Advances for operating expenses (a)	10,000,000	-	(192,581,000)	Non-interest bearing	Unsecured; Due and demandable
Management fees (c)	19,158,697	-	(8,920,463)	Non-interest bearing	Unsecured; Due and demandable
Loyalty program (d)	1,926,755	-	(2,419,824)	Non-interest bearing	Unsecured; Due and demandable
Entitie under common control					
Operating advances (e)	4,400,000	14,500,000	-	Non-interest bearing	Unsecured; Due and demandable
Affiliates					
Supply of chilled water (e)	27,465,874	-	(76,239,730)	Non-interest bearing	Unsecured; Due and demandable
Operating advances (f)	295,540,000	-	(467,520,120)	Interest bearing	Unsecured; Due and demandable
Estate association dues	1,466,355	-	-	Interest bearing	Unsecured; Due and demandable
Interest expense (f)	27,420,760	-	-	Interest bearing	Unsecured; Due and demandable
		14,527,547	(753,953,236)		
Cash in bank (g)	15,135,927	-	-	Interest bearing	Unsecured; Unrestricted
Interest income (g)	35,021	-	-	Interest ranges from 0.25% to 0.35%	

Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. No impairment has been recognized in 2024 and 2023.

Transactions with related parties for 2024 and 2023 are as follows:

a. These pertain to advances made to the Company by ALI and AHRC to fund its operating requirements. These are non-interest bearing and are due and demandable. In 2019, the Company made advances to ALI which are non-interest bearing. No advances made to ALI for 2024 and 2023.

   Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. No impairment has been recognized in 2024 and 2023.

b. This amount represents land rental due to ALI (Note 14).

c. Management fee pertains to professional fees charged by AHRC for the services of its employees who handle project monitoring, maintain the books of accounts, review budget and monitor capital. This is non-interest bearing and is due and demandable (Note 14).

d. Loyalty program expense pertains to Seda Loyalty Program billings based on a redemption ratio. Seda Loyalty Program is a guest loyalty program for Seda hotels which is operated by AHRC and was launched in 2016. (Notes 14 and 17).

e. These pertain to operating advances extended by Bay Area Hotel Ventures, Inc., Central Bloc Hotel Ventures, Inc., One Makati Hotel Ventures, Inc., and ALI Makati Hotel Property, Inc., and supply of chilled water by North Eastern Commercial Corp. to the Company. These are non-interest bearing and are due within one (1) year.

f. These pertain to interest-bearing operating advances extended by AHI, Ayala Land Sales, Inc., AyalaLand Premier, Inc., AyalaLand Property, Management, Inc., Makati Development Corporation, Alveo Land Corporation, AyalaLand Offices, Inc., One Makati Hotel Ventures, Inc. and First Gateway Real Estate Corp. to fund the payment of the Company's bank loan from BPI.

g. The Company maintains savings account with Bank of the Philippine Islands (BPI), an affiliate.

Key management compensation

The key management personnel of the Company are employees of its parent, AHRC and ALI. The compensation of the said employees is paid by AHRC and ALI and as such, the necessary disclosures required by PAS 24, Related Party Disclosures are included in the financial statements of AHRC.

9 Share capital

The details of the Company's share capital with P1.00 par value as at December 31, 2024 and 2023 follow:

	Number of shares	Amount
Common shares - P1.00 par value		
Authorized	200,000,000	
Issued and outstanding	200,000,000	200,000,000
Preferred shares - P1.00 par value		
Authorized	800,000,000	
Issued and outstanding	800,000,000	800,000,000
		1,000,000,000

The redeemable preferred shares shall have the following features, rights and privileges:

a. each redeemable preferred share shall have the same voting rights as that attached to common shares;
b. the redeemable preferred share shall be redeemable in tranches at any time as may be decided by the BOD, subject to the condition that in no case shall the redemption price of the actual number of the redeemable preferred shares to be redeemed be less than the subscription cost of such shares as recorded in the books of the Company at the time of redemption; and
c. the Company has the option to redeem the redeemable preferred shares, which shall have priority over the common shares in the allocation of unrestricted retained earnings for the declaration of dividends, whether in the form of profits or in connection with liquidation, in such form as may be decided by the Board of Directors.

Since the Company has the option to redeem the shares, the redeemable preferred shares are reported under equity.

10 General and administrative expenses

General and administrative expenses for the years ended December 31 consist of:

	Note	2024	2023
Manpower costs		25,215,853	19,193,652
Professional fees		5,062,000	3,308,000
Employee relations and training expense		3,598,522	4,260,947
Taxes and licenses		2,947,835	5,499,614
Input tax expense		2,520,014	2,080,183
Provision for doubtful accounts	3	1,819,532	43,578
Meal expenses		1,660,494	752,842
Supplies		627,992	288,137
Bank charges		151,472	96,216
Others		2,501,118	3,892,021
		46,104,832	39,415,190

Others include expenses for business relations, trade dues and corporate expenses.

11 Sales and marketing expenses

Sales and marketing expenses for the years ended December 31 consist of:

	Notes	2024	2023
Manpower cost		16,999,347	8,368,295
Promotional and advertising expense		11,580,657	4,861,698
Loyalty program	8, 14	2,543,899	1,926,755
Entertainment		1,403,497	1,257,595
Transportation		601,184	223,617
Printing and stationery		121,786	29,491
Laundry and dry cleaning		75,731	40,504
Guest supplies		10,722	10,916
Consultancy		-	10,000
Miscellaneous		1,422,907	570,321
		34,759,730	17,299,192

12 Income taxes

The income tax expense for the years ended December 31 consists of:

	2024	2023
Current	34,875,062	3,478,150
Deferred	5,704,070	19,342,330
Final	11,347	10,006
	40,590,479	22,830,486

The Company's net deferred income tax asset (liabilities) as at December 31 represent the tax effects of the following:

	2024	2023
Deferred income tax assets on:		
Accrued expenses	8,302,669	8,772,169
Retirement liability	3,279,510	2,812,280
Minimum corporate income tax (MCIT)	-	5,514,232
Net operating loss carry-over (NOLCO)	-	133,142
Unrealized forex loss	-	21,979
	11,582,179	17,253,802
Deferred income tax liabilities on:		
Unrealized foreign exchange gain	(32,447)	-
Remeasurement gain on retirement plan	(745,829)	(996,250)
	(778,276)	(996,250)
Deferred income tax assets, net	10,803,903	16,257,552

The movements in the net deferred income tax assets account for the years ended December 31 are as follows:

	Note	2024	2023
Balances at January 1		16,257,552	35,691,706
Charged to profit to loss		(5,704,070)	(19,342,330)
Credited (charged) to other comprehensive income	13	250,421	(91,824)
		10,803,903	16,257,552

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from taxable income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of NOLCO as at December 31, which could be carried over as deduction from taxable income for three or five consecutive years following the year of incurrence, follow:

Year incurred	Year of expiry	2024	2023
2021	2026	532,568	46,447,391
2020	2025	-	63,733,710
		532,568	110,181,101
Applied		(532,568)	(109,648,533)
		-	532,568
Tax rate		25%	25%
		-	133,142

The Company's MCIT available for deduction against future income tax payable follows:

Year incurred	Year of expiry	2024	2023
2023	2026	3,478,150	3,478,150
2022	2025	1,116,971	1,116,971
2021	2026	919,111	919,111
2020	2025	-	646,059
		5,514,232	6,160,291
Applied/Expired		(5,514,232)	(646,059)
		-	5,514,232

No deferred income tax assets were recognized for the following temporary differences as it is not probable that there will be sufficient taxable profit against which the benefit of the deferred income tax assets can be utilized in the future:

	2024	2023
Accrued expenses	16,113,453	6,127,858
Allowance for doubtful accounts	567,049	112,166
	16,680,502	6,240,024

The reconciliation of the statutory income tax to income tax expense for the years ended December 31 follows:

	2024	2023
Income tax at statutory income tax rate	30,141,492	21,162,879
Tax effects of:		
Movement in unrecognized deferred tax assets	10,440,478	1,657,602
Non-deductible interest expense	11,347	12,506
Interest income already subjected to final tax	(2,838)	(2,501)
	40,590,479	22,830,486

13 Retirement benefits

The Company has unfunded, non-contributory, defined benefit retirement plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and compensation on the last year of employment as defined under Philippine Republic Act 7641. The retirement is the only long-term employee benefit. The Company's retirement plan meets the minimum retirement benefit specified by law.

The retirement benefit obligation is determined using the "Projected Unit Credit Cost" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The actuarial valuation of the Company's retirement plan was performed by an independent actuary. The latest actuarial valuation report prepared was for the year ended December 31, 2024.

The Company's retirement plan meets the minimum retirement benefit specified by law.

The components of retirement expense included under operating expenses in the statements of comprehensive income for the years ended December 31 follow:

	2024	2023
Current service cost	1,428,236	1,153,173
Interest expense	440,684	475,362
	1,868,920	1,628,535

The amounts recognized in the statements of financial position for the retirement liability represents the present value of defined benefit obligation as of reporting date.

Changes in the present value of the defined benefit obligation for the years ended December 31 are as follows:

	2024	2023
Balance at January 1	7,028,451	5,642,512
Current service cost	1,428,236	1,153,173
Interest expense	440,684	475,362
Net transfers to/from affiliates	-	969,919
Benefits paid	(2,603,280)	(845,221)
Remeasurement gain (loss) recognized in OCI	1,001,685	(367,294)
Balance at December 31	7,295,776	7,028,451

Changes in the remeasurement gain on defined benefit obligation, net of tax for the years ended December 31 are as follows:

	Note	2024	2023
At January 1		2,988,806	2,713,336
Actuarial gain (loss) due to:			
Change in financial assumptions		(176,989)	(717,794)
Experience adjustments		(824,696)	1,085,088
		(1,001,685)	367,294
Tax effect	12	250,421	(91,824)
Net remeasurement gain on defined benefit obligation		(751,264)	275,470
At December 31		2,237,542	2,988,806

The principal assumptions used to determine retirement benefits for the Company as of December 31 are as follows:

	2024	2023
Discount rate	6.10%	6.26%
Salary increase rate	4.00%	4.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation (DBO) as at December 31 assuming all other assumptions were held constant:

	Increase (Decrease)	2024	2023
Discount rate	1.00%	(359,534)	(711,327)
	(1.00%)	518,161	860,368
Salary increase rate	1.00%	508,982	826,603
	(1.00%)	(360,054)	(693,632)

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

	2024	2023
More than 1 year to 5 years	-	1,685,274
More than 5 years to 10 years	1,823,684	2,783,339
More than 10 years to 15 years	2,839,407	19,267,870
More than 15 years to 20 years	23,192,981	9,782,383
More than 20 years	133,283,620	122,373,572

14 Commitments

(a) Lease contract with ALI

The Company entered into a non-cancellable and renewable contract of lease with ALI for the land on which the Company was constructed with initial term of fifty (50) years commencing from the date that the Company first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3.2% of the Company's gross revenues subject to review every three (3) years. Land rental amounted to P29.17 million and P24.52 million in 2024 and 2023, respectively (Note 8).

(b) Management service agreement with AHRC

A management service agreement was entered between the Company and the Parent Company wherein the latter undertakes to render services and assistance related in the management and operation of the business of the Company in exchange for management fee. The Company will pay a base management fee equivalent to two and a half percent (2.50%) of the Company's gross revenue. The Company recognized management fee amounting to P22.79 million and P19.16 million in 2024 and 2023, respectively (Note 8).

(c) Seda loyalty program

Seda loyalty program is a guest loyalty program for Seda Hotels which is operated by AHRC wherein the latter is entitled to service fees when a Seda Hotel Property is in the operating phase. AHRC initially billed the Company a one-time participation fee based on the number of hotel rooms multiplied by P1,500. In addition, the Company will receive billings equivalent to two and a half percent (2.50%) of the related Hotel's Room revenues from the program. The Company recognized loyalty program expense amounting to P2.54 million and P1.93 million in 2024 and 2023, respectively (Note 8).

15 Financial risk and capital management

15.1 Financial risk factors

Exposure to credit, liquidity, market, interest rate and foreign currency exchange risks arise in the normal course of the Company's business. The main objectives of the Company's financial risk management are consistent with that of ALI, which are as follows:

a. to identify and monitor such risks on an ongoing basis;
b. to minimize and mitigate such risks; and
c. to provide a degree of certainty about costs.

The Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risks are primarily attributable to financial assets.

Customer credit risk is managed by the Company subject to its established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Trade receivables are regularly monitored.

The Company's allowance for doubtful accounts on its trade receivables amounted to P2.27 million and P0.45 million as at December 31, 2024 and 2023, respectively (Note 3).

Set out below is the information about the credit risk exposure on the Company's financial assets as at December 31, 2024 and 2023 using a provision matrix:

		Days past due			
	Current (high grade)	1-30 days	>30 days	Expected credit loss	Total
2024					
Cash in banks	91,902,610	-	-	-	91,902,610
Accounts and other receivables*	50,223,544	10,631,728	39,179,196	(2,268,194)	97,766,274
Due from related parties	27,547	-	13,896,908	-	13,924,455
	142,153,701	10,631,728	53,076,104	(2,268,194)	203,593,339
2023					
Cash in banks	35,627,566	-	-	-	35,627,566
Accounts and other receivables*	39,767,640	8,187,003	50,481,711	(448,662)	97,987,692
Due from related parties	2,027,547	-	12,500,000	-	14,527,547
	77,422,753	8,187,003	62,981,711	(448,662)	148,142,805

**Excluding advances to employees as at December 31, 2024 and 2023.*

There being no collaterals or credit enhancements attached to the Company's financial assets, the Company's maximum exposure to credit risk approximates the carrying values of its financial assets as at December 31, 2024 and 2023.

(a) Cash in banks

The credit risk on deposits with banks and financial institutions is limited because the transactions are with reputable local banks and a related party. The Company does not require any collateral and other credit enhancements. While cash are also subject to the impairment requirements of PFRS 9, the expected credit loss has been assessed to be immaterial. The maximum exposure to credit risk at the reporting date is the fair value of cash in banks as presented above. The remaining cash in the statement of financial position pertains to cash on hand which is not exposed to credit risk.

(b) Accounts and other receivables

High performing receivables relates to those which are consistently collected before the maturity date, normally 30 to 90 days from billing date. Underperforming receivables include accounts from customers that are collectible beyond 90 days from billing date even without an effort from the Company to follow them up. Past due accounts classified as not impaired are those which are assessed as highly probable to be collected due to good credit standing of customers whereas those classified as impaired are assessed to be uncollectible due to the economic status of the customers.

The Company applies, if necessary, the PFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All of the Company's trade receivables had been assessed to be fully performing as at reporting date. Management has determined based on its historical loss experience that the expected credit loss on these fully performing trade receivables is not material for financial reporting purposes.

The expected credit loss on other receivables is considered to be minimal as there is no history of defaults and collections are expected to be made within 30 to 90 days.

The maximum exposure to credit risk at the reporting date is the fair value of receivables as presented above.

(c) Due from related parties

Credit exposure of the Company on due from related parties is considered to be low as there is no history of default and have strong credit standing of concerned related parties. Credit risk is negligible since the related parties are faithfully paying on normal credit terms based on contracts. There was no provision for doubtful accounts relating to amounts owed by related parties because of strong financial condition of the concerned entities. Terms are normally due on demand.

None of the financial assets that are fully performing have been renegotiated in the last year.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company maintains a level of cash that is sufficient to finance operations and to mitigate the effects of fluctuation in cash flows. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions or from its parent company.

Overall, the Company's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Company's business.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

	≤ 1 year	> 1 year	2 to 5 years	Total
2024				
Accounts and other payables*	236,943,992	-	-	236,943,992
Due to related parties	574,916,306	-	-	574,916,306
	811,860,298	-	-	811,860,298
2023				
Accounts and other payables*	234,738,724	-	-	234,738,724
Due to related parties	753,953,236	-	-	753,953,236
	988,691,960	-	-	988,691,960

**Excluding taxes payable and guest deposits as at December 31, 2024 and 2023.*

15.2 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the current capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The objectives, policies or processes of the Company are aligned with that of ALI. There were no changes in the capital management policy of the Company in 2024 and 2023.

16 Revenue from contracts with customers

(a) Disaggregated revenue information

The Company has three (3) revenue streams arising from contracts with customers, which are rooms, food and beverage and other operated departments. Revenue from rooms and other operated departments are recognized over time, while revenue from food and beverage is recognized at point in time.

(b) Contract balances

Trade receivables pertain to amounts collectible from customers arising from sales and services of the Hotel operations. These are noninterest-bearing and are normally collectible within 30 to 60 days.

Contract liabilities pertain to amounts paid by guests in advance to guarantee reservation. These are recorded under "Accounts and other payables" in the statement of financial position. These are recognized as revenue once the performance obligation has been satisfied. Guest deposits as at December 31, 2024 and 2023 are disclosed in Note 7.

Movements in contract liabilities for the years ended December 31 follows:

	2024	2023
Balance at January 1	8,834,147	8,077,905
Additions	20,657,227	7,285,180
Utilization	(7,246,017)	(6,528,938)
Balance at December 31	22,245,357	8,834,147

(c) Performance obligations

For the sale of goods and services, the performance obligation is satisfied when food and beverages are sold, and services are rendered. Payment is generally due within 30 to 60 days as the customer receives the goods and services except for some customers with specific credit terms. The Company applies the practical expedient and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

17 Critical accounting estimates, assumptions and judgments

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

17.1 Critical judgments in applying the Company's accounting policies

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

(a) Allocation of transaction price on room services and sale of food and beverage

The Company provides room accommodation services that are bundled together with the sale of food and beverage to the guest, which is the breakfast buffet. The sale of food and beverage is a promise to provide in the future and is part of the negotiated exchange between the Company and the guest. The Company determined that both the room accommodation and breakfast buffet are capable of being distinct. In allocating the hotel room charges, the Company considers the cost plus a predetermined margin for the breakfast and assigns the remaining transaction price to revenue from room services.

(b) Impairment of hotel property and equipment; operating equipment

The Company determines whether its hotel property and equipment is impaired when impairment indicators exist. The factors that the Company considers important, which could trigger an impairment review include, among others, significant underperformance relative to the future sales performance and projected operating results and significant negative industry or economic trends. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. As at December 31, 2024 and 2023, management believes that there were no impairment indicators on the Company's non-financial assets.

(c) Recognition of deferred income tax assets

The Company reviews the carrying amounts of deferred income taxes at the reporting date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of deferred income tax assets to be utilized. The Company's assessment is based on budgeted and forecasted taxable income in the immediately succeeding year. In such assessment, external factors which may limit the utilization of deferred income tax assets are taken into consideration.

Recognized deferred income tax assets as at December 31, 2024 and 2023 are disclosed in Note 12.

17.2 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Provision for impairment of receivables

The provision for impairment of receivables and due from related parties is based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. In 2024, the Company recognized a provision for impairment of receivables amounting to P1.82 million (2023 - P0.04 million).

The carrying value of the Company's receivables is disclosed in Note 3.

(b) Estimation of useful lives of hotel property and equipment; operating equipment

Useful lives of hotel property and equipment and operating equipment are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and operating equipment are reviewed periodically and are updated if expectations differ from previous estimates due to asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned.

If the actual useful lives of the property and equipment differ by 10% (management threshold), the carrying amount of property and equipment would have been P5.04 million higher or P6.16 million lower (2023 - P5.32 million higher or P6.50 million lower) (Note 5).

(c) Provision for retirement benefits

The determination of the obligation and retirement costs is dependent on the selection of certain assumptions by management used by the actuary in calculating such amounts. Those assumptions are described in the above section and include, among others, discount rates and salary increase rates. While the Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement benefit obligation. The assumptions are reviewed at each reporting date and are adjusted as necessary to reflect the current circumstances.

The sensitivity of the defined benefit obligation to changes in the principal assumptions as at December 31 are presented in Note 13.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit liability recognized within the statement of financial position.

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

18 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

18.1 Basis of preparation

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

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

The financial statements have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income which are measured at fair value.

The financial statements are presented in Philippine Peso, which is the Company's functional currency. All values are rounded to the nearest peso, except the number of shares or when otherwise indicated.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17.

Changes in accounting policies and disclosures

(a) New standards, amendments to existing standards and interpretations adopted

- Amendments to PAS 1, 'Presentation of Financial Statements'

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

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

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

  - The carrying amount of the liability
  - Information about the covenants (including the nature of the covenants and when the entity is required to comply with them)
  - Facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments must be applied retrospectively in accordance with PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

- Amendment to PFRS 16, 'Lease Liability in Sale and Leaseback'

  In September 2022, the IASB finalized narrow-scope amendments for sale and leaseback transactions in IFRS 16 Leases. This specifies how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact transactions where the lease payments include variable payments not dependent on an index or a rate.

- Amendments to PAS 7 and PFRS 7, 'Supplier Finance Arrangement'

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

  The new disclosures will provide information about:

  1. The terms and conditions of SFAs.
  2. The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
  3. The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
  4. The range of payment due dates for both the financial liabilities that are part of SFAs and comparable trade payables that are not part of such arrangements.
  5. Non-cash changes in the carrying amounts of financial liabilities in no. 2.
  6. Access to SFA facilities and concentration of liquidity risk with the finance providers.

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

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The above amendments to existing standards are not expected to have a material impact on the financial statements of the Company.

There are no other new standards, interpretations, and amendments to existing standards effective January 1, 2024, that are considered to be relevant or have a material impact on the financial statements.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

18.2 Financial instruments

18.2.1 Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through other comprehensive income ("OCI") or through profit or loss, and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Subsequent to initial recognition, measurement depends on the Company's business model for managing the asset and cash flow characteristic of the asset. For financial assets at amortized cost, interest income, if any, from these financial assets is included within the statement of total comprehensive income through profit or loss using the effective interest rate method.

(c) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. As at December 31, 2024 and 2023, the Company holds financial assets at amortized cost which consist of cash (Note 2), accounts and other receivables, excluding advances to employees, (Note 3) and due from related parties (Note 8).

Financial assets at amortized cost are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expense).

(d) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 17 details how the Company determines whether there has been a significant increase in credit risk.

Impairment losses and subsequent recoveries on receivables are presented within the statement of total comprehensive income through profit or loss.

(e) Derecognition

Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expense).

18.2.2 Financial liabilities

(a) Initial recognition and measurement

The Company classifies its financial liabilities at initial recognition in the following categories: at fair value through profit or loss (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. As at December 31, 2024 and 2023, the Company only holds financial liabilities at amortized cost.

Issued financial instruments or their components, which are not designated at fair value through profit or loss, are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder.

The Company's accounts and other payables (excluding taxes payables and guest deposits) (Note 7) and due to related parties (Note 8) in the statement of financial position are classified under financial liabilities at amortized cost.

(b) Subsequent measurement

After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by considering any discount or premium on the issue and fee that are an integral part of the EIR.

(c) Derecognition

Gains and losses are recognized in profit or loss when the liabilities are derecognized and through the EIR amortization process.

18.2.3 Offsetting of financial instruments

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

18.3 Inventories

Inventories are stated at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Cost is determined using the moving average method. Inventories and supplies in-transit are stated at invoice cost plus importation and incidental charges.

Inventories exclude borrowing costs, if any. Inventory losses are set-up, if necessary, based on a review of the movement and current condition of each inventory item and charged to cost of sales in the statement of total comprehensive income.

Inventories are derecognized when they are sold or when there are no more future benefits to the Company. The carrying amount of those inventories is recognized as an expense and reported as cost of sales in statement of total comprehensive income in the period in which the related revenue is recognized.

18.4 Hotel property and equipment; Operating equipment

Hotel property and equipment and operating equipment are carried at historical cost less accumulated depreciation and amortization (except for work in-progress which represents equipment under construction and is stated at cost).

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of hotel property and equipment and operating equipment commences once the hotel property and equipment are available for use and is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives (in years), as follows:

Asset class	Useful lives in years
Hotel building and improvements	40
Machinery and equipment	10
Furniture, fixtures and equipment	10
Operating equipment	5

Constructions in-progress is depreciated upon transfer to the respective asset account once completed and placed into operational use.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

Fully depreciated hotel property and equipment are retained in the accounts until they are no longer in use.

The carrying amount of an item of hotel property and equipment and operating equipment are derecognized on disposal or when no future economic benefits are expected from its use or disposal. When assets are derecognized, their cost, accumulated depreciation and amortization and accumulated impairment losses, if any, are eliminated from the statement of financial position. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are charged/credited to other income (expense) in the statement of total comprehensive income.

18.5 Impairment of non-financial assets

Assets that have definite useful life are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

18.6 Current and deferred income tax

(a) Current income tax

Current tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

(b) Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted as of reporting date.

Deferred tax assets and liabilities relating to items recognized directly in equity are recognized in equity and not in the statement of total comprehensive income.

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

18.7 Employee benefits

(a) Retirement benefit obligation

The Company maintains a defined benefit retirement plan which is a retirement plan that is non-contributory in nature, defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on certain factors such as age, years of credited service, and salary.

The liability recognized in the statement of financial position in respect of defined benefit retirement plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. In cases when the fair value of plan assets exceeds the present value of the defined benefit obligation at the end of the reporting period, the asset recognized is adjusted to the effect of asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in personnel costs in the statement of total comprehensive income.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Bonus plans

The Company recognizes a liability and an expense for bonuses and based on a formula that takes into consideration the profit attributable to the Company's employees after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Other short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under Accounts payable and accrued expenses in the statement of financial position.

18.8 Share capital

The Company's share capital is composed of common and preferred shares at par value. The amount of proceeds from the issuance or sale of common and preferred shares representing the aggregate par value is credited to share capital. Proceeds in excess of the aggregate par or stated value of common and preferred shares, if any, are credited to share premium.

After initial measurement, share capital and share premium, if any, are carried at historical cost and are classified as equity in the statement of financial position.

18.9 Retained earnings/Dividends

Retained earnings include all current and prior years' results of operations, net of dividends declared. Retained earnings may include the effect of changes in accounting policy as may be required by the relevant standard's transitional provisions.

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

18.10 Revenue

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The following specific recognition criteria must be met before revenue and expenses are recognized:

(a) Rooms revenue

Revenue from room rentals are recognized over the period of time under the input method, a time-based measure that results in a straight-line recognition of revenue, as the customer simultaneously receives the benefits from the services rendered by the Company throughout the period when rooms are occupied, or services are performed. Payment is due generally within 30 to 60 days as the customer occupies the room and receives the services, except for some customers with specific credit terms.

The Company considers whether there are other promises in the contract that are distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of services and goods.

(b) Food and beverage revenue

Revenue from food and beverage sales are recognized at a point in time as goods are delivered. The transaction price of the goods is representative of their stand-alone selling prices. Payment is due generally within 30 to 60 days as goods are delivered, except for some customers with specific credit terms.

(c) Other operating departments revenue

Revenue from other operating departments include, among others, lobby shops, business center and car rental, laundry service, telephone service, and health club services which are recognized at a point in time as goods are delivered and over time as services are performed. The transaction prices of the related goods and services are representative of their stand-alone selling prices. Payment is due generally within 30 to 60 days as the customer receives the goods and services, except for some customers with specific credit terms.

In considering the transaction price for the revenue from rooms, food and beverages and other operating departments, the Company considers the effects of any variable consideration (e.g., rebates and discounts), noncash consideration and consideration payable to customers.

(d) Interest income

Interest income from cash in bank is recognized as the interest accrues.

18.11 Cost and expenses

Cost and expenses include expenses incurred by the Company for the generation of revenue from room rentals, food and beverage sales, and other operating departments.

18.12 Leases

(a) Variable leases

Payments associated with leases with variable lease payments, those that are based on a certain percentage of a specific measure are recognized as expenses in the statement of total comprehensive income in the period in which the condition that triggers those payments occurs.

(b) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of total comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

18.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; the difference between the proceeds and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Borrowing costs which are directly attributable to the acquisition, construction, or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) are capitalized as part of the cost of that asset. Borrowing costs not directly attributed to a qualifying asset are recognized and charged to operations in the year in which these are incurred.

18.14 Related party transactions and relationships

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

18.15 Events after the reporting date

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

19 Supplementary information required under BSP circular No. 1075

Presented below are the additional information required by BSP Circular No. 1075 issued on February 2, 2020.

Total volume/value of remittance and/or money changing/foreign exchange transactions for the year ended December 31, 2024:

Type of transactions	No. of transactions	Amount in USD	Amount in PHP
A. International Inward (Payout) Remittance Transactions	-	-	-
B. International Outward (Send Out) Remittance Transactions	88	156,393	8,750,386
C. Domestic Inward (Payout) Remittance Transactions	-	-	-
D. Domestic Outward (Send Out) Remittance Transactions	-	-	-
E. Foreign Currencies Bought	313	108,925	6,148,811
F. Foreign Currencies Sold	-	-	-
G. International Inward (Payout) Remittance Facilitated Through VC	-	-	-
H. International Outward (Send Out) Remittance Facilitated Through VC	-	-	-
Exchange of VC to Philippine Peso/Other Currency	-	-	-
J. Exchange of Philippine Peso/Other Currency to VC	-	-	-
K. Other VC Transactions (please specify)	-	-	-

Basic quantitative indicators of financial performance as at December 31, 2024 are as follows:

Basic quantitative indicators	%
Return on Average Equity	6.9%
Return on Average Assets	3.8%

20 Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

(a) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2024 is as follows:

	Sales	Output VAT
Sale of goods/services subject to 12% VAT	820,926,008	98,511,121
Sales to government	28,483,666	3,418,040
Zero-rated sales	2,051,713	-
VAT-exempt sales	52,840,665	-
	904,302,052	101,929,161

(b) Input VAT

Movements in input VAT for the year ended December 31, 2024 are as follows:

	Amount
Balance at January 1	31,552,359
Add: Current year's domestic purchases/payments for	
Good	16,896,539
Services	25,697,964
Total available input VAT	74,146,862
Deductions from input VAT	
Input VAT allocable to exempt sales	(2,520,014)
Total allowable input VAT	71,626,848
Less claimed against output VAT	(101,929,161)
Add: Monthly and quarterly VAT payments	29,248,978
Add: Tax withheld supported by BIR certificates	1,053,335
Balance at December 31	-

(c) Importations

The Company did not have any purchases of imported goods and services subject to custom duties and tariff fees for the year ended December 31, 2024.

(d) Excise taxes

The Company has no transactions subject to excise taxes for the year ended December 31, 2024.

(e) Documentary stamp taxes

Documentary stamp taxes paid for the year ended December 31, 2024 amounted to P704,797 accounted in under taxes and licenses in general and administrative expenses.

(f) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2024 are as follows:

	Amount
Property taxes	14,052,885
Local taxes	2,143,829
Other taxes	99,209
	16,295,923

Property taxes are presented separately under operating expenses while local and other taxes are presented within taxes and licenses under general and administrative expenses in the statement of total comprehensive income.

(g) Withholding taxes

The amount of withholding taxes paid and accrued for the year ended December 31, 2024 consist of:

	Paid	Accrued	Total
Withholding taxes on compensation	10,756,006	941,604	11,697,610
Expanded withholding taxes	10,079,411	1,681,117	11,760,528

As at December 31, 2024, withholding taxes payable is included under taxes payable in accounts and other payables.

(h) Tax assessments and cases

On March 8, 2024, the Company received a Letter of Authority (LOA) for taxable period January 1 to June 30, 2023 covering VAT. As at reporting date, the Company submitted the required documents and is awaiting response from the BIR.

On March 21, 2024, the Company received a LOA for taxable year 2022 covering all internal revenue taxes. As at reporting date, the Company submitted the required documents and is awaiting response from the BIR.

The Company has not been involved in any tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2024.

As at December 31, 2024, the Company has no other outstanding tax assessment with the BIR and is not a party to any case that is under preliminary investigation, litigation and/or prosecution in courts and bodies outside of the BIR.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	0	1	6	7	7	4

COMPANY NAME

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

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Form Type	Department requiring the report	Secondary License Type, if Applicable
A A F S	S E C	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
[redacted]	[redacted]	[redacted]

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	2nd Wednesday of March	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Daniel Jan E. Del Mundo	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

3rd Floor, West Tower, Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City,1634 Taguig City, Metro Manila

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 the 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.

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NORTH TRIANGLE
HOTEL VENTURES, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **North Triangle Hotel Ventures, Inc. (the "Company")** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at and for the years ended **December 31, 2025 and 2024**, 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 of 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.

The Board of Directors is responsible for overseeing the Company'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 or members.

Isla Lipana & Co., the independent auditor, appointed by the stockholders for the year ended December 31, 2025 and 2024, respectively, have audited the financial statements of the Company 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.

Mariana Zobel de Ayala

Mariana Beatriz E. Zobel de Ayala
Chairman of the Board

Maria Cristina Carmen M. Zuluaga
Chief Executive Officer/President

Daniel Jan E. Del Mundo
Chief Finance Officer/Treasurer

Signed this **30th** day of **April 2026**

pwc Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)
3rd Floor, West Tower SEDA BGC,
30th Street Co. 11th Avenue, Bonifacio Global City
1634 Taguig City, Metro Manila

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of North Triangle Hotel Ventures, Inc. (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.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in equity for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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 PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue (BIR) Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 20 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Catherine H. Santos
Partner
[redacted]

Makati City
April 30, 2026

Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)
As Amended on October 3, 2019

To the Board of Directors and Shareholders of
North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)
3rd Floor, West Tower SEDA BGC,
30th Street Co. 11th Avenue, Bonifacio Global City
1634 Taguig City, Metro Manila

We have audited the financial statements of North Triangle Hotel Ventures, Inc. (the "Company") as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 30, 2026.

In compliance with the Revised SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has only one (1) shareholder owning one hundred (100) or more shares as at December 31, 2025.

Isla Lipana & Co.

Catherine H. Santos
Partner
[redacted]

Makati City
April 30, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	64,105,099	92,805,195
Accounts and other receivables, net	3	84,728,461	99,973,082
Due from related parties	8	43,106,388	13,924,455
Inventories	4	6,838,877	7,712,651
Other current assets	6	20,750,590	20,127,099
Total current assets		219,529,415	234,542,482
Non-current assets			
Hotel property and equipment, net	5	1,766,558,104	1,834,084,013
Deferred tax assets, net	13	13,061,726	10,803,903
Other non-current assets	6	13,956,418	15,359,476
Total non-current assets		1,793,576,248	1,860,247,392
Total assets		2,013,105,663	2,094,789,874
Liabilities and Equity			
Current liabilities			
Accounts and other payables	7	414,341,387	318,607,962
Due to related parties	8	1,292,378,622	574,916,306
Total current liabilities		1,706,720,009	893,524,268
Non-current liability			
Retirement liability	13	8,616,250	7,295,776
Total liabilities		1,715,336,259	900,820,044
Equity			
Share capital	9	1,000,000,000	1,000,000,000
Treasury shares	9	(800,000,000)	-
Retained earnings		96,994,042	191,732,288
Remeasurement gain on defined benefit obligation, net of tax	13	775,362	2,237,542
Total equity		297,769,404	1,193,969,830
Total liabilities and equity		2,013,105,663	2,094,789,874

The notes on pages 1 to 31 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Revenues			
Food and beverage		522,263,817	492,773,037
Rooms		458,276,115	407,465,726
Other operated departments		12,042,084	10,898,468
		992,582,016	911,137,231
Cost of sales and services			
Food and beverage	4	(285,159,653)	(276,988,333)
Property operations and maintenance		(119,322,954)	(124,174,255)
Rooms		(115,757,470)	(98,679,686)
Depreciation	5	(91,332,066)	(89,139,536)
Land rental	8,14	(31,798,511)	(29,172,995)
Management fee	8,14	(24,842,587)	(22,791,402)
Credit card commission		(15,447,074)	(13,578,770)
Other operated departments		(2,107,970)	(1,043,195)
Estate association dues		(1,510,346)	(1,510,346)
Amortization	6	(479,920)	(479,920)
		(687,758,551)	(657,558,438)
Gross operating income		304,823,465	253,578,793
Operating expenses			
General and administrative	10	(62,322,088)	(46,104,832)
Sales and marketing	11	(47,606,763)	(34,759,730)
Information and telecommunication systems		(18,863,116)	(15,279,116)
Security service		(13,517,853)	(14,052,885)
Property taxes		(12,491,454)	(14,826,911)
Insurance		(4,681,782)	(4,681,782)
Retirement expense	13	(1,840,800)	(1,868,920)
		(161,323,856)	(131,574,176)
Other expense, net			
Interest income	2	50,277	56,735
Unrealized foreign currency gain	2	256,390	217,703
Interest expense	8	(10,341,722)	(2,244,651)
Other income		1,121,461	531,561
		(8,913,594)	(1,438,652)
Income before income tax		134,586,015	120,565,965
Income tax expense	12	(39,324,261)	(40,590,479)
Net income for the year		95,261,754	79,975,486
Other comprehensive loss for the year			
Item that will not be reclassified to profit or loss in subsequent years			
Remeasurement gain on defined benefit obligation, net of tax	13	(1,462,180)	(751,264)
Total comprehensive income for the year		93,799,574	79,224,222

The notes on pages 1 to 31 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statements of Total Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Common shares (Note 9)	Redeemable preferred shares (Note 9)	Treasury shares (Note 9)	Retained earnings (Note 9)	Remeasurement gain on defined benefit obligation, net of tax (Note 13)	Total equity
Balances as at January 1, 2024	200,000,000	800,000,000	-	111,756,802	2,988,806	1,114,745,608
Comprehensive income for the year						
Net income for the year	-	-	-	79,975,486	-	79,975,486
Other comprehensive loss	-	-	-	-	(751,264)	(751,264)
Total comprehensive income for the year	-	-	-	79,975,486	(751,264)	79,224,222
Balances as at December 31, 2024	200,000,000	800,000,000	-	191,732,288	2,237,542	1,193,969,830
Transactions with owners						
Redemption of preferred shares	-	-	(800,000,000)	-	-	(800,000,000)
Declaration of cash dividends	-	-	-	(190,000,000)	-	(190,000,000)
Total transactions with owners	-	-	(800,000,000)	(190,000,000)	-	(990,000,000)
Comprehensive income for the year						
Net income for the year	-	-	-	95,261,754	-	95,261,754
Other comprehensive loss	-	-	-	-	(1,462,180)	(1,462,180)
Total comprehensive income for the year	-	-	-	95,261,754	(1,462,180)	93,799,574
Balances as at December 31, 2025	200,000,000	800,000,000	(800,000,000)	96,994,042	775,362	297,769,404

The notes on pages 1 to 31 are an integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		134,586,015	120,565,965
Adjustments for:			
Depreciation and amortization	5	91,811,986	89,619,456
Interest expense	8	10,341,722	2,244,651
Provision for doubtful accounts	3	5,541,878	1,819,532
Retirement expense	13	1,840,800	1,868,920
Interest income	2	(50,277)	(56,735)
Unrealized foreign exchange gain	2	(256,390)	(217,703)
Operating income before changes in working capital		243,815,734	215,844,086
Changes in working capital:			
Accounts and other receivables		9,705,504	(1,102,389)
Due from related parties		(29,184,694)	603,092
Inventories		873,774	(1,633,999)
Other current assets		15,507,246	(11,678,018)
Accounts and other payables		71,748,799	69,351,916
Due to related parties		(32,390,769)	78,544,069
Net cash provided by operations		280,075,594	349,928,757
Retirement benefits paid by the Company	13	-	(2,603,280)
Interest received		50,277	56,735
Contribution to retirement plan	13	(1,000,000)	-
Income taxes paid	12	(34,509,436)	(2,343,643)
Net cash provided by operating activities		244,616,435	345,038,569
Cash flows from investing activities			
Additions to hotel property and equipment	5	(22,537,522)	(20,194,055)
Decrease in other non-current assets		923,138	746,133
Net cash used in investing activities		(21,614,384)	(19,447,922)
Cash flows from financing activities			
Payment of:			
Shares redeemed	9	(800,000,000)	-
Dividends declared	9	(190,000,000)	-
Interest on loan from a related party	8	-	(12,008,627)
Increase in due to related parties	8	(251,958,537)	(257,581,000)
Proceeds from loan from a related party	8	990,000,000	-
Net cash used in financing activities		(251,958,537)	(269,589,627)
Net (decrease) increase in cash and cash equivalents		(28,956,486)	56,001,020
Effect of foreign exchange rate changes on cash	2	256,390	217,703
Cash and cash equivalents at January 1		92,805,195	36,586,472
Cash and cash equivalents at December 31	2	64,105,099	92,805,195

The notes on pages 1 to 31 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
Doing business under the name and style of Seda Vertis North
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Notes to the Financial Statements
As at and for the years ended December 31, 2025 and 2024
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated.)

1 Corporate information

North Triangle Hotel Ventures, Inc. (the Company) is a domestic corporation registered with the Securities and Exchange Commission (SEC) on October 18, 2010. The Company was organized with the primary purpose of owning, holding in ownership, managing, dealing and engaging in the general business of a hotel, inn, resort, restaurant, café, bar, entertainment, and other allied businesses and, to the limit and extent permitted by law, to acquire and own, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements necessary or required by its business and to use such lands, building and improvements thereto for the conduct and operation of the general nature of its business and object and all other matter incidental thereto. The Company is also registered with the Bangko Sentral ng Pilipinas (BSP) to operate as a money changer/foreign exchange dealer.

The Company is wholly owned by AyalaLand Hotels and Resorts Corp. (AHRC) (the Parent Company). AHRC is a wholly owned subsidiary of Ayala Land, Inc. (ALI). ALI's parent is Ayala Corporation (AC) which is 47.84%-owned by Mermac, Inc. (the ultimate parent company) and the rest by the public as at December 31, 2025. Both ALI and AC are publicly listed companies and are incorporated and registered in the Philippines.

The Company owns Seda Vertis North (the Hotel), a hotel of 438 guestrooms and suites. The Hotel, located at Sola Corner Lux Drives, Vertis North, Diliman, Quezon City, was opened to the public in April 2017.

The registered address of the Company is at 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila.

The financial statements of the Company were approved and authorized for issue by the Board of Directors (BOD) on April 30, 2026.

2 Cash and cash equivalents

Cash and cash equivalents as at December 31 consists of:

	2025	2024
Cash on hand	987,140	902,585
Cash equivalents	20,000,000	-
Cash in banks	43,117,959	91,902,610
	64,105,099	92,805,195

Cash on hand includes the petty cash fund of the Company for its immediate cash expenditures.

Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Company and earn interest at the respective short-term investment rates. The cash equivalent represents a short-term investment placed on December 29, 2025 and matured on January 2, 2026, with a maturity period of less than three months from the date of acquisition. The placement is highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value and therefore meets the definition of a cash equivalent.

Cash in banks earn annual interest at the prevailing deposit rates of 0.25% to 0.35% in 2025 and 2024. Interest income earned on cash in banks amounted to P46.94 thousand in 2025 (2024 - P56.74 thousand).

Interest income earned on cash equivalents and recognized in interest income in the statements of total comprehensive income for the year ended December 31, 2025 amounted to P3.33 thousand. There were no cash equivalent placements in 2024.

The Company recorded unrealized foreign exchange loss from its dollar account amounting to P256.39 thousand for the year ended December 31, 2025 (2024 - P217.70 thousand gain).

There are no restrictions on the Company's cash and cash equivalents as at December 31, 2025 and 2024.

3 Accounts and other receivables, net

Accounts and other receivables, net as at December 31 consist of:

	2025	2024
Trade		
Corporate	31,566,416	23,052,983
Government	24,813,528	33,107,452
Credit cards	17,231,212	18,190,882
Travel agency	9,513,751	8,055,231
Guest	2,641,901	12,667,472
Others	4,767,215	4,960,448
	90,534,023	100,034,468
Less: Allowance for doubtful accounts	(7,810,072)	(2,268,194)
	82,723,951	97,766,274
Advances to employees	2,004,510	2,206,808
	84,728,461	99,973,082

Trade receivables pertain to amounts collectible from customers arising from sales and services of the Company operations. These are noninterest-bearing and are normally collectible within a 1- to 60- day term.

The classes of trade receivables of the Company are as follows:

- Corporate - pertains to receivables from companies or establishments that have existing credit lines with the Company;
- Government - pertains to receivables from government agencies, embassies and government-owned and controlled corporations;
- Credit cards - arise from credit card transactions of hotel guests from room use, banquets and restaurant;.
- Travel agency - pertains to receivables of the Hotel from travel agents;
- Guest - pertains to balance of all current in-house accounts or catering accounts for ongoing functions as well as a limited number of house accounts established with proper approval, which are kept current; and,
- Others - pertain to receivables from companies or establishments with existing credit lines with the Company, representing check payments received that are still pending credit to the Company's depository account.

Advances to employees pertain to business-related advances which are subject to liquidations and salary deduction and are collectible within one (1) year.

Movements in the allowance for doubtful accounts for the years ended December 31 are as follows:

	Note	2025	2024
At January 1		2,268,194	448,662
Provision	10	5,541,878	1,819,532
At December 31		7,810,072	2,268,194

In 2025, the Company recorded provision for impairment of receivables amounting to P5.54 million and is presented under operating expenses in the statements of total comprehensive income (2024 - P1.82 million). The provision pertains to receivables that remain unpaid beyond normal credit terms. Based on the aging analysis, historical collection experience, and management's assessment, these receivables were assessed as having a low probability of recovery. There were no accounts written off in 2025 and 2024.

4 Inventories

Inventories as at December 31 consist of:

	2025	2024
Food	3,043,395	4,194,677
Beverage	2,176,382	2,252,405
Guest supplies	1,619,100	1,265,569
	6,838,877	7,712,651

An assessment for impairment is conducted on a regular basis and an allowance is provided for obsolete and slow-moving inventories. No provision for inventory obsolescence was recognized in 2025 and 2024.

Inventories recognized as part of food and beverage under cost of sales and services in the statements of comprehensive income amounted to P156.04 million and P158.42 million in 2025 and 2024, respectively. Food and beverage reported under cost of sales and services in the statements of total comprehensive income include payroll and related expenses, uniforms, supplies, and other costs and expenses.

5 Hotel property and equipment, net

Details and movements of hotel property and equipment, net as at and for the years ended December 31 are as follows:

	Hotel building and improvements	Machinery and equipment	Furniture, fixtures and equipment	Total
Cost				
January 1, 2024	2,059,021,536	81,614,164	281,104,493	2,421,740,193
Additions	302,494	12,627,984	7,263,577	20,194,055
December 31, 2024	2,059,324,030	94,242,148	288,368,070	2,441,934,248
Additions	1,524,244	9,320,637	12,961,276	23,806,157
December 31, 2025	2,060,848,274	103,562,785	301,329,346	2,465,740,405
Accumulated depreciation				
January 1, 2024	301,395,358	41,908,176	175,407,165	518,710,699
Depreciation	52,083,139	8,988,279	28,068,118	89,139,536
December 31, 2024	353,478,497	50,896,455	203,475,283	607,850,235
Depreciation	52,106,720	9,563,469	29,661,877	91,332,066
December 31, 2025	405,585,217	60,459,924	233,137,160	699,182,301
Net book value				
As at December 31, 2024	1,705,845,533	43,345,693	84,892,787	1,834,084,013
As at December 31, 2025	1,655,263,057	43,102,861	68,192,186	1,766,558,104

Unpaid additions to hotel property and equipment as at December 31, 2025 amounted to P1.27 million. There were no unpaid additions in 2024.

The Company has no restrictions on its property and none of these have been pledged as security for its obligation.

Management assessed that there are no indicators that property and equipment are impaired as at December 31, 2025 and 2024.

6 Other assets

(a) Other current assets

Other current assets consisting of prepayments for taxes, dues and subscriptions amounted to P20.75 million as at December 31, 2025 (2024 - P20.13 million). These are expected to be fully amortized within 1 year.

(b) Other non-current assets

Other non-current assets as at December 31 consist of:

	2025	2024
Advances to contractors	11,232,517	11,232,517
Deferred input VAT	2,107,541	3,030,679
Operating equipment, net	616,360	1,096,280
	13,956,418	15,359,476

Advances to contractors are downpayments made and recouped upon receipt of progress billing based on percentage of accomplishment.

Details and movements of operating equipment, net as at and for the years ended December 31 are as follows:

	2025	2024
Cost		
At January 1 and December 31, 2024 and 2025	2,396,936	2,396,936
Accumulated depreciation		
At January 1	1,300,656	820,736
Amortization	479,920	479,920
At December 31	1,780,576	1,300,656
Net book value	616,360	1,096,280

Operating equipment includes china, glassware, silverware, linen, uniforms, drapes and curtains to be used in the Hotel operations. Operating equipment is expensed ratably to the appropriate department expense account over its period of consumption.

Management assessed that there are no indicators that operating equipment are impaired as at December 31, 2025 and 2024.

7 Accounts and other payables

Accounts and other payables as at December 31 consist of:

	Note	2025	2024
Trade payables		85,223,338	80,401,765
Accrued expenses			
Overhead and other expenses		174,861,649	130,082,430
Utilities		22,769,361	5,687,487
Payroll		12,690,267	10,979,142
Sales expenses		12,189,362	1,544,730
Taxes payable		66,305,992	59,418,613
Guest deposits	16(b)	18,702,095	22,245,357
Interest payable	8	12,806,199	2,464,477
Service charge payable		2,143,667	1,837,086
Retention payable		718,466	718,466
Others		5,930,991	3,228,409
		414,341,387	318,607,962

Trade payables pertain to amounts due to suppliers for purchases of goods and services. These are normally settled on a 15- to 90- day term.

Accrued overhead and other expenses pertain to unpaid maintenance, professional fees, information systems, food and beverage cost and other general and administrative expenses of the Company. These are normally settled within 30- to 60- day term.

Accrued utilities pertain to unpaid electricity and water utilities of the Company. These are normally settled within 30- to 60- day term.

Accrued sales expenses represent costs related to sales activities that have been incurred but not yet paid. These include commissions, marketing and promotional costs, and other selling-related obligations. These are normally settled within 30- to 60- day term.

Accrued payroll include salaries, wages, bonuses, and other employee-related benefits earned during the period, which are typically settled in the subsequent month.

Taxes payable pertain to expanded withholding taxes on purchases of goods and services, withholding taxes on compensation and taxes due to local government unit. For withholding taxes, these are normally remitted the following month. However, for taxes due to local government, this is remitted quarterly.

Guest deposits refer to amounts paid by guests in advance to guarantee reservation. These are recognized as revenue once the performance obligation has been satisfied.

Service charge payable pertains to service charges levied on hotel revenues. These are settled together with the employees' semi-monthly payroll. The Hotel charges a 5% service fee of the total bill amount on the room accommodation services and sale of food and beverage. 100% of the collected service fee represents benefits that are directly distributable to the employees, as required by the Labor Code of the Philippines in compliance with Republic Act No. 11360 which was enacted on August 7, 2019.

Interest payable pertains to the interest from loans and intercompany payables. These are normally settled quarterly.

Retention payable pertains to holdout amount withheld from the contractor from its progress billings which will be released after the completion of the contracted works. This will cover back charges that may arise from quality issues on the contracted works. These are recouped upon receipt of billings. Retention payables that are beyond one year from year end date are presented as noncurrent liability.

Others primarily represent amounts payable to concessionaires in relation to the Company’s operating and concession agreements.

8 Related party transactions

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, Related Party Disclosures.

The table below summarizes the Company's transactions and balances with its related parties as at and for the years ended December 31, 2025 and 2024.

	Elements of transaction				
	Volume/Amount	Receivable	Payable	Terms	Conditions
December 31, 2025					
Intermediate Parent					
Advances for operating expenses (a)	-	24,277,277	-	Non-interest bearing; Collectible in cash	Unsecured; Due and demandable
Land rental (b)	31,798,511	-	(11,377,298)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Parent					
Management fees (c)	24,842,587	-	(18,643,322)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Loyalty program (d)	2,124,158	-	(4,502,558)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Entity under common control					
Operating advances (e)	603,092	14,500,000	-	Non-interest bearing; Collectible in cash	Unsecured; Due and demandable
Operating advances (f)	165,051,120	-	(165,051,120)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Affiliates					
Supply of chilled water (g)	-	-	(81,795,444)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Loans (h)	990,000,000	-	(990,000,000)	Interest bearing; Payable in cash	Due and demandable Unsecured;
Operating advances (i)	4,329,111	4,329,111	-	Non-interest bearing; Collectible in cash	Unsecured; Due and demandable
Operating advances (j)	-	-	(8,202,681)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Interest expense (h)	10,341,722	-	(12,806,199)	Interest bearing; Payable in cash	Unsecured; Due and demandable
		43,106,388	(1,292,378,622)		
Cash in bank (k)	7,598,759	-	-	Interest bearing	Unsecured; Unrestricted
Cash equivalents (k)	20,000,000	-	-	Interest bearing	Unsecured; Unrestricted
Interest income (k)	35,180	-	-	Interest ranges from 0.25% to 0.35%	
December 31, 2024					
Intermediate Parent					
Advances for operating expenses (a)	-	27,547	-	Non-interest bearing; Collectible in cash	Unsecured; Due and demandable
Land rental (b)	29,172,995	-	(38,403,897)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Parent					
Management fees (c)	22,791,402	-	(8,154,364)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Loyalty program (d)	2,543,899	-	(8,578,871)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Entity under common control					
Operating advances (e)	-	13,896,908	-	Non-interest bearing; Collectible in cash	Unsecured; Due and demandable
Affiliates					
Supply of chilled water (g)	-	-	(109,169,923)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Operating advances (j)	-	-	(408,144,774)	Non-interest bearing; Payable in cash	Unsecured; Due and demandable
Interest expense (h)	2,244,651	-	(2,464,477)	Interest bearing; Payable in cash	Unsecured; Due and demandable
		13,924,455	(574,916,306)		
Cash in bank (k)	23,597,356	-	-	Interest bearing	Unsecured; Unrestricted
Interest income (k)	44,452	-	-	Interest ranges from 0.25% to 0.35%	

Transactions with related parties for 2025 and 2024 are as follows:

a. The Company provides advances to ALI, the Intermediate Parent Company, to fund operating expenses of ALI. These are payable in cash upon demand, unsecured, and non-interest-bearing. In 2025, advances amounting to P24.25 million represent balances reclassified from receivables from entities under common control to receivables from ALI following the merger of certain entities with ALI effective April 1, 2025. There were no similar transactions in 2024.

b. The Company incurs land rental expense from the land lease of the Hotel from ALI, the Intermediate Parent Company (Note 14). These are payable in cash upon demand, unsecured, and non-interest-bearing. Land rental amounted to P31.80 million in 2025 (2024 - P29.17 million).

c. The Company incurs management fee expense charged by AHRC, the Parent Company, for the services of its employees who handle project monitoring, maintain the books of accounts, review budget and monitor capital (Note 14). These are payable in cash upon demand, unsecured, and non-interest-bearing. In 2025, the Company recognized management fees amounting to P24.84 million (2024 - P22.79 million).

d. The Company incurs loyalty program expense related to Seda Loyalty Program which is billed by AHRC, the Parent Company, based on a redemption ratio. Seda Loyalty Program is a guest loyalty program for Seda hotels which is operated by AHRC and was launched in 2016 (Note 14). These are payable in cash upon demand, unsecured, and non-interest-bearing. In 2025, the Company recognized loyalty program expense of P2.12 million (2024 - P2.54 million).

e. The Company provides advances to ALI Makati Hotel Property, Inc., an entity under common control, to fund related operating expenses. These are payable in cash upon demand, unsecured, and non-interest-bearing. In 2025, the Company provided additional advances amounting to P603.09 thousand. There were no similar transactions in 2024.

f. The Company receives advances from Econorth Hotel Ventures, Inc. and Bonifacio Hotel Ventures, Inc., entities under common control, to fund the operating expenses of the Company. These are payable in cash upon demand, unsecured, and non-interest-bearing. In 2025, the Company provided additional advances amounting to P165.05 million. There were no similar transactions in 2024.

g. The Company receives advances from North Eastern Commercial Corp., an affiliate, for the supply of chilled water to the Company. These are payable in cash upon demand, unsecured, and non-interest-bearing. These are normally settled within one (1) year.

h. In 2025, the Company entered into an interest-bearing loan with Ceci Realty, Inc., an affiliate, at an interest rate of 5.50% to fund working capital requirements of the Company. The loan is unsecured and payable in cash upon demand. Total proceeds received during the year amounted to P990.00 million. There were no similar transactions in 2024. The Company incurred interest expense of P10.34 million for the year ended December 31, 2025.

   In 2024, the Company incurred interest expense amounting to P2.24 million from interest-bearing loans from affiliates, Alveo Land Corporation, Ayala Hotels, Inc., Ayala Property Management Corporation, AyalaLand Offices, Inc., AyalaLand Premier, Inc., First Gateway Real Estate Corp., and Makati Development Corporation. These loans were fully settled in 2024.

i. The Company provides advances to Makati Development Corporation, an affiliate to fund related operating expenses. There are payable in cash upon demand, unsecured, and non-interest-bearing. In 2025, the Company provided advances amounting to P4.33 million. There were no similar transaction in 2024.

j. The Company receives advances from Ayala Land Sales, Inc., AyalaLand Premier, Inc., AyalaLand Property, Management Corporation, Makati Development Corporation, Alveo Land Corporation, AyalaLand Offices, Inc., First Gateway Real Estate Corp., Unity Realty & Development Corporation, First Gateway Real Estate Corp., MDBI Construction Corp., North Triangle Depot Commercial Corp., AREIT, Inc., and Vesta Property Holdings Inc., affiliates, to fund related operating expenses. These are payable in cash upon demand, unsecured, and non-interest-bearing. There were no advances received in 2025 and 2024.

k. The Company maintains savings and time deposit account with its affiliate, Bank of the Philippine Islands (BPI). For the year ended December 31, 2025, interest income amounted to P35.18 thousand (2024 - P44.45 thousand) (Note 2).

The Company has not recognized any impairment losses on amounts due from related parties for the years ended December 31, 2025 and 2024. This assessment is undertaken each financial year through review of the financial position of the related party and the market in which the related party operates.

Key management compensation

The key management personnel of the Company are employees of its parent, AHRC and ALI. The compensation of the said employees is paid by AHRC and ALI and as such, the necessary disclosures required by PAS 24, Related Party Disclosures are included in the financial statements of AHRC.

Reconciliation of outstanding balances

Outstanding balances of receivables and payables as at December 31 arising from transactions described above are summarized below:

	2025	2024
Due to related parties		
Advances for working capital requirements	196,278,040	436,424,955
Advances for operating expenses	106,100,582	138,491,351
Loans from a related party	990,000,000	-
	1,292,378,622	574,916,306
Due from related parties		
Advances for operating expenses	43,106,388	13,924,455

Detailed analysis of net debt and the movements in net debt for the years ended December 31 are presented below:

	Notes	2025	2024
Cash and cash equivalents	2	64,105,099	92,805,195
Due to related parties	8	(1,292,378,622)	(574,916,306)
		(1,228,273,523)	(482,111,111)

9 Equity

(a) Share capital

The details of the Company's authorized share capital with P1.00 par value as at December 31, 2025 and 2024 follow:

	Number of shares	Amount
Common shares - P1.00 par value		
Authorized	200,000,000	200,000,000
Redeemable preferred shares - P1.00 par value		
Authorized	800,000,000	800,000,000
		1,000,000,000

Details of shares issued and outstanding as at December 31, 2025 and 2024 are as follows:

	Issued and subscribed	Treasury shares	Total
December 31, 2025			
Common shares	200,000,000	-	200,000,000
Redeemable preferred shares	800,000,000	(800,000,000)	-
	1,000,000,000	(800,000,000)	200,000,000
December 31, 2024			
Common shares	200,000,000	-	200,000,000
Redeemable preferred shares	800,000,000	-	800,000,000
	1,000,000,000	-	1,000,000,000

The redeemable preferred shares shall have the following features, rights and privileges:

a. each redeemable preferred share shall have the same voting rights as that attached to common shares;
b. the redeemable preferred share shall be redeemable in tranches at any time as may be decided by the BOD, subject to the condition that in no case shall the redemption price of the actual number of the redeemable preferred shares to be redeemed be less than the subscription cost of such shares as recorded in the books of the Company at the time of redemption; and
c. redeemable preferred share shall have priority over the common shares in the allocation of unrestricted retained earnings for declaration of dividends, whether in the form of profits or in connection with liquidation, in such form as may be decided by the BOD, provided that such terms and conditions shall be effective after the filing of the Certificate of Incorporation with the SEC.

(b) Treasury shares

On October 17, 2025, the Company's BOD approved and authorized the redemption of 800,000,000 redeemable preferred shares at par value of P1.00 per share of the Company. This is separately presented as treasury shares in the statements of financial position. There was no similar transaction in 2024.

(c) Dividends

On October 17, 2025, the Company's BOD approved the declaration of cash dividends amounting to P190.00 million or P0.95 per share, to be paid out of the Company's unappropriated retained earnings as at December 31, 2025, payable to stockholders of record as at October 17, 2025. The cash dividends were paid on October 31, 2025.

10 General and administrative expenses

General and administrative expenses for the years ended December 31 consist of:

	Note	2025	2024
Manpower costs		27,707,778	25,215,853
Taxes and licenses		11,890,903	2,947,835
Provision for doubtful accounts	3	5,541,878	1,819,532
Contract services		3,117,723	-
Input tax expense		2,519,571	2,520,014
Employee relations and training expense		2,182,453	3,598,522
Meal expenses		1,581,772	1,660,494
Professional fees		852,000	5,062,000
Supplies		669,103	627,992
Bank charges		173,403	151,472
Others		6,085,504	2,501,118
		62,322,088	46,104,832

Others pertain to settlements, legal fees and other various miscellaneous expenses.

11 Sales and marketing expenses

Sales and marketing expenses for the years ended December 31 consist of:

	Notes	2025	2024
Manpower cost		25,019,934	16,999,347
Promotional and advertising expense		17,574,176	11,580,657
Loyalty program	8, 14	2,124,158	2,543,899
Entertainment		1,288,119	1,403,497
Transportation		510,083	601,184
Laundry and dry cleaning		97,138	75,731
Printing and stationery		21,598	121,786
Guest supplies		2,123	10,722
Miscellaneous		969,434	1,422,907
		47,606,763	34,759,730

12 Income taxes

The components of income tax expense for the years ended December 31 consists of:

	2025	2024
Deferred income tax (benefit) expense	(1,770,429)	5,704,070
Basic income tax deficiency	1,029,058	-
Current income tax expense	40,055,580	34,875,062
Final income tax expense	10,052	11,347
	39,324,261	40,590,479

The Company's deferred income tax asset, net as at December 31 represent the tax effects of the following:

	2025	2024
Deferred income tax assets on:		
Accrued expenses	10,619,156	8,302,669
Retirement liability	3,739,710	3,279,510
	14,358,866	11,582,179
Deferred income tax liabilities on:		
Unrealized forex gain	(63,918)	(32,447)
Remeasurement gain on retirement plan	(1,233,222)	(745,829)
	(1,297,140)	(778,276)
Deferred income tax assets, net	13,061,726	10,803,903

Realization of future tax benefits related to the deferred income tax assets, net is dependent on many factors, including the Company's ability to generate taxable income in the future. The Company's management believes that the related tax benefits will be recovered within the following time frame:

	2025	2024
Deferred income tax assets		
To be recovered within 12 months	10,619,156	8,302,669
To be recovered after more than 12 months	3,739,710	3,279,510
	14,358,866	11,582,179
Deferred income tax liabilities		
To be recovered within 12 months	(63,918)	(32,447)
To be settled after more than 12 months	(1,233,222)	(745,829)
	(1,297,140)	(778,276)
Deferred income tax assets, net	13,061,726	10,803,903

The movements in the deferred income tax assets, net account for the years ended December 31 are as follows:

	Note	2025	2024
Balances at January 1		10,803,903	16,257,552
Credit (charged) to profit to loss		1,770,429	(5,704,070)
Credited to other comprehensive income	13	487,394	250,421
		13,061,726	10,803,903

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from taxable income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of NOLCO as at December 31, 2024 are as follows:

Year incurred	Year of expiry	2024
2021	2026	532,568
Applied		(532,568)
		-
Tax rate		25%
		-

As at December 31, 2025, there is no NOLCO incurred, applied or derecognized.

The Company's MCIT as at December 31, 2024 are as follows:

Year incurred	Year of expiry	2024
2023	2026	3,478,150
2022	2025	1,116,971
2021	2026	919,111
		5,514,232
Applied/Expired		(5,514,232)
		-

As at December 31, 2025, there is no MCIT incurred, applied or derecognized.

No deferred income tax assets were recognized for the following temporary differences as it is not probable that there will be sufficient taxable profit against which the benefit of the deferred income tax assets can be utilized in the future:

	2025	2024
Accrued expenses	23,120,776	16,113,453
Allowance for doubtful accounts	1,952,518	567,409
	25,073,294	16,680,862

The reconciliation of the statutory income tax to income tax expense for the years ended December 31 follows:

	2025	2024
Income tax at statutory income tax rate	33,646,504	30,141,492
Tax effects of:		
Movement in unrecognized deferred tax assets	8,392,432	10,440,478
Basic income tax deficiency	1,029,058	-
Non-deductible interest expense	-	11,347
Interest income already subjected to final tax	(2,517)	(2,838)
	43,065,477	40,590,479

13 Retirement benefits

The Company has funded, non-contributory, defined benefit retirement plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and compensation on the last year of employment as defined under Philippine Republic Act 7641. The retirement is the only long-term employee benefit. The Company's retirement plan meets the minimum retirement benefit specified by law.

The Company's obligations under defined benefit plan may significantly vary depending on a number of market, economic and demographic conditions, such as yields on government debt, return on plan assets invested in debt and equity securities as well as pooled funds, employee turnover and retiree mortality rates.

The retirement benefit obligation is determined using the "Projected Unit Credit Cost" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The actuarial valuation of the Company's retirement plan was performed by an independent actuary. The latest actuarial valuation report prepared was for the year ended December 31, 2025.

The reconciliation of the present value of the defined benefits obligation and the fair value of the plan assets is as follows:

	2025	2024
Present value of obligation	9,635,156	7,295,776
Fair value of plan assets	(1,018,906)	-
	8,616,250	7,295,776

The components of retirement expense included under operating expenses in the statements of comprehensive income for the years ended December 31 follow:

	2025	2024
Current service cost	1,468,012	1,428,236
Interest expense	372,788	440,684
	1,840,800	1,868,920

Changes in the present value of the defined benefit obligation for the years ended December 31 are as follows:

	2025	2024
Balance at January 1	7,295,776	7,028,451
Current service cost	1,468,012	1,428,236
Interest expense	372,788	440,684
Transferred obligation	(1,469,900)	-
Benefits paid by the Company	-	(2,603,280)
Remeasurement loss recognized in OCI	1,968,480	1,001,685
Balance at December 31	9,635,156	7,295,776

Movements in the fair value of plan assets for the year ended December 31, 2025 is as follows:

	Amount
At January 1	-
Contributions	1,000,000
Remeasurement gain	18,906
At December 31	1,018,906

There are no estimated contributions to be paid to the plan for the year ending December 31, 2026.

The Company's retirement fund is maintained and managed by a trustee bank. The asset consists primarily of a unit investment trust fund amounting to P1.02 million.

The movement in the net retirement benefit obligation in the statements of financial position is as follows:

	2025	2024
At January 1	7,295,776	7,028,451
Retirement benefit expense	1,840,800	1,868,920
Transfers	(1,469,900)	-
Contribution to the plan asset	(1,000,000)	-
Benefits paid	-	(2,603,280)
Remeasurement loss	1,949,574	1,001,685
At December 31	8,616,250	7,295,776

Changes in the remeasurement gain on defined benefit obligation, net of tax for the years ended December 31 are as follows:

	Note	2025	2024
At January 1		2,237,542	2,988,806
Actuarial loss due to:			
Change in financial assumptions		(2,241,469)	(176,989)
Remeasurement on plan assets		18,906	-
Experience adjustments		272,989	(824,696)
		(1,949,574)	(1,001,685)
Tax effect	12	487,394	250,421
Net remeasurement loss on defined benefit obligation		(1,462,180)	(751,264)
At December 31		775,362	2,237,542

Retirement benefits are payable in the event of termination of employment due to: (i) early, normal, or late retirement; (ii) physical disability; or (iii) involuntary separation from service. For plan members retiring under normal, early or late terms, retirement benefit is equal to a percentage of final monthly salary for every year of credited service.

The principal assumptions used to determine retirement benefits for the Company as at December 31 are as follows:

	2025	2024
Discount rate	6.10%	6.10%
Salary increase rate	4.00%	4.00%

(a) Discount rate

The discount rate is determined by reference to market yields at balance sheet date of high-quality corporate bonds or government bonds consistent with the estimated term of the obligations.

All expected benefit payments are discounted using various rates that correspond to the timing of benefits payments, after which, a single discount rate is computed considering the aggregate amount of all discounted values.

(b) Salary rate increases

This is the expected long-term average rate of salary increase taking into account inflation, seniority, promotion and other market factors. Salary increases comprise of the general inflationary increases plus a further increase for individual productivity, merit and promotion. The future salary increase rates are set by reference over the period over which benefits are expected to be paid.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31 assuming all other assumptions were held constant:

	Increase (Decrease)	2025	2024
Discount rate	1.00%	(1,355,360)	(359,534)
	(1.00%)	1,673,348	518,161
Salary increase rate	1.00%	1,618,945	508,982
	(1.00%)	(1,338,732)	(360,054)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statements of financial position.

(c) Demographic assumptions

Actuarial assumptions also include turnover rates of the Company's employees which are generally based on Group Annuity Mortality Table prepared by the actuary.

Assumptions regarding mortality experience are set based on advice from published statistics and experience.

(d) Expected maturity analysis

Expected maturity analysis of undiscounted retirement benefit obligation as at December 31 are as follows:

	2025	2024
1 year or less	189,832	
More than 1 year to 5 years	1,791,688	-
More than 5 years to 10 years	5,422,403	1,823,684
More than 10 years to 15 years	26,165,107	2,839,407
More than 15 years to 20 years	33,000,953	23,192,981
More than 20 years	257,736,488	133,283,620

The average duration of the expected benefit payments is 21 years as at December 31, 2025 (2024 - 20 years).

14 Commitments

(a) Lease contract with ALI

The Company entered into a non-cancellable and renewable contract of lease with ALI, the Intermediate Parent Company, for the land on which the Company was constructed with initial term of 50 years commencing from the date that the Company first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3.2% of the Company's gross revenues subject to review every three (3) years. Land rental amounted to P31.80 million and P29.17 million in 2025 and 2024, respectively (Note 8).

(b) Management service agreement with AHRC

A management service agreement was entered between the Company and the Parent Company wherein the latter undertakes to render services and assistance related in the management and operation of the business of the Company in exchange for management fee. The Company will pay a base management fee equivalent to two and a half percent (2.50%) of the Company's gross revenue. The Company recognized management fee amounting to P24.84 million and P22.79 million in 2025 and 2024, respectively (Note 8).

(c) Seda loyalty program

Seda loyalty program is a guest loyalty program for Seda Hotels which is operated by AHRC, the Parent Company wherein the latter is entitled to service fees when a Seda Hotel Property is in the operating phase. AHRC initially billed the Company a one-time participation fee based on the number of hotel rooms multiplied by P1,500. In addition, the Company will receive billings equivalent to 2.50% of the related Hotel's Room revenues from the program which decreased to 2.40% starting May 2024. The Company recognized loyalty program expense amounting to P2.12 million and P2.54 million in 2025 and 2024, respectively (Note 8).

15 Financial risk and capital management

15.1 Financial risk factors

Exposure to credit, liquidity, market, interest rate and foreign currency exchange risks arise in the normal course of the Company's business. The main objectives of the Company's financial risk management are consistent with that of ALI, which are as follows:

a. to identify and monitor such risks on an ongoing basis;
b. to minimize and mitigate such risks; and
c. to provide a degree of certainty about costs.

The Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risks are primarily attributable to financial assets.

Customer credit risk is managed by the Company subject to its established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Trade receivables are regularly monitored.

The Company's allowance for doubtful accounts on its trade receivables amounted to P7.81 million and P2.27 million as at December 31, 2025 and 2024, respectively (Note 3).

Set out below is the information about the credit risk exposure on the Company's financial assets as at December 31 using a provision matrix:

		Days past due			
	Current (high grade)	1-30 days	>30 days	Expected credit loss	Total
2025					
Cash and cash equivalents*	63,117,959	-	-	-	63,117,959
Accounts and other receivables, net**	46,311,258	6,024,875	38,197,890	(7,810,072)	82,723,951
Due from related parties	-	-	43,106,388	-	43,106,388
	109,429,217	6,024,875	81,304,278	(7,810,072)	188,948,298
2024					
Cash and cash equivalents*	91,902,610	-	-	-	91,902,610
Accounts and other receivables, net**	50,223,544	10,631,728	39,179,196	(2,268,194)	97,766,274
Due from related parties	27,547	-	13,896,908	-	13,924,455
	142,153,701	10,631,728	53,076,104	(2,268,194)	203,593,339

**Excluding cash on hand amounting to P987.14 thousand as at December 31, 2025 (2024 - P902.59 thousand)*
***Excluding advances to employees amounting to P2.00 million as at December 31, 2025 (2024 - P2.20 million).*

There being no collaterals or credit enhancements attached to the Company's financial assets, the Company's maximum exposure to credit risk approximates the carrying values of its financial assets as at December 31, 2025 and 2024.

(a) Cash and cash equivalents

The Company is exposed to credit risk from other financial contractual relationships to a lesser extent, for short-term bank deposits. Credit risk arises if counterparties to financial instruments fail to meet its contractual obligations. The Company maintains its cash deposits in universal banks to minimize credit risk exposure.

The maximum exposure to credit risk at the reporting date is the fair value of cash in banks and cash equivalent as presented in Note 2. As such, while cash and cash equivalents are subject to the impairment requirements of PFRS 9, there is no identified impairment loss of the reported balances exposed to credit risk since the expected credit loss is insignificant.

(b) Accounts and other receivables, net

High performing receivables relates to those which are consistently collected before the maturity date, normally 30 to 90 days from billing date. Underperforming receivables include accounts from customers that are collectible beyond 90 days from billing date even without an effort from the Company to follow them up. Past due accounts classified as not impaired are those which are assessed as highly probable to be collected due to good credit standing of customers whereas those classified as impaired are assessed to be uncollectible due to the economic status of the customers.

The Company applies, if necessary, the PFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All of the Company's trade receivables had been assessed to be fully performing as at reporting date. Management has determined based on its historical loss experience that the expected credit loss on these fully performing trade receivables is not material for financial reporting purposes.

The expected credit loss on other receivables is considered to be minimal as there is no history of defaults and collections are expected to be made within 30 to 90 days.

The maximum exposure to credit risk at the reporting date is the fair value of receivables as presented above.

(c) Due from related parties

Credit exposure of the Company on due from related parties is considered to be low as there is no history of default and have strong credit standing of concerned related parties. Credit risk is negligible since the related parties are faithfully paying on normal credit terms based on contracts. There was no provision for doubtful accounts relating to amounts owed by related parties because of strong financial condition of the concerned entities. Terms are normally due on demand.

None of the financial assets that are fully performing have been renegotiated in the last year.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company maintains a level of cash that is sufficient to finance operations and to mitigate the effects of fluctuation in cash flows. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions or from its parent company.

Overall, the Company's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Company's business.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

	≤ 1 year	> 1 year	2 to 5 years	Total
2025				
Accounts and other payables*	244,325,213	-	-	244,325,213
Due to related parties	1,292,378,622	-	-	1,292,378,622
	1,536,703,835	-	-	1,536,703,835
2024				
Accounts and other payables*	236,943,992	-	-	236,943,992
Due to related parties	574,916,306	-	-	574,916,306
	811,860,298	-	-	811,860,298

**Excluding taxes payable and guest deposits as at December 31, 2025 and 2024.*

15.2 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the current capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The objectives, policies or processes of the Company are aligned with that of ALI. There were no changes in the capital management policy of the Company in 2025 and 2024.

The Company considers the following as capital as at December 31:

	Notes	2025	2024
Share capital	9	1,000,000,000	1,000,000,000
Treasury shares	9	(800,000,000)	-
Retained earnings	9	96,994,042	191,732,288
Due to related parties		1,292,378,622	574,916,306
		1,589,372,664	1,766,648,594

The Company is not subject to externally imposed capital requirements.

16 Revenue from contracts with customers

(a) Disaggregated revenue information

The Company has three (3) revenue streams arising from contracts with customers, which are rooms, food and beverage and other operating departments. Revenue from rooms and other operating departments are recognized over time, while revenue from food and beverage is recognized at point in time.

(b) Contract balances

Trade receivables pertain to amounts collectible from customers arising from sales and services of the Hotel operations. These are noninterest-bearing and are normally collectible within 30 to 60 days.

Contract liabilities pertain to amounts paid by guests in advance to guarantee reservation. These are recorded under “Accounts and other payables” in the statements of financial position. These are recognized as revenue once the performance obligation has been satisfied. Guest deposits amounted to P18.70 million and P22.2 million as at December 31, 2025 and 2024, respectively (Note 7).

(c) Performance obligations

For the sale of goods and services, the performance obligation is satisfied when food and beverages are sold, and services are rendered. Payment is generally due within 30 to 60 days as the customer receives the goods and services except for some customers with specific credit terms. The Company applies the practical expedient and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

17 Critical accounting estimates, assumptions and judgments

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

17.1 Critical judgments in applying the Company's accounting policies

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

(a) Allocation of transaction price on room services and sale of food and beverage

The Company provides room accommodation services that are bundled together with the sale of food and beverage to the guest, which is the breakfast buffet. The sale of food and beverage is a promise to provide in the future and is part of the negotiated exchange between the Company and the guest. The Company determined that both the room accommodation and breakfast buffet are capable of being distinct. In allocating the hotel room charges, the Company considers the cost plus a predetermined margin for the breakfast and assigns the remaining transaction price to revenue from room services.

(b) Impairment of hotel property and equipment; operating equipment

The Company determines whether its hotel property and equipment is impaired when impairment indicators exist. The factors that the Company considers important, which could trigger an impairment review include, among others, significant underperformance relative to the future sales performance and projected operating results and significant negative industry or economic trends. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. As at December 31, 2025 and 2024, management believes that there were no impairment indicators on the Company's non-financial assets.

(c) Recognition of deferred tax assets

The Company reviews the carrying amounts of deferred income taxes at the reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Company's assessment is based on budgeted and forecasted taxable income in the immediately succeeding year. In such assessment, external factors which may limit the utilization of deferred tax assets are taken into consideration.

Recognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 12.

17.2 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Provision for impairment of receivables

The provision for impairment of receivables and due from related parties is based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. In 2025, the Company recognized a provision for impairment of receivables amounting to P5.54 million (2024 - P1.82 million) (Notes 3 and 10).

The carrying value of the Company's receivables is disclosed in Note 3.

(b) Estimation of useful lives of hotel property and equipment; operating equipment

Useful lives of hotel property and equipment and operating equipment are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and operating equipment are reviewed periodically and are updated if expectations differ from previous estimates due to asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned.

If the actual useful lives of the property and equipment differ by 10% (management threshold), the carrying amount of property and equipment would have been P4.77 million higher or P5.83 million lower (2024 - P5.04 million higher or P6.16 million lower) (Note 5).

(c) Provision for retirement benefits

The determination of the obligation and retirement costs is dependent on the selection of certain assumptions by management used by the actuary in calculating such amounts. Those assumptions are described in the above section and include, among others, discount rates and salary increase rates. While the Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement benefit obligation. The assumptions are reviewed at each reporting date and are adjusted as necessary to reflect the current circumstances.

The sensitivity of the defined benefit obligation to changes in the principal assumptions as at December 31, 2025 and 2024 are presented in Note 13.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit asset recognized within the statements of financial position.

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

18 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

18.1 Basis of preparation

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

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

The financial statements have been prepared under the historical cost convention, except for net retirement benefits liability, which is measured at the present value of defined benefits obligation less the fair value of the plan assets.

The financial statements are presented in Philippine peso, which is the Company's functional currency. All values are rounded to the nearest peso, except the number of shares or when otherwise indicated.
The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17.

18.2 Changes in accounting policies and disclosures

(a) New standards, amendments to existing standards and interpretations adopted

The Company has applied the following relevant amendment for the first time for their annual reporting period commencing January 1, 2025:

- Lack of Exchangeability - Amendments to PAS 21

  On August 15, 2023, the IASB amended PAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, PAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. This amendment did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

  There are no other new standards, interpretations, and amendments to existing standards effective January 1, 2025, that are considered to be relevant or have a material impact on the financial statements.

(b) New standards, amendments to existing standards and interpretations not yet adopted

Certain new accounting standards, and amendments and interpretations to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Company.

The Company's assessment of the impact of the relevant new and amended standards is set out below:

- *Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after January 1, 2026)*

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The Company does not expect these amendments to have a material impact on its operations or separate financial statements.

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

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

  Management is currently assessing the detailed implications of applying the new standard on the Company's separate financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

  - The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
  - The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
    - management-defined performance measures;
    - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
    - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

- From a cash statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

- *Annual Improvements to PFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after January 1, 2026)*

  On July 18, 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The amended Standards are:

  - PFRS 1 First-time Adoption of International Financial Reporting Standards;
  - PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7;
  - PFRS 9 Financial Instruments;
  - PFRS 10 Consolidated Financial Statements; and
  - PAS 7 Statement of Cash Flows.

  The Company does not expect the Annual Improvements to PFRS Accounting Standards – Volume 11 to have a material impact on its operations or separate financial statements. The amendments largely consist of clarifications and minor revisions to existing Standards, and no significant changes to the Company's current accounting policies or disclosures are anticipated.

- *PFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)*

  Issued in May 2025, PFRS 19 allows for certain eligible subsidiaries of parent entities that report under PFRS Accounting Standards to apply reduced disclosure requirements.

  The Company does not expect PFRS 19 to have a material impact on its financial statements. While the Standard provides reduced disclosure requirements for eligible subsidiaries, the applicability of these reliefs will depend on the specific reporting structure of the Parent Company. At present, no significant changes to the Company's disclosures are anticipated.

  On December 18, 2024, the IASB has issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. The amendments include:

  - clarifying the application of the 'own-use' requirements;
  - permitting hedge accounting if these contracts are used as hedging instruments; and
  - adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

  The Company does not expect the amendments on nature-dependent electricity contracts (including PPAs) to have a material impact on its operations or financial statements, as it does not typically enter into such contracts in the normal course of its operations.

18.3 Financial instruments

18.3.1 Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through other comprehensive income ("OCI") or through profit or loss, and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Subsequent to initial recognition, measurement depends on the Company's business model for managing the asset and cash flow characteristic of the asset. For financial assets at amortized cost, interest income, if any, from these financial assets is included within the statements of total comprehensive income through profit or loss using the effective interest rate method.

(c) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. As at December 31, 2025 and 2024, the Company holds financial assets at amortized cost which consist of cash and cash equivalents (Note 2), accounts and other receivables, net, excluding advances to employees (Note 3) and due from related parties (Note 8).
Financial assets at amortized cost are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expense).

(d) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 15 details how the Company determines whether there has been a significant increase in credit risk.

Impairment losses and subsequent recoveries on receivables are presented within the statements of total comprehensive income through profit or loss.

18.3.2 Financial liabilities

The Company classifies its financial liabilities at initial recognition in the following categories: at fair value through profit or loss (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. As at December 31, 2025 and 2024, the Company only holds financial liabilities at amortized cost.

Issued financial instruments or their components, which are not designated at fair value through profit or loss, are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder.

The Company's accounts and other payables (excluding taxes payables and guest deposits) (Note 7) and due to related parties (Note 8) in the statements of financial position are classified under financial liabilities at amortized cost.

18.3.3 Offsetting financial instruments

As at December 31, 2025 and 2024, there are no financial assets and financial liabilities that were offset.

18.4 Inventories

Inventories are stated at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Cost is determined using the moving average method. Inventories and supplies in-transit are stated at invoice cost plus importation and incidental charges.

Inventories exclude borrowing costs, if any. Inventory losses are set-up, if necessary, based on a review of the movement and current condition of each inventory item and charged to cost of sales in the statements of total comprehensive income.

Inventories are derecognized when they are sold or when there are no more future benefits to the Company. The carrying amount of those inventories is recognized as an expense and reported as cost of sales in statements of total comprehensive income in the period in which the related revenue is recognized.

18.5 Hotel property and equipment; Operating equipment

Hotel property and equipment and operating equipment are carried at historical cost less accumulated depreciation and amortization (except for work in-progress which represents equipment under construction and is stated at cost).

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of hotel property and equipment and operating equipment commences once the hotel property and equipment are available for use and is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives (in years), as follows:

Asset class	Useful lives in years
Hotel building and improvements	40
Machinery and equipment	10
Furniture, fixtures and equipment	10
Operating equipment	5

Constructions in-progress is depreciated upon transfer to the respective asset account once completed and placed into operational use.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

Fully depreciated hotel property and equipment are retained in the accounts until they are no longer in use.

The carrying amount of an item of hotel property and equipment and operating equipment are derecognized on disposal or when no future economic benefits are expected from its use or disposal. When assets are derecognized, their cost, accumulated depreciation and amortization and accumulated impairment losses, if any, are eliminated from the statements of financial position. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are charged/credited to other income (expense) in the statements of total comprehensive income.

18.6 Impairment of non-financial assets

Assets that have definite useful life are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

18.7 Current and deferred income tax

(a) Current income tax

Current tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

(b) Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted as of reporting date.

Deferred tax assets and liabilities relating to items recognized directly in equity are recognized in equity and not in the statements of total comprehensive income.

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

18.8 Employee benefits

(a) Retirement benefit obligation

The Company maintains a defined benefit retirement plan which is a retirement plan that is non-contributory in nature, defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on certain factors such as age, years of credited service, and salary.

The liability recognized in the statements of financial position in respect of defined benefit retirement plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. In cases when the fair value of plan assets exceeds the present value of the defined benefit obligation at the end of the reporting period, the asset recognized is adjusted to the effect of asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in personnel costs in the statements of total comprehensive income.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statements of changes in equity and in the statements of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Bonus plans

The Company recognizes a liability and an expense for bonuses and based on a formula that takes into consideration the profit attributable to the Company's employees after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Other short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under Accounts payable and accrued expenses in the statements of financial position.

18.9 Share capital

The Company's share capital is composed of common and preferred shares at par value. The amount of proceeds from the issuance or sale of common and preferred shares representing the aggregate par value is credited to share capital. Proceeds in excess of the aggregate par or stated value of common and preferred shares, if any, are credited to share premium.

After initial measurement, share capital and share premium, if any, are carried at historical cost and are classified as equity in the statements of financial position.

18.10 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

18.11 Retained earnings/Dividends

Retained earnings include all current and prior years' results of operations, net of dividends declared. Retained earnings may include the effect of changes in accounting policy as may be required by the relevant standard's transitional provisions.
Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

18.12 Revenue

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The following specific recognition criteria must be met before revenue and expenses are recognized:

(a) Rooms revenue

Revenue from room rentals are recognized over the period of time under the input method, a time-based measure that results in a straight-line recognition of revenue, as the customer simultaneously receives the benefits from the services rendered by the Company throughout the period when rooms are occupied, or services are performed. Payment is due generally within 30 to 60 days as the customer occupies the room and receives the services, except for some customers with specific credit terms.

The Company considers whether there are other promises in the contract that are distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of services and goods.

(b) Food and beverage revenue

Revenue from food and beverage sales are recognized at a point in time as goods are delivered. The transaction price of the goods is representative of their stand-alone selling prices. Payment is due generally within 30 to 60 days as goods are delivered, except for some customers with specific credit terms.

(c) Other operating departments revenue

Revenue from other operating departments include, among others, lobby shops, business center and car rental, laundry service, telephone service, and health club services which are recognized at a point in time as goods are delivered and over time as services are performed. The transaction prices of the related goods and services are representative of their stand-alone selling prices. Payment is due generally within 30 to 60 days as the customer receives the goods and services, except for some customers with specific credit terms.

In considering the transaction price for the revenue from rooms, food and beverages and other operating departments, the Company considers the effects of any variable consideration (e.g., rebates and discounts), noncash consideration and consideration payable to customers.

(d) Interest income

Interest income from cash in bank and cash equivalents is recognized as the interest accrues.

18.13 Cost and expenses

Cost and expenses include expenses incurred by the Company for the generation of revenue from room rentals, food and beverage sales, and other operating departments.

18.14 Leases

(a) Variable leases

Payments associated with leases with variable lease payments, those that are based on a certain percentage of a specific measure are recognized as expenses in the statements of total comprehensive income in the period in which the condition that triggers those payments occurs.

(b) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statements of total comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

18.15 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; the difference between the proceeds and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Borrowing costs which are directly attributable to the acquisition, construction, or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) are capitalized as part of the cost of that asset. Borrowing costs not directly attributed to a qualifying asset are recognized and charged to operations in the year in which these are incurred.

18.16 Related party transactions and relationships

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

18.17 Events after the reporting date

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

19 Supplementary information required under BSP circular No. 1075

Presented below are the additional information required by BSP Circular No. 1075 issued on February 2, 2020.

Total volume/value of remittance and/or money changing/foreign exchange transactions for the year ended December 31, 2025:

Type of transactions	No. of transactions	Amount in USD	Amount in PHP
A. International Inward (Payout) Remittance Transactions	-	-	-
B. International Outward (Send Out) Remittance Transactions	72	288,188	16,346,918
C. Domestic Inward (Payout) Remittance Transactions	-	-	-
D. Domestic Outward (Send Out) Remittance Transactions	-	-	-
E. Foreign Currencies Bought	257	279,987	16,432,426
F. Foreign Currencies Sold	-	-	-
G. International Inward (Payout) Remittance Facilitated Through VC	-	-	-
H. International Outward (Send Out) Remittance Facilitated Through VC	-	-	-
Exchange of VC to Philippine Peso/Other Currency	-	-	-
J. Exchange of Philippine Peso/Other Currency to VC	-	-	-
K. Other VC Transactions (please specify)	-	-	-

Basic quantitative indicators of financial performance as at December 31, 2025 are as follows:

Basic quantitative indicators	%
Return on Average Equity	(12.30%)
Return on Average Assets	(4.45%)

20 Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

(a) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2025 is as follows:

	Sales	Output VAT
VATable sales	928,625,526	111,435,063
Sales to government	3,560,723	427,287
Zero-rated sales	958,010	-
VAT-exempt sales	50,900,659	-
	984,044,918	111,862,350

(b) Input VAT

Movements in input VAT for the year ended December 31, 2025 are as follows:

		Amount
Balance at January 1		-
Add:	Purchase of goods other than capital goods	40,102,296
	Purchase of services	8,367,198
		48,469,494
Less:	Applied against output VAT	(111,862,350)
	Input VAT allocable to exempt sales	(2,519,571)
Add:	Monthly and quarterly VAT payments	63,239,902
	Creditable VAT withheld	2,672,525
Balance at December 31		-

(c) Importations

The Company did not have any purchases of imported goods and services subject to custom duties and tariff fees for the year ended December 31, 2025.

(d) Excise taxes

The Company has no transactions subject to excise taxes for the year ended December 31, 2025.

(e) Documentary stamp taxes

Documentary stamp taxes paid for the year ended December 31, 2025 amounted to P7.43 million, accounted in under taxes and licenses in general and administrative expenses.

(f) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2025 are as follows:

	Amount
Documentary stamp tax	7,425,000
Payment for deficiency tax	2,381,413
Business permit	2,084,490
	11,890,903

(g) Withholding taxes

The amount of withholding taxes paid and accrued for the year ended December 31, 2025 consist of:

	Paid	Accrued	Total
Withholding taxes on compensation	12,801,883	700,148	13,502,031
Expanded withholding taxes	10,538,361	1,679,793	12,218,154
	23,340,244	2,379,941	25,720,185

As at December 31, 2025, withholding taxes payable is included under payable to government agencies in trade payables and other liabilities.

(h) Tax assessments and cases

On March 8, 2024, the Company received a Letter of Authority (LOA) for taxable year 2023 covering VAT for the period January 1 to June 30, 2023. On March 31, 2026, the Company received the Notice of Discrepancy (NOD) and settled its deficiency tax assessment, including interest amounting to P601,980.

On March 21, 2024, the Company received a LOA for taxable year 2022 covering all internal revenue taxes for the period January 1, 2022 to December 31, 2022. On November 17, 2025, the Company received the NOD and settled its deficiency tax assessment, including interest, surcharge, and compromise amounting to P810,808 which is recognized under taxes and licenses in the statements of total comprehensive income.

On June 4, 2025, the Company received a LOA for taxable year 2023 covering all internal revenue taxes for the period January 1, 2023 to December 31, 2023 except for VAT for the period January 1, 2023 to June 30, 2023. On November 17, 2025, the Company received the NOD and settled its deficiency tax assessment, including interest and compromise amounting to P1,099,723. The deficiency tax related to income tax amounting to P906,663 is recognized in current income tax expense while other deficiency taxes amounting to P193,060 is recognized under taxes and licenses in the statements of total comprehensive income.

On June 4, 2025, the Company received a LOA for taxable year 2024 covering all internal revenue taxes for the period January 1, 2024 to December 31, 2024. On September 30, 2025, the Company received the NOD and subsequently settled its deficiency tax assessment, including interest amounting to P1,499,940 on November 17, 2025. The deficiency tax related to income tax amounting to P122,395 is recognized in current income tax expense while other deficiency taxes amounting to P1,377,545 is recognized under taxes and licenses in the statements of total comprehensive income.

As at December 31, 2025, the Company has no other outstanding tax assessment with the BIR and is not a party to any case that is under preliminary investigation, litigation and/or prosecution in courts and bodies outside of the BIR.

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COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	1	8	1	8	2

COMPANY NAME

MAKATI CORNERSTONE LEASING CORP. (A WHOLLY-OWNED SUBSIDIARY OF AYALA LAND INC.)

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

28TH FLOOR, TOWER ONE AND EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
ali.ccsg@amicassa.com.ph	885-8000	0945-208-8045

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	12/29	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ma. Teresa R. Famy	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

NOTE1 : *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 the 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.*

Independent Auditor's Report

To the Board of Directors and Shareholder of
Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
28th Floor, Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Makati Cornerstone Leasing Corp. (the "Company") as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at December 31, 2023;
- the statement of total comprehensive income for the year ended December 31, 2023;
- the statement of changes in equity for the year ended December 31, 2023;
- the statement of cash flows for the year ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Other Matter

The financial statements of the Company as at and for the year ended December 31, 2022 were audited by another firm of auditors whose report, dated April 20, 2023, expressed an unmodified opinion on those statements.

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 PFRS, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Dexter DJ V. Toledaña
Partner
[redacted]

Makati City
April 12, 2024

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholder of
Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
28th Floor, Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City

We have audited the financial statements of Makati Cornerstone Leasing Corp. (the "Company") as at and for the year ended December 31, 2023 on which we have rendered the attached report dated April 12, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, the Company has one (1) shareholder owning one hundred (100) or more shares as at December 31, 2023.

Isla Lipana & Co.

Dexter DJ V. Toledaña
Partner
[redacted]

Makati City
April 12, 2024

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Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
ASSETS			
Current assets			
Cash	2	48,832,397	4,090,909
Receivables, net	3	1,049,656,889	766,329,626
Other current assets	4	57,902,637	38,520,354
Total current assets		1,156,391,923	808,940,889
Non-current assets			
Receivables, net of current portion	3	78,749,210	55,350,023
Investment properties, net	5	6,840,829,323	6,940,468,873
Right-of-use assets, net	14	88,693,707	91,339,657
Deferred tax assets, net	15	69,573,626	17,878,225
Other non-current assets	4	381,755,010	380,485,845
Total non-current assets		7,459,600,876	7,485,522,623
Total assets		8,615,992,799	8,294,463,512
LIABILITIES AND EQUITY			
Current liabilities			
Accounts and other payables	6	5,854,953,892	5,339,983,895
Construction bonds	7	30,648,238	30,841,469
Current portion of deposits and other liabilities	8	285,827,757	28,824,470
Current portion of lease liabilities	14	11,284,907	9,559,715
Total current liabilities		6,182,714,794	5,409,209,549
Non-current liabilities			
Deposits and other liabilities, net of current portion	8	73,048,779	343,310,371
Lease liabilities, net of current portion	14	105,271,100	105,421,783
Total non-current liabilities		178,319,879	448,732,154
Total liabilities		6,361,034,673	5,857,941,703
Equity			
Paid-up capital		2,213,961,000	2,213,961,000
Retained earnings		40,997,126	222,560,809
Total equity		2,254,958,126	2,436,521,809
Total liabilities and equity		8,615,992,799	8,294,463,512

(The notes on pages 1 to 27 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statement of Total Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Revenue			
Rental income	5,10	373,063,447	338,894,462
Dues	5,11	124,582,042	136,513,420
Theater income	5,10	17,313,296	10,154,010
		514,958,785	485,561,892
Cost and expenses			
Direct operating expenses	5,13	(589,556,194)	(578,748,429)
General and administrative expenses	13	(171,653,307)	(26,138,286)
		(761,209,501)	(604,886,715)
Other income (loss), net			
Interest income	2,12	7,045,876	2,282,691
Interest expense	8,13	(14,500,690)	(14,568,247)
Other income	12	20,448,243	5,379,378
		12,993,429	(6,906,178)
Loss before income tax		(233,257,287)	(126,231,001)
Income tax benefit		51,693,604	3,668,381
Net loss for the year		(181,563,683)	(122,562,620)
Other comprehensive income		-	-
Total comprehensive loss		(181,563,683)	(122,562,620)

(The notes on pages 1 to 27 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Paid-up capital (Note 10)		Retained earnings (Note 10)	Total equity
	Common shares	Preferred shares		
Balance at January 1, 2022	578,820,000	1,635,141,000	345,123,429	2,559,084,429
Comprehensive loss				
Net loss for the year	-	-	(122,562,620)	(122,562,620)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(122,562,620)	(122,562,620)
Balance at December 31, 2022	578,820,000	1,635,141,000	222,560,809	2,436,521,809
Comprehensive loss				
Net loss for the year	-	-	(181,563,683)	(181,563,673)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(181,563,683)	(181,563,673)
Balances at December 31, 2023	578,820,000	1,635,141,000	40,997,126	2,254,958,126

(The notes on pages 1 to 27 are integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A Wholly Owned Subsidiary of Ayala Land, Inc.)

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Loss before income tax		(233,257,287)	(126,231,001)
Adjustments for:			
Depreciation	5,13,14	211,285,903	212,132,086
Interest income	2,12,16	(7,045,876)	(2,282,691)
Interest expense	13	14,500,690	14,568,247
Operating (loss) income before changes in working capital		(14,516,570)	98,186,641
(Increase) decrease in:			
Receivables		(78,796,450)	(60,152,829)
Other current assets		(19,382,283)	5,935,585
Other noncurrent assets		(1,269,165)	(47,972,431)
Increase (decrease) in:			
Accounts and other payables		564,899,937	9,709,761
Deposits and other liabilities		(16,554,712)	6,193,613
Construction bonds		(193,231)	(15,482)
Net cash provided by operations		434,187,526	11,884,858
Interest received		7,045,876	2,282,691
Income tax paid		(1,797)	(1,645)
Net cash provided by operating activities		441,231,605	14,165,904
Cash flows from investing activities			
Additions to investment properties		(109,000,403)	(14,170,933)
(Increase) decrease in due from related parties		(227,930,000)	5,717,693
Net cash used in investing activities		(336,930,403)	(8,453,240)
Cash flows from financing activities			
Decrease in due to related parties		(50,000,000)	(651,629)
Payments of lease liabilities	14	(9,559,714)	(9,372,269)
Net cash used in financing activities		(59,559,714)	(10,023,898)
Net increase (decrease) in cash		44,741,488	(4,311,234)
Cash	2		
At January 1		4,090,909	8,402,143
At December 31		48,832,397	4,090,909

(The notes on pages 1 to 27 are integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Notes to the Financial Statements
As at and for the year ended December 31, 2023
(With comparative figures and notes as at and for the year ended December 31, 2022)
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

Corporate information

Makati Cornerstone Leasing Corp. (the "Company") was incorporated and was registered with the Philippine Securities and Exchange Commission (SEC) on June 5, 2017. The Company was organized primarily to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

The Company is a wholly-owned subsidiary of Ayala Land, Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is 47.86%-owned by Mermac, Inc. and the rest by the public. Both ALI and AC are publicly-listed companies domiciled and incorporated in the Philippines.

The Company's registered office address and principal place of business is 28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The operational and administrative functions of the Company are handled by ALI (Note 16).

Approval and authorization for issuance of the financial statements

These financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 12, 2024.

2 Cash

The account as at December 31 consists of:

	Note	2023	2022
Cash on hand		60,000	45,000
Cash in banks	16	48,772,397	4,045,909
		48,832,397	4,090,909

Cash in banks earns interest at prevailing bank deposit rates. Interest income earned from cash in banks for the years ended December 31, 2023 and 2022 amounts to P0.01 million (Note 12).

3 Receivables

The account as at December 31 consists of:

	Note	2023	2022
Trade receivables			
Billed		644,857,327	563,284,464
Accrued rent		111,768,489	88,369,302
Due from related parties	16	597,582,485	257,670,267
Other receivables		1,347,714	1,018,340
		1,355,556,015	910,342,373
Allowance for credit losses		(227,149,916)	(88,662,724)
		1,128,406,099	821,679,649
Less: Receivables, net of current portion		78,749,210	55,350,023
Receivables, net		1,049,656,889	766,329,626

Billed receivables arise mainly from tenants for rentals of office and retail spaces, and recovery charges for common area and utilities. These are non-interest bearing and are generally collectible on a 30-day term.

Accrued rent pertains to receivables resulting from the straight-line method of recognizing rental income.

Other receivables pertain to advances to employees.

The movement in the allowance for credit losses for the years ended December 31 follow:

	Note	2023	2022
At January 1		88,662,724	88,662,724
Provision for credit losses	13	138,487,192	-
At December 31		227,149,916	88,662,724

Critical accounting estimate - Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss pattern.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. The Company considered inflation rate and gross domestic product as its forecast economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4 Other assets

The account as at December 31 consist of:

	2023	2022
Creditable withholding taxes	347,108,785	345,089,584
Deferred input VAT	73,115,743	70,297,491
Prepaid expense	14,896,979	356,812
Deposits	2,314,097	2,314,097
Advanced to contractors and suppliers	2,222,043	948,215
	439,657,647	419,006,199
Less: Non-current portion		
Creditable withholding taxes	331,676,329	331,680,992
Deferred input VAT	45,542,541	45,542,541
Deposits	2,314,097	2,314,097
Advanced to contractors and suppliers	2,222,043	948,215
Other non-current assets	381,755,010	380,485,845
Other current assets	57,902,637	38,520,354

Creditable withholding taxes represent the income tax amount withheld by the Company. These are recognized upon collection of the related income and are utilized as tax credits against income tax due.

Deferred input VAT pertains to input tax on the Company's purchases of capital goods exceeding P1.00 million which is available for offset against the Company's future output VAT. The remaining balance is recoverable in future periods.

Input VAT represents taxes due or paid on purchases of goods and services subjected to VAT that the Company can claim against future liability to the Bureau of Internal Revenue (BIR) for output VAT pertaining to sale of goods and services that have been incurred and billings which have been received as at date. The input VAT can also be refunded subject to the approval of the BIR. Input VAT is expected to be applied against output VAT within 12 months from reporting date. This also includes deferred input VAT pertaining to input tax on the Company's purchases of goods and services not yet settled during the year which is available for offset against the Company's future output VAT.

Deposit pertains to deposits made to a utility company.

Advances to contractors are recouped upon every progress billing payment depending on the percentage of accomplishment or delivery.

Critical accounting judgment - Evaluating impairment of creditable withholding taxes

The Company assesses at the end of each reporting period whether there is an objective evidence that the creditable withholding taxes are no longer recoverable. In determining the recoverable amount of creditable withholding taxes, management considers the probability of future transactions or events against which these accounts can be utilized, including adequacy of documentation for anticipated tax audits. Where the final outcome of these matters is different from the amounts that were initially recorded, the carrying amounts of creditable withholding taxes are reduced and the amount of probable losses is recognized in profit or loss.

As at December 31, 2023 and 2022, management believes that it will be able to generate future transactions against which the creditable withholding taxes can be utilized or in worst case scenario, file a claim for refund from tax authorities subject to potential tax audits where management can sustain the positions taken in their tax returns.

5 Investment properties

The Company's investment properties consist of a building that is being leased out for Circuit Corporate Centers 1 & 2, Circuit Mall and assets under construction.

The roll forward analysis of the account follows:

	Building and building improvements	Construction-in-progress	Total
Cost			
At January 1, 2022	7,071,368,992	932,482,057	8,003,851,049
Additions	7,801,750	6,369,183	14,170,933
Transfers	456,348,798	(456,348,798)	-
Adjustments	(14,230,269)	(14,826,877)	(29,057,146)
At December 31, 2022	7,521,289,271	467,675,565	7,988,964,836
Additions	109,000,403	-	109,000,403
At December 31, 2023	7,630,289,674	467,675,565	8,097,965,239
Accumulated depreciation			
At January 1, 2022	839,009,827	-	839,009,827
Depreciation (Note 13)	209,486,136	-	209,486,136
At December 31, 2022	1,048,495,963	-	1,048,495,963
Depreciation (Note 13)	208,639,953	-	208,639,953
At December 31, 2023	1,257,135,916	-	1,257,135,916
Net book value			
At December 31, 2022	6,472,793,308	467,675,565	6,940,468,873
At December 31, 2023	6,373,153,758	467,675,565	6,840,829,323

Construction-in-progress pertains to ongoing construction, installation and related activities on investment property or other items necessary to prepare it for use. These are transferred to the related investment property account once construction is completed and is ready for service.

As at December 31, 2023 and 2022, there are no items of investment in property that are pledged as security to liabilities.

As at December 31, 2023 and 2022, there are no contractual purchase commitments for investment properties.

Rental income, dues and theater income earned from investment property and direct operating expenses incurred are as follows:

	Notes	2023	2022
Rental income	10	373,063,447	338,894,462
Dues	11	124,582,042	136,513,420
Theater income	10	17,313,296	10,154,010
Direct operating expenses	13	(589,556,194)	(578,748,429)

Critical accounting estimate - Estimating useful lives of investment property

The Company estimates the useful life of its investment property based on the period over which the asset is expected to be available for use. The estimated useful life of investment properties is reviewed at least annually and is updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of the asset. It is possible that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above.

6 Accounts and other payables

The account as at December 31 consists of:

	Note	2023	2022
Due to related parties	16	5,530,200,392	5,149,405,028
Taxes payable		147,093,289	111,415,687
Trade payables		138,542,650	28,936,695
Retention payable		4,222,196	757,910
Accrued expenses			
Rent		3,133,828	26,147,818
Others		31,761,537	23,320,757
		5,854,953,892	5,339,983,895

Taxes payable consists of amounts payable to the BIR pertaining to withholding taxes and deferred output VAT.

Trade payables consist of amounts payable to third party suppliers and overpayment of office space tenants. These are non-interest bearing and are normally settled on 15-day to 60-day term.

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

Accrued expenses others consist mainly of repairs and maintenance, supplies, transportation and travel, security, insurance and representation which are non-interest bearing.

7 Construction bonds

Construction bonds represent cash bonds to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein. The bond will be refunded after full completion of the construction, renovation or improvements and inspection by the Company.

As at December 31, 2023, the carrying value of the Company's construction bonds amounts to P30.65 million (2022 - P30.84 million).

8 Deposits and other liabilities

The account as at December 31 consist of:

	Note	2023	2022
Security deposits		251,574,627	275,049,531
Advance rentals		100,155,412	86,771,784
Deferred credits		7,146,497	10,313,526
		358,876,536	372,134,841
Less: Non-current portion			
Security deposits		35,314,263	255,963,261
Advance rentals		30,588,019	77,033,584
Deferred credits		7,146,497	10,313,526
Deposits and other liabilities, net of current portion		73,048,779	343,310,371
Current portion of deposits and other liabilities		285,827,757	28,824,470

(a) Security deposits

Security deposits represent deposits from lessees to secure the faithful compliance by lessees of their obligation under the lease contract. These are equivalent to three (3) months' rent and will be refunded to the lessees at the end of the lease term.

Interest expense from accretion of security deposits for the year ended December 31, 2023 amounts to P3.30 million (2022 - P3.58 million) (Note 13).

(b) Advance rentals

Advance rentals from lessees pertain to cash received in advance representing three (3) months' rent which will be applied to the last three (3) months rentals on the related lease contracts.

(c) Deferred credits

Deferred credits pertain to the difference between the nominal value of the deposits and its fair value.

The roll forward analysis of deferred credits for the years ended December 31 follows:

	Note	2023	2022
At January 1		10,313,526	4,413,418
Addition		-	8,773,076
Amortization	10	(3,167,029)	(2,872,968)
At December 31		7,146,497	10,313,526

9 Equity

(a) Paid-up capital

The details of the Company's capital stock as at December 31, 2023 and 2022 are as follows:

	Common	Preferred A	Preferred B	Total
Authorized shares at P1,000.00 par value	1,542,500	1,452,500	2,905,000	5,900,000
Issued and outstanding shares	578,820	363,125	1,272,016	2,213,961

(b) Preferred shares

Preferred A shares shall have the following features: (a) voting; (b) participating; (c) redeemable at the option of the Company; and (d) cumulative dividends at a dividend rate.

Preferred B shares shall have the following features: (a) voting; (b) non-participating; (c) redeemable at the option of the Company; and (d) non-cumulative.

(c) Capital management

The Company defines capital as total equity. The primary objectives of the Company's capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions.

No changes were made in the Company's capital management objectives, policies and processes.

The Company is not subject to any external capital requirements.

10 Rental income; Theater income

(a) Rental income

The account for the years ended December 31 consists of:

	Note	2023	2022
Retail		240,343,128	168,966,791
Office		92,920,231	140,570,343
Parking fees		36,633,059	26,484,360
Amortization of deferred credits	8	3,167,029	2,872,968
		373,063,447	338,894,462

Rental income from straight-line method of recognizing rental income resulted in additional rental income by P23.40 million (2022 - P28.87 million) (Note 3). The Company's lease commitments are disclosed in Note 14.

(b) *Theater income*

Theater income pertains to income earned from the sale of cinema tickets. The theater income earned by the Company for the year ended December 31, 2023 amounts to P17.31 million (2022 - P10.15 million).

Critical accounting judgment - Assessment on whether lease concessions granted constitute a lease modification

In line with the rental relief framework implemented by the government to support business and the broader economy due to the impact of COVID-19 starting 2020, the Company waived its right to collect rent and other charges as part of various lease concessions it granted to leases such as lease payment holidays or lease payment reductions. The Company applies judgment when assessing whether the rent concessions granted is considered as lease modification under Philippine Financial Reporting Standards (PFRS) 16.

In making this judgment, the Company determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Company assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

There are no rent concessions granted by the Company for the year ended December 31, 2023 (2022 - P66.71 million).

11 Dues

Dues pertain to net recoveries from tenants for utilities, except for usage of common areas and air-conditioning charges, which are presented at gross of the related expenses. Set out below is the disaggregation of the Company's revenue from non-lease component for the years ended December 31:

	2023	2022
Dues		
Common area charges	75,498,807	72,237,163
Utilities dues	49,083,235	64,276,257
	124,582,042	136,513,420

Critical accounting judgment - Determination of whether the Company is acting as a principal or an agent

The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Company, are primarily responsible for the provisioning of the utilities while the Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air conditioning, the Company acts as a principal because it retains the right to direct the service provider of air conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air conditioning charges.

12 Interest income; Other income

(a) Interest income

The account for the years ended December 31 consists of:

	Notes	2023	2022
Interest income from intercompany loans	16	7,036,939	2,274,468
Interest income from cash in banks	2	8,937	8,223
		7,045,876	2,282,691

(b) Other income

The Company's recognized other income amounting to P20.45 million for the year ended December 31, 2023 (2022 - P5.38 million). In 2023, other income pertains to the reinstatement fees charged by the Company to the lessee as a result of early termination of the lease prior to its original end date of lease term.

13 Costs and expenses

(a) Direct operating expenses

The account for the years ended December 31 consists of:

	Notes	2023	2022
Depreciation	5,14	211,285,903	212,132,086
Taxes and licenses		157,289,790	156,064,680
Outside services		58,100,599	50,685,813
Utilities		45,968,849	55,044,854
Land lease	14	34,393,294	26,147,818
Repairs and maintenance		27,227,655	21,951,252
Insurance		13,533,685	13,623,366
Dues and fees		11,461,169	9,075,617
Management fees	16	10,617,319	11,538,151
Food and beverages		6,282,640	2,070,041
Professional fees		3,816,027	3,313,721
Others		9,579,264	17,101,030
		589,556,194	578,748,429

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	Note	2023	2022
Provision for credit losses	3	138,487,192	-
Contracted services		21,005,457	16,966,108
System costs		6,051,920	4,335,808
Repairs and maintenance		2,333,234	1,970,539
Professional fees		1,430,672	1,133,942
Office supplies		226,027	126,199
Taxes and licenses		-	5,418
Others		2,118,805	1,600,272
		171,653,307	26,138,286

(c) Interest expense and other charges

The account for the years ended December 31 consists of:

	Notes	2023	2022
Interest expense from:			
Lease liabilities	14	11,134,223	10,980,959
Accretion of security deposits	8	3,296,407	3,576,292
Intercompany loans	16	70,060	10,996
		14,500,690	14,568,247

14 Operating lease commitments

(a) The Company as lessor - operating leases

The Company has entered into operating lease agreements with third parties for a period of five (5) years covering its investment properties. These non-cancellable leases are subject to 5% to 10% annual escalation rate.

The future minimum rentals receivable under non-cancellable operating leases as at December 31 follows:

	2023	2022
Within one year	169,691,935	311,398,634
After one year but not more than 5 years	2,043,152,994	2,362,921,935
	2,212,844,929	2,674,320,569

Total rental income for the year ended December 31, 2023 amounts to P373.06 million (2022 - P338.89 million) (Note 10).

There were no rent concessions granted by the Company to its tenants for the year ended December 31, 2023 (2022 - P66.71 million). These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payment and reported as reduction of lease income.

(b) The Company as lessee - land lease

The Company entered into a land lease agreement with Philippine Racing Club, Inc. (PRCI) for the land where Circuit Corporate Center 2 is located for a period of 40 years. The lease generally provides for a monthly rent based on a minimum rent of P200.00 per square meter of the land area or 4% of gross rental income, whichever is higher.

The Company entered into a land lease agreement with Ayala Land, Inc. for the land where Circuit Corporate Center 1 and Circuit Malls are located for a period of 40 years. The lease generally provides for a month rent based on 10% of gross rental income for Circuit Malls and 4% of gross rental income for Circuit Corporate Center 1.

The following provides information on the Company's variable lease payments, including the magnitude in relation to fixed payments:

	Note	2023	2022
Fixed rent with minimum payment		9,559,714	9,372,269
Variable rent only	13	34,393,294	26,147,818
		43,953,008	35,520,087

Variable rental expense recognized for the year ended December 31, 2023 as "Land lease" under "Direct operating expenses" in statements of total comprehensive income amounts to P34.39 million (2022 - P26.15 million) (Note 13).

The movement of right-of-use assets for the year ended December 31 follows:

	Note	2023	2022
Cost			
At January 1 and December 31		105,910,507	105,910,507
Accumulated depreciation and amortization			
At January 1		14,570,850	11,924,900
Depreciation	13	2,645,950	2,645,950
At December 31		17,216,800	14,570,850
Net book value at December 31		88,693,707	91,339,657

The movement of lease liabilities for the year ended December 31 follows:

	Note	2023	2022
At January 1		114,981,498	113,372,808
Accretion of interest expense	13	11,134,223	10,980,959
Payments		(9,559,714)	(9,372,269)
At December 31		116,556,007	114,981,498
Less: Current portion of lease liabilities		11,284,907	9,559,715
Lease liabilities, net of current portion		105,271,100	105,421,783

The future minimum rentals payables under these non-cancellable leases follows:

	2023	2022
Within one year	11,284,907	9,559,715
After one year but not more than	46,533,768	40,189,424
More than 5 years	408,164,559	418,719,256
	465,983,234	468,468,395

(c) Amounts recognized in the statements of total comprehensive income

The following are the amounts recognized in the statements of total comprehensive income for the years ended December 31:

	Notes	2023	2022
Rent expense - variable lease payments	13	34,393,294	26,147,818
Accretion of interest expense	13	11,134,223	10,980,959
Depreciation expense of right-of-use assets		2,645,950	2,645,950
		48,173,467	39,774,727

(d) Total cash outflows

The total cash outflows related to leases for the years ended December 31 follow:

	Note	2023	2022
Rent expense - variable lease payments	13	34,393,294	26,147,818
Payments of lease liabilities			
Principal portion		-	-
Interest portion		9,559,714	9,372,269
		43,953,008	35,520,087

Critical accounting judgment - Operating lease commitments - Company as lessor

The Company has entered into commercial property leasing on its investment properties. The Company has determined that it retains all significant risks and rewards of ownership of the properties as the Company considered, among others, the length of the lease term as compared with the estimated life of the assets.

Critical accounting estimate - Estimating the incremental borrowing rate for leases

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

15 Income taxes

Provision for income tax for the years ended December 31 consists of:

	2023	2022
Current	-	-
Deferred	(51,695,401)	(3,670,026)
Final	1,797	1,645
	(51,693,604)	(3,668,381)

The Company's net deferred taxes as at December 31 consist of:

	2023	2022
Deferred tax assets on:		
Allowance for credit losses	56,787,479	-
Advance rent	28,745,375	21,692,946
Lease liabilities	25,038,853	28,745,375
Accrued expenses	8,723,841	12,367,144
	119,295,548	62,805,465
Deferred tax liabilities on:		
Excess of lease income over collections	27,548,495	22,092,326
Right-of-use assets	22,173,427	22,834,914
	49,721,922	44,927,240
	69,573,626	17,878,225

The reconciliation (in %) between the statutory and the effective income tax rates follows:

	2023	2022
Statutory income tax rate	(25.00)	(25.00)
Adjustments for:		
Non-taxable income	(0.38)	(0.74)
Non-deductible expense	3.22	22.83
Effective income tax rate	(22.16)	(2.91)

16 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

Terms and conditions of transactions with related parties

The Company, in its regular conduct of business, has entered into transactions with related parties consisting of advances and management, marketing and leasing and administrative service agreements. These are based on terms agreed by the parties.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

	2023		2022		
	Transactions	Outstanding balances	Transactions	Outstanding balances	Terms and conditions
Due from related parties					
Parent Company					
ALI (a)	119,709,720	300,959,230	-	181,249,510	Balances are due and demandable. These are interest-bearing and non-interest bearing, and unsecured. No impairment is recognized.
Entities under common control					
Accendo Commercial Corp. (b)	72,981,532	73,006,041	-	24,509	Balances are due and demandable. These are interest-bearing and non-interest bearing, and unsecured. No impairment is recognized.
Airswift Transport, Inc. (b)	10,166,073	12,633,919	89,239	2,467,846	
ALI Commercial Center, Inc. (b)	(37,231,074)	5,715	36,185,477	37,236,789	
ALI Triangle Hotel Ventures, Inc. (e)	(5,032,983)	38,307	-	5,071,290	
Alveo Land Corporation	(40,470)	-	40,470	40,470	
Amaia Land Corp. (b)	(6,495)	148,571	52,206	155,066	
Amicassa Process Solutions Inc. (d)	(501,316)	-	497,902	501,316	
AREIT, Inc. (b)	8,534,892	8,534,892	-	-	
Arvo Commercial Corporation (b)	2,360,182	2,619,150	-	258,968	
Avida Land Corporation (b)	(97,375)	-	42,914	97,375	
Ayala Land Metro North Inc. (e)	2,530	-	5,071,290	(2,530)	
Ayala Property Management Corporation (b)	10,450	10,450	-	-	
Ayala Theatres Management (b)	(1,250)	1,000	-	2,250	
Ayalaland Estates, Inc (b)	109,674	109,674	-	-	
Ayalaland Logistics Holdings (b)	8,550,472	8,678,335	-	127,863	
AyalaLand Malls, Inc.	1,303,255	1,303,255	-	-	
Ayalaland Malls Synergies, Inc. (b)	70,954	70,954	-	-	
Bank of the Philippine Islands (c)	473,631	1,077,597	603,966	603,966	
Bay City Commercial Ventures (b)	65,988,652	71,583,192	-	5,594,540	
Bellavita Land Corp. (d)	163,911	356,576	192,665	192,665	
Cagayan De Oro Gateway Corp (e)	-	3,415	-	3,415	
Capitol Central Commercial (b)	-	26,375	-	26,375	
Cavite Commercial Towncenter, Inc (e)	2,415	6,830	-	4,415	
Cebu Leisure Company Inc. (e)	(9,930)	4,800	-	14,730	
Crans Montana Property Holdings Corporation (b)	11,159,600	11,159,600	-	-	
Direct Power Services Inc. (b)	6,114,502	6,114,502	-	-	
Ecozone Power Management, Inc.(b)	(102,141)	-	-	102,141	
Globe Telecom Inc. (c)	(755,387)	399,897	876,309	1,155,284	
HLC Development Corporation (b)	44,626,732	44,626,732	-	-	
Lagoon Development Corp. (e)	(3,415)	-	-	3,415	
Laguna Technopark Inc. (b)	12,648,448	12,773,246	7,939	124,798	
Makati Development Corporation (f)	1,323,939	10,478,857	9,154,918	9,154,918	
North Beacon Commercial Corp. (e)	(3,415)	-	-	3,415	
North Eastern Commercial Corp (e)	(6,830)	-	-	6,830	
North Triangle Depot Commercial Corp (e)	(4,036,868)	107,436	4,097,354	4,144,304	
North Ventures Commercial Corp (e)	-	27,195	-	27,195	
Nuevocentro, Inc. (b)	55,630	55,630	-	-	
Philippine Integrated Energy Solutions, Inc. (b)	3,398,339	3,398,339	-	-	
Soltea Commercial Corp (b)	-	201,053	-	201,053	
South Innovative Theater Management (e)	(2,300)	-	-	2,300	
Station Square East Commercial Corp (e)	10,030	14,830	-	4,800	

(forward)

	2023		2022		
	Transactions	Outstanding balances	Transactions	Outstanding balances	Terms and conditions
(continued)					Balances are due and demandable.
Summerhill Commercial Ventures Corp. (b)	151,206	151,206	-	-	These are interest-bearing and
Ten Knots Philippines, Inc. (b)	(2,609,123)	6,459,863	5,064,832	9,068,986	non-interest bearing, and unsecured.
Unity Realty & Development Corporation (b)	20,435,821	20,435,821	-	-	No impairment is recognized.
		597,582,485		**257,670,267**	
Due to related parties					
Parent Company					
ALI (a)	304,145,326	5,424,766,732	-	5,116,057,114	Balances are due and demandable. These are non-interest bearing and unsecured.
Entities under common control					
ALI Commercial Center, Inc. (b)	(881,462)	-	14,446	881,462	Balances are due and demandable.
Alveo Land Corporation (n)	13,272,686	13,272,686	-		These are non-interest bearing and
Aprisa Business Process Solutions, Inc. (i)	1,070,214	1,104,290	-	34,076	unsecured.
AREIT, Inc.	(4,921)	-	4,921	4,921	
Asian i-Office Properties, Inc.(n)	(4,016,998)	-	-	4,016,998	
Avida Land Corporation (n)	27,997,552	27,997,552	-	-	
Ayala Property Management Corporation (j)	1,590,218	2,563,157	-	972,939	
Ayala Theaters Management (e)	(99,080)	-	100,880	99,080	
Ayalaland Logistics Holdings Corp. (n)	2,867	2,867	-	-	
Ayalaland Malls Northeast, Inc. (h)	(93,544)	-	93,544	93,544	
Ayalaland Malls Vismin, Inc. (h)	(413,344)	-	331,201	413,344	
Ayalaland Malls, Inc. (h)	20,651,019	22,471,221	-	1,820,202	
Ayalaland Offices, Inc. (g)	47,476	3,492,070	53,556	3,444,594	
Bank of the Philippine Islands (c)	200	2,200	2,000	2,000	
Bay City Commercial Ventures (b)	2,392	10,133,967	131,575	10,131,575	
Direct Power Services Inc. (l)	(7,461,986)	-	7,320,801	7,461,986	
Globe Telecom Inc. (m)	120,847	128,773	7,926	7,926	
Innove Communications, Inc. (m)	507,509	727,312	210,157	219,803	
Makati Cornerstone Leasing Corp. (e)	(5,495)	500	5,995	5,995	
Makati Development Corporation (f)	1,092,168	3,458,954	-	2,366,786	
Manila Water Philippine Ventures Inc. (k)	(528,007)	735,190	-	1,263,197	
MDBI Construction Corp. (k)	5,885,148	5,885,148	-	-	
North Eastern Commercial Corp. (n)	4,305	4,305	-	-	
North Beacon Commercial Corp (b)	-	106,486	-	106,486	
Sicogon Island Tourism Estate Corp. (n)	13,343,740	13,343,740	-	-	
Sunnyfield E-Office Corp (n)	3,242	3,242	-	-	
		5,530,200,392		**5,149,405,028**	

The following describes the nature of the material transactions of the Company with related parties as of December 31, 2023 and 2022:

a. On December 27, 2017, the Company entered into a Deed of Assignment with ALI to acquire Circuit Corporate Centers 1 and 2, Ayala Triangle Garden Project and Circuit Makati Main Mall for a total consideration of P9.05 billion. As at December 31, 2023, the intercompany payable to ALI includes the unpaid balance amounting to P5.42 billion (2022 - P5.12 billion).

b. The Company provides interest-bearing loan to its related parties, which are subject to monthly repricing and maturing in one month with interest rates ranging from 5.50% to 6.90% and from 2.00% to 2.95% per annum in 2023 and 2022, respectively.

   The Company recognized interest income amounting to P7.04 million and P2.27 million in 2023 and 2022, respectively (Note 12).

c. Receivable from BPI and Globe pertains to rental transactions for the lease of retail space in Ayala Mall Circuit.

d. The Company's receivable from Bellavita Land Corp. and Amicassa Process Solutions Inc. pertains to rent for the lease of office space and electricity consumption in Circuit Corporate Center 1.

e. The Company's receivable and payable pertain mainly on redemption of cinema gift certificates and Malls' TV Cost Sharing.

f. Makati Development Corporation, a subsidiary of ALI, provides construction services to the Company. As at December 31, 2023, the outstanding balance amounts to P3.46 million (2022 - P59.13 million).

g. The Company's payable to AyalaLand Offices, Inc. pertains to AG legal fees paid on behalf of the Company.

h. The Company's intercompany payable to Ayalaland Malls, Inc. and Ayalaland Malls Vismin, pertain to the management and administrative services to retail operations of the Company.

i. As at December 31, 2023, the payable amounting to P1.10 million pertains to accounting services rendered by Aprisa Business Process Solutions to the Company (2022 - nil).

j. The Company's payable to Ayala Property Management Corporation pertains to the property management services in Circuit Corporate Center 1&2 and Circuit Malls. Management fee included in "Direct operating expenses" for the year ended December 31, 2023 amounts to P10.62 million (2022 - P11.53 million), of which P2.56 million (2022 - P0.97 million) remains unpaid as at December 31, 2023.

k. The Company's intercompany payable to Manila Philippine Water Ventures Inc. pertains to the outstanding balance of water consumption incurred by the Company amounting to P0.74 million as at December 31, 2023 (2022 - P1.26 million).

l. Direct Power Services, Inc. (DPSI), a subsidiary of ALI, provides energy distribution service to the Company. Energy distribution expenses incurred for the year ended December 31, 2023 amounts to P3.69 million (2022 - P1.52 million).

m. The Company's outstanding payables to Innove Communications pertains to postal and communications expense transactions.

n. The Company, in its regular conduct of business, has entered into transactions with different related parties, consisting mainly of advances for operating expenses.

Cash in bank

As at December 31, 2023, the Company has entered into transactions with the Bank of the Philippine Islands (BPI), an associate of AC, consisting of cash in bank amounting to P48.77 million (2022 - P4.05 million) (Note 2). The related interest income earned from cash in BPI for the year ended December 31, 2023 amounts to P8,937 (2022 - P8,223) (Notes 2 and 12).

Compensation of key management personnel

The key management personnel of the Company are employees of ALI. Thus, there is no additional key management personnel disclosure required on the Company's financial statements.

17 Financial risk and capital management

17.1 Financial risk management

The Company's principal financial instruments comprise of cash, receivables, accounts and other payables (except taxes payable), and security deposits which arise directly from the conduct of its operations. The main risks arising from the use of financial instruments are liquidity risk and credit risk.

The Company reviews policies for managing each of these risks. The Company monitors market price risk from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.

Exposure to market, credit, and liquidity risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

ALI's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

17.1.1 Market risk

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes foreign currency risk, interest rate risk, and other price risks. The Company is not exposed to significant foreign currency risk and price risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Cash in banks do not have significant exposure to cash flow interest rate risk as they are subject to minimal interest. Due from related parties do not have significant exposure to cash flow interest rate risk as such are subject to fixed interest rates. The Company has no financial assets carried at fair value and, therefore, it has no exposure to fair value interest rate risk.

17.1.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risks are primarily attributable to cash, receivables and other financial assets. To manage credit risks, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental income from leased properties is primarily managed through a tenant selection process. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of financial capacity. Except for the trade receivables, the maximum exposure to credit risk of all financial assets is equal to their carrying amounts.

As at December 31, 2023 and 2022, the Company's maximum exposure to credit risk is equal to the carrying values of its financial assets, except for "Trade receivables" under "Receivables" in the statements of financial position. Details follow:

	2023			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in banks	48,772,397	-	48,772,397	-
Receivables				
Due from related parties	257,670,267	250,515,200	7,155,067	250,515,200
Trade receivables	756,625,816	-	756,625,816	-
Other receivables	1,018,340	-	1,018,340	-
	1,064,086,820	250,515,200	813,571,620	250,515,200

	2022			
	Gross Maximum Exposure	Fair value of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in banks	4,045,909	500,000	3,545,909	500,000
Receivables				
Due from related parties	257,670,267	-	257,670,267	-
Trade receivables	651,653,766	281,263,085	370,390,681	281,263,085
Other receivables	1,018,340	-	1,018,340	-
	914,388,282	281,763,085	632,625,197	281,763,085

The aging analysis of the Company's trade receivables presented per class as at December 31 follows:

	2023		
	Performing	Non-performing	Total
Expected credit loss rates	-%	88%	
Gross carrying amount	498,055,075	258,570,741	756,625,816
ECL	-	227,149,916	227,149,916

	2022		
	Performing	Non-performing	Total
Expected credit loss rates	-%	14%	
Gross carrying amount	34,273,017	617,380,749	651,653,766
ECL	-	88,662,724	88,662,724

Given the Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

(a) Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of all customers as they have similar loss patterns. The security deposits are considered in the calculation of impairment as recoveries. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. ECL related to trade receivables is minimal given its low credit risk and are generally covered by security deposits.

As at December 31, 2023, the allowance for credit losses of trade receivables amounts to P227.15 million (2022 - P88.66 million) (Note 3).

(b) Cash in banks

As at December 31, 2023 and 2022, the ECL relating to cash in banks is minimal as these are considered as low credit risk.

(c) Due from related parties

As at December 31, 2023 and 2022, the Company did not provide any allowance relating to receivable from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

18.1.1 Liquidity risk

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

The Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long term debt, while working capital requirements are sufficiently funded through cash collections and capital infusion by stockholders.

Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost and ensures the availability of ample unused credit facilities as back-up liquidity.

As at December 31, 2023, the Company's financial assets and liabilities are due within one year, except for the non-current portion of trade receivables (Note 3) and the contractual undiscounted payment of security deposits amounting to P40.93 million (2022 - P255.96 million), which are due within one to five years. The maturity profile of lease liabilities are disclosed in Note 14.

17.2 Fair value measurement

(a) Financial assets and liabilities

The Company follows the fair value measurement hierarchy to disclose the fair value measurements of its financial instruments. Except for the Company's security deposits under deposits and other liabilities, which is disclosed below, carrying values of the other financial assets and liabilities of the Company approximate their fair values due to the short-term nature of the transactions.

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair Values
Security deposits	251,574,627	250,515,200	275,049,531	281,263,085

As at December 31, 2023 and 2022, the Company has no financial instruments that are measured at fair value.

In 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

The fair value of the Company's security deposits is categorized under Level 3 in the fair value hierarchy.

(b) Investment properties

The fair value of the Company's investment properties was determined using the income approach, which is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value. The fair value is calculated taking into consideration significant inputs and assumptions such as the discount rate, growth rate and free cash flows.

As at December 31, 2023 and 2022, the fair value of the investment properties amounts to P10,409.92 million.

The fair value of investment property as at December 31, 2023 and 2022 was determined by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The fair value of the Company's investment properties was determined using the income approach which is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value.

(c) Significant unobservable inputs

The significant unobservable inputs used in the fair value measurements categorized within level 3 of the fair value hierarchy as at December 31, 2023 and 2022 is shown below:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Investment properties	DCF Method	Discount rate	2023: 11.00% 2022: 11.00%	Increase (decrease) in the discount would decrease (increase) the fair value
Security deposits	DCF Method	Discount rate	2023: 5.87% - 5.92% 2022: 0.36% - 1.32%	Increase (decrease) in the discount would decrease (increase) the fair value

18 Summary of material accounting policies

18.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council and adopted by the SEC.
The financial statements of the Company have been prepared using the historical cost basis.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- Provision for expected credit losses of trade receivables (Note 3)
- Evaluating impairment of creditable withholding taxes (Note 4)
- Estimating useful lives of investment properties (Note 5)
- Assessment on whether lease concessions granted constitute a lease modification (Note 10)
- Determination of whether the Company is acting as a principal or an agent (Note 11)
- Operating lease commitments - Company as lessor (Note 14)
- Estimating the incremental borrowing rate for leases (Note 14)

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

Functional and presentation currency

The financial statements of the Company are presented in Philippine Peso. All amounts are rounded off to the nearest Philippine Peso unless otherwise stated.

18.2 Adoption of amended accounting standards and interpretation

The following amendments to existing standards have been adopted by the Company effective January 1, 2023:

(a) *Amendments to PAS 1, 'Presentation of Financial Statements', and PFRS Practice Statement 2, 'Making Materiality Judgments'*

The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, PFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The adoption of these amendments resulted in changes in the accounting policies disclosed by the Company.

- Amendments to PAS 8, '*Accounting Policies, Changes in Accounting Estimates and Errors'*

  The amendment to PAS 8 clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Amendments to PAS 12, '*Income Taxes'*

  The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.

  The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets. The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings, or another component of equity, as appropriate.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Company's financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Company

The following amendments to existing standards are not mandatory for December 31, 2023 reporting period and have not been early adopted by the Company:

- Amendments to PAS 1, '*Presentation of Financial Statements'*

  Amendments made to PAS 1 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant).

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

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

  - the carrying amount of the liability;
  - information about the covenants; and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current or non-current classification of a convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The amendments to existing standards are not expected to have a material impact on the Company's financial statements and on foreseeable future transactions.

18.3 Financial instruments

18.3.1 Financial assets

Initial recognition and measurement

The Company's financial assets are classified, at initial recognition, at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a debt financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that passes the 'solely payments of principal and interest' on the principal amount outstanding (SPPI criterion). This assessment is referred to as the SPPI test and is performed at an instrument level The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Subsequent measurement

The Company's financial assets at amortized cost are classified as such if both of the following conditions are met:

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

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

18.3.2 Financial liabilities

Initial recognition and measurement

The Company's financial liabilities are composed of accounts and other payables, security deposits, retention payable, and construction bonds.

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

Subsequent measurement

The Company's interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense and other charges in the statement of total comprehensive income.

18.3.3 Impairment of financial assets

The Company recognizes an allowance for ECLs for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 180 days past due since security deposits and advance rentals are equivalent to 90 days each which are paid in the start of the lease term which will cover any defaults. However, 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash in banks, 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, were there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The company uses the ratings from a reputable credit rating agency to determine whether the debt instrument has significantly increased credit risk and to estimate ECL.

18.4 Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

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

Fair value hierarchy

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

Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - valuation techniques for which the lowest level input that it is significant to the fair value measurement is unobservable
For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company re-assess in determines whether transfers have occurred between levels in the hierarchy by categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment property. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

18.5 Investment properties

Investment properties comprise of completed properties that are held to earn rentals or capital appreciation or both and are not occupied by the Company. These are carried at cost less accumulated depreciation and amortization and any impairment.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Depreciation of investment properties, which consist of buildings, are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful life of the buildings is 24 to 40 years.

Investment properties are derecognized when either it has been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in PFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

18.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining estimated useful life.

18.7 Equity

Paid-up capital

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

18.8 Revenue recognition

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services. Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services. Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

Rental income

Rental income under noncancellable and cancellable leases on investment properties is recognized on a straight-line basis over the lease term and the terms of the lease, respectively, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contracts.

Dues

Dues are recognized when the related services are rendered. Electricity and water dues in excess of actual charges and consumption are recorded as revenue since the Company acts as an agent for these service arrangements. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are recognized at gross amount since the Company acts as principal on these service agreements.

Disaggregated revenue information

The non-lease component of the Company's revenue arises from common area charges and utilities dues. The Company's performance obligations are to ensure that common areas are available for general use of its tenants and to provide for uninterrupted utility services such as water and electricity (Note 12).

Allocation of transaction price to performance obligation

Each of the non-lease component is considered a single performance obligation, therefore it is not necessary to allocate the transaction price. These services are capable of being distinct from the other services and the transaction price for each service is separately identified in the contract.

Timing of revenue recognition

Revenue from common area charges and utilities dues are recognized over time since the tenants simultaneously receives and consumes the services provided by the Company. The Company determined that the output method best represents the recognition pattern for revenue from utilities dues since this is recognized based on the actual consumption of the tenants.

18.9 Costs and expenses

Costs and expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

18.10 Leases

Company as lessor - Operating lease

Leases where the Company does not transfer substantially all the risks and benefits of the ownership of the assets are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Company as lessee

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use) except when the rental payment is purely variable linked to the future performance or use of an underlying asset. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and its estimated useful life of the land, which is 40 years.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

18.11 Income tax

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused NOLCO, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and NOLCO can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities, and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

18.12 Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation.

Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre- tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

18.13 Subsequent events (or events after the reporting date)

Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

19 Supplementary information required by the Bureau of Internal Revenue (BIR)

In compliance with the requirements set forth by Revenue Regulation 15-2010 hereunder is the information on taxes and licenses fees paid and/or accrued during the taxable year 2023.

(a) Output VAT

The Company is a VAT-registered company. Zero-rated sale of service is a taxable transaction for VAT purposes, but shall not result in any output tax. However, the input tax on purchases of goods, properties or services related to such zero-rated sale shall be available as tax credit or refund.

	Gross Receipts	Output VAT
Taxable receipts	698,756,623	83,850,795
Exempt receipts	17,050,397	-
	715,807,020	83,850,795

(b) Input VAT

The amount of input VAT claimed in 2023 broken down as follows:

	Amount
At January 1	3,961,453
Domestic purchases/payments for:	
Services	40,423,155
Goods other than capital goods	1,520,609
Capital goods exceeding P1 million	952,425
Capital goods not exceeding P1 million	975,963
	47,833,605
Applied against output VAT during the year	47,833,605
At December 31	-

(c) All other taxes and licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees included in “Taxes and licenses” under “Direct operating expenses” in the statement of comprehensive income. Details of other taxes and licenses in 2023 follow:

	Amount
Real property tax	147,529,050
Business permit	6,826,034
Community tax	21,000
BIR annual registration	500
Others	2,913,206
	157,289,790

(d) Withholding taxes

The amount of withholding taxes paid and accrued for the year ended December 31, 2023 follows:

	Total remittances	Withholding taxes payable	Total
Expanded withholding taxes	10,750,664	2,528,339	13,279,003
Final withholding taxes	-	-	-
	10,750,664	2,528,339	13,279,003

Total remittances pertain to tax payments made for the reporting period covering January 2023 to November 2023. The outstanding withholding taxes payable, included in Taxes payable under “Accounts and other payables” in the statement of financial position, as at December 31, 2023 represents the withholding taxes for the month of December 2023 which were remitted in January 2024.

(e) Tax assessments and cases

There are no outstanding tax assessments and cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the administration of the BIR as at December 31, 2023.

REPUBLIC OF THE PHILIPPINES)
)S.S.
MAKATI CITY

TREASURER'S CERTIFICATION

I, MA. TERESA R. FAMY, of legal age, Filipino and with office address at 28th Floor Tower One & Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City, after being sworn in accordance with law, hereby certify that:

1. I am the Treasurer of **Makati Cornerstone Leasing, Corp.,** a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines under SEC Certificate of Registration No. **CS201718182**, with principal address at 28th Floor Tower One & Exchange Plaza, Ayala Triangle, Ayala Ave. Makati City.

2. The General Form Financial Statement ("GFFS") submitted contains the exact data stated in the hard copies of the F/S of the Corporation.

3. I am executing this certification to attest to the truth of the foregoing and in compliance with the reportorial requirements of the SEC

WITNESS MY HAND on this May 8,2025 at Makati City.

MA. TERESA R. FAMY
CFO & Treasurer

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____DAY OF _____, 20 __
AFFIANT EXHIBIT TO ME HIS/HER [redacted]

ATTY. ROMEO M. MONFORT
[redacted]

DOC. NO. 60 :
PAGE NO. 12 :
BOOK NO. 34 :
SERIES OF 2025 :

MAKATI CORNERSTONE LEASING CORP.

28th Floor Tower One & Exchange Plaza, Ayala Avenue, Makati, Philippines 1226

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Makati Cornerstone Leasing Corp.** (the Company) is responsible for the preparation and fair presentation of the financial statements, including the tabular supplementary schedule of all effective standards and interpretations and reconciliation of retained earnings available for dividend declaration, for the years ended December 31, 2024 and 2023, in accordance with Philippine Financial Reporting Standards, 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.

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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company 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.

Carol T. Mills
Chairman of the Board

Francisco Ma. D. Roxas
President

Ma. Teresa R. Famy
Treasurer

Signed this 14th day of April 2025

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	1	8	1	8	2

COMPANY NAME

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S	U	B	S	I	D	I	A	R	Y		O	F		A	Y	A	L	A		L	A	N	D		I	N	C	.	)	

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

2	8	T	H		F	L	O	O	R	,		T	O	W	E	R		O	N	E		A	N	D					
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C	I	T	Y																										

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	S E C	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
ali.ccsg@amicassa.com.ph	885-8000	0945-208-8045

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	12/16	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
[redacted]	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

NOTE1 : *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 the 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*

Independent Auditor's Report

To the Board of Directors and Shareholder of
Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Report on the Audits of the Financial Statements

Our Opinion

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

What we have audited

The financial statements comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of total comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which discloses the merger of the Company with First Gateway Real Estate Corp., with the Makati Cornerstone Leasing Corp.as the surviving entity. The Board of Directors approved the intent to merge the entities on April 14, 2025, subject for review of the Securities and Exchange Commission. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Dexter DJ V. Toledaña
Partner
[redacted]

Makati City
April 30, 2025

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholder of
Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

We have audited the financial statements of Makati Cornerstone Leasing Corp. (the "Company") as at and for the years ended December 31, 2024 and 2023, on which we have rendered the attached report dated April 30, 2025.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, the Company has one (1) shareholder owning one hundred (100) or more shares as at December 31, 2024.

Isla Lipana & Co.

Dexter DJ V. Toledaña
Partner
[redacted]

Makati City
April 30, 2025

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
ASSETS			
Current assets			
Cash	2	13,060,821	48,832,397
Receivables, net	3	1,182,629,262	1,049,656,889
Other current assets	4	50,563,216	57,902,637
Total current assets		1,246,253,299	1,156,391,923
Non-current assets			
Receivables, net of current portion	3	145,139,770	78,749,210
Investment properties, net	5	6,668,474,777	6,840,829,323
Right-of-use assets, net	14	86,040,507	88,693,707
Deferred tax assets, net	15	65,371,513	69,573,626
Other non-current assets	4	410,261,012	381,755,010
Total non-current assets		7,375,287,579	7,459,600,876
Total assets		8,621,540,878	8,615,992,799
LIABILITIES AND EQUITY			
Current liabilities			
Accounts and other payables	6	5,888,800,728	5,854,953,892
Construction bonds	7	30,230,005	30,648,238
Current portion of deposits and other liabilities	8	247,196,270	285,827,757
Current portion of lease liabilities	14	11,429,292	11,284,907
Total current liabilities		6,177,656,295	6,182,714,794
Non-current liabilities			
Deposits and other liabilities, net of current portion	8	108,678,793	73,048,779
Lease liabilities, net of current portion	14	106,660,713	105,271,100
Total non-current liabilities		215,339,506	178,319,879
Total liabilities		6,392,995,801	6,361,034,673
Equity			
Paid-up capital		2,213,961,000	2,213,961,000
Retained earnings		14,584,077	40,997,126
Total equity		2,228,545,077	2,254,958,126
Total liabilities and equity		8,621,540,878	8,615,992,799

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Total Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Revenue			
Rental income	5,10	471,162,011	373,063,447
Dues	5,11	166,793,000	124,582,042
Theater income	5,10	18,128,591	17,313,296
		656,083,602	514,958,785
Cost and expenses			
Direct operating expenses	5,13	657,447,992	589,556,194
General and administrative expenses	13	34,796,646	171,653,307
		692,244,638	761,209,501
Other income (loss), net			
Interest income	2,12	13,569,227	7,045,876
Interest expense	8,13	(12,859,460)	(14,500,690)
Other income	12	13,243,776	20,448,243
		13,953,543	12,993,429
Loss before income tax		(22,207,493)	(233,257,287)
Provision for income tax		(4,205,556)	51,693,604
Net loss for the year		(26,413,049)	(181,563,683)
Other comprehensive income		-	-
Total comprehensive loss		(26,413,049)	(181,563,683)

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Paid-up capital (Note 10)		Retained earnings (Note 10)	Total equity
	Common shares	Preferred shares		
Balance at January 1, 2023	578,820,000	1,635,141,000	222,560,809	2,436,521,809
Comprehensive loss				
Net loss for the year	-	-	(181,563,683)	(181,563,683)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(181,563,683)	(181,563,683)
Balance at December 31, 2023	578,820,000	1,635,141,000	40,997,126	2,254,958,126
Comprehensive loss				
Net loss for the year	-	-	(26,413,049)	(26,413,049)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(26,413,049)	(26,413,049)
Balances at December 31, 2024	578,820,000	1,635,141,000	14,584,077	2,228,545,077

(The notes on pages 1 to 26 are integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A Wholly Owned Subsidiary of Ayala Land, Inc.)

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Cash flows from operating activities			
Loss before income tax		(22,207,493)	(233,257,287)
Adjustments for:			
Depreciation	5,13,14	216,537,700	211,285,903
Interest income	2,12,16	(13,569,227)	(7,045,876)
Interest expense	13	12,859,460	14,500,690
Operating (loss) income before changes in working capital		193,620,440	(14,516,570)
(Increase) decrease in:			
Receivables		(113,885,956)	(78,796,450)
Other current assets		7,339,421	(19,382,283)
Other noncurrent assets		(28,506,002)	(1,269,165)
Increase (decrease) in:			
Accounts and other payables		16,719,440	564,899,937
Deposits and other liabilities		(4,576,025)	(16,554,712)
Construction bonds		(418,233)	(193,231)
Net cash provided by operations		70,293,085	434,187,526
Interest received		13,569,227	7,045,876
Income tax paid		(3,443)	(1,797)
Net cash provided by operating activities		83,858,869	441,231,605
Cash flows from investing activities			
Additions to investment properties		(41,529,955)	(109,000,403)
Increase in due from related parties		(85,476,977)	(227,930,000)
Net cash used in investing activities		(127,006,932)	(336,930,403)
Cash flows from financing activities			
Decrease in due to related parties		17,127,396	(50,000,000)
Payments of lease liabilities	14	(9,750,909)	(9,559,714)
Net cash used in financing activities		7,376,487	(59,559,714)
Net increase (decrease) in cash		(35,771,576)	44,741,488
Cash	2		
At January 1		48,832,397	4,090,909
At December 31		13,060,821	48,832,397

(The notes on pages 1 to 26 are integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Notes to the Financial Statements
As at and for the years ended December 31, 2024 and 2023
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

Corporate information

Makati Cornerstone Leasing Corp. (the "Company") was incorporated and was registered with the Philippine Securities and Exchange Commission (SEC) on June 5, 2017. The Company was organized primarily to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

The Company is a wholly-owned subsidiary of Ayala Land, Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is 47.86%-owned by Mermac, Inc. and the rest by the public. Both ALI and AC are publicly-listed companies domiciled and incorporated in the Philippines.

The Company's registered office address and principal place of business is 28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The operational and administrative functions of the Company are handled by ALI (Note 16).

Merger with First Gateway Real Estate Corp. (FGREC)

On April 14, 2025, the Board of Directors (BOD) of the Company approved the merger of FGREC with the Company as the surviving entity. FGREC is an entity under common control. The plan of merger was submitted for the approval of the Company's stockholders at their annual meeting last April 14, 2025. The merger aims to simplify the structure and is expected to result in operational synergies, efficient fund management and simplified reporting to relevant government agencies. The Company's BOD and stockholders approved the proposed merger on April 14, 2025. The merger is subject to the approval of the SEC.

Approval and authorization for issuance of the financial statements

These financial statements were approved and authorized for issue by the BOD on April 14, 2025. There are no material subsequent events from the approval of the financial statements up to April 30, 2025.

2 Cash

The account as at December 31 consists of:

	Note	2024	2023
Cash on hand		55,000	60,000
Cash in banks	16	13,005,821	48,772,397
		13,060,821	48,832,397

Cash in banks earns interest at prevailing bank deposit rates. Interest income earned from cash in banks for the years ended December 31, 2024 and 2023 amounts to P0.01 million (Note 12).

3 Receivables

The account as at December 31 consists of:

	Note	2024	2023
Trade receivables			
Billed		695,598,097	644,857,327
Accrued rent		175,159,049	111,768,489
Due from related parties	16	683,059,462	597,582,485
Other receivables		1,102,340	1,347,714
		1,554,918,948	1,355,556,015
Allowance for credit losses		(227,149,916)	(227,149,916)
		1,327,769,032	1,128,406,099
Less: Receivables, net of current portion		145,139,770	78,749,210
Receivables, net		1,182,629,262	1,049,656,889

Billed receivables arise mainly from tenants for rentals of office and retail spaces, and recovery charges for common area and utilities. These are non-interest bearing and are generally collectible on a 30-day term.

Accrued rent pertains to receivables resulting from the straight-line method of recognizing rental income.

Other receivables pertain to advances to employees.

The movement in the allowance for credit losses for the years ended December 31 follow:

	Note	2024	2023
At January 1		227,149,916	88,662,724
Provision for credit losses	13	-	138,487,192
At December 31		227,149,916	227,149,916

Critical accounting estimate - Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss pattern.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. The Company considered inflation rate and gross domestic product as its forecast economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4 Other assets

The account as at December 31 consist of:

	2024	2023
Creditable withholding taxes	387,001,543	347,108,785
Deferred input VAT	67,260,528	73,115,743
Prepaid expense	1,893,874	14,896,979
Deposits	2,314,097	2,314,097
Advanced to contractors and suppliers	2,354,186	2,222,043
	460,824,228	439,657,647
Less: Non-current portion		
Creditable withholding taxes	360,050,188	331,676,329
Deferred input VAT	45,542,541	45,542,541
Deposits	2,314,097	2,314,097
Advanced to contractors and suppliers	2,354,186	2,222,043
Other non-current assets	410,261,012	381,755,010
Other current assets	50,563,216	57,902,637

Creditable withholding taxes represent the income tax amount withheld by the Company. These are recognized upon collection of the related income and are utilized as tax credits against income tax due.

Deferred input VAT pertains to input tax on the Company's purchases of capital goods exceeding P1.00 million which is available for offset against the Company's future output VAT. The remaining balance is recoverable in future periods.

Input VAT represents taxes due or paid on purchases of goods and services subjected to VAT that the Company can claim against future liability to the Bureau of Internal Revenue (BIR) for output VAT pertaining to sale of goods and services that have been incurred and billings which have been received as at date. The input VAT can also be refunded subject to the approval of the BIR. Input VAT is expected to be applied against output VAT within 12 months from reporting date. This also includes deferred input VAT pertaining to input tax on the Company's purchases of goods and services not yet settled during the year which is available for offset against the Company's future output VAT.

Deposit pertains to deposits made to a utility company.

Advances to contractors are recouped upon every progress billing payment depending on the percentage of accomplishment or delivery.

Critical accounting judgment - Evaluating impairment of creditable withholding taxes

The Company assesses at the end of each reporting period whether there is an objective evidence that the creditable withholding taxes are no longer recoverable. In determining the recoverable amount of creditable withholding taxes, management considers the probability of future transactions or events against which these accounts can be utilized, including adequacy of documentation for anticipated tax audits. Where the final outcome of these matters is different from the amounts that were initially recorded, the carrying amounts of creditable withholding taxes are reduced and the amount of probable losses is recognized in profit or loss.

As at December 31, 2024 and 2023, management believes that it will be able to generate future transactions against which the creditable withholding taxes can be utilized or in worst case scenario, file a claim for refund from tax authorities subject to potential tax audits where management can sustain the positions taken in their tax returns.

5 Investment properties

The Company's investment properties consist of a building that is being leased out for Circuit Corporate Centers 1 & 2, Circuit Mall and assets under construction.

The roll forward analysis of the account follows:

	Building and building improvements	Construction-in-progress	Total
Cost			
At January 1, 2023	7,521,289,271	467,675,565	7,988,964,836
Additions	109,000,403	-	109,000,403
At December 31, 2023	7,630,289,674	467,675,565	8,097,965,239
Additions	36,074,808	5,455,147	41,529,955
Transfer	403,634,793	(403,634,793)	-
At December 31, 2024	8,069,999,275	69,495,919	8,139,495,194
Accumulated depreciation			
At January 1, 2023	1,048,495,963	-	1,048,495,963
Depreciation (Note 13)	208,639,953	-	208,639,953
At December 31, 2023	1,257,135,916	-	1,257,135,916
Depreciation (Note 13)	213,884,501	-	213,884,501
At December 31, 2024	1,471,020,417	-	1,471,020,417
Net book value			
At December 31, 2023	6,373,153,758	467,675,565	6,840,829,323
At December 31, 2024	6,598,978,858	69,495,919	6,668,474,777

Construction-in-progress pertains to ongoing construction, installation and related activities on investment property or other items necessary to prepare it for use. These are transferred to the related investment property account once construction is completed and is ready for service.

As at December 31, 2024 and 2023, there are no items of investment in property that are pledged as security to liabilities.

As at December 31, 2024 and 2023, there are no contractual purchase commitments for investment properties.

Rental income, dues and theater income earned from investment property and direct operating expenses incurred are as follows:

	Notes	2024	2023
Rental income	10	471,162,011	373,063,447
Dues	11	166,793,000	124,582,042
Theater income	10	18,128,591	17,313,296
Direct operating expenses	13	(657,447,992)	(589,556,194)

Critical accounting estimate - Estimating useful lives of investment property

The Company estimates the useful life of its investment property based on the period over which the asset is expected to be available for use. The estimated useful life of investment properties is reviewed at least annually and is updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of the asset. It is possible that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above.

6 Accounts and other payables

The account as at December 31 consists of:

	Note	2024	2023
Due to related parties	16	5,547,327,788	5,530,200,392
Taxes payable		112,686,901	147,093,289
Trade payables		146,086,648	138,542,650
Retention payable		2,293,625	4,222,196
Accrued expenses			
Rent		5,780,283	3,133,828
Light and Power		49,684,303	18,043,967
Repairs and Maintenance		10,068,940	3,210,268
Professional and Management Fees		3,771,184	1,321,054
Others		11,101,056	9,186,248
		5,888,800,728	5,854,953,892

Taxes payable consists of amounts payable to the BIR pertaining to withholding taxes and deferred output VAT.

Trade payables consist of amounts payable to third party suppliers and overpayment of office space tenants. These are non-interest bearing and are normally settled on 15-day to 60-day term.

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

Accrued expenses others consist mainly of contracted services, supplies, transportation and travel, security, insurance and representation which are non-interest bearing.

7 Construction bonds

Construction bonds represent cash bonds to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein. The bond will be refunded after full completion of the construction, renovation or improvements and inspection by the Company.

As at December 31, 2024, the carrying value of the Company's construction bonds amount to P30.23 million (2023 - P30.65 million).

8 Deposits and other liabilities

The account as at December 31 consist of:

	Note	2024	2023
Security deposits		253,957,968	251,574,627
Advance rentals		97,039,920	100,155,412
Deferred credits		4,877,175	7,146,497
		355,875,063	358,876,536
Less: Non-current portion			
Security deposits		60,575,953	35,314,263
Advance rentals		43,215,665	30,588,019
Deferred credits		4,887,175	7,146,497
Deposits and other liabilities, net of non-current portion		108,678,793	73,048,779
Current portion of deposits and other liabilities		247,196,270	285,827,757

(a) Security deposits

Security deposits represent deposits from lessees to secure the faithful compliance by lessees of their obligation under the lease contract. These are equivalent to three (3) months' rent and six (6) months' rent for office and retail consecutively, and will be refunded to the lessees at the end of the lease term.

Interest expense from accretion of security deposits for the year ended December 31, 2024 amounts to P1.57 million (2023 - P3.30 million) (Note 13).

(b) Advance rentals

Advance rentals from lessees pertain to cash received in advance representing three (3) months' rent which will be applied to the last three (3) months rentals on the related lease contracts.

(c) Deferred credits

Deferred credits pertain to the difference between the nominal value of the deposits and its fair value.

The roll forward analysis of deferred credits for the years ended December 31 follows:

	Note	2024	2023
At January 1		7,146,497	10,313,526
Amortization	10	(2,269,322)	(3,167,029)
At December 31		4,877,175	7,146,497

9 Equity

(a) Paid-up capital

The details of the Company's capital stock as at December 31, 2024 and 2023 are as follows:

	Common	Preferred A	Preferred B	Total
Authorized shares at P1,000.00 par value	1,542,500	1,452,500	2,905,000	5,900,000
Issued and outstanding shares	578,820	363,125	1,272,016	2,213,961

(b) Preferred shares

Preferred A shares shall have the following features: (a) voting; (b) participating; (c) redeemable at the option of the Company; and (d) cumulative dividends at a dividend rate.

Preferred B shares shall have the following features: (a) voting; (b) non-participating; (c) redeemable at the option of the Company; and (d) non-cumulative.

(c) Capital management

The Company defines capital as total equity. The primary objectives of the Company's capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions.

No changes were made in the Company's capital management objectives, policies and processes.

The Company is not subject to any external capital requirements.

10 Rental income; Theater income

(a) Rental income

The account for the years ended December 31 consists of:

	Note	2024	2023
Retail		253,332,272	240,343,128
Office		166,498,571	92,920,231
Parking fees		49,959,467	36,633,059
Amortization of deferred credits	8	1,371,701	3,167,029
		471,162,011	373,063,447

Rental income from straight-line method of recognizing rental income resulted in additional rental income by P63.39 million (2023 - P23.40 million) (Note 3). The Company's lease commitments are disclosed in Note 14.

(b) *Theater income*

Theater income pertains to income earned from the sale of cinema tickets. The theater income earned by the Company for the year ended December 31, 2024 amounts to P18.13 million (2023 - P17.31 million).

Critical accounting judgment - Assessment on whether lease concessions granted constitute a lease modification

In line with the rental relief framework implemented by the government to support business and the broader economy due to the impact of COVID-19 starting 2020, the Company waived its right to collect rent and other charges as part of various lease concessions it granted to leases such as lease payment holidays or lease payment reductions. The Company applies judgment when assessing whether the rent concessions granted is considered as lease modification under Philippine Financial Reporting Standards (PFRS) 16.

In making this judgment, the Company determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Company assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

There are no rent concessions granted by the Company for the year ended December 31, 2024 (2023 - nil).

11 Dues

Dues pertain to net recoveries from tenants for utilities, except for usage of common areas and air-conditioning charges, which are presented at gross of the related expenses. Set out below is the disaggregation of the Company's revenue from non-lease component for the years ended December 31:

	2024	2023
Dues		
Common area charges	110,803,254	75,498,807
Utilities dues	55,989,746	49,083,235
	166,793,000	124,582,042

Critical accounting judgment - Determination of whether the Company is acting as a principal or an agent

The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Company, are primarily responsible for the provisioning of the utilities while the Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air conditioning, the Company acts as a principal because it retains the right to direct the service provider of air conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air conditioning charges.

12 Interest income; Other income

(a) Interest income

The account for the years ended December 31 consists of:

	Notes	2024	2023
Interest income from intercompany loans	16	13,552,011	7,036,939
Interest income from cash in banks	2	10,346	8,937
Interest income from short-term investments		6,870	-
		13,569,227	7,045,876

(b) Other income

The Company's recognized other income amounting to P13.24 million for the year ended December 31, 2024 (2023 - P20.45 million). In 2024, other income pertains to the tickets sold to senior citizens collectible from the City Treasurer of Makati as part of the city's Blu Card program. This program offers various benefits to senior citizens, including free movie passes.

13 Costs and expenses

(a) Direct operating expenses

The account for the years ended December 31 consists of:

	Notes	2024	2023
Depreciation	5,14	216,537,700	211,285,903
Taxes and licenses		159,823,138	157,289,790
Outside services		68,440,650	58,100,599
Utilities		62,589,000	45,968,849
Land lease	14	43,236,620	34,393,294
Repairs and maintenance		43,091,233	27,227,655
Insurance		16,033,346	13,533,685
Dues and fees		12,207,062	11,461,169
Management fees	16	10,500,839	10,617,319
Food and beverages		8,031,835	6,282,640
Professional fees		3,810,000	3,816,027
Others		13,146,569	9,579,264
		657,447,992	589,556,194

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	Note	2024	2023
Provision for credit losses	3	-	138,487,192
Contracted services		26,692,952	21,005,457
Repairs and maintenance		2,792,548	2,333,234
Professional fees		1,581,811	1,430,672
System costs		1,084,352	6,051,920
Office supplies		289,327	226,027
Others		2,355,656	2,118,805
		34,796,646	171,653,307

(c) Interest expense and other charges

The account for the years ended December 31 consists of:

	Notes	2024	2023
Interest expense from:			
Lease liabilities	14	11,284,907	11,134,223
Accretion of security deposits	8	1,574,553	3,296,407
Intercompany loans	16	-	70,060
		12,859,460	14,500,690

14 Operating lease commitments

(a) The Company as lessor - operating leases

The Company has entered into operating lease agreements with third parties for a period of five (5) years covering its investment properties. These non-cancellable leases are subject to 5% to 10% annual escalation rate.

The future minimum rentals receivable under non-cancellable operating leases as at December 31 follows:

	2024	2023
Within one year	191,946,490	169,691,935
After one year but not more than 5 years	1,960,205,219	2,043,152,994
More than 5 years	442,543,594	-
	2,594,695,303	2,212,844,929

Total rental income for the year ended December 31, 2024 amounts to P471.16 million (2023 - P373.06 million) (Note 10).

There were no rent concessions granted by the Company to its tenants for the year ended December 31, 2023 and 2024. These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payment and reported as a reduction of lease income.

(b) The Company as lessee - land lease

The Company entered into a land lease agreement with Philippine Racing Club, Inc. (PRCI) for the land where Circuit Corporate Center 2 is located for a period of 40 years. The lease generally provides for a monthly rent based on a minimum rent of P200.00 per square meter of the land area or 4% of gross rental income, whichever is higher.

The Company entered into a land lease agreement with Ayala Land, Inc. for the land where Circuit Corporate Center 1 and Circuit Malls are located for a period of 40 years. The lease generally provides for a month rent based on 10% of gross rental income for Circuit Malls and 4% of gross rental income for Circuit Corporate Center 1.

The following provides information on the Company's variable lease payments, including the magnitude in relation to fixed payments:

	Note	2024	2023
Fixed rent with minimum payment		9,750,909	9,559,714
Variable rent only	13	43,236,620	34,393,294
		52,987,529	43,953,008

Variable rental expense recognized for the year ended December 31, 2024 as "Land lease" under "Direct operating expenses" in statements of total comprehensive income amounts to P43.24 million (2023 – P34.39 million) (Note 13).

The movement of right-of-use assets for the year ended December 31 follows:

	Note	2024	2023
Cost			
At January 1 and December 31		105,910,507	105,910,507
Accumulated depreciation and amortization			
At January 1		17,216,800	14,570,850
Depreciation	13	2,653,200	2,645,950
At December 31		19,870,000	17,216,800
Net book value at December 31		86,040,507	88,693,707

The movement of lease liabilities for the year ended December 31 follows:

	Note	2024	2023
At January 1		116,556,007	114,981,498
Accretion of interest expense	13	11,284,907	11,134,223
Payments		(9,750,909)	(9,559,714)
At December 31		118,090,005	116,556,007
Less: Current portion of lease liabilities		11,429,292	11,284,907
Lease liabilities, net of current portion		106,660,713	105,271,100

The future minimum rentals payables under these non-cancellable leases follows:

	2024	2023
Within one year	11,429,292	11,284,907
After one year but not more than 5 years	47,053,744	46,533,768
More than 5 years	397,398,767	408,164,559
	455,881,803	465,983,234

(c) Amounts recognized in the statements of total comprehensive income

The following are the amounts recognized in the statements of total comprehensive income for the years ended December 31:

	Notes	2024	2023
Rent expense - variable lease payments	13	43,236,620	34,393,294
Accretion of interest expense	13	11,284,907	11,134,223
Depreciation expense of right-of-use assets		2,653,200	2,645,950
		57,174,727	48,173,467

(d) Total cash outflows

The total cash outflows related to leases for the years ended December 31 follow:

	Note	2024	2023
Rent expense - variable lease payments	13	43,236,620	34,393,294
Payments of lease liabilities		9,750,909	9,559,714
		52,987,529	43,953,008

Critical accounting judgment - Operating lease commitments - Company as lessor

The Company has entered into commercial property leasing on its investment properties. The Company has determined that it retains all the significant risks and rewards of ownership of the properties as the Company considered, among others, the length of the lease term as compared with the estimated life of the assets.

Critical accounting estimate - Estimating the incremental borrowing rate for leases

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

15 Income taxes

Provision for income tax for the years ended December 31 consists of:

	2024	2023
Deferred	4,202,113	(51,695,401)
Final	3,443	1,797
	4,205,556	(51,693,604)

The Company's net deferred taxes as at December 31 consist of:

	2024	2023
Deferred tax assets on:		
Allowance for credit losses	56,787,479	56,787,479
Advance rent	24,259,980	28,745,375
Lease liabilities	29,522,501	25,038,853
Accrued expenses	20,101,442	8,723,841
	130,671,402	119,295,548
Deferred tax liabilities on:		
Excess of lease income over collections	43,789,762	27,548,495
Right-of-use assets	21,510,127	22,173,427
	65,299,889	49,721,922
Deferred tax assets, net	65,371,513	69,573,626

The reconciliation (in %) between the statutory and the effective income tax rates follows:

	2024	2023
Statutory income tax rate	(25.00)	(25.00)
Adjustments for:		
Non-taxable income	(0.34)	(0.38)
Non-deductible expense	3.67	3.22
Effective income tax rate	(21.67)	(22.16)

16 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

Terms and conditions of transactions with related parties

The Company, in its regular conduct of business, has entered into transactions with related parties consisting of advances and management, marketing and leasing and administrative service agreements. These are based on terms agreed by the parties.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Outstanding balances with ALI, affiliates and other related parties (entities under common control).

Receivables from and payables to related parties pertain mainly to rental income, advances, reimbursements of operating expenses, and intercompany lending, which are due and demandable. These are settled generally in cash, unless if otherwise indicated, at a gross basis.

Receivables from and payable to related parties as at December 31 are as follow:

	2024		2023		
	Transactions	Outstanding balances	Transactions	Outstanding balances	Terms and conditions
Due from related parties					
Parent Company	(75,071,037)	225,888,193	119,709,720	300,959,230	Balances relating to trade receivables
Affiliates	160,764,857	455,910,618	220,484,254	295,145,761	are due and demandable. These are
Other related parties	(216,843)	1,260,651	(281,756)	1,477,494	interest and non-interest bearing, and unsecured. No impairment is recognized. The Company also provides interest-bearing loans to related parties which are subject to monthly repricing and maturing in one month with interest ranging from 5.30% to 6.90% (2023 - 5.50% to 6.90%) per annum
		683,059,462		**597,582,485**	
Due to related parties					
Parent	67,717,540	5,492,484,272	304,145,326	5,424,766,732	Balances are due and demandable. These are non-interest bearing and unsecured.
Affiliates	(49,470,911)	54,369,274	71,986,197	103,840,185	
Other related parties	343,269	474,242	121,047	130,973	
		5,547,327,788		**5,528,737,890**	

b. Revenue from related parties

The revenue from the Parent Company, affiliates and other related parties pertains to rental income, interest income from intercompany loans. There is no impairment on these related receivables. Revenue for the years ended December 31 are as follows:

2024	Rental income	Theater Income	Dues	Interest income from intercompany loans	Total
Parent	-	1,635,377	2,420,835	1,001,804	5,058,016
Affiliates	90,377,757	7,463,451	54,255,531	12,550,207	164,646,946
Other related parties	5,959,245	47,497	1,439,225	-	7,445,967
Total	96,337,002	9,146,325	58,115,591	13,552,011	177,150,929

2023	Rental income	Theater Income	Dues	Interest income from intercompany loans	Total
Parent	-	64,985	5,992,686	1,497,887	7,555,558
Affiliates	44,398,751	8,256,332	19,934,656	5,539,052	78,128,791
Other related parties	9,584,453	-	8,673,046	-	18,257,499
Total	53,983,204	8,321,317	34,600,388	7,036,939	103,941,848

Cost and expenses for the years ended December 31 are as follows:

2024	Management fees	Rental expenses	Utility expenses	Contracted services	Others	Total
Parent	-	43,236,620	74,061,741	-	12,658,264	129,956,625
Affiliates	9,625,767	-	6,246,071	33,314,328	12,950,985	62,137,151
Other related parties	-	-	31,887,113	-	1,184,287	33,071,400
Total	9,625,767	43,236,620	112,194,925	33,314,328	26,793,536	225,165,176

2023	Management fees	Rental expenses	Utility expenses	Contracted services	Others	Total
Parent	-	34,393,294	30,278,615	-	-	64,671,909
Affiliates	10,295,701	-	2,760,795	28,706,433	7,597,401	49,360,330
Other related parties	-	-	30,066,927	-	883,784	30,950,711
Total	10,295,701	34,393,294	63,106,337	28,706,433	8,481,185	144,982,950

The following describes the nature of the material transactions of the Company with related parties as of December 31, 2024 and 2023:

- On December 27, 2017, the Company entered into a Deed of Assignment with ALI to acquire Circuit Corporate Centers 1 and 2, Ayala Triangle Garden Project and Circuit Makati Main Mall for a total consideration of P9.05 billion. As at December 31, 2024, the intercompany payable to ALI includes the unpaid balance amounting to P4.69 billion (2023 - P5.42 billion).

- The Company provides interest-bearing loan to its related parties, which are subject to monthly repricing and maturing in one month with interest rates ranging from 5.30% to 6.90% and from 5.50% to 6.90% per annum in 2024 and 2023, respectively.

- The Company recognized interest income amounting to P13.5 million and P7.04 million in 2024 and 2023, respectively (Note 12).

- The Company has receivables from its related parties which pertain to rental income and dues for utility consumption. These are non-interest bearing and due and demandable.

- Affiliates and other related parties of the Company provide energy and water distribution services to the Company.

- Others pertain to other operating and general and administrative expenses.

Cash in bank

As at December 31, 2024, the Company has entered into transactions with the Bank of the Philippine Islands (BPI), an associate of AC, consisting of cash in bank amounting to P13 million (2023 - P48.77 million) (Note 2). The related interest income earned from cash in BPI for the year ended December 31, 2024 amounts to P 10,346 (2023 - P8,937) (Notes 2 and 12).

Compensation of key management personnel

The key management personnel of the Company are employees of ALI. Thus, there is no additional key management personnel disclosure required on the Company's financial statements.

17 Financial risk and capital management

17.1 Financial risk management

The Company's principal financial instruments comprise of cash, receivables, accounts and other payables (except taxes payable), and security deposits which arise directly from the conduct of its operations. The main risks arising from the use of financial instruments are liquidity risk and credit risk.

The Company reviews policies for managing each of these risks. The Company monitors market price risk from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.

Exposure to market, credit, and liquidity risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

ALI's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

17.1.1 Market risk

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes foreign currency risk, interest rate risk, and other price risks. The Company is not exposed to significant foreign currency risk and price risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Cash in banks do not have significant exposure to cash flow interest rate risk as they are subject to minimal interest. Due from related parties do not have significant exposure to cash flow interest rate risk as such are subject to fixed interest rates. The Company has no financial assets carried at fair value and, therefore, it has no exposure to fair value interest rate risk.

17.1.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risks are primarily attributable to cash, receivables and other financial assets. To manage credit risks, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental income from leased properties is primarily managed through a tenant selection process. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of financial capacity. Except for the trade receivables, the maximum exposure to credit risk of all financial assets is equal to their carrying amounts.
As at December 31, 2024 and 2023, the Company's maximum exposure to credit risk is equal to the carrying values of its financial assets, except for "Trade receivables" under "Receivables" in the statements of financial position. Details follow:

	2024			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in banks	13,005,821	-	13,005,821	-
Receivables				
Due from related parties	683,059,462	252,946,180	430,113,282	252,946,180
Trade receivables	870,757,146	-	870,757,146	-
Other receivables	1,102,340	-	1,102,343	-
	1,567,924,769	252,946,180	1,314,978,592	252,946,180

	2023			
	Gross Maximum Exposure	Financial effect of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in banks	48,772,397	-	48,772,397	-
Receivables				
Due from related parties	257,670,267	250,515,200	7,155,067	250,515,200
Trade receivables	756,625,816	-	756,625,816	-
Other receivables	1,018,340	-	1,018,340	-
	1,064,086,820	250,515,200	813,571,620	250,515,200

The aging analysis of the Company's trade receivables presented per class as at December 31 follows:

	2024		
	Performing	Non-performing	Total
Expected credit loss rates	-%	76%	
Gross carrying amount	573,182,948	297,574,198	870,757,146
ECL	-	227,149,916	227,149,916

	2023		
	Performing	Non-performing	Total
Expected credit loss rates	-%	14%	
Gross carrying amount	498,055,075	258,570,741	756,625,816
ECL	-	227,149,916	227,149,916

Given the Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

(a) Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of all customers as they have similar loss patterns. The security deposits are considered in the calculation of impairment as recoveries. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. ECL related to trade receivables is minimal given its low credit risk and are generally covered by security deposits.

As at December 31, 2024, the allowance for credit losses of trade receivables amounts to nil (2023 - P227.15 million) (Note 3).

Cash in banks

As at December 31, 2024 and 2023, the ECL relating to cash in banks is minimal as these are considered as low credit risk.

(b) Due from related parties

As at December 31, 2024 and 2023, the Company did not provide any allowance relating to receivable from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

17.1.3 Liquidity risk

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

The Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long term debt, while working capital requirements are sufficiently funded through cash collections and capital infusion by stockholders.

Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost and ensures the availability of ample unused credit facilities as back-up liquidity.

As at December 31, 2024, the Company's financial assets and liabilities are due within one year, except for the non-current portion of trade receivables (Note 3) and the contractual undiscounted payment of security deposits amounting to P61.70 million (2023 - P40.93 million), which are due within one to five years. The maturity profile of lease liabilities are disclosed in Note 14.

17.2 Fair value measurement

(a) Financial assets and liabilities

The Company follows the fair value measurement hierarchy to disclose the fair value measurements of its financial instruments. Except for the Company's security deposits under deposits and other liabilities, carrying values of the other financial assets and liabilities of the Company approximate their fair values due to the short-term nature of the transactions.

Management has determined that the fair value of security deposits is not significantly different from its carrying amount given the nature of these deposits and the immaterial impact of discounting when applying adjusted market rates.

As at December 31, 2024 and 2023, the Company has no financial instruments that are measured at fair value.

In 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

The fair value of the Company's security deposits is categorized under Level 3 in the fair value hierarchy.

(b) Investment properties

The fair value of the Company's investment properties was determined using the income approach, which is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value. The fair value is calculated taking into consideration significant inputs and assumptions such as the discount rate, growth rate and free cash flows.

As at December 31, 2024 and 2023, the fair value of the investment properties amounts to P10,409.92 million.

The fair value of investment property as at December 31, 2024 and 2023 was determined by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The fair value of the Company's investment properties was determined using the income approach which is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value.

(c) Significant unobservable inputs

The significant unobservable inputs used in the fair value measurements categorized within level 3 of the fair value hierarchy as at December 31, 2024 and 2023 is shown below:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Investment properties	DCF Method	Discount rate	2024: 11.00% 2023: 11.00%	Increase (decrease) in the discount would decrease (increase) the fair value
Security deposits	DCF Method	Discount rate	2024: 5.83%-8.60% 2023: 5.87% -5.92%	Increase (decrease) in the discount would decrease (increase) the fair value

18 Summary of material accounting policies

18.1 Basis of preparation

The financial statements of the Partnership have been prepared in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

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

The financial statements of the Company have been prepared using the historical cost basis.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- Provision for expected credit losses of trade receivables (Note 3)
- Evaluating impairment of creditable withholding taxes (Note 4)
- Estimating useful lives of investment properties (Note 5)
- Assessment on whether lease concessions granted constitute a lease modification (Note 10)
- Determination of whether the Company is acting as a principal or an agent (Note 11)
- Operating lease commitments - Company as lessor (Note 14)
- Estimating the incremental borrowing rate for leases (Note 14)

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

Functional and presentation currency

The financial statements of the Company are presented in Philippine Peso. All amounts are rounded off to the nearest Philippine Peso unless otherwise stated.

18.2 Adoption of amended accounting standards and interpretation

Changes in accounting policies and disclosures

(a) Amendments to existing standards and interpretation adopted by the Company

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2024 that are considered to be relevant or have a material impact on the Company's financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Company

The following amendments to existing standards are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Company:

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

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

  Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements.

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

  Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

- PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

  This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries

  A subsidiary is eligible if

  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

The new standards, amendments to existing standards and interpretations not yet effective for the December 31, 2024 reporting period are not expected to have a material impact on the Company's financial statements and on foreseeable future transactions.

18.3 Financial instruments

18.3.1 Financial assets

Initial recognition and measurement

The Company's financial assets are classified, at initial recognition, at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a debt financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that passes the 'solely payments of principal and interest' on the principal amount outstanding (SPPI criterion). This assessment is referred to as the SPPI test and is performed at an instrument level The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Subsequent measurement

The Company's financial assets at amortized cost are classified as such if both of the following conditions are met:

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

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

18.3.2 Financial liabilities

Initial recognition and measurement

The Company's financial liabilities are composed of accounts and other payables, security deposits, retention payable, and construction bonds.

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

Subsequent measurement

The Company's interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense and other charges in the statement of total comprehensive income.

Impairment of financial assets

The Company recognizes an allowance for ECLs for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 180 days past due since security deposits and advance rentals are equivalent to 90 days each which are paid in the start of the lease term which will cover any defaults. However, 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash in banks, 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, were there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The company uses the ratings from a reputable credit rating agency to determine whether the debt instrument has significantly increased credit risk and to estimate ECL.

18.4 Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

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

Fair value hierarchy

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

Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - valuation techniques for which the lowest level input that it is significant to the fair value measurement is unobservable
For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company re-assess in determines whether transfers have occurred between levels in the hierarchy by categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment property. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

18.5 Investment properties

Investment properties comprise of completed properties that are held to earn rentals or capital appreciation or both and are not occupied by the Company. These are carried at cost less accumulated depreciation and amortization and any impairment.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Depreciation of investment properties, which consist of buildings, are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful life of the buildings is 24 to 40 years.

Investment properties are derecognized when either it has been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in PFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

18.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining estimated useful life.

18.7 Equity

Paid-up capital

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

18.8 Revenue recognition

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services. Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services. Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

Rental income

Rental income under noncancellable and cancellable leases on investment properties is recognized on a straight-line basis over the lease term and the terms of the lease, respectively, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contracts.

Dues

Dues are recognized when the related services are rendered. Electricity and water dues in excess of actual charges and consumption are recorded as revenue since the Company acts as an agent for these service arrangements. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are recognized at gross amount since the Company acts as principal on these service agreements.

Disaggregated revenue information

The non-lease component of the Company's revenue arises from common area charges and utilities dues. The Company's performance obligations are to ensure that common areas are available for general use of its tenants and to provide for uninterrupted utility services such as water and electricity (Note 12).

Allocation of transaction price to performance obligation

Each of the non-lease component is considered a single performance obligation, therefore it is not necessary to allocate the transaction price. These services are capable of being distinct from the other services and the transaction price for each service is separately identified in the contract.

Timing of revenue recognition

Revenue from common area charges and utilities dues are recognized over time since the tenants simultaneously receives and consumes the services provided by the Company. The Company determined that the output method best represents the recognition pattern for revenue from utilities dues since this is recognized based on the actual consumption of the tenants.

18.9 Costs and expenses

Costs and expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

18.10 Leases

Company as lessor - Operating lease

Leases where the Company does not transfer substantially all the risks and benefits of the ownership of the assets are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Company as lessee

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use) except when the rental payment is purely variable linked to the future performance or use of an underlying asset. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and its estimated useful life of the land, which is 40 years.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

18.11 Income tax

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused NOLCO, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and NOLCO can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities, and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

18.12 Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation.

Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre- tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

18.13 Subsequent events (or events after the reporting date)

Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

19 Supplementary information required by the Bureau of Internal Revenue (BIR)

In compliance with the requirements set forth by Revenue Regulation 15-2010 hereunder is the information on taxes and licenses fees paid and/or accrued during the taxable year 2024.

(a) Output VAT

The Company is a VAT-registered company. Zero-rated sale of service is a taxable transaction for VAT purposes, but shall not result in any output tax. However, the input tax on purchases of goods, properties or services related to such zero-rated sale shall be available as tax credit or refund.

	Gross Receipts	Output VAT
Taxable receipts	890,197,886	106,823,746
Exempt receipts	46,158,746	-
	936,356,632	106,823,746

(b) Input VAT

The amount of input VAT claimed in 2024 broken down as follows:

	Amount
At January 1	-
Domestic purchases/payments for:	
Services	76,034,233
Goods other than capital goods	1,704,464
Capital goods exceeding P1 million	2,358,340
Capital goods not exceeding P1 million	539,738
	80,636,775
Applied against output VAT during the year	80,636,775
At December 31	-

(c) All other taxes and licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees included in "Taxes and licenses" under "Direct operating expenses" in the statement of comprehensive income. Details of other taxes and licenses in 2024 follow:

	Amount
Real property tax	147,529,050
Business permit	10,419,863
BIR annual registration	21,000
Others	1,853,225
	159,823,138

(d) Withholding taxes

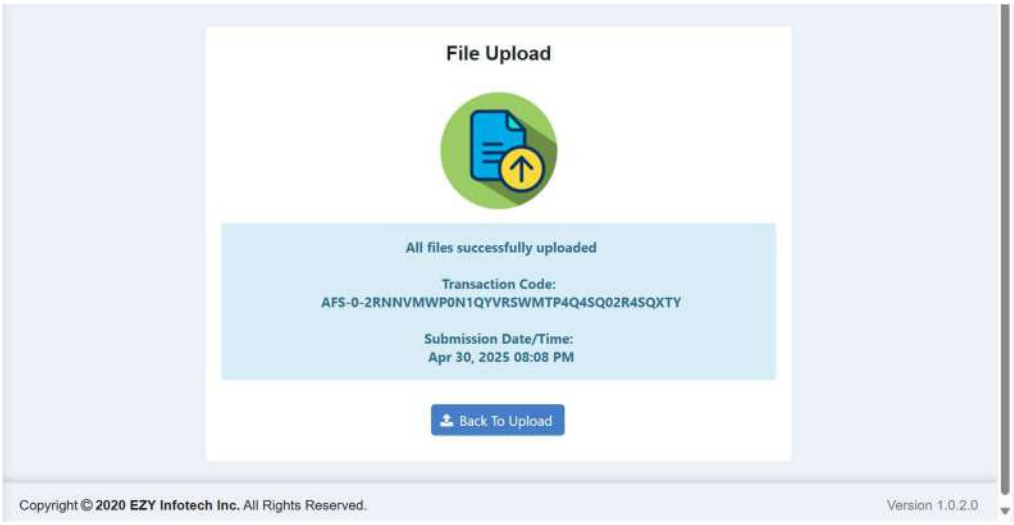
The amount of withholding taxes paid and accrued for the year ended December 31, 2024 follows:

	Total remittances	Withholding taxes payable	Total
Expanded withholding taxes	16,984,847	4,595,139	21,579,986
Final withholding taxes	-	-	-
	16,984,847	4,595,139	21,579,986

Total remittances pertain to tax payments made for the reporting period covering January 2024 to November 2024. The outstanding withholding taxes payable, included in Taxes payable under “Accounts and other payables” in the statement of financial position, as at December 31, 2024 represents the withholding taxes for the month of December 2024 which were remitted in January 2025.

(e) Tax assessments and cases

There are no outstanding tax assessments and cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the administration of the BIR as at December 31, 2024.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Version 1.0.2.0

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	1	8	1	8	2

COMPANY NAME

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

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Form Type	Department requiring the report	Secondary License Type, if Applicable
A A F S	S E C	N A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
ali.ccsg@amicassa.com.ph	885-8000	0945-208-8045

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
6	12/16	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
[redacted]	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati 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 the 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.

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholder of
Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Makati Cornerstone Leasing Corp. (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.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in equity for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS Accounting Standards, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Dexter DJ V. Toledaña
Partner
[redacted]

Makati City
April 30, 2025

pwc Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholder of
Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

We have audited the financial statements of Makati Cornerstone Leasing Corporation (the "Company") as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 30, 2026.

In compliance with the Revised SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, as at December 31, 2025, the Company has one (1) shareholder owning one hundred (100) or more shares.

Isla Lipana & Co.

Dexter DJ V. Toledaña
Partner
[redacted]

Makati City
April 30, 2026

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Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
ASSETS			
Current assets			
Cash	2	11,368,591	13,060,821
Receivables, net	3	1,013,123,739	1,182,629,262
Other current assets	4	39,661,680	50,563,216
Total current assets		1,064,154,010	1,246,253,299
Non-current assets			
Receivables, net of current portion	3	70,082,849	145,139,770
Investment properties, net	5	6,471,655,629	6,668,474,777
Right-of-use assets, net	14	83,394,556	86,040,507
Deferred tax assets, net	15	93,766,831	65,371,513
Other non-current assets	4	439,514,207	410,261,012
Total non-current assets		7,158,414,072	7,375,287,579
Total assets		8,222,568,082	8,621,540,878
LIABILITIES AND EQUITY			
Current liabilities			
Accounts and other payables	6	5,679,950,538	5,888,800,728
Construction bonds	7	9,041,218	30,230,005
Current portion of deposits and other liabilities	8	145,183,684	247,196,270
Current portion of lease liabilities	14	11,569,436	11,429,292
Total current liabilities		5,845,744,876	6,177,656,295
Non-current liabilities			
Deposits and other liabilities, net of current portion	8	166,326,079	108,678,793
Lease liabilities, net of current portion	14	108,003,935	106,660,713
Total non-current liabilities		274,330,014	215,339,506
Total liabilities		6,120,074,890	6,392,995,801
Equity			
Paid-up capital		2,213,961,000	2,213,961,000
Retained earnings		(111,467,808)	14,584,077
Total equity		2,102,493,192	2,228,545,077
Total liabilities and equity		8,222,568,082	8,621,540,878

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Total Comprehensive Income
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Revenue			
Rental income	5,10	369,934,207	471,162,011
Dues	5,11	156,579,960	166,793,000
Theater income	5,10	29,018,051	18,128,591
		555,532,218	656,083,602
Cost and expenses			
Direct operating expenses	5,13	696,647,371	657,447,992
General and administrative expenses	13	38,065,251	34,796,646
		734,712,622	692,244,638
Other income (loss), net			
Interest income	2,12	15,955,309	13,569,227
Interest expense	8,13	(13,166,981)	(12,859,460)
Other income	12	28,747,245	13,243,776
		31,535,573	13,953,543
Loss before income tax		(147,644,831)	(22,207,493)
Provision for income tax		21,592,946	(4,205,556)
Net loss for the year		(126,051,885)	(26,413,049)
Other comprehensive income		-	-
Total comprehensive loss		(126,051,885)	(26,413,049)

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Changes in Equity
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Paid-up capital (Note 10)		Retained earnings (Deficit) (Note 10)	Total equity
	Common shares	Preferred shares		
Balance at January 1, 2024	578,820,000	1,635,141,000	40,997,126	2,254,958,126
Comprehensive loss				
Net loss for the year	-	-	(26,413,049)	(26,413,049)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(26,413,049)	(26,413,049)
Balance at December 31, 2024	578,820,000	1,635,141,000	14,584,077	2,228,545,077
Comprehensive loss				
Net loss for the year	-	-	(126,051,885)	(126,051,885)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(126,051,885)	(126,051,885)
Balances at December 31, 2025	578,820,000	1,635,141,000	(111,467,808)	2,102,493,192

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Statements of Cash Flows
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Loss before income tax		(147,644,831)	(22,207,493)
Adjustments for:			
Depreciation	5,13,14	237,070,259	216,537,700
Interest income	2,12,16	(15,955,309)	(13,569,227)
Interest expense	13	13,166,981	12,859,460
Operating income before changes in working capital		86,637,100	193,620,440
(Increase) decrease in:			
Receivables		318,859,717	(127,437,967)
Other current assets		10,901,535	7,339,421
Other noncurrent assets		(29,253,195)	(28,506,002)
Increase (decrease) in:			
Accounts and other payables		(208,850,188)	33,846,836
Deposits and other liabilities		(46,102,989)	(4,576,025)
Construction bonds		(21,188,787)	(418,233)
Net cash provided by operations		111,003,193	73,868,470
Interest received		15,955,309	13,569,227
Income tax paid		(6,802,372)	(3,443)
Net cash provided by operating activities		120,156,130	87,434,254
Cash flows from investing activities			
Additions to investment properties		(37,605,161)	(41,529,955)
Increase in due from related parties		(74,297,273)	(71,924,966)
Net cash used in investing activities		(111,902,434)	(113,454,921)
Cash flows from financing activities			
Payments of lease liabilities	14	(9,945,926)	(9,750,909)
Net cash used in financing activities		(9,945,926)	(9,750,909)
Net increase (decrease) in cash		(1,692,230)	(35,771,576)
Cash	2		
At January 1		13,060,821	48,832,397
At December 31		11,368,591	13,060,821

(The notes on pages 1 to 26 are an integral part of these financial statements.)

Makati Cornerstone Leasing Corp.
(A wholly-owned subsidiary of Ayala Land, Inc.)

Notes to the Financial Statements
As at and for the years ended December 31, 2025 and 2024
(All amounts are shown in Philippine Peso unless otherwise stated)

1 General information

Corporate information

Makati Cornerstone Leasing Corp. (the "Company") was incorporated and was registered with the Philippine Securities and Exchange Commission (SEC) on June 5, 2017. The Company was organized primarily to develop, invest, own, acquire, lease, hold, mortgage, administer or otherwise deal with commercial, residential, industrial or agricultural lands, buildings, structures or apertures, or in any other profitable business enterprise, venture or establishment, alone or jointly with other persons, natural or artificial.

The Company is a wholly-owned subsidiary of Ayala Land, Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is 47.86%-owned by Mermac, Inc. and the rest by the public. Both ALI and AC are publicly-listed companies domiciled and incorporated in the Philippines.

The Company's registered office address and principal place of business is 28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

The operational and administrative functions of the Company are handled by ALI (Note 16).

Merger with First Gateway Real Estate Corp. (FGREC)

On April 14, 2025, the Board of Directors (BOD) of the Company approved the merger of FGREC with the Company as the surviving entity. FGREC is an entity under common control. The plan of merger was submitted for the approval of the Company's stockholders at their annual meeting last April 14, 2025. The merger aims to simplify the structure and is expected to result in operational synergies, efficient fund management and simplified reporting to relevant government agencies. The Company's BOD and stockholders approved the proposed merger on April 14, 2025. As at December 31, 2025. the merger is subject to the approval of the SEC.

Approval and authorization for issuance of the financial statements

These financial statements were approved and authorized for issue by the BOD on April 30, 2026.

2 Cash

The account as at December 31 consists of:

	Note	2025	2024
Cash on hand		55,000	55,000
Cash in banks	16	11,313,591	13,005,821
		11,368,591	13,060,821

Cash in banks earns interest at prevailing bank deposit rates. Interest income earned from cash in amounts to P0.06 million (2024 - P0.01 million) (Note 12).

3 Receivables, net

The account as at December 31 consists of:

	Note	2025	2024
Trade receivables			
Billed		471,756,222	695,598,097
Accrued rent		71,988,029	175,159,049
Due from related parties	16	765,496,711	683,059,462
Other receivables		1,115,541	1,102,340
		1,310,356,503	1,554,918,948
Allowance for credit losses		(227,149,916)	(227,149,916)
		1,083,206,587	1,327,769,032
Less: Receivables, net of current portion		70,082,848	145,139,770
Receivables, net		1,013,123,739	1,182,629,262

Billed receivables arise mainly from tenants for rentals of office and retail spaces, and recovery charges for common area and utilities. These are non-interest bearing and are generally collectible on a 30-day term.

Accrued rent pertains to receivables resulting from the straight-line method of recognizing rental income.

Other receivables pertain to advances to employees.

The movement in the allowance for credit losses for the years ended December 31 follow:

	Note	2025	2024
At January 1		227,149,916	227,149,916
Provision for credit losses	13	-	-
At December 31		227,149,916	227,149,916

Critical accounting estimate - Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss pattern.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. The Company considered inflation rate and gross domestic product as its forecast economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4 Other Assets

The account as at December 31 consist of:

	2025	2024
Creditable withholding taxes	409,783,488	387,001,543
Deferred input VAT	62,931,793	67,260,528
Prepaid expense	2,586,701	1,893,874
Deposits	2,314,097	2,314,097
Advances to contractors and suppliers	1,559,806	2,354,186
	479,175,885	460,824,228
Less: Non-current portion		
Creditable withholding taxes	390,097,761	360,050,188
Deferred input VAT	45,542,541	45,542,541
Deposits	2,314,097	2,314,097
Advanced to contractors and suppliers	1,559,806	2,354,186
Other non-current assets	439,514,205	410,261,012
Other current assets	39,661,680	50,563,216

Creditable withholding taxes represent the income tax amount withheld by the Company. These are recognized upon collection of the related income and are utilized as tax credits against income tax due.

Deferred input VAT pertains to input tax on the Company's purchases of capital goods exceeding P1 million which is available for offset against the Company's future output VAT. The remaining balance is recoverable in future periods.

Input VAT represents taxes due or paid on purchases of goods and services subjected to VAT that the Company can claim against future liability to the Bureau of Internal Revenue (BIR) for output VAT pertaining to sale of goods and services that have been incurred and billings which have been received as at date. The input VAT can also be refunded subject to the approval of the BIR. Input VAT is expected to be applied against output VAT within 12 months from reporting date. This also includes deferred input VAT pertaining to input tax on the Company's purchases of goods and services not yet settled during the year which is available for offset against the Company's future output VAT.

Deposit pertains to deposits made to a utility company.

Advances to contractors are recouped upon every progress billing payment depending on the percentage of accomplishment or delivery.

Critical accounting judgment - Evaluating impairment of creditable withholding taxes

The Company assesses at the end of each reporting period whether there is an objective evidence that the creditable withholding taxes are no longer recoverable. In determining the recoverable amount of creditable withholding taxes, management considers the probability of future transactions or events against which these accounts can be utilized, including adequacy of documentation for anticipated tax audits. Where the final outcome of these matters is different from the amounts that were initially recorded, the carrying amounts of creditable withholding taxes are reduced and the amount of probable losses is recognized in profit or loss.

As at December 31, 2025 and 2024, management believes that it will be able to generate future transactions against which the creditable withholding taxes can be utilized or in worst case scenario, file a claim for refund from tax authorities subject to potential tax audits where management can sustain the positions taken in their tax returns.

5 Investment Properties

The Company's investment properties consist of a building that is being leased out for Circuit Corporate Centers 1 & 2, Circuit Mall and assets under construction.

The roll forward analysis of the account follows:

	Building and building improvements	Construction-in-progress	Total
Cost			
At January 1, 2024	7,630,289,674	467,675,565	8,097,965,239
Additions	36,074,808	5,455,147	41,529,955
Transfer	403,634,793	(403,634,793)	-
At December 31, 2024	8,069,999,275	69,495,919	8,139,495,194
Additions	20,795,833	16,809,327	37,605,160
At December 31, 2025	8,090,795,108	86,305,246	8,177,100,354
Accumulated depreciation			
At January 1, 2024	1,257,135,916	-	1,257,135,916
Depreciation (Note 13)	213,884,501	-	213,884,501
At December 31, 2024	1,471,020,417	-	1,471,020,417
Depreciation (Note 13)	234,424,308	-	234,424,308
At December 31, 2025	1,705,444,725		1,705,444,725
Net book value			
At December 31, 2024	6,598,978,858	69,495,919	6,668,474,777
At December 31, 2025	6,385,350,383	86,305,246	6,471,655,629

Construction-in-progress pertains to ongoing construction, installation and related activities on investment property or other items necessary to prepare it for use. These are transferred to the related investment property account once construction is completed and is ready for service.

As at December 31, 2025 and 2024, there are no items of investment in property that are pledged as security to liabilities.

As at December 31, 2025 and 2024, there are no contractual purchase commitments for investment properties.

Rental income, dues and theater income earned from investment property and direct operating expenses incurred are as follows:

	Notes	2025	2024
Rental income	10	369,934,208	471,162,011
Dues	11	156,579,960	166,793,000
Theater income	10	29,018,051	18,128,591
Direct operating expenses	13	(696,647,371)	(657,447,992)

Critical accounting estimate - Estimating useful lives of investment property

The Company estimates the useful life of its investment property based on the period over which the asset is expected to be available for use. The estimated useful life of investment properties is reviewed at least annually and is updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of the asset. It is possible that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above.

6 Accounts and other payables

The account as at December 31 consists of:

	Note	2025	2024
Due to related parties	16	5,364,097,185	5,547,327,788
Taxes payable		113,340,789	112,686,901
Trade payables		126,304,639	146,086,648
Retention payable		1,210,054	2,293,625
Accrued expenses			
Light and Power		45,420,477	49,684,303
Repairs and Maintenance		9,460,586	10,068,940
Rent		6,634,612	5,780,283
Professional and Management Fees		1,490,824	3,771,184
Others		11,991,374	11,101,056
		5,679,950,540	5,888,800,728

Taxes payable consists of amounts payable to the BIR pertaining to withholding taxes and deferred output VAT.

Trade payables consist of amounts payable to third party suppliers and overpayment of office space tenants. These are non-interest bearing and are normally settled on 15-day to 60-day term.

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

Accrued expenses others consist mainly of contracted services, supplies, transportation and travel, security, insurance and representation which are non-interest bearing.

7 Construction bonds

Construction bonds represent cash bonds to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein. The bond will be refunded after full completion of the construction, renovation or improvements and inspection by the Company.

As at December 31, 2025, the carrying value of the Company's construction bonds amount to P9.04 million (2024 - P30.23 million).

8 Deposits and other liabilities

The account as at December 31 consist of:

	Note	2025	2024
Security deposits		195,707,752	253,957,968
Advance rentals		108,728,749	97,039,920
Deferred credits		7,073,262	4,877,175
		311,509,763	355,875,063
Less: Non-current portion			
Security deposits		130,051,683	60,575,953
Advance rentals		30,352,952	43,215,665
Deferred credits		5,921,444	4,887,175
Deposits and other liabilities, net of non-current portion		166,326,079	108,678,793
Current portion of deposits and other liabilities		145,183,684	247,196,270

(a) Security deposits

Security deposits represent deposits from lessees to secure the faithful compliance by lessees of their obligation under the lease contract. These are equivalent to three (3) months' rent and six (6) months' rent for office and retail consecutively, and will be refunded to the lessees at the end of the lease term.

Interest expense from accretion of security deposits for the year ended December 31, 2025 amounts to P1.73 million (2024 – P1.57 million) (Note 13).

(b) Advance rentals

Advance rentals from lessees pertain to cash received in advance representing three (3) months' rent which will be applied to the last three (3) months rentals on the related lease contracts.

(c) Deferred credits

Deferred credits pertain to the difference between the nominal value of the deposits and its fair value.

The roll forward analysis of deferred credits for the years ended December 31 follows:

	Note	2025	2024
At January 1		4,877,175	7,146,497
Additions		3,604,348	4,728,532
Adjustments		(125,076)	(5,626,153)
Amortization	10	(1,283,185)	(1,371,701)
At December 31		7,073,262	4,877,175

9 Equity

(a) Paid-up capital

The details of the Company's capital stock as at December 31, 2025 and 2024 are as follows:

	Common	Preferred A	Preferred B	Total
Authorized shares at P1,000.00 par value	1,542,500	1,452,500	2,905,000	5,900,000
Issued and outstanding shares	578,820	363,125	1,272,016	2,213,961

(b) Preferred shares

Preferred A shares shall have the following features: (a) voting; (b) participating; (c) redeemable at the option of the Company; and (d) cumulative dividends at a dividend rate.

Preferred B shares shall have the following features: (a) voting; (b) non-participating; (c) redeemable at the option of the Company; and (d) non-cumulative.

(c) Capital management

The Company defines capital as total equity. The primary objectives of the Company's capital management policies are to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions.

No changes were made in the Company's capital management objectives, policies and processes.

The Company is not subject to any external capital requirements.

10 Rental income; Theater income

(a) Rental income

The account for the years ended December 31 consists of:

	Note	2025	2024
Office and retail		301,508,300	419,830,843
Parking fees		67,142,722	49,959,467
Amortization of deferred credits	8	1,283,185	1,371,701
		369,934,207	471,162,011

In 2025, the straight-line method of recognizing rental income resulted in reduction in rental income by P103.2 million, while it resulted to additional rental income of P63.39 million in 2024 (Note 3). The Company's lease commitments are disclosed in Note 14.

(b) *Theater income*

Theater income pertains to income earned from the sale of cinema tickets. The theater income earned by the Company for the year ended December 31, 2025 amounts to P29.02 million (2024 - P18.13 million).

11 Dues

Dues pertain to net recoveries from tenants for utilities, except for usage of common areas and air-conditioning charges, which are presented at gross of the related expenses. Set out below is the disaggregation of the Company's revenue from non-lease component for the years ended December 31:

	2025	2024
Dues		
Common area charges	106,503,172	110,803,254
Utilities dues	50,076,788	55,989,746
	156,579,960	166,793,000

Critical accounting judgment - Determination of whether the Company is acting as a principal or an agent

The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and CUSA like maintenance, janitorial and security services.

For the electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Company, are primarily responsible for the provisioning of the utilities while the Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air conditioning, the Company acts as a principal because it retains the right to direct the service provider of air conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air conditioning charges.

12 Interest income; Other income

(a) Interest income

The account for the years ended December 31 consists of:

	Notes	2025	2024
Interest income from intercompany loans	16	15,860,364	13,552,011
Interest income from cash in banks	2	68,446	10,346
Interest income from short-term investments		26,499	6,870
		15,955,309	13,569,227

(b) Other income

The Company's recognized other income amounting to P28.75 million for the year ended December 31, 2025 (2024 - P13.24 million). In 2025, other income includes commissions from liquified petroleum gas sold by a third-party provider and security deposit forfeitures amounting to P17.8 million. In 2024, aside from the commissions from LPG, other income pertains to the tickets sold to senior citizens collectible from the City Treasurer of Makati as part of the city's Blu Card program. This program offers various benefits to senior citizens, including free movie passes.

13 Cost and expenses

(a) Direct operating expenses

The account for the years ended December 31 consists of:

	Notes	2025	2024
Depreciation	5,14	237,070,259	216,537,700
Taxes and licenses		166,819,504	159,823,138
Utilities		63,672,336	62,589,000
Outside services		62,156,565	68,440,650
Land lease	14	47,737,350	43,236,620
Repairs and maintenance		42,699,617	43,091,233
Insurance		18,000,794	16,033,346
Dues and fees		12,308,093	12,207,062
Management fees	16	11,248,305	10,500,839
Professional fees		9,534,730	3,810,000
Food and beverages		6,834,035	8,031,835
Others		18,565,783	13,146,569
		696,647,371	657,447,992

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	Note	2025	2024
Contracted services		28,860,196	26,692,952
Repairs and maintenance		3,471,999	2,792,548
Professional fees		1,960,818	1,581,811
System costs		553,005	1,084,352
Office supplies		302,966	289,327
Others		2,916,267	2,355,656
		38,065,251	34,796,646

(c) Interest expense and other charges

The account for the years ended December 31 consists of:

	Notes	2025	2024
Interest expense from:			
Lease liabilities	14	11,429,292	11,284,907
Accretion of security deposits	8	1,737,689	1,574,553
		13,166,981	12,859,460

14 Operating lease commitments

(a) The Company as lessor - operating leases

The Company has entered into operating lease agreements with third parties for a period of five (5) years covering its investment properties. These non-cancellable leases are subject to 5% to 10% annual escalation rate.

The future minimum rentals receivable under non-cancellable operating leases as at December 31 follows:

	2025	2024
Within one year	248,235,919	203,640,169
After one year but not more than 5 years	968,578,849	1,047,366,670
More than 5 years	371,418,766	540,866,864
	1,588,233,534	1,791,873,703

Total rental income for the year ended December 31, 2025 amounts to P369.93 million (2024 - P471.16 million) (Note 10).

There were no rent concessions granted by the Company to its tenants for the year ended December 31, 2025 and 2024. These rent concessions did not qualify as a lease modification, thus, were accounted for as a variable lease payment and reported as a reduction of lease income.

(b) The Company as lessee - land lease

The Company entered into a land lease agreement with Philippine Racing Club, Inc. (PRCI) for the land where Circuit Corporate Center 2 is located for a period of 40 years. The lease generally provides for a monthly rent based on a minimum rent of P200.00 per square meter of the land area or 4% of gross rental income, whichever is higher.

The Company entered into a land lease agreement with Ayala Land, Inc. for the land where Circuit Corporate Center 1 and Circuit Malls are located for a period of 40 years. The lease generally provides for a month rent based on 10% of gross rental income for Circuit Malls and 4% of gross rental income for Circuit Corporate Center 1.

The following provides information on the Company's variable lease payments, including the magnitude in relation to fixed payments:

	Note	2025	2024
Fixed rent with minimum payment		9,945,926	9,750,909
Variable rent only	13	47,737,350	43,236,620
		57,683,276	52,987,529

Variable rental expense recognized for the year ended December 31, 2025 as “Land lease” under “Direct operating expenses” in statements of total comprehensive income amounts to P47.7 million (2024 - P43.24 million) (Note 13).

The movement of right-of-use assets for the year ended December 31 follows:

	Note	2025	2024
Cost			
At January 1 and December 31		105,910,507	105,910,507
Accumulated depreciation and amortization			
At January 1		19,870,000	17,216,800
Depreciation	13	2,645,951	2,653,200
At December 31		22,515,951	19,870,000
Net book value at December 31		83,394,556	86,040,507

The movement of lease liabilities for the year ended December 31 follows:

	Note	2025	2024
At January 1		118,090,005	116,556,007
Accretion of interest expense	13	11,429,292	11,284,907
Payments		(9,945,926)	(9,750,909)
At December 31		119,573,371	118,090,005
Less: Current portion of lease liabilities		11,569,436	11,429,292
Lease liabilities, net of current portion		108,003,935	106,660,713

The future minimum rentals payables under these non-cancellable leases follows:

	2025	2024
Within one year	10,245,289	11,429,292
After one year but not more than 5 years	43,071,609	47,053,744
More than 5 years	380,872,744	397,398,767
	434,189,642	455,881,803

(c) Amounts recognized in the statements of total comprehensive income

The following are the amounts recognized in the statements of total comprehensive income for the years ended December 31:

	Notes	2025	2024
Rent expense - variable lease payments	13	47,737,350	43,236,620
Accretion of interest expense	13	11,429,292	11,284,907
Depreciation expense of right-of-use assets	13	2,645,951	2,653,200
		61,812,593	57,174,727

(d) Total cash outflows

The total cash outflows related to leases for the years ended December 31 follow:

	Note	2025	2024
Rent expense - variable lease payments	13	47,737,350	43,236,620
Payments of lease liabilities		9,945,926	9,750,909
		57,683,276	52,987,529

Critical accounting judgment - Operating lease commitments - Company as lessor

The Company has entered into commercial property leasing on its investment properties. The Company has determined that it retains all the significant risks and rewards of ownership of the properties as the Company considered, among others, the length of the lease term as compared with the estimated life of the assets.

Critical accounting estimate - Estimating the incremental borrowing rate for leases

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

15 Income taxes

Provision for income tax for the years ended December 31 consists of:

	2025	2024
Current	6,783,383	-
Deferred	(28,395,318)	4,202,113
Final	18,989	3,443
	(21,592,946)	4,205,556

The Company's net deferred taxes as at December 31 consist of:

	2025	2024
Deferred tax assets on:		
Allowance for credit losses	56,787,479	56,787,479
Advance rent	27,182,187	24,259,980
Lease liabilities, net	9,044,704	8,012,374
Accrued expenses	18,749,468	20,101,442
	111,763,838	109,161,275
Deferred tax liabilities on:		
Excess of lease income over collections	17,997,007	43,789,762
	17,997,007	43,789,762
Deferred tax assets, net	93,766,831	65,371,513

The reconciliation (in %) between the statutory and the effective income tax rates follows:

	2025	2024
Statutory income tax rate	(25.00)	(25.00)
Adjustments for:		
Non-taxable income	(0.23)	(0.34)
Non-deductible expense	29.83	3.67
Effective income tax rate	4.60	(21.67)

16 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

Terms and conditions of transactions with related parties

The Company, in its regular conduct of business, has entered into transactions with related parties consisting of advances and management, marketing and leasing and administrative service agreements. These are based on terms agreed by the parties.

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Outstanding balances with ALI, affiliates and other related parties (entities under common control).

Receivables from and payables to related parties pertain mainly to rental income, advances, reimbursements of operating expenses, and intercompany lending, which are due and demandable. These are settled generally in cash, unless if otherwise indicated, at a gross basis.

Receivables from and payable to related parties as at December 31 are as follow:

	2025		2024		
	Transactions	Outstanding balances	Transactions	Outstanding balances	Terms and conditions
Due from related parties					
Parent Company	6,514,521	295,354,998	5,058,016	225,888,193	Balances relating to trade receivables are due and demandable. These are interest and non-interest bearing, and unsecured. No impairment is recognized. The Company also provides interest-bearing loans to related parties which are subject to monthly repricing and maturing in one month with interest ranging from 4.50% to 5.94% (2024 - 5.50% to 6.90%) per annum
Affiliates	189,944,123	469,210,784	164,646,946	455,910,618	
Other related parties	14,385,626	930,929	7,445,967	1,260,651	
	210,844,270	**765,496,711**	**177,150,929**	**683,059,462**	
Due to related parties					
Parent	(232,813,530)	5,353,360,100	(129,956,625)	5,492,484,272	Balances are due and demandable. These are non-interest bearing and unsecured.
Affiliates	(109,035,032)	10,728,137	(93,924,264)	54,369,274	
Other related parties	(118,625)	8,948	(1,184,287)	474,242	
	(341,967,187)	**5,364,097,185**	**(225,065,176)**	**5,547,327,788**	

b. Revenue from related parties

The revenue from the Parent Company, affiliates and other related parties pertain to rental income, interest income from intercompany loans. There is no impairment on these related receivables. Revenue for the years ended December 31 are as follows:

2025	Rental income	Theater Income	Dues	Interest income from intercompany loans	Total
Parent	-	1,954,404	3,915,662	644,455	6,514,521
Affiliates	120,650,397	2,661,617	51,416,201	15,215,908	189,944,123
Other related parties	5,974,059	-	8,411,567	-	14,385,626
Total	126,624,456	4,616,021	63,743,430	15,860,363	210,844,270

2024	Rental income	Theater Income	Dues	Interest income from intercompany loans	Total
Parent	-	1,635,377	2,420,835	1,001,804	5,058,016
Affiliates	90,377,757	7,463,451	54,255,531	12,550,207	164,646,946
Other related parties	5,959,245	47,497	1,439,225	-	7,445,967
Total	96,337,002	9,146,325	58,115,591	13,552,011	177,150,929

Cost and expenses for the years ended December 31 are as follows:

2025	Management fees	Rental expenses	Dues / Utility expenses	Contracted services	Others	Total
Parent	-	47,737,350	171,901,542	-	13,174,638	232,813,530
Affiliates	10,796,330	-	55,813,287	35,617,322	6,808,093	109,035,032
Other related parties	-	-	-	-	118,625	118,625
Total	10,796,330	47,737,350	227,714,829	35,617,322	20,101,356	341,967,187

2024	Management fees	Rental expenses	Dues / Utility expenses	Contracted services	Others	Total
Parent	-	43,236,620	74,061,741	-	12,658,264	129,956,625
Affiliates	9,625,767	-	38,133,184	33,314,328	12,950,985	93,924,264
Other related parties	-	-	-	-	1,184,287	1,184,287
Total	9,625,767	43,236,620	112,194,925	33,314,328	26,793,536	225,065,176

The following describes the nature of the material transactions of the Company with related parties as of December 31, 2025 and 2024:

- On December 27, 2017, the Company entered into a Deed of Assignment with ALI to acquire Circuit Corporate Centers 1 and 2, Ayala Triangle Garden Project and Circuit Makati Main Mall for a total consideration of P9.05 billion. As at December 31, 2025, the intercompany payable to ALI includes the unpaid balance amounting to P4.69 billion (2024 - P4.69 billion).

- The Company provides interest-bearing loan to its related parties, which are subject to monthly repricing and maturing in one month with interest rates ranging from 4.50% to 5.94% and from 5.50% to 6.90% per annum in 2025 and 2024, respectively. As at December 31, 2025, the uncollected non-interest bearing intercompany loans amounted to P377.1 million (2024 - P322.8 million).

- The Company recognized interest income amounting to P15.9 million and P13.5 million in 2025 and 2024, respectively (Note 12).

- The Company has receivables from its related parties which pertain to rental income and dues for utility consumption. These are non-interest bearing and due and demandable.

- Affiliates and other related parties of the Company provide energy and water distribution services to the Company.

- Others pertain to other operating and general and administrative expenses.

Cash in bank

As at December 31, 2025, the Company has entered into transactions with the Bank of the Philippine Islands (BPI), an associate of AC, consisting of cash in bank amounting to P11.3 million (2024 - P13 million) (Note 2). The related interest income earned from cash in BPI for the year ended December 31, 2025 amounts to P68,446 (2024 - P10,346) (Notes 2 and 12).

Compensation of key management personnel

The key management personnel of the Company are employees of ALI. Thus, there is no additional key management personnel disclosure required on the Company's financial statements.

17 Financial risk and capital management

17.1 Financial risk management

The Company's principal financial instruments comprise of cash, receivables, accounts and other payables (except taxes payable), and security deposits which arise directly from the conduct of its operations. The main risks arising from the use of financial instruments are liquidity risk and credit risk.

The Company reviews policies for managing each of these risks. The Company monitors market price risk from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.

Exposure to market, credit, and liquidity risks arises in the normal course of the Company's business activities. The main objectives of the Company's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

ALI's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

17.1.1 Market risk

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes foreign currency risk, interest rate risk, and other price risks. The Company is not exposed to significant foreign currency risk and price risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Cash in banks do not have significant exposure to cash flow interest rate risk as they are subject to minimal interest. Due from related parties do not have significant exposure to cash flow interest rate risk as such are subject to fixed interest rates. The Company has no financial assets carried at fair value and, therefore, it has no exposure to fair value interest rate risk.

17.1.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risks are primarily attributable to cash, receivables and other financial assets. To manage credit risks, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental income from leased properties is primarily managed through a tenant selection process. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of financial capacity. Except for the trade receivables, the maximum exposure to credit risk of all financial assets is equal to their carrying amounts.

As at December 31, 2025 and 2024, the Company's maximum exposure to credit risk is equal to the carrying values of its financial assets, except for "Trade receivables" under "Receivables, net" in the statements of financial position. Details follow:

	2025			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in banks	11,313,591	-	11,313,591	-
Receivables				
Due from related parties	765,496,711	-	765,496,711	-
Trade receivables	543,744,251	311,995,449	231,748,802	311,995,449
Other receivables	1,115,541		1,115,541	-
	1,321,670,094	311,995,449	1,009,674,645	311,995,449

	2024			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
Cash in banks	13,005,821	-	13,005,821	-
Receivables				
Due from related parties	683,059,462	-	683,059,462	-
Trade receivables	870,757,146	252,946,180	617,810,966	252,946,180
Other receivables	1,102,340	-	1,102,343	-
	1,567,924,769	252,946,180	1,314,978,592	252,946,180

The aging analysis of the Company's trade receivables presented per class as at December 31 follows:

	2025		
	Performing	Non-performing	Total
Expected credit loss rates	-%	76%	
Gross carrying amount	246,200,053	297,574,198	543,774,251
ECL	-	227,149,916	227,149,916

	2024		
	Performing	Non-performing	Total
Expected credit loss rates	-%	76%	
Gross carrying amount	573,182,948	297,574,198	870,757,146
ECL	-	227,149,916	227,149,916

Given the Company's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

(a) Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of all customers as they have similar loss patterns. The security deposits are considered in the calculation of impairment as recoveries. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. ECL related to trade receivables is minimal given its low credit risk and are generally covered by security deposits.

As at December 31, 2025 and 2024, the allowance for credit losses of trade receivables amounts to P227.0 million (Note 3).

Cash in banks

As at December 31, 2025 and 2024, the ECL relating to cash in banks is minimal as these are considered as low credit risk.

(b) Due from related parties

As at December 31, 2025 and 2024, the Company did not provide any allowance relating to receivable from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

17.1.3 Liquidity risk

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

The Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long term debt, while working capital requirements are sufficiently funded through cash collections and capital infusion by stockholders.

Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost and ensures the availability of ample unused credit facilities as back-up liquidity.

As at December 31, 2025, the Company's financial assets and liabilities are due within one year, except for the non-current portion of trade receivables (Note 3) and the contractual undiscounted payment of security deposits amounting to P69.9 million (2024 - P61.70 million), which are due within one to five years. The maturity profile of lease liabilities is disclosed in Note 14.

17.2 Fair value measurement

(a) Financial assets and liabilities

The Company follows the fair value measurement hierarchy to disclose the fair value measurements of its financial instruments. Except for the Company's security deposits under deposits and other liabilities, carrying values of the other financial assets and liabilities of the Company approximate their fair values due to the short-term nature of the transactions.

Management has determined that the fair value of security deposits is not significantly different from its carrying amount given the nature of these deposits and the immaterial impact of discounting when applying adjusted market rates.

As at December 31, 2025 and 2024, the Company has no financial instruments that are measured at fair value.

In 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

The fair value of the Company's security deposits is categorized under Level 3 in the fair value hierarchy.

(b) Investment properties

The fair value of the Company's investment properties was determined using the income approach, which is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value. The fair value is calculated taking into consideration significant inputs and assumptions such as the discount rate, growth rate and free cash flows.

As at December 31, 2025 and 2024, the fair value of the investment properties amounts to P10,409.92 million.

The fair value of investment property as at December 31, 2025 and 2024 was determined by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The fair value of the Company's investment properties was determined using the income approach which is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value.

(c) Significant unobservable inputs

The significant unobservable inputs used in the fair value measurements categorized within level 3 of the fair value hierarchy as at December 31, 2025 and 2024 is shown below:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Investment properties	DCF Method	Discount rate	2025: 11.00% 2024: 11.00%	Increase (decrease) in the discount would decrease (increase) the fair value
		Terminal Capitalization Rate	2025: 8.00% 2024: 8.00%	Increase (decrease) in the discount would increase (decrease) the fair value
Security deposits	DCF Method	Discount rate	2025: 5.14% - 5.91% 2024: 5.63% -6.83%	Increase (decrease) in the discount would decrease (increase) the fair value

18 Summary of material accounting policies

18.1 Basis of preparation

The financial statements of the Partnership have been prepared in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC:

- PFRS Accounting Standards
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC).

The financial statements of the Company have been prepared using the historical cost basis.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- Provision for expected credit losses of trade receivables (Note 3)
- Evaluating impairment of creditable withholding taxes (Note 4)
- Estimating useful lives of investment properties (Note 5)
- Assessment on whether lease concessions granted constitute a lease modification (Note 10)
- Determination of whether the Company is acting as a principal or an agent (Note 11)
- Operating lease commitments - Company as lessor (Note 14)
- Estimating the incremental borrowing rate for leases (Note 14)

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

Functional and presentation currency

The financial statements of the Company are presented in Philippine Peso. All amounts are rounded off to the nearest Philippine Peso unless otherwise stated.

18.2 Adoption of amended accounting standards and interpretation

New standards and amendments to existing standards adopted by the Company

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have a material impact on the Company's financial statements.

New standards and amendments to existing standards not yet adopted by the Company

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

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

  Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements.

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

  Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

- PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

  This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries.

  A subsidiary is eligible if

  - It does not have public accountability; and
  - It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

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

  In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. In July 2024, the FSRSC adopted the targeted amendments to PFRS 9 and PFRS 7. These amendments:

  a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  c. add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The new standards, amendments to existing standards and interpretations not yet effective for the December 31, 2025 reporting period are not expected to have a material impact on the Company’s financial statements and on foreseeable future transactions.

18.3 Financial instruments

18.3.1 Financial assets

Initial recognition and measurement

The Company’s financial assets are classified, at initial recognition, at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a debt financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that passes the ‘solely payments of principal and interest’ on the principal amount outstanding (SPPI criterion). This assessment is referred to as the SPPI test and is performed at an instrument level The Company’s business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Subsequent measurement

The Company's financial assets at amortized cost are classified as such if both of the following conditions are met:

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

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

18.3.2 Financial liabilities

Initial recognition and measurement

The Company's financial liabilities are composed of accounts and other payables, security deposits, retention payable, and construction bonds.

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

Subsequent measurement

The Company's interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense and other charges in the statement of total comprehensive income.

Impairment of financial assets

The Company recognizes an allowance for ECLs for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 180 days past due since security deposits and advance rentals are equivalent to 90 days each which are paid in the start of the lease term which will cover any defaults. However, 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash in banks, 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, were there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The company uses the ratings from a reputable credit rating agency to determine whether the debt instrument has significantly increased credit risk and to estimate ECL.

18.4 Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

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

Fair value hierarchy

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

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

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

External valuers are involved for valuation of significant assets, such as investment property. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

18.5 Investment properties

Investment properties comprise of completed properties that are held to earn rentals or capital appreciation or both and are not occupied by the Company. These are carried at cost less accumulated depreciation and amortization and any impairment.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Depreciation of investment properties, which consist of buildings, are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives and the depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The estimated useful life of the buildings is 24 to 40 years.

Investment properties are derecognized when either it has been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in PFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

18.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining estimated useful life.

18.7 Equity

Paid-up capital

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

18.8 Revenue recognition

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services. Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

Rental income

Rental income under noncancellable and cancellable leases on investment properties is recognized on a straight-line basis over the lease term and the terms of the lease, respectively, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contracts.

Dues

Dues are recognized when the related services are rendered. Electricity and water dues in excess of actual charges and consumption are recorded as revenue since the Company acts as an agent for these service arrangements. Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are recognized at gross amount since the Company acts as principal on these service agreements.

Disaggregated revenue information

The non-lease component of the Company's revenue arises from common area charges and utilities dues. The Company's performance obligations are to ensure that common areas are available for general use of its tenants and to provide for uninterrupted utility services such as water and electricity (Note 12).

Allocation of transaction price to performance obligation

Each of the non-lease component is considered a single performance obligation, therefore it is not necessary to allocate the transaction price. These services are capable of being distinct from the other services and the transaction price for each service is separately identified in the contract.

Timing of revenue recognition

Revenue from common area charges and utilities dues are recognized over time since the tenants simultaneously receives and consumes the services provided by the Company. The Company determined that the output method best represents the recognition pattern for revenue from utilities dues since this is recognized based on the actual consumption of the tenants.

18.9 Costs and expenses

Costs and expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

18.10 Leases

Company as lessor - Operating lease

Leases where the Company does not transfer substantially all the risks and benefits of the ownership of the assets are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Company as lessee

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use) except when the rental payment is purely variable linked to the future performance or use of an underlying asset. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and its estimated useful life of the land, which is 40 years.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

18.11 Income tax

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused NOLCO, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and NOLCO can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities, and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

18.12 Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation.

Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre- tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

18.13 Subsequent events (or events after the reporting date)

Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

19 Supplementary information required by the Bureau of Internal Revenue (BIR)

In compliance with the requirements set forth by Revenue Regulation 15-2010 hereunder is the information on taxes and licenses fees paid and/or accrued during the taxable year 2025.

(a) Output VAT

The Company is a VAT-registered company. Zero-rated sale of service is a taxable transaction for VAT purposes, but shall not result in any output tax. However, the input tax on purchases of goods, properties or services related to such zero-rated sale shall be available as tax credit or refund.

	Gross Receipts	Output VAT
Taxable receipts	952,618,690	114,314,243
Exempt receipts	74,456,230	-
	1,027,074,920	114,314,243

(b) Input VAT

The amount of input VAT claimed in 2025 broken down as follows:

	Amount
At January 1	-
Domestic purchases/payments for:	
Services	81,607,017
Goods other than capital goods	2,115,451
Capital goods exceeding P1 million	4,357,464
Capital goods not exceeding P1 million	-
	88,079,932
Applied against output VAT during the year	88,079,932
At December 31	-

(c) All other taxes and licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees included in “Taxes and licenses” under “Direct operating expenses” in the statement of comprehensive income. Details of other taxes and licenses in 2025 follow:

	Amount
Real property tax	147,529,050
Business permit	17,639,502
Others	1,650,952
	166,819,504

(d) Withholding taxes

The amount of withholding taxes paid and accrued for the year ended December 31, 2025 follows:

	Total remittances	Withholding taxes payable	Total
Expanded withholding taxes	14,182,016	7,482,738	21,664,754
Final withholding taxes	-	-	-
	14,182,016	7,482,738	21,664,754

Total remittances pertain to tax payments made for the reporting period covering January 2025 to November 2025. The outstanding withholding taxes payable, included in Taxes payable under “Accounts and other payables” in the statement of financial position, as at December 31, 2025 represents the withholding taxes for the month of December 2025 which were remitted in January 2026.

(e) Tax assessments and cases

There are no outstanding tax assessments and cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the administration of the BIR as at December 31, 2025.

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Ground Floor, Secretariat Building, PICC
City of Pasay, Metro Manila

COMPANY REG. NO. CS201016774

CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

NORTH TRIANGLE HOTEL VENTURES, INC.
doing business under the name and style of
SEDA VERTIS NORTH
(Amending Article VII thereof)

copy annexed, adopted on **May 26, 2015** by a majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed to this Certificate at Pasay City, Metro Manila, Philippines, this 26th day of October, Twenty Seventeen.

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

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AMENDED ARTICLES OF INCORPORATION
of
NORTH TRIANGLE HOTEL VENTURES, INC.
doing business under the name and style of
SEDA VERTIS NORTH[1]

[formerly: NORTH TRIANGLE HOTEL VENTURES, INC.
doing business under the name and style of KUKUN QUEZON CITY[2]]
(SEC Reg. No. CS201016774)

KNOW ALL MEN BY THESE PRESENTS THAT:

We, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines,

AND HEREBY CERTIFY:

FIRST. The name of the Corporation shall be -

NORTH TRIANGLE HOTEL VENTURES, INC.
doing business under the name and style of
SEDA VERTIS NORTH[1]

SECOND. The purposes for which the Corporation is formed are:

PRIMARY PURPOSE

To own, hold in ownership, manage, deal and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment and other allied businesses and, to the limit and extent permitted by law, to acquire and own, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements necessary or required by its business and to use such lands, building and improvements thereto for the conduct and operation of the general nature of its business and object and all other matters incidental thereto.

SECONDARY PURPOSES

1. To the limit and extent permitted by law, to acquire, buy, own, hold, dispose of, exchange, lease, let, improve, develop, manage, administer and generally deal in, either as principal or agent and singly or in conjunction with others, land and real estate and any interest or real right over the same for hotel, resort, or otherwise; to build, construct, erect, acquire, enlarge, alter, improve or repair hotels, buildings, houses, structures, and all other kinds of constructions thereon; and in general to carry on a general hotel business and to do and perform all and any of the things, works and services which are necessary, convenient, incidental to or connected with the above business and the object of the Corporation.

2. To engage in the business as foreign exchange dealers, money changer and remittance agent. Provided that the foreign exchange currency transactions of the corporation shall be limited to ordinary money changing activity or "spot" foreign currency transactions. Provided further

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[1] *As amended on September 24, 2012 during the Special Meeting of the Stockholders and the Special Meeting of the Board of Directors.*

[2] *As amended on January 18, 2012 during the Special Meeting of the Stockholders and the Special Meeting of the Board of Directors.*

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that the corporation shall not engage in the business of being a commodity futures broker or otherwise engage in financial derivatives activities such as foreign currency swaps, forwards, options or other similar instruments as defined under BSP Circular No. 102, Series of 1995.

3. To own and operate coaches, cabs, automobiles and garages exclusively for the use of its hotel business; to act as importers and brokers of foodstuffs and food products and domestic foreign produce of all kinds and descriptions; importers and manufacturers of hotel and restaurant equipment, facilities appliances, materials and supplies; hairdressers, barbers, perfumers, chemists, proprietor of clubs, baths, pools, beach facilities, cabanas, dressing rooms, laundries, reading and writing and newspaper rooms, libraries, theaters, grounds and places of amusement, recreation, sport, entertainment, and instruction of all kinds, tobacco and cigar merchants; agents for airline, railway, and shipping companies and carriers, theatrical and opera box offices proprietors; entrepreneurs and general agents, and any other businesses which can be conveniently carried on in connection therewith;

4. To own, operate, manage, lease and conduct, either by itself, or as agents, hotels, motels, inns, lodging houses, accommodations for residence of any kind whatsoever; cafes, restaurants, bars, taverns, and refreshment rooms, theaters and pavilion halls for the accommodation of assemblies and lectures, musical, literary, social and other entertainments, scientific and other exhibitions, libraries, baths, pools, and other amusement enterprises and conveniences; laundries, dressing rooms, shops and business offices;

5. To purchase, sell, lease, make repairs to, and store coaches, cabs, automobiles, and other vehicles, their parts and accessories; and to buy, sell, own, lease and operate garages, service stations, repair shops, and to carry on all business incidental thereto;

6. To establish, maintain and operate for the use of its customers a bus route and routes for the conveyance wholly within the Philippines or persons and property; and to maintain and operate any such route or routes already established for likewise;

7. To advertise, exploit, promote and otherwise engage in public relations through radio, newspapers, movies and displays, pictures of other devides, in or about its premises, or elsewhere, and to adopt, employ or promote any and all expedients conducive to increasing patronage and improving the business of the corporation;

8. To purchase, acquire, manage, and take over all or any parts of the business and property of any person, corporation, syndicate, or partnership, to pay for the same in property, cash, checks, bonds, debentures, or other obligations of the corporation; and to undertake, assume, and guarantee the liabilities of any such person, corporation, syndicate, or partnership whose property of business may be taken over, or shares of whose capital stocks may be acquired and owned, by the Corporation, but only to the extent permitted by law;

9. Insofar as the same may now or hereafter be permitted by law, to amalgamate or unite with, to manage, or combine into this corporation, any other corporation or association or business, wherever formed, for objects, similar, analogous or subsidiary to any of the objects of the corporation, carrying on any business capable of being conducted so as to directly or indirectly benefit this corporation; and to secure, hold, and deal in shares or interest therein;

10. To sell the undertakings of the corporation or any part hereof for such consideration as the corporation may deem fit, and in particular, for shares ,debentures, or securities of any other corporation;

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11. To the extent permitted by law, to acquire all or any part of the securities, goodwill, rights, property or assets of all kinds, and to undertake or assume the whole or any part of the obligations or liabilities of any corporation, association, partnership, syndicate entity, person or governmental, municipal or public authority, domestic or foreign, located in or organized under the laws of any authority in any part of the world; and to pay for the same in cash, stocks, bonds, debentures, or other securities of this, or any other corporation, or otherwise in any manner permitted by law; and to conduct, in any lawful manner the whole or any part of any business so acquired;

12. To purchase or otherwise acquire, hold, sell, pledge, transfer or otherwise dispose of, and to reissue the shares of its own capital stock or any securities or other obligations of the corporation in the manner and to the extent now or hereafter permitted by law;

13. To apply for, obtain, register, purchase, lease, or otherwise acquire, and to hold, use, pledge, lease, sell, assign, or otherwise dispose of formulas, secret processes, distinctive marks, improvements, processes, trade names, trademarks, copyrights, patents, licenses, concessions and the like, whether used in connection with or secured under letters patent of or issued by any country or authority; and to issue, exercise, develop and grant licenses in respect thereof or otherwise turn the same to an account.;

14. Without in any particular limiting or restricting any of the objects and powers of the corporation, to borrow money, to issue bonds and other obligations, and shares of its capital stock in payment for the property purchased or acquired by it, or for any other lawful object in and about its business; to mortgage or pledge any stock, bonds, or other obligations, or any property which may be acquired by it; invest its surplus funds, either with or without security; to secure any bonds, guarantees or other obligations by it issued or incurred; to guarantee any dividends, or bonds or contracts, or other obligations; and in carrying on its business, or for the purpose of attaining or furthering any of its objects or purpose, to do any and all other things and exercise any and all other powers which a co-partnership or juridical person could do and exercise, or which now or hereafter may be authorized by law; and

15. Without in any particular limiting the powers of the Corporation, to make, perform, and carry out contracts of every sort and kind with any person, firm or corporation, private, public or municipal or body politic, and with the Government of the Philippines or any foreign government; to have one or more branch officers in and out of the Philippines, and to conduct its business, and exercise its powers in any part of the Philippines, or in any other country, state or territory; and in carrying our its business, to do any and all acts and things, and to exercise and all powers which may be necessary of convenient to the accomplishment or furtherance of its business or which a juridical person could do and exercise and which now or hereafter may be authorized by law.

The foregoing clauses shall be construed both as objects and powers; and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the general powers of the Corporation.

THIRD. The place where the principal office of the Corporation is to be established or is located at the 3rd Floor, Alveo Corporate Center, 728 28th Street, Bonifacio Global City, 1634 Taguig City, Metro Manila, but it may establish branch offices in any part of the Philippines as may be approved by the Board of Directors.[3]

FOURTH. The term for which the Corporation is to exist is fifty (50) years from and after the date of incorporation.

[3] As amended on April 7, 2014 during the Regular Meeting of the Board of Directors and Annual Meeting of the Stockholders.

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FIFTH. The names, nationalities and residences of the incorporators of the Corporation are as follows:

Name	TIN	Nationality	Residence
Jose Emmanuel H. Jalandoni Emilio J. Tumbocon Michael Alexis C. Legaspi Jaime E. Ysmael Ma. Luisa D. Chiong	[redacted]		

SIXTH. The number of directors of the Corporation shall be five (5) and that the name, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided in the By-laws are as follows:

Name	TIN	Nationality	Residence
Jose Emmanuel H. Jalandoni Emilio J. Tumbocon Michael Alexis C. Legaspi Jaime E. Ysmael Ma. Luisa D. Chiong	[redacted]		Manila

SEVENTH: The authorized capital stock of the Corporation is Pesos: One Billion (Php1,000,000,000.00) in lawful money of the Philippines, divided into Two Hundred Million (200,000,000) Common Shares, with a par value of Peso: One (Php1.00) per share or a total par value of Pesos: Two Hundred Million (Php200,000,000.00) and Eight Hundred Million (800,000,000) Redeemable Preferred Shares with a par value of Peso: One (Php1.00) per share or a total par value of Pesos: Eight Hundred Million (Php800,000,000.00); provided that, the Redeemable Preferred Shares shall have the following features:[4]

(a) each Redeemable Preferred Share shall have the same voting rights as that attached to Common Shares;

(b) the Redeemable Preferred Shares shall be redeemable in tranches at any time as may be decided by the Board of Directors, subject to the condition that in no case shall the

[4] As amended on March 21, 2013 during the Organizational Meeting of the Board of Directors and Annual Meeting of the Stockholders respectively; and further amended on 26 May 2015 during the Special Meeting of the Board of Directors and Special Meeting of the Stockholders.

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redemption price of the actual number of the Redeemable Preferred Shares to be redeemed be less than the subscription cost of such shares as recorded in the books of the Corporation at the time of redemption; and

(c) Redeemable Preferred Shares shall have priority over the Common Shares in the allocation of unrestricted retained earnings for declaration of dividends (whether in the form of profits or in connection with liquidation) in such form as may be decided by the Board of Directors, provided that such terms and conditions shall be effective upon the filing of the Certificate thereof with the Securities and Exchange Commission.

EIGHTH. That the amount of said capital stock which has been actually subscribed is Pesos: One Hundred Thousand (Php100,000.00) in lawful money of the Philippines, divided into Twenty Thousand (20,000) Common Shares, with a par value of Pesos: One (Php 1.00) per share or a total par value of Pesos: Twenty Thousand (Php20,000.00) and Eighty Thousand (80,000) Redeemable Preferred Shares with a par value of Pesos: One (Php1.00) per share or a total par value of Pesos: Eighty Thousand (Php80,000.00); and the following persons have subscribed for the number of shares and the amount of capital stock indicated opposite their respective names:

Name	No. of Preferred Shares	No. of Common Shares	Amount Subscribed
Ayala Hotels and Resorts Corp. (TIN: 007-877-542)	80,000	19,995	₱ 99,995.00
Jose Emmanuel H. Jalandoni		1	₱ 1.00
Emilio J. Tumbocon		1	₱ 1.00
Michael Alexis C. Legaspi		1	₱ 1.00
Jaime E. Ysmael		1	₱ 1.00
Ma. Luisa D. Chiong		1	₱ 1.00
Total	80,000	20,000	₱100,000.00

NINTH. The following persons have paid for the shares of capital stock for which they have subscribed, the amount set out after their respective names:

TENTH. No issuance or transfer of shares of stock of the Corporation which would reduce the stock ownership of Filipino citizens to less than the percentage of outstanding capital stock required by law to be owned by Filipino citizens, shall be allowed or permitted to be recorded in the books of the Corporation. This restriction shall be printed or indicated in all the certificates of stock to be issued by the Corporation.

ELEVENTH. Mr. **JAIME E. YSMAEL** has been elected by the subscribers as Treasurer of the Corporation, to act as such until his successor is duly elected and shall have qualified in accordance with the by-laws, and that, as such Treasurer, he has been authorized to receive for the Corporation, and to issue in its name receipts for all subscriptions paid in by the subscribers.

TWELFTH. The corporation manifests its willingness to change its corporate name immediately upon receipt of notice or directive from the Commission that another person, firm or entity has acquired a prior right to the use of that name, or that the name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good custom, or public policy.

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IN WITNESS WHEREOF, we have hereunto set our hands, this October 4, 2010 at Makati, Metro Manila, Philippines.

(Sgd.) JOSE EMMANUEL H. JALANDONI

(Sgd.) JAIME E. YSMAEL

(Sgd.) EMILIO J. TUMBOCON

(Sgd.) MICHAEL ALEXIS C. LEGASPI

(Sgd.) MA. LUISA D. CHIONG

Signed in the Presence of:

Sgd.
MARK DEAN R. ITARALDE

Sgd.
ASILA LARIZABAL

(Acknowledgment page follows)

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ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) ss.

I certify that on this date before me, a notary public duly authorized in the city named above to take acknowledgments, personally appeared:

NAME	COMPETENT EVIDENCE OF IDENTITY
Jose Emmanuel H. Jalandoni Emilio J. Tumbocon Michael Alexis C. Legaspi Jaime E. Ysmael Ma. Luisa D. Chiong	[redacted]

who are personally known to me to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date at the place hereinabove written.

Doc. No. 204;
Page No. 42;
Book No. LXIV;
Series of 2010.

Notarial DST pursuant to
Sec. 188 of the Tax Code
Affixed on Notary Public's Copy

RENAN R. OSERO (SGD.)

[redacted]

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SEC & SAIL... ROBINSONS
FILED
BY:
DATE:

NORTH TRIANGLE HOTEL VENTURES, INC.
(SEC Reg. No. CS201016774)

DIRECTORS' CERTIFICATE
OF
AMENDMENT OF ARTICLES OF INCORPORATION

We, the undersigned, being the majority of the Board of Directors, the Chairman and the Corporate Secretary of **NORTH TRIANGLE HOTEL VENTURES, INC.** (the "Corporation"), do hereby certify that -

1. On 26 May 2015, at their respective special meetings held at the 3rd Floor, Alveo Corporate Center, 728 28th Street, Bonifacio Global City, 1634 Taguig City, Metro Manila, a majority of the Board of Directors and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation approved the increase in the authorized capital stock of the Corporation from Pesos: Four Hundred Forty Million (Php440,000,000.00) divided into Eighty-eight Million (88,000,000) Common Shares with a par value of One Peso (Php1.00) per share and Three Hundred Fifty-two Million (352,000,000) Redeemable Preferred Shares with a par value of One Peso (Php1.00) per share *to* Pesos: One Billion (Php1,000,000,000.00), divided into Two Hundred Million (200,000,000) Common Shares, with a par value of Peso: One (Php1.00) per share and Eight Hundred Million (800,000,000) Redeemable Preferred Shares with a par value of Peso: One (Php1.00) per share, and for this purpose, the amendment of the Seventh Article of the Corporation's Articles of Incorporation.

2. The Corporation has complied with all the requirements of Sections 16 and 38 of the Corporation Code.

3. Attached herewith is a copy of the Articles of Incorporation of the Corporation as amended.

IN WITNESS WHEREOF, we have hereunto set our hands this NOV 06 2015 at Makati City.

[Signature page follows]

SCANNED COPY FROM ARCHIVES

Attested by:

JOSE EMMANUEL H. JALANDONI
Chairman
[redacted]

MICHAEL ALEXIS C. LEGASPI
Director
[redacted]

EILEEN ANNE J. ESCOBIDO
Director
[redacted]

ELAINE MARIE F. ALZONA
Director
[redacted]

NIMFA AMBROSIA L. PEREZ-PARAS
Corporate Secretary
[redacted]

SUBSCRIBED AND SWORN to before me this NOV 06 2015 at Makati City, the affiants exhibited to me their Competent Evidence of Identity issued on the dates and at the places hereinafter stated:

NAME	COMPETENT EVIDENCE OF IDENTITY
Jose Emmanuel H. Jalandoni Michael Alexis C. Legaspi Eileen Anne J. Escobido Elaine Marie F. Alzona Nimfa Ambrosia L. Perez-Paras	[redacted]

Doc. No. 274;
Page No. 57;
Book No. II;
Series of 2015.

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

CHARLENE MAE C. TAPIC-CASTRO
NOTARY PUBLIC
ROLL NO. 58720
MAKATI CITY, PHILS.

CHARLENE MAE C. TAPIC-CASTRO
[redacted]

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BANGKO SENTRAL NG PILIPINAS

INTEGRATED SUPERVISION DEPARTMENT I

Certificate No. FX-2016-005974-000

CERTIFICATE OF REGISTRATION

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the authority vested in this office under Monetary Board Resolution No. 75 dated 20 January 2005, this certificate is hereby issued to

NORTH TRIANGLE HOTEL VENTURES, INC.
Doing Business Under the Name and Style of SEDA VERTIS NORTH
3rd Floor, Alveo Corporate Center, 728 28th St., Bonifacio Global City, Taguig City

as a duly registered **FOREIGN EXCHANGE DEALER (FXD)/ MONEY CHANGER (MC)** subject to the applicable provisions of law and Bangko Sentral ng Pilipinas rules and regulations, as well as the provisions of the Anti-Money Laundering Act of 2001 (R.A. No. 9160, as amended by R.A. No. 9194) and its implementing rules and regulations.

This Certificate by itself does not authorize it to undertake business activities requiring secondary license or authorization, such as, but not limited to engaging in derivatives activities and foreign exchange trading, which are outside the authorization of a FXD/MC under BSP Circular No. 471. Neither does this Certificate constitute as a permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand this **30 September 2016** in the City of Manila, Philippines.

ABELARDO V. LAYA, JR.
Officer-in-Charge

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Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City

Company Registration and Monitoring Department

Compliance Monitoring Division

MONITORING SHEET

Corporate Name	NORTH TRIANGLE HOTEL VENTURES, INC. DOING BUSINESS UNDER THE NAME AND STYLE OF SEDA VERTIS NORTH		
Registration No.	50 YEARS	Date of Registration	OCTOBER 18, 2010
Term of Existence	CS201016774	Annual Meeting	2ND WEDNESDAY OF MARCH
Principal Office	3RD FLOOR ALVEO CORPORATE CENTER, 728 28TH STREET BONIFACIO GLOBAL CITY, 1634 TAGUIG CITY	Actual Meeting	APRIL 05, 2016
No. of Directors/Trustees	FIVE (5)	Fiscal Year	DECEMBER 31

[X] STOCK CORPORATION		[ ] NON-STOCK CORPORATION	
Authorized Capital	P 440,000,000.00		
Retained Earnings	P	Equity/Fund Balance	P
Deficit	P 4,805,130.00	Negative Fund Balance	P
Capital Deficiency	P	Fiscal Year ended	
Fiscal Year ended	DECEMBER 31, 2015	Fine: P per year, per report	
Fine: P 500.00 per year, per report			

COMPUTATION OF FINES					
YEAR	General Information Sheet		Financial Statements		FINE
2010					
2011	-	MONITORED 03/02/12	-	MONTIORED 11/23/12	
2012	-	MONITORED 11/23/12	-	MONITORED 10/29/13	
2013	-	MONITORED 12/29/13	-	MONITORED 08/15/14	
2014	-	MONITORED 08/15/14	OT		
2015	OT		OT		
2016	OT				
Stock and Transfer Book / Membership Book 10/19/10 OT					

OT	- On Time
NF	- Not Filed
FL/RL	- Filed/Registered Late

Monitored by:	R.M. DE VILLA	DATE: 05/27/16

[ ] Compliant with all reportorial requirements as of MAY 27 2016.

The finding/ assessment is based on the documents/reports available in the SEC database and the documents presented by the party to the monitor as of: _____

_____
Representative
Signature over Printed Name

For the Director: FERDINAND B. SALES

By: KATHERINE ANN C. BALDOS
Officer-in-Charge

Note:

This assessment does not constitute as waiver of any fine or penalty for deficiencies in reportorial requirements due from, or may hereafter be assessed against, the corporation nor does it preclude the institution of any action against the corporation for violation of any of the provisions of the Corporation Code of the Philippines, the Securities Regulation Code, and its implementing rules and regulations, and other pertinent laws, rules and regulations implemented by the Commission.

In case the corporation is subject of a complaint or investigation by the Commission or any party, the computation of penalty may be years, earlier than the five (5) years and imposition of fine shall be made if warranted.

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NORTH TRIANGLE HOTEL VENTURES, INC.

To the Securities and Exchange Commission:

In connection with the application of **NORTH TRIANGLE HOTEL VENTURES, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at the 3rd Floor, Alveo Corporate Center, 728 28th Street, Bonifacio Global City, 1634 Taguig City, Metro Manila, for the increase in authorized capital stock of the Corporation, the undersigned hereby declare under oath that:

(i) All information and representations contained in the submitted application and its supporting documents are true and correct;
(ii) The verification procedures required by the Commission were conducted by an independent auditor who issued a report thereon in accordance with the auditing standards in force;
(iii) The items/accounts subject of the application are authorized, valid and legal; and
(iv) The shares of stock to be issued are not watered.

The management hereby authorizes the Commission to examine any time, even after the approval of the application, the Corporation's books of accounts and records to determine the validity and accuracy of the transaction.

MICHAEL ALEXIS C. LEGASPI
President [redacted]

ELAINE MARIE F. ALZONA
Treasurer [redacted]

SUBSCRIBED AND SWORN to before me this NOV 1 7 2015 at Makati City, Metro Manila, affiants exhibiting to me their Competent Evidence of Identity as follows:

NAME	COMPETENT EVIDENCE OF IDENTITY NO. DATE/PLACE ISSUED
Michael Alexis C. Legaspi Elaine Marie F. Alzona	[redacted]

WITNESS MY HAND AND SEAL on this date and at the place first above written.

Doc, No. 339;
Page No. 69;
Book No. II;
Series of 2015.

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

CHARLENE MAE C. TAPIC-CASTRO
NOTARY PUBLIC
ROLL NO. 58720
MAKATI CITY, PHILS.

CHARLENE MAE C. TAPIC-CASTRO
Notary Public – Makati City
[redacted]

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REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SECRETARY'S CERTIFICATE

I, **NIMFA AMBROSIA L. PEREZ-PARAS**, of legal age, being the duly elected, qualified, and incumbent Corporate Secretary of **NORTH TRIANGLE HOTEL VENTURES, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, after having been duly sworn in accordance with law, do hereby certify that –

1. At the special meeting held on 26 May 2015, the Board of Directors of the Corporation approved the increase in its authorized capital stock to One Billion Pesos (Php1,000,000,000.00), divided into Two Hundred Million (200,000,000) Common Shares, with a par value of One Peso (Php1.00) per share and Eight Hundred Million (800,000,000) Redeemable Preferred Shares with a par value of One Peso (Php1.00) per share and for this purpose, the amendment of the Seventh Article of the Articles of Incorporation of the Corporation;

2. In connection with said increase in capital stock, all non-subscribing stockholders have waived their pre-emptive rights to subscribe; and

3. From the time of such stockholders' and directors' approval of the increase in capital stock up to the filing of the application for increase in capital stock with the Securities and Exchange Commission, to the best of my knowledge and based on the records of the Corporation, no action or proceeding has been filed or is pending before any court or tribunal involving an intra-corporate dispute and/or claim by any person or group against the Board of Directors, individual directors, and major corporate officers of the Corporation in their capacity as such directors and officers of the Corporation.

IN WITNESS WHEREOF, I have signed this Certificate this NOV 05 2015 in Makati City.

NIMFA AMBROSIA L. PEREZ-PARAS
Corporate Secretary

SUBSCRIBED AND SWORN to before me this NOV 05 2015 at Makati City, the affiant exhibited to me, as competent evidence of identity, he [redacted] on 22 May 2014 by the Department of Foreign Affairs at Manila, Philippines.

Doc. No.: 764;
Page No.: 154;
Book No.: II;
Series of 2015.

Notarial DST pursuant to Sec. 188 of the Tax Code affixed on Notary Public's copy.

CHARLENE MAE C. TAPIC-CASTRO
NOTARY PUBLIC
ROLL NO. 58720
MAKATI CITY, PHILS.

CHARLENE MAE C. TAPIC-CASTRO
[redacted]

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SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

Securities and Exchange Commission
SEC Building, EDSA, Greenhills
Mandaluyong City, Metro Manila

To the Securities and Exchange Commission:

In connection with the application of **North Triangle Hotel Ventures, Inc.** (the Company) for the increase in its authorized capital stock, the undersigned hereby declares under oath the following:

(1) That, as an external auditor engaged by the Company, we have performed the procedures for the cash payment of subscriptions set forth in Securities and Exchange Commission (SEC) Memorandum Circular No. 6, Series of 2008, relating to the Company's application with the SEC for an increase in its authorized capital stock as of July 31, 2015 and in accordance with Philippine Standards on Related Services (PSRS) 4400, "*Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*," except, as agreed upon with the Company, for procedures that were not performed as fully explained in our accompanying report dated September 15, 2015.

(2) That since the foregoing engagement does not involve an audit or review of the Company's financial statements but only the conduct of a set of agreed-upon procedures and issuance of a report on the factual findings thereon, and because we were not able to perform certain SEC required procedures as mentioned above, we gave a "no assurance" statement in our September 15, 2015 report attached to this letter. We understand, however, that the "no assurance" statement in our said report does not exempt us from responsibility over the conduct of the said procedures and the factual findings stated therein as provided in PSRS 4400, except for procedures that were not performed as stated above and fully explained in our report.

SYCIP GORRES VELAYO & CO.

Jessie D. Cabaluna
Partner

[redacted]

September 15, 2015

SCANNED COPY FROM ARCHIVES

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

STRICTLY CONFIDENTIAL

REPORT ON FACTUAL FINDINGS

North Triangle Hotel Ventures, Inc.
3rd Floor, Alveo Corporate Center,
28th Street, Bonifacio Global City,
Taguig City

We have performed certain agreed-upon procedures (AUPs) on North Triangle Hotel Ventures, Inc.'s (the "Company") application with the Securities and Exchange Commission (SEC) for the increase of authorized capital stock for the following by way of cash subscriptions:

a. For common shares from Eighty Eight Million (88,000,000) common shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Eighty Eight Million Pesos (₱88,00,000.00) to Two Hundred Million (200,000,000) common shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Two Hundred Million Pesos (₱200,000,000.00); and

b. For preferred shares from Three Hundred Fifty Two Million (352,000,000) redeemable preferred shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Three Hundred Fifty Two Million Pesos (₱352,000,000.00) to Eight Hundred Million (800,000,000) redeemable preferred shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Eight Hundred Million Pesos (₱800,000,000.00).

Our engagement was undertaken in accordance with the Philippine Standard on Related Services (PSRS) 4400, "*Engagements to Perform Agreed-upon Procedures Regarding Financial Information.*" The AUPs performed are to be used for compliance with SEC's requirements in connection with the Company's application for the increase in authorized capital stock for common shares and preferred shares and is not to be used for any other purpose or to be distributed to other parties. The procedures that we performed and the results of the performance of agreed-upon procedures are summarized in Exhibit I of this report.

A cash count was not performed as the cash payment for stock subscriptions was directly deposited in the bank account of the Company. However, as provided in the required SEC procedures, we traced the amount received to the corresponding bank-validated deposit slip.

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Because the procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing or Philippine Standards on Review Engagements, we do not express any assurance on any of the elements or accounts of financial statements of the Company as of July 31, 2015.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Philippine Standards on Auditing or Philippine Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

We are not responsible whether or not the prospective results will be achieved. Further, we have no responsibility to update this report or the prospective financial statements for events and circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to the financial statements of the Company, taken as a whole.

SYCIP GORRES VELAYO & CO.

Jessie D. Cabaluna
Partner

[redacted]

September 15, 2015

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EXHIBIT I

NORTH TRIANGLE HOTEL VENTURES, INC.
DETAILS OF RESULTS OF THE PERFORMANCE OF AGREED-UPON PROCEDURES ON THE SUBSCRIPTION FOR THE INCREASE IN AUTHORIZED CAPITAL STOCK

1. We obtained a schedule of cash received as deposits for future stock subscription. We noted that North Triangle Hotel Ventures, Inc. (the Company) received ₱80,000,000 from its parent company, AyalaLand Hotels and Resorts Corp. (AHRC) as payment for the initial subscription on the increase in authorized capital stock and details are as follows:

Date Recorded in the Books	Name of Subscriber	Amount	Form of payment	Acknowledgement Receipt No.
July 28, 2015	AyalaLand Hotels and Resorts Corp.	₱80,000,000.00	Check deposit	NTHVI-2015-0001

2. We noted that the amount received on July 28, 2015 amounting to ₱80,000,000.00 for 16,000,000 common shares and 64,000,000 preferred shares, both at ₱1.00 par value per share, represents cash payment for subscriptions of 28,000,000 common shares and 112,000,000 preferred shares, both at ₱1.00 par value per share

3. We checked the mathematical accuracy of the schedule of deposits for future subscription as of July 31, 2015, and we noted no exceptions.

4. We compared the balance of deposits for future subscription amounting to ₱80,000,000 to the general ledger as of July 31, 2015, and found the amount to be in agreement.

5. We traced the amount of cash received for capital infusions to the cash receipts journal, and we noted no exceptions.

6. We obtained a copy of the Secretary's Certificate which certified the minutes of the Special Meeting of the Board of Directors held on May 26, 2015 and noted the following resolutions:

   The Board of Directors approved the increase in the authorized capital stock of the Company from ₱440,000,000 to ₱1,000,000 broken down as follows:

   a. For common shares from Eighty Eight Million (88,000,000) common shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Eighty Eight Million Pesos (₱88,00,000.00) to Two Hundred Million (200,000,000) common shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Two Hundred Million Pesos (₱200,000,000.00); and

   b. For preferred shares from Three Hundred Fifty Two Million (352,000,000) redeemable preferred shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Three Hundred Fifty Two Million Pesos (₱352,000,000.00) to Eight Hundred Million (800,000,000) redeemable preferred shares with par value of One Peso (₱1.00) per share, or an aggregate of par value of Eight Hundred Million Pesos (₱800,000,000.00).

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7. We noted that the amounts received from AHRC are in agreement with the acknowledgement receipt. See Exhibit II for the copy of the acknowledgement receipt.

8. We traced the amounts received from AHRC to the bank-validated deposit slip and bank statement and we noted no exceptions. See Exhibits III and IV for the copy of the bank-validated deposit slip and bank statement, respectively.

9. We reviewed the cash journal of the Company to verify if prior disbursements were made by the Company to AHRC that could be linked or associated with AHRC's payment of subscriptions. There were none noted. See Exhibit V for the copy of the cash journal.

10. We reviewed the cash journal of the Company to verify if any subsequent disbursement were made by the Company to AHRC in the form of loans and/or advances. There were none noted. See Exhibit V for the copy of the cash journal.

11. A cash count was not performed as the cash payment for capital infusion was directly deposited in the bank account of the Company. However, as provided in the required SEC procedures, we traced the amount received to the corresponding bank statement. See Exhibit IV for the copy of the bank statement.

12. We obtained a summary of the cash in bank account of the Company and bank reconciliation statement for the payment of the cash subscription, as of July 31, 2015. We footed the bank reconciliation statement for mathematical accuracy and no exceptions were noted. See Exhibit VI for the copy of the bank reconciliation statement of the Company.

13. We traced the receipts and disbursements and other transactions in the bank reconciliation statement to the entries in the general ledger, and compared the balances shown in the bank reconciliation statement with the balances per books and bank statement. There were no exceptions noted.

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EXHIBIT II

NTH VI **NORTH TRIANGLE HOTEL VENTURES, INC.**

July 28, 2015 NTHVI-2015-0001

ACKNOWLEDGEMENT RECEIPT

Received from AyalaLand Hotels and Resorts Corp. the amount of EIGHTY MILLION ONLY (Php80,000,000.00), representing deposit for additional investment.

Jocelyn Anler
Cashier

3F Alveo Corporate Center 6th Street Bonifacio Global City, Taguig City
Tel. No. 798-4700 | | Fax. No. 798-4725

Depositor

Amount deposited by AyalaLand Hotels and Resorts Corp.

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EXHIBIT III

DEPOSIT/PAYMENT RECEIPT

BANK	NAME	CHECK NO	CUENTA/CODE	AMOUNT	CURR
BPI		0001042317		80,000,000.00	PHP

TO OUR VALUED CUSTOMER:

Before leaving the Teller's Counter, please verify the correctness of the NAME, ACCOUNT NUMBER or REFERENCE NUMBER, AMOUNT, and other deposit / payment details on the Teller's Validation below based on your input in our Customer Transaction Assistant Machine.

14-Oct

Member of the Philippine Deposit Insurance Corporation
Maximum Deposit Insurance for Each Depositor Php500,000.00

THANK YOU FOR BANKING WITH US

This deposit / payment is subject to the Terms and Conditions covering this account.

TELLER'S VALIDATION
(THIS IS YOUR RECEIPT WHEN MACHINE VALIDATED.)

CASH DEPOSIT [illegible]
[illegible] PHP****** 80,000,000.00 OK

80,000,000.00
PRINT 80,000,000.00 10:59:39
[illegible] ALAYALALAND HOTEL VENTURES INC.

Check deposited by AyalaLand Hotels and Resorts Corp.

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EXHIBIT IV

8/3/15 https://www.bploxpresslink.com/pls/production/cl_tr_hist_inquirybp

Account Name : North Triangl
Account No. : 1901-0006-34
Currency : PHP
Branch : DELA ROSA SOLARIS ONE

Date	Check No.	SBA No.	Branch	Tran. Code	Tran. Description	Amount	Running Balance
06/30/2015	-	-	-	2121	TAX WITHHELD	(1,774.23)	6,236,313.00
06/30/2015	-	-	-	2020	IOD INTEREST CHARGED	8,871.15	6,245,184.15
07/09/2015	-	-	0708	4445	TRANSFER	(424,643.73)	5,820,540.42
07/24/2015	-	-	0837	0431	DR MEMO	(704.50)	5,819,835.92
07/28/2015	-	-	0837	0313	CHECK DEP	80,000,000.00	85,819,835.92
07/30/2015	-	-	0001	0431	DR MEMO	(70,000,000.00)	15,819,835.92

6 records displayed.
Note : To view details, click on the date. Details are currently available for DMCM transactions only.

Deposited by AyalaLand Hotels and Resorts Corp.

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EXHIBIT V

NORTH TRIANGLE HOTEL VENTURES, INC. (SEDA VERTIS NORTH)
CASH JOURNAL

Date	Check No.		Payee	Particulars		Amount
10-Jun-15			BUREAU OF INTERNAL REVENUE	*1601E REMITTANCE	(485,148.64)	
30-Jun-15	1900000172		MAKATI DEVELOPMENT CORP.	*SEDA VERTIS PB8 Structural Works INV1800014504		(6,109,565.10)
30-Jun-15	1900000173		MAKATI DEVELOPMENT CORP.	*SEDA VERTIS HOTEL PB3 ARCH. WORKS		(3,102,380.90)
30-Jun-15	1900000174		MAKATI DEVELOPMENT CORP.	*Seda Verds North PB3 Prelims MEPFS SOA18-14495		(3,603,225.53)
30-Jun-15	1900000176		MAKATI DEVELOPMENT CORP.	*SEDA VERTIS PB7 Substructure MEPFS Rough-Ins		(2,251,702.75)
30-Jun-15	1900000177		MAKATI DEVELOPMENT CORP.	*SEDA VERTIS PB9 Structural Works		(8,091,363.75)
30-Jun-15	5100000167		LANGDON & SEAH PHILIPPINES, INC.	*Vertis North PB18 QS & Consultancy Srvc 8506605		(202,566.96)
30-Jun-15	1900000175		SGV & Co.	*Audit fees for year ended Dec. 31, 2014-FS		(61,600.00)
30-Jun-15			Interest income	*Interest income on savings deposit (2Q 2015)	7,096.92	
30-Jun-15			Reversal of Unreleased Checks: MAY2015		-	(56,926,462.56)
30-Jun-15			Unreleased Checks: JUNE2015		-	80,115,209.88
		JUNE TOTAL			(478,051.72)	(228,277.71)
09-Jul-15			BUREAU OF INTERNAL REVENUE	*1601E REMITTANCE	(424,643.73)	
31-Jul-15	1900000178		MAKATI DEVELOPMENT CORP.	*PB8 4800080495 INV1800015143		(1,288,687.29)
31-Jul-15	1900000179		MAKATI DEVELOPMENT CORP.	*SEDA VERTIS PB4 Arch Works INV1800015144		(3,989,548.85)
31-Jul-15	1900000180		MAKATI DEVELOPMENT CORP.	*SEDA VERTIS PB4 GenCon Works INV1800015145		(4,854,435.10)
31-Jul-15	1900000183		WHITE JACKET PTE. LTD	*SEDA VERTIS PB10 Int Design Consultancy Services	(3,853,044.88)	-
31-Jul-15	1900000184		ZNZ CONSTRUCTION	*SEDA VERTIS PB3 MOCK UP ROOM CONST. INV270		(300,057.64)
31-Jul-15	5100000172		WHITE JACKET PTE. LTD	*SEDA VERTIS PB09 INT DES CONS SERVS	(331,835.07)	
31-Jul-15	5100000174		LANGDON & SEAH PHILIPPINES, INC.	*Vertis North PB13 Qty Surveying Service		(202,566.96)
31-Jul-15	1900000181		STEEL ASIA MANUFACTURING CORP.	*CAF Full Payment - 910 ol Rebars		(2,179,821.76)
31-Jul-15	1900000182		CITY TREASURER OF TAGUIG	*Municipal License 3Q 2015	(704.50)	
28-Jul-15				*Equity Infusion from AHRC	80,000,000.00	
30-Jul-15			Transfer to UB	net of 100php Bank Charge	(70,000,000.00)	69,999,900.00
31-Jul-15	5100000128		MAKATI DEVELOPMENT CORP.	*REVERSAL OF 15 series NTHVI PROJECT QUANTUM PB4 Structural Works		28,341,553.76
31-Jul-15			Reversal of Unreleased Checks: JUNE2015			(80,115,209.88)
31-Jul-15			Unreleased Checks: JULY2015		4,244,878.83	57,090,066.23
		JULY TOTAL			3,574,651.77	62,403,794.59

Infusion received from AyalaLand Hotels and Resorts Corp.

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EXHIBIT VI

NORTH TRIANGLE HOTEL VENTURES, INC.
Cashflow
Agreed-upon Procedures: Increase in Authorized Capital Stock
July 31, 2015
PBC

Tickmarks:
^ footed

Ending Balance June 2015 — 6,245,184.15 CIB
6,245,184.15 BPI bal. as of 6/30/15

Corporate Expenses

Outflow

Date	Check No.	Company/Description	Particular	Amount
6/10/2015	EPAY	BUREAU OF INTERNAL REVENUE	*Remittance of 1601E	-

Inflow

	Initial Deposit	-

CORPORATE EXPENSES -

Investing Activities

Date	SAP/Check No.	Company/Description		Amount	
	1900000182	*Municipal Licenses 3Q 2015	CAB	704.50	CC20.A
		1601E remittance	CSA	424,643.73	

INVESTING ACTIVITIES (425,348.23) ^

Financing Activities

Date	Check No.	Company/Description		Amount	
Equity Infusion					
		AHRC		80,000,000.00	CC24.B
			TOTAL	80,000,000.00	
Bank Loan				-	
Interest Income					
		SA		-	
		MMP		-	
Advances				-	
Interest Expense				-	
Others		Company/Description		Amount	
		Transfer to UB for disbursements		(70,000,000.00)	

FINANCING ACTIVITIES 10,000,000.00 ^

Ending Balance July 2015 — 15,819,835.92 CC24
15,819,835.92 BPI bal. as of 7/31/15

Agrees with Exhibit IV

SCANNED COPY FROM ARCHIVES

OFFICIAL RECEIPT
Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, 1554

Accountable Form No. 51 Revised 2006	ORIGINAL
DATE October 10, 2017	No. 1589605

PAYOR NORTH TRIANGLE HOTEL VENTURES INC. DOING BUSINESS UNDER T TAGUIG CITY

NATURE OF COLLECTION	ACCOUNT CODE	RESPONSIBILITY CENTER	AMOUNT
LRF (A0823)	151	CRMD	11,210.00
INCREASE/DECREASE CAPITAL STOCK / AMENDED ARTICLES	606	CRMD	1,120,000.00
			1,000.00
		TOTAL	PHP 1,132,210.00

SEC- SM MEGAMALL/ROBINSONS GALLERIA
SECURITIES AND EXCHANGE COMMISSION
APPROVED ON
RECEIVED
DATE CLAIMED
TIME
BY
DATE
COMPANY REGISTRATION AND MONITORING DEPT.
-CFRD-

AMOUNT IN WORDS
ONE MILLION ONE HUNDRED THIRTY TWO THOUSAND TWO HUNDRED TEN PESOS AND 0/100

Received
- [ ] Cash
- [ ] Treasury Warrant
- [x] Check
- [ ] Money Order

Received the Amount Stated Above

Kimberly O. Sales
COLLECTING OFFICER

Treasury Warrant, Check, Money Order Number: Check-BPI-0000008164/

Date of Treasury Warrant, Check, Money Order: 9/21/17/

O.R. No. 1589605

NOTE: Write the number and date of this receipt on the back of treasury warrant, check or money order received.

SCANNED COPY FROM ARCHIVES

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: JAYSON ALDAY
Receipt Date and Time: May 29, 2026 08:22:03 PM

Company Information

SEC Registration No.: CS201016774
Company Name: NORTH TRIANGLE HOTEL VENTURES, INC. DOING BUSINESS UNDER THE NAME AND STYLE OF SEDA VERTIS NORTH
Industry Classification: H55000
Company Type: Stock Corporation

Document Information

Document ID: OST105292026811516184
Document Type: GENERAL_INFORMATION_SHEET
Document Code: GIS
Period Covered: April 30, 2026
Submission Type: Annual Meeting
Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2026

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: NORTH TRIANGLE HOTEL VENTURES, INC.	**DATE REGISTERED:** OCTOBER 18, 2010
BUSINESS/TRADE NAME: SEDA VERTIS NORTH	**FISCAL YEAR END:** December 31
SEC REGISTRATION NUMBER: CS201016774	
DATE OF ANNUAL MEETING PER BY-LAWS: SECOND WEDNESDAY OF MARCH EACH YEAR	**CORPORATE TAX IDENTIFICATION NUMBER (TIN):** 007-899-718
ACTUAL DATE OF ANNUAL MEETING: APRIL 30, 2026	**WEBSITE/URL ADDRESS:** N.A.
COMPLETE PRINCIPAL OFFICE ADDRESS: 3F WEST TOWER, SEDA BGC, 30TH STREET CORNER 11TH AVENUE, BONIFACIO GLOBAL CITY, 1634, TAGUIG CITY, METRO MANILA	**E-MAIL ADDRESS:** N.A.
COMPLETE BUSINESS ADDRESS: ASTRA CORNER LUX DRIVES, VERTIS NORTH, DILIMAN, QUEZON CITY	**FAX NUMBER:** 8810-5175

OFFICIAL E-MAIL ADDRESS	ALTERNATE E-MAIL ADDRESS	OFFICIAL MOBILE NUMBER	ALTERNATE MOBILE NUMBER
corporateservice@aglegal.com.ph	[redacted]	[redacted]	[redacted]

NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: PWC ISLA LIPANA & CO. (ISLA LIPANA) CATHERINE H. SANTOS	**SEC ACCREDITATION NUMBER (if applicable):** N.A.	**TELEPHONE NUMBER(S):** 7751-7711
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: TO OWN, HOLD IN OWNERSHIP, MANAGE, DEAL AND ENGAGE IN THE GENERAL BUSINESS OF A HOTEL, APARTMENT HOTEL, SERVICED RESIDENCE, INN, RESORT, RESTAURANT, CAFE, BAR, ENTERTAINMENT AND OTHER ALLIED BUSINESSES AND TO THE LIMIT AND EXTENT PERMITTED BY LAW, TO ACQUIRE AND OWN, EITHER BY PURCHASE, LEASE OR OTHER MEANS OF ACQUISITION, LANDS, BUILDINGS, AND OTHER IMPROVEMENTS NECESSARY OR REQUIRED BY ITS BUSINESS AND TO USE SUCH LANDS, BUILDING AND IMPROVEMENTS THERETO FOR THE CONDUCT AND OPERATION OF THE GENERAL NATURE OF ITS BUSINESS AND OBJECT AND ALL OTHER MATTERS INCIDENTAL THERETO. *****00000*****	**INDUSTRY CLASSIFICATION:** HOTEL & RESTAURANT	**GEOGRAPHICAL CODE:** N.A.

========== **INTERCOMPANY AFFILIATIONS** ==========

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
AYALALAND HOTELS AND RESORTS CORP.	CS201015078	3F WEST TOWER, SEDA BGC, 30TH STREET CORNER 11TH AVENUE, BONIFACIO GLOBAL CITY, 1634, TAGUIG CITY, METRO MANILA
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
N.A.		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

Corporate Name: **NORTH TRIANGLE HOTEL VENTURES, INC.**

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ○ Yes ◉ No

Please check the appropriate box:

1.

- ☐ a. Banks
- ☐ b. Offshore Banking Units
- ☐ c. Quasi-Banks
- ☐ d. Trust Entities
- ☐ e. Non-Stock Savings and Loan Associations
- ☐ f. Pawnshops
- ☐ g. Foreign Exchage Dealers
- ☐ h. Money Changers
- ☐ i. Remittance Agents
- ☐ j. Electronic Money Issuers
- ☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

- ☐ a. Insurance Companies
- ☐ b. Insurance Agents
- ☐ c. Insurance Brokers
- ☐ d. Professional Reinsurers
- ☐ e. Reinsurance Brokers
- ☐ f. Holding Companies
- ☐ g. Holding Company Systems
- ☐ h. Pre-need Companies
- ☐ i. Mutual Benefit Association
- ☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

- ☐ a. Securities Dealers
- ☐ b. Securities Brokers
- ☐ c. Securities Salesman
- ☐ d. Investment Houses
- ☐ e. Investment Agents and Consultants
- ☐ f. Trading Advisors
- ☐ g. Other entities managing Securities or rendering similar services
- ☐ h. Mutual Funds or Open-end Investment Companies
- ☐ i. Close-end Investment Companies
- ☐ j. Common Trust Funds or Issuers and other similar entities
- ☐ k. Transfer Companies and other similar entities
- ☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- ☐ m. Entities administering of otherwise dealing in valuable objects
- ☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

- ☐ a. acting as a formation agent of juridical persons
- ☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- ☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- ☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

- ☐ a. managing of client money, securities or other assets
- ☐ b. management of bank, savings or securities accounts
- ☐ c. organization of contributions for the creation, operation or management of companies
- ☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☑ None of the above

Describe nature of business: HOTEL & RESTAURANT

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ○ Yes ◉ No

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: **NORTH TRIANGLE HOTEL VENTURES, INC.**

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	200,000,000	1.00	200,000,000.00
	PREFERRED ***	800,000,000	1.00	800,000,000.00
	TOTAL	**1,000,000,000**	**TOTAL P**	**1,000,000,000.00**

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	5	COMMON	199,999,999	N.A.	1.00	199,999,999.00	100%
		TREASURY - PREFERRED	800,000,000	N.A.	1.00	800,000,000.00	
		TOTAL	**199,999,999**	**TOTAL**	**TOTAL P**	**199,999,999**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
MEXICAN	1	COMMON	1	N.A.	1.00	1.00	0%
Percentage of Foreign Equity :	0%	**TOTAL**	**1**	**TOTAL**	**TOTAL P**	**1.00**	**0%**
					TOTAL SUBSCRIBED P	**200,000,000.00**	**100%**

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	5	COMMON	199,999,999	1.00	199,999,999.00	100%
		TREASURY - PREFERRED	800,000,000	1.00	800,000,000.00	
		TOTAL	**199,999,999**	**TOTAL P**	**199,999,999**	**100%**

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
MEXICAN	1	COMMON	1	1.00	1.00	0%
		TOTAL	**1**	**TOTAL P**	**1.00**	**0%**
				TOTAL PAID-UP P	**200,000,000.00**	**100%**
				TOTAL CAPITALIZATION P	**200,000,000.00**	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

*** With no voting

Note: The Treasury Preferred Shares are not included in the Total Amount of Paid-Up Capital.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: **NORTH TRIANGLE HOTEL VENTURES, INC.**

D I R E C T O R S / O F F I C E R S

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. MARIANA BEATRIZ E. ZOBEL DE AYALA [redacted]	FILIPINO	N	C	F	Y	CHAIRMAN	N.A.	[redacted]
2. MARIA CRISTINA CARMEN M. ZULUAGA [redacted]	FILIPINO	N	M	F	Y	PRESIDENT & CHIEF EXECUTIVE OFFICER	N.A.	[redacted]
3. MA. DIVINA Y. LOPEZ [redacted]	FILIPINO	N	M	F	Y	N.A.	N.A.	[redacted]
4. DANIEL JAN E. DEL MUNDO [redacted]	FILIPINO	N	M	M	Y	TREASURER, GROUP COMPTROLLER & COMPLIANCE OFFICER	N.A.	[redacted]
5. GUSTAVO ALFONSO H. MORALES [redacted]	MEXICAN	N	M	M	Y	N.A.	N.A.	[redacted]
6. MARIA PAULA G. ROMERO-BAUTISTA [redacted]	FILIPINO	N	-	F	N	CORPORATE SECRETARY	N.A.	[redacted]
7. LINDEZA R. ROGERO-GAVINO [redacted]	FILIPINO	N	-	F	N	ASSISTANT CORPORATE SECRETARY	N.A.	[redacted]
8. - NOTHING FOLLOWS -								
9.								
10.								
11.								
12.								
13.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME: **NORTH TRIANGLE HOTEL VENTURES, INC.**

TOTAL NUMBER OF STOCKHOLDERS: 6 | **NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: 1**

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: **PhP 2,094,789,874.00**

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1 AYALALAND HOTELS AND RESORTS CORP. FILIPINO 3F WEST TOWER, SEDA BGC, 30TH STREET CORNER 11TH AVENUE , BONIFACIO GLOBAL CITY, 1634, TAGUIG CITY, METRO MANILA	COMMON	199,999,995	199,999,995.00	100.00%	199,999,995.00	007-877-542
	TOTAL	**199,999,995**	**199,999,995.00**			
2. MARIANA BEATRIZ E. ZOBEL DE AYALA FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
3. MARIA CRISTINA CARMEN M. ZULUAGA FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
4. MA. DIVINA Y. LOPEZ FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
5. DANIEL JAN E. DEL MUNDO FILIPINO [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
6. GUSTAVO ALFONSO H. MORALES MEXICAN [redacted]	COMMON	1	1.00	0.00%	1.00	[redacted]
	TOTAL	**1**	**1.00**			
7. TREASURY SHARES	PREFERRED	800,000,000	800,000,000.00	0.00%	800,000,000.00	N.A.
	TOTAL	**800,000,000**	**800,000,000.00**			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			200,000,000.00	**100.00%**	**200,000,000.00**	
TOTAL AMOUNT OF PAID-UP CAPITAL						
TOTAL CAPITALIZATION					**200,000,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**NORTH TRIANGLE HOTEL VENTURES, INC.**		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	1
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PhP 2,094,789,874.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8.				0.00%		
9.				0.00%		
10.				0.00%		
11.				0.00%		
12.				0.00%		
13.				0.00%		
14.				0.00%		
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			200,000,000.00	**100.00%**		
				TOTAL AMOUNT OF PAID-UP CAPITAL	**200,000,000.00**	
				TOTAL CAPITALIZATION	**200,000,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

========== **PLEASE PRINT LEGIBLY** ==========

CORPORATE NAME:	**NORTH TRIANGLE HOTEL VENTURES, INC.**		
TOTAL NUMBER OF STOCKHOLDERS:	**6**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	1
TOTAL ASSETS BASED ON LATEST AUDITED FS:	**PhP 2,094,789,874.00**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFCATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15. N.A.				0.00%		
16.				0.00%		
17.				0.00%		
18.				0.00%		
19.				0.00%		
20.				0.00%		
21.				0.00%		
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			200,000,000.00	**100%**		
				TOTAL AMOUNT OF PAID-UP CAPITAL	**200,000,000.00**	
				TOTAL CAPITALIZATION	**200,000,000.00**	

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET (GIS)

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **NORTH TRIANGLE HOTEL VENTURES, INC.**

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	N.A.	N.A.
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N.A.	N.A.
1.3 LOANS/ CREDITS/ ADVANCES	N.A.	N.A.
1.4 GOVERNMENT TREASURY BILLS	N.A.	N.A.
1.5 OTHERS	N.A.	N.A.

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N.A.		

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
	800,000,000	80%

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: PhP 191,732,288.00

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH		
5.2 STOCK		
5.3 PROPERTY		
TOTAL	0.00	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD: N.A.

DATE	NO. OF SHARES	AMOUNT

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	N.A.	N.A.	N.A.
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT*
N.A.	31	58	205

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**Manpower complement is composed of service providers engaged by the Company.*

Note: The financial information in this General Information Sheet are based on the 2024 Audited Financial Statements.

I, MARIA PAULA G. ROMERO-BAUTISTA, Corporate Secretary of NORTH TRIANGLE HOTEL VENTURES, INC., declare under penalty of perjury that all matters set forth have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this MAY 2 6 2026 Makati City.

MARIA PAULA G. ROMERO-BAUTISTA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this MAY 2 6 2026 by affiant who personally appeared before me and exhibited to me her competent evidence of identity consisting of Passport [redacted]

DOC NO. 134;
PAGE NO. 28;
BOOK NO. XXI;
SERIES OF 2026.

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Court's copy.

TRIXIE CARMELA J. GONZALES
NOTARY PUBLIC
ROLL NO. 74043
MAKATI CITY, PHILIPPINES

TRIXIE CARMELA J. GONZALES
[redacted]

C O V E R S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	0	1	6	7	4

COMPANY NAME

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N	O	R	T	H																									

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

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Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	S E C	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
alzona.elaine@ayalaland.com.ph	**(02) 8588-5770**	**09175696398**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	**2nd Wednesday of March**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Elaine Marie F. Alzona	[redacted]	[redacted]	[redacted]

CONTACT PERSON's ADDRESS

3rd West Tower, Seda BGC, 30th Street Corner 11th Avenue, Bonifacio Global City, 1634, Taguig City, Metro Manila

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 the 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.*

NTH VI NORTH TRIANGLE
HOTEL VENTURES, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **North Triangle Hotel Ventures, Inc. (the "Company")** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at and for the years ended **December 31, 2023 and 2022**, 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 of 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.

The Board of Directors is responsible for overseeing the Company'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 or members.

Isla Lipana & Co. and Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders for the year ended December 31, 2023 and 2022, respectively, have audited the financial statements of the Company 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.

mdc (Apr 23, 2024 06:14 GMT+8)

Ma. Luisa D. Chiong
Chairman of the Board

Javier D. Hernandez
President

Elaine Marie F. Alzona
Treasurer

Signed this 29th day of April 2024

Independent Auditor's Report

To the Board of Directors and Shareholders of
North Triangle Hotel Ventures, Inc.
(Doing business under the name and style of Seda Vertis North)
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)
3rd Floor, West Tower SEDA BGC,
30th Street Co. 11th Avenue, Bonifacio Global City
1634 Taguig City, Metro Manila

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of North Triangle Hotel Ventures, Inc. (doing business under the name and style of Seda Vertis North) (the "Company") as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at December 31, 2023;
- the statement of total comprehensive income for the year ended December 31, 2023;
- the statement of changes in equity for the year ended December 31, 2023;
- the statement of cash flows for the year ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Other Matter

The financial statements of the Company as at and for the year ended December 31, 2022 were audited by another firm of auditors whose report dated April 26, 2023 expressed an unmodified opinion on those statements.

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 PFRS, 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.

Auditor's Responsibilities 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 auditor's 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 auditor's 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 auditor's 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.

Report on the Bureau of Internal Revenue (BIR) Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Catherine H. Santos
Partner
[redacted]

Makati City
April 29, 2024

Statement Required by Rule 68
Securities Regulation Code (SRC)
As Amended on October 3, 2019

To the Board of Directors and Shareholders of
North Triangle Hotel Ventures, Inc.
(Doing business under the name and style of Seda Vertis North)
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)
3rd Floor, West Tower SEDA BGC,
30th Street Co. 11th Avenue, Bonifacio Global City
1634 Taguig City, Metro Manila

We have audited the financial statements of North Triangle Hotel Ventures, Inc. (the "Company") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 29, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has only one (1) shareholder owning one hundred (100) or more shares as at December 31, 2023.

Isla Lipana & Co.

Catherine H. Santos
Partner
[redacted]

Makati City
April 29, 2024

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

North Triangle Hotel Ventures, Inc.
(Doing business under the name and style of Seda Vertis North)
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	36,586,472	33,740,518
Accounts and other receivables	3	100,646,647	64,651,754
Due from related parties	8	14,527,547	12,527,547
Inventories	4	6,078,652	6,291,973
Other current assets	6	46,464,134	114,016,186
Total current assets		204,303,452	231,227,978
Non-current assets			
Hotel property and equipment	5	1,903,029,494	1,972,071,362
Deferred tax assets	13	16,257,552	35,691,706
Other non-current assets	6	16,105,609	11,755,081
Total non-current assets		1,935,392,655	2,019,518,149
Total assets		2,139,696,107	2,250,746,127
Liabilities and Equity			
Current liabilities			
Accounts and other payables	7	263,968,812	192,215,908
Due to related parties	8	753,953,236	1,000,238,598
Total current liabilities		1,017,922,048	1,192,454,506
Non-current liability			
Retirement liability	14	7,028,451	5,642,512
Total liabilities		1,024,950,499	1,198,097,018
Equity			
Paid-up capital	10	1,000,000,000	1,000,000,000
Retained earnings		111,756,802	49,935,773
Remeasurement gain on defined benefit obligation, net of tax	14	2,988,806	2,713,336
Total equity		1,114,745,608	1,052,649,109
Total liabilities and equity		2,139,696,107	2,250,746,127

The notes on pages 1 to 26 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
(Doing business under the name and style of Seda Vertis North)
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statement of Total Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Revenues			
Food and beverage		433,807,327	289,257,627
Rooms		325,929,411	222,718,490
Other operated departments		6,023,733	2,623,078
		765,760,471	514,599,195
Cost of sales and services			
Food and beverage	4	(243,573,486)	(154,527,719)
Property operations and maintenance		(101,690,445)	(80,205,246)
Depreciation	5	(87,059,321)	(85,721,698)
Rooms		(68,644,760)	(52,174,460)
Land rental	8,15	(24,523,136)	(16,606,166)
Management fee	8,15	(19,158,697)	(12,878,101)
Credit card commission		(9,694,267)	(6,216,619)
Estate association dues	8	(1,466,355)	(1,466,355)
Other operated departments		(802,780)	(563,871)
Amortization	6	(555,544)	(76,796)
		(557,168,791)	(410,437,031)
Gross operating income		208,591,680	104,162,164
Operating expenses			
General and administrative	11	(39,415,190)	(31,906,954)
Sales and marketing	12	(17,299,192)	(11,868,229)
Information and telecommunication systems		(15,017,442)	(11,991,017)
Property taxes		(12,491,454)	(13,846,973)
Security service		(9,339,229)	(4,516,270)
Insurance		(1,878,000)	(1,878,000)
Retirement expense	14	(1,628,535)	(1,897,095)
		(97,069,042)	(77,904,538)
Other income(expense)			
Interest income	2	50,025	48,658
Unrealized foreign currency gain (loss)	2	(87,915)	60,044
Interest expense	8	(27,420,760)	(26,817,281)
Other income		587,527	585,042
		(26,871,123)	(26,123,537)
Income before income tax for the year		84,651,515	134,089
Income tax expense	13	(22,830,486)	(2,347,696)
Net income (loss) for the year		61,821,029	(2,213,607)
Other comprehensive income for the year			
Item that will not be reclassified to profit or loss in subsequent years			
Remeasurement gain on defined benefit obligation, net of tax	14	275,470	1,852,484
Total comprehensive income (loss) for the year		62,096,499	(361,123)

The notes on pages 1 to 26 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
(Doing business under the name and style of Seda Vertis North)
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statement of Total Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Share capital (Note 10)		Retained	Remeasurement gain on defined	
	Common	Preferred	earnings	benefit obligation	Total equity
Balances as at January 1, 2022	200,000,000	800,000,000	52,149,380	860,852	1,053,010,232
Total comprehensive income (loss) for the year					
Net loss for the year	-	-	(2,213,607)	-	(2,213,607)
Other comprehensive income	-	-	-	1,852,484	1,852,484
Total comprehensive income (loss) for the year	-	-	(2,213,607)	1,852,484	(361,123)
Balances as at December 31, 2022	200,000,000	800,000,000	49,935,773	2,713,336	1,052,649,109
Total comprehensive income for the year					
Net income for the year	-	-	61,821,029	-	61,821,029
Other comprehensive income	-	-	-	275,470	275,470
Total comprehensive income for the year	-	-	61,821,029	275,470	62,096,499
Balances as at December 31, 2023	200,000,000	800,000,000	111,756,802	2,988,806	1,114,745,608

The notes on pages 1 to 26 are an integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
(Doing business under the name and style of Seda Vertis North)
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp.)

Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the year ended December 31, 2022)
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Income before income tax		84,651,515	134,089
Adjustments for:			
Depreciation and amortization	5,6	87,614,865	85,798,494
Interest expense	8	27,420,760	26,817,281
Retirement expense	14	1,628,535	1,897,095
Unrealized foreign exchange loss (gain)	2	87,915	(64,044)
Provision for doubtful accounts	3	43,578	300,000
Interest income	2	(50,025)	(48,658)
Operating income before changes in working capital		201,397,143	114,834,257
Changes in working capital:			
Accounts and other receivables		(36,038,471)	36,652,250
Due from related parties		(2,000,000)	-
Inventories		213,321	(2,794,619)
Other current assets		65,184,007	9,204,716
Accounts and other payables		63,001,739	26,367,774
Due to related parties		(341,475,482)	18,017,072
Net cash provided by operations		(49,717,743)	202,281,450
Retirement benefits paid	14	(845,221)	-
Interest received		50,025	48,658
Income taxes paid	13	(1,116,971)	(1,126,703)
Net cash provided by (used in) operating activities		(51,629,910)	201,203,405
Cash flows from investing activities			
Additions to hotel property and equipment	5	(18,017,453)	(8,152,746)
Decrease (increase) in other non-current assets		(1,982,483)	9,625,769
Net cash provided by (used in) investing activities		(19,999,936)	1,473,023
Cash flows from financing activities			
Payment of:			
Loans payable	9	-	(559,125,000)
Interest expense	8	(20,626,405)	(25,289,291)
Increase in due to related parties	8	95,190,120	372,330,000
Net cash provided by (used in) financing activities		74,563,715	(212,084,291)
Net increase (decrease) in cash		2,933,869	(9,407,863)
Effect of foreign exchange rate changes on cash		(87,915)	64,044
Cash at January 1		33,740,518	43,084,337
Cash at December 31	2	36,586,472	33,740,518

The notes on pages 1 to 26 are integral part of these financial statements.

North Triangle Hotel Ventures, Inc.
(Doing business under the name and style of Seda Vertis North)
(A wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp .)

Notes to the Financial Statements
As at December 31, 2023
(With comparative figures as at and for the year ended December 31, 2022)
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 Corporate information

North Triangle Hotel Ventures, Inc. (the Company) is a domestic corporation registered with the Securities and Exchange Commission (SEC) on October 18, 2010. The Company was organized with the primary purpose of owning, holding in ownership, managing, dealing and engaging in the general business of a hotel, inn, resort, restaurant, café, bar, entertainment, and other allied businesses and, to the limit and extent permitted by law, to acquire and own, either by purchase, lease or other means of acquisition, lands, buildings, and other improvements necessary or required by its business and to use such lands, building and improvements thereto for the conduct and operation of the general nature of its business and object and all other matter incidental thereto. The Company is also registered with the Bangko Sentral ng Pilipinas (BSP) to operate as a money changer/foreign exchange dealer.

The Company is wholly owned by AyalaLand Hotels and Resorts Corp. (AHRC) (the Parent Company). AHRC is a wholly owned subsidiary of Ayala Land, Inc. (ALI). ALI's parent is Ayala Corporation (AC) which is 47.86%-owned by Mermac, Inc. (the ultimate parent company) and the rest by the public, as of December 31, 2023. Both ALI and AC are publicly listed companies and are incorporated and registered in the Philippines.

The Company owns Seda Vertis North (the Hotel), a hotel of 438 guestrooms and suites. The Hotel, located at Sola Corner Lux Drives, Vertis North, Diliman, Quezon City, was opened to the public in April 2017.

The registered address of the Company is at 3rd Floor, West Tower, Seda BGC, 30th Street corner 11th Avenue, Bonifacio Global City, 1634 Taguig City, Metro Manila.

The financial statements of the Company were approved and authorized for issue by the Board of Directors (BOD) on April 29, 2024.

2 Cash

Cash as at December 31 consists of:

	2023	2022
Cash on hand	958,906	448,889
Cash in banks	35,627,566	33,291,629
	36,586,472	33,740,518

Cash on hand includes the petty cash fund of the Company for its immediate cash expenditures.

Cash in banks earn annual interest at the prevailing deposit rates of 0.25% to 0.35% in 2023 and 2022. Interest income earned on cash in banks amounted to P0.05 million in each year of 2023 and 2022.

The Company recorded unrealized foreign exchange loss from its dollar account amounting to P87,915 for the year ended December 31, 2023 (2022 - P64,044 gain).

3 Accounts and other receivables

Accounts and other receivables as at December 31 consist of:

	2023	2022
Trade		
Corporate	38,081,264	25,088,449
Travel agency	17,805,757	6,553,798
Government	14,032,302	18,914,829
Guest	12,998,168	5,008,729
Credit cards	10,818,107	8,698,890
	93,735,598	64,264,695
Less: Allowance for doubtful accounts	(448,662)	(405,084)
	93,286,936	63,859,611
Advances to employees	2,658,955	46,273
Others	4,700,756	745,870
	100,646,647	64,651,754

Trade receivables pertain to amounts collectible from customers arising from sales and services of the Company operations. These are noninterest-bearing and are normally collectible within a 30- to 60- day term.

The classes of trade receivables of the Company are as follows:

- Corporate - pertains to receivables from companies or establishments that have existing credit lines with the Company;
- Government - pertains to receivables from government agencies, embassies and government-owned and controlled corporations;
- Credit cards - arise from credit card transactions of hotel guests from room use, banquets and restaurant;.
- Travel agency - pertains to receivables of the Hotel from travel agents;
- Guest - pertains to balance of all current in-house accounts or catering accounts for ongoing functions as well as a limited number of house accounts established with proper approval, which are kept current; and,
- Advances to employees pertain to cash advances made by the company which are due within one year and recoverable through salary deduction or through liquidation.

Movements in the allowance for doubtful accounts for the years ended December 31 are as follows:

	Note	2023	2022
January 1		405,084	105,084
Provision	11	43,578	300,000
		448,662	405,084

4 Inventories

Inventories as at December 31 consist of:

	2023	2022
Food	2,412,497	3,241,490
Beverage	2,858,830	2,094,822
Guest supplies	807,325	955,661
	6,078,652	6,291,973

Inventories recognized as part of food and beverage under cost of sales and services in the statement of comprehensive income amounted to P156.98 million and P94.05 million in 2023 and 2022, respectively. Food and beverage reported under cost of sales and services in the statement of total comprehensive income include payroll and related expenses, uniforms, supplies, and other costs and expenses.

5 Hotel property and equipment

Details and movements of hotel property and equipment as at and for the years ended December 31 are as follows:

	Hotel building and improvements	Machinery and equipment	Furniture, fixtures and equipment	Total
Cost				
January 1, 2022	2,052,989,996	64,370,008	278,209,990	2,395,569,994
Additions	4,385,516	2,244,004	1,523,226	8,152,746
December 31, 2022	2,057,375,512	66,614,012	279,733,216	2,403,722,740
Additions	1,646,024	15,000,152	1,371,277	18,017,453
December 31, 2023	2,059,021,536	81,614,164	281,104,493	2,421,740,193
Accumulated depreciation				
January 1, 2022	197,356,683	28,436,924	120,136,073	345,929,680
Depreciation	51,963,309	6,256,014	27,502,375	85,721,698
December 31, 2022	249,319,992	34,692,938	147,638,448	431,651,378
Depreciation	52,075,366	7,215,238	27,768,717	87,059,321
December 31, 2023	301,395,358	41,908,176	175,407,165	518,710,699
Net book value				
As at December 31, 2022	1,808,055,520	31,921,074	132,094,768	1,972,071,362
As at December 31, 2023	1,757,626,178	39,705,988	105,697,328	1,903,029,494

The Company has no restrictions on its property and none of these have been pledged as security for its obligation.

Management assessed that there are no indicators that property and equipment are impaired as at December 31, 2023 and 2022.

6 Other assets

(a) Other current assets

Other current assets as at December 31 consist of:

	2023	2022
Input VAT, net	31,552,359	82,773,899
Prepayments	7,732,249	20,239,877
Creditable withholding tax	7,179,526	8,043,364
Supplies	-	2,959,046
	46,464,134	114,016,186

Input VAT, net pertains to taxes imposed on purchase of goods and services. These can be applied against output VAT in future periods.

Prepayments mainly include prepayments for taxes, dues and subscriptions. These are expected to be fully amortized within one year.

Creditable withholding tax pertains to taxes withheld on income payments and can be applied against income tax due. The balances of taxes withheld is recovered in future periods.

Supplies include cleaning, engineering and office supplies for the Company. These are available to be utilized during the daily operation of the Company.

(b) Other non-current assets

Other non-current assets as at December 31 consist of:

	2023	2022
Advances to contractors	11,232,517	11,317,963
Deferred input VAT	3,296,892	373,303
Operating equipment	1,576,200	63,815
	16,105,609	11,755,081

Advances to contractors are downpayments made and recouped upon receipt of progress billing based on percentage of accomplishment.

Details and movements of operating equipment, net as at and for the years ended December 31 are as follows:

	2023	2022
Cost		
At January 1	329,007	311,295
Additions	2,067,929	17,712
At December 31	2,396,936	329,007
Accumulated depreciation		
At January 1	265,192	188,396
Amortization	555,544	76,796
At December 31	820,736	265,192
Net book value	1,576,200	63,815

Operating equipment includes china, glassware, silverware, linen, uniforms, drapes and curtains to be used in the Hotel operations. Operating equipment is expensed ratably to the appropriate department expense account over its period of consumption.

Management assessed that there are no indicators that operating equipment are impaired as at December 31, 2023 and 2022.

7 Accounts and other payables

Accounts and other payables as at December 31 consist of:

	Note	2023	2022
Trade payables		61,356,715	40,182,545
Accrued expenses		159,580,928	113,797,142
Taxes payable		20,395,941	14,010,634
Guest deposits		8,834,147	8,077,905
Service charge payable		5,051,163	4,325,319
Interest payable	11	4,632,546	6,883,681
Retention payable		695,528	-
Others		3,421,844	4,938,682
		263,968,812	192,215,908

Accrued expenses pertain to unpaid salaries, utilities, interest, maintenance, professional fees, and other general and administrative expenses of the Company. These are normally settled within 30- to 60- day term.

Trade payables pertain to amounts due to suppliers for purchases of goods and services. These are normally settled on a 15- to 90- day term.

Taxes payable pertain to expanded withholding taxes on purchases of goods and services, withholding taxes on compensation and taxes due to local government unit. For withholding taxes, these are normally remitted the following month. However, for taxes due to local government, this is remitted quarterly.

Guest deposits refer to amounts paid by guests in advance to guarantee reservation. These are recognized as revenue once the performance obligation has been satisfied.

Service charge payable pertains to service charges levied on hotel revenues. These are settled together with the employees' semi-monthly payroll. The Hotel charges a 5% service fee of the total bill amount on the room accommodation services and sale of food and beverage. 100% of the collected service fee represents benefits that are directly distributable to the employees, as required by the Labor Code of the Philippines in compliance with Republic Act No. 11360 which was enacted on August 7, 2019.

Interest payable pertains to the interest from loans and intercompany payables. These are normally settled quarterly.

Retention payable pertains to holdout amount withheld from the contractor from its progress billings which will be released after the completion of the contracted works. This will cover back charges that may arise from quality issues on the contracted works. These are recouped upon receipt of billings. Retention payables that are beyond one year from year end date are presented as noncurrent liability.

Others pertain to SSS, PhilHealth, and HDMF premiums payable.

8 Related party transactions

Transactions and outstanding balances with related parties as at and for the years ended December 31, 2023 and 2022 follow:

	Elements of transaction				
	Volume/Amount	Receivable	Payable	Terms	Conditions
December 31, 2023					
Intermediate Parent					
Advances for operating expenses (a)	-	27,547	-	Non-interest bearing	Unsecured; Due and demandable
Land rental (b)	24,523,136	-	(6,272,099)	Non-interest bearing	Unsecured; Due and demandable
Parent					
Advances for operating expenses (a)	10,000,000	-	(192,581,000)	Non-interest bearing	Unsecured; Due and demandable
Management fees (c)	19,158,697	-	(8,920,463)	Non-interest bearing	Unsecured; Due and demandable
Loyalty program (d)	1,926,755	-	(2,419,824)	Non-interest bearing	Unsecured; Due and demandable
Entity under common control					
Operating advances (g)	4,400,000	14,500,000	-	Non-interest bearing	Unsecured; Due and demandable
Affiliates					
Supply of chilled water (e)	27,465,874	-	(76,239,730)	Non-interest bearing	Unsecured; Due and demandable
Operating advances (f)	295,540,000	-	(467,520,120)	Interest bearing	Unsecured; Due and demandable
Interest expense (f)	27,420,760	-	-	Interest bearing	Unsecured; Due and demandable
		14,527,547	(753,953,236)		
Cash in bank (h)	15,135,927	-	-	Interest bearing	Unsecured; Unrestricted
Interest income (h)	35,021	-	-	Interest ranges from 0.25% to 0.35%	

	Elements of transaction				
	Volume/Amount	Receivable	Payable	Terms	Conditions
December 31, 2022					
Intermediate Parent					
Advances for operating expenses (a)	39,589,937	27,547	(42,170,000)	Non-interest bearing	Unsecured; Due and demandable
Land rental (b)	16,606,166	-	(10,482,024)	Non-interest bearing	Unsecured; Due and demandable
Parent					
Advances for operating expenses (a)	40,462,508	-	(391,081,000)	Non-interest bearing	Unsecured; Due and demandable
Management fees (c)	12,878,101	-	(10,719,009)	Non-interest bearing	Unsecured; Due and demandable
Loyalty program (d)	1,064,441	-	-	Non-interest bearing	Unsecured; Due and demandable
Entity under common control					
Operating advances (e, g)	10,700,000	12,500,000	(73,500,000)	Non-interest bearing	Unsecured; Due and demandable
Affiliates					
Supply of chilled water (e)	13,184,845	-	(99,956,565)	Non-interest bearing	Unsecured; Due and demandable
Operating advances (f)	372,330,000	-	(372,330,000)	Interest bearing	Unsecured; Due and demandable
Interest expense (f)	9,285,840	-	-	Interest bearing	Unsecured; Due and demandable
		12,527,547	(1,000,238,598)		
Cash in bank (h)	6,121,180	-	-	Interest bearing	Unsecured; Unrestricted
Interest income (h)	48,658	-	-	Interest ranges from 0.25% to 0.35%	
Bank loan (h)	559,125,000	-	-	Interest bearing	Unsecured; Unrestricted
Interest expense (h)	17,531,441	-	-	Interest is at 4.75%	

a. These pertain to advances made to the Company by ALI and AHRC to fund its operating requirements. These are non-interest bearing and are due and demandable. In 2019, the Company made advances to ALI which are non-interest bearing. No advances made to ALI for 2023 and 2022.

   Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. No impairment has been recognized in 2023 and 2022.

b. This amount represents land rental due to ALI (Note 15).

c. Management fee pertains to professional fees charged by AHRC for the services of its employees who handle project monitoring, maintain the books of accounts, review budget and monitor capital. This is non-interest bearing and is due and demandable.

d. Loyalty program expense pertains to Seda Loyalty Program billings based on a redemption ratio. Seda Loyalty Program is a guest loyalty program for Seda hotels which is operated by AHRC and was launched in 2016. (Notes 15 and 18).

e. These pertain to operating advances extended by Bay Area Hotel Ventures, Inc., Central Bloc Hotel Ventures, Inc. and One Makati Hotel Ventures, Inc. and supply of chilled water by North Eastern Commercial Corp. to the Company. These are non-interest bearing and are due and demandable and is due within one year.

f. These pertain to operating advances extended by AHI, Ayala Land Sales, Inc., AyalaLand Premier, Inc., AyalaLand Property, Management, Inc., Makati Development Corporation, Alveo Land Corporation, AyalaLand Offices, Inc., One Makati Hotel Ventures, Inc. and First Gateway Real Estate Corp. to fund the payment of the Company's bank loan from BPI. These are interest bearing and interest expense incurred amounted to P27.42 million (2022 - P9.29 million).

g. These pertain to operating advances extended by the Company to ALI Makati Hotel Property, Inc. to fund its operating expenses. These are non-interest bearing and due and demandable.

   Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. No impairment has been recognized in 2023 and 2022.

h. The Company maintains savings account with Bank of the Philippine Islands (BPI). Interest rates ranged from 0.25% to 0.35%. The Company availed a long-term unsecured loan with the same bank in August 2017 which was fully paid in 2022. The interest of the loan is at 4.75% (Note 9). No loans were availed in 2023.

Key management compensation

The key management personnel of the Company are employees of its parent, AHRC and ALI. The compensation of the said employees is paid by AHRC and ALI and as such, the necessary disclosures required by PAS 24, Related Party Disclosures are included in the financial statements of AHRC.

9 Loans payable

In August 2017, the Company entered into a 5-year unsecured peso denominated loan agreement with BPI amounting to P630.00 million, the proceeds of which were used to partially finance the Company's operations. This loan had an interest rate of 4.75%, matured and was fully paid in August 2022 which amounted to P559.13 million. No similar loan agreement was entered by the Company in 2023.

The Company recorded an interest expense amounting to P17.53 million in 2022 (2023 - nil).

10 Equity

(a) Paid-up capital

The details of the Company's share capital with P1.00 par value as of December 31, 2023 and 2022 follow:

	Number of shares	Amount
Common shares - P1.00 par value		
Authorized	200,000,000	
Issued and outstanding	200,000,000	200,000,000
Preferred shares - P1.00 par value		
Authorized	800,00,000	
Issued and outstanding	800,00,000	800,000,000
		1,000,000,000

The redeemable preferred shares shall have the following features, rights and privileges:

a. each redeemable preferred share shall have the same voting rights as that attached to common shares;
b. the redeemable preferred share shall be redeemable in tranches at any time as may be decided by the BOD, subject to the condition that in no case shall the redemption price of the actual number of the redeemable preferred shares to be redeemed be less than the subscription cost of such shares as recorded in the books of the Company at the time of redemption; and
c. redeemable preferred share shall have priority over the common shares in the allocation of unrestricted retained earnings for declaration of dividends, whether in the form of profits or in connection with liquidation, in such form as may be decided by the BOD, provided that such terms and conditions shall be effective after the filing of the Certificate of Incorporation with the SEC.

(b) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the current capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The objectives, policies or processes of the Company are aligned with that of ALI. There were no changes in the capital management policy of the Company in 2023 and 2022.

11 General and administrative expenses

General and administrative expenses for the years ended December 31 consist of:

	Note	2023	2022
Manpower costs		19,193,652	18,749,460
Taxes and licenses		5,499,614	3,297,850
Employee relations and training expense		4,260,947	1,521,698
Input tax expense		2,080,183	1,780,824
Professional fees		808,000	866,750
Meal expenses		752,842	655,234
Supplies		288,137	672,190
Bank charges		96,216	24,778
Provision for doubtful accounts	3	43,578	300,000
Others		6,392,021	4,038,170
		39,415,190	31,906,954

Others pertain to settlements, legal fees and other various miscellaneous expenses.

12 Sales and marketing expenses

Sales and marketing expenses for the years ended December 31 consist of:

	Notes	2023	2022
Manpower cost		8,368,295	5,981,396
Promotional and advertising expense		4,861,698	3,282,762
Loyalty program		1,926,755	1,064,441
Entertainment		1,257,595	1,112,336
Transportation		223,617	13,858
Laundry and dry cleaning		40,504	16,841
Printing and stationery	11	29,491	51,187
Guest supplies	6	10,916	13,588
Consultancy		10,000	-
Miscellaneous		570,321	331,820
		17,299,192	11,868,229

13 Income taxes

The income tax expense for the years ended December 31 consists of:

	2023	2022
Deferred	19,342,330	1,220,993
Current	3,478,150	1,116,971
Final	10,006	9,732
	22,830,486	2,347,696

The Company’s current income tax pertains to MCIT in 2023 and 2022.

The Company's net deferred income tax asset (liabilities) as at December 31 represent the tax effects of the following:

	2023	2022
Deferred income tax assets on:		
Accrued expenses	8,772,169	3,979,581
Minimum corporate income tax (MCIT)	5,514,232	2,682,141
Retirement liability	2,812,280	2,405,146
Net operating loss carry-over (NOLCO)	133,142	27,545,275
Unrealized forex loss	21,979	-
	17,253,802	36,612,143
Deferred income tax liabilities on:		
Unrealized forex gain	-	(16,011)
Remeasurement loss on retirement plan	(996,250)	(904,426)
	(996,250)	(920,437)
Deferred income tax assets (liabilities), net	16,257,552	35,691,706

The movements in the net deferred income tax assets account for the years ended December 31 are as follows:

	Note	2023	2022
Balances at January 1		35,691,706	37,530,194
Credit (charged) to profit to loss		(19,342,330)	(1,220,993)
Credited to other comprehensive income	13	(91,824)	(617,495)
		16,257,552	35,691,706

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from taxable income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of NOLCO as at December 31, which could be carried over as deduction from taxable income for three or five consecutive years following the year of incurrence, follow:

Year incurred	Year of expiry	2023	2022
2021	2026	46,447,391	46,447,391
2020	2025	63,733,710	81,880,249
		110,181,101	128,327,640
Applied		(109,648,533)	(18,146,539)
		532,568	110,181,101
Tax rate		25%	25%
		133,142	27,545,276

The Company's MCIT available for deduction against future income tax payable follows:

Year incurred	Year of expiry	2023	2022
2023	2026	3,478,150	
2022	2025	1,116,971	1,116,971
2021	2026	919,111	919,111
2020	2025	646,059	646,059
		6,160,291	2,682,141
Expired		(646,059)	-
		5,514,232	2,682,141

The reconciliation of the statutory income tax to income tax expense for the years ended December 31 follows:

	2023	2022
Income tax at statutory income tax rate	21,162,879	33,522
Tax effects of:		
Movement in unrecognized deferred tax assets	1,657,602	2,239,174
Non-deductible interest expense	12,506	77,433
Interest income already subjected to final tax	(2,501)	(2,433)
	22,830,486	2,347,696

14 Retirement benefits

The Company has unfunded, non-contributory, defined benefit retirement plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and compensation on the last year of employment as defined under Philippine Republic Act 7641. The retirement is the only long-term employee benefit. The Company's retirement plan meets the minimum retirement benefit specified by law.

The retirement benefit obligation is determined using the "Projected Unit Credit Cost" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The actuarial valuation of the Company's retirement plan was performed by an independent actuary. The latest actuarial valuation report prepared was for the year ended December 31, 2023.

The Company's retirement plan meets the minimum retirement benefit specified by law.

The components of retirement expense included under operating expenses in the statements of comprehensive income for the years ended December 31 follow:

	2023	2022
Current service cost	1,153,173	1,595,812
Interest expense	475,362	301,283
	1,628,535	1,897,095

The amounts recognized in the statements of financial position for the retirement liability represents the present value of defined benefit obligation as of reporting date.

Changes in the present value of the defined benefit obligation for the years ended December 31 are as follows:

	2023	2022
Balance at January 1	5,642,512	6,012,448
Current service cost	1,153,173	1,595,812
Interest expense	475,362	301,283
Net transfers to/from affiliates	969,919	202,948
Benefits paid	(845,221)	-
Remeasurement gain recognized in OCI	(367,294)	(2,469,979)
Balance at December 31	7,028,451	5,642,512

Changes in the remeasurement gain on defined benefit obligation, net of tax for the years ended December 31 are as follows:

	Note	2023	2022
At January 1		2,713,336	860,852
Actuarial gain (loss) due to:			
Change in financial assumptions		(717,794)	2,184,913
Experience adjustments		1,085,088	285,066
		367,294	2,469,979
Tax effect	13	(91,824)	(617,495)
Net remeasurement gain on defined benefit obligation		275,470	1,852,484
At December 31		2,988,806	2,713,336

The principal assumptions used to determine retirement benefits for the Company as of December 31 are as follows:

	2023	2022
Discount rate	6.26%	7.28%
Salary increase rate	4.00%	4.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation (DBO) as at December 31 assuming all other assumptions were held constant:

	Increase (Decrease)	2023	2022
Discount rate	1.00%	(711,327)	(442,005)
	(1.00%)	860,368	527,953
Salary increase rate	1.00%	826,603	503,420
	(1.00%)	(693,632)	(425,730)

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

	2023	2022
More than 1 year to 5 years	1,685,274	5,161,468
More than 5 years to 10 years	2,783,339	2,909,579
More than 10 years to 15 years	19,267,870	6,939,377
More than 15 years to 20 years	9,782,383	12,362,212
More than 20 years	122,373,572	90,627,844

15 Commitments

(a) Lease contract with ALI

The Company entered into a non-cancellable and renewable contract of lease with ALI for the land on which the Company was constructed with initial term of fifty (50) years commencing from the date that the Company first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3.2% of the Company's gross revenues subject to review every three (3) years. Land rental amounted to P24.52 million and P16.61 million in 2023 and 2022, respectively (Note 8).

(b) Management service agreement with AHRC

A management service agreement was entered between the Company and the Parent Company wherein the latter undertakes to render services and assistance related in the management and operation of the business of the Company in exchange for management fee. The Company will pay a base management fee equivalent to two and a half percent (2.50%) of the Company's gross revenue. The Company recognized management fee amounting to P19.16 million and P12.88 million in 2023 and 2022, respectively (Note 8).

(c) Seda loyalty program

Seda loyalty program is a guest loyalty program for Seda Hotels which is operated by AHRC wherein the latter is entitled to service fees when a Seda Hotel Property is in the operating phase. AHRC initially billed the Company a one-time participation fee based on the number of hotel rooms multiplied by P1,500. In addition, the Company will receive billings equivalent to two and a half percent (2.50%) of the related Hotel's Room revenues from the program. The Company recognized loyalty program expense amounting to P1.93 million and P1.06 million in 2023 and 2022, respectively (Note 8).

16 Financial instruments

16.1 Fair value measurement

Due to the short-term nature of the financial assets and other financial liabilities, the carrying value of cash, due from related parties, accounts and other receivables, accounts and other payables excluding taxes payable, retention payable and due to related parties approximate their fair values.

There were no transfers between level categories as of December 31, 2023 and 2022.

16.2 Financial risk management objectives and policies

Exposure to credit, liquidity, market, interest rate and foreign currency exchange risks arise in the normal course of the Company's business. The main objectives of the Company's financial risk management are consistent with that of ALI, which are as follows:

a. to identify and monitor such risks on an ongoing basis;
b. to minimize and mitigate such risks; and
c. to provide a degree of certainty about costs.

The Company's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risks are primarily attributable to financial assets.

Customer credit risk is managed by the Company subject to its established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Trade receivables are regularly monitored.

The Company's allowance for doubtful accounts on its trade receivables amounted to P0.45 million and P0.41 million as of December 31, 2023 and 2022, respectively (Note 3).

Set out below is the information about the credit risk exposure on the Company's financial assets as of December 31, 2023 and 2022 using a provision matrix:

		Days past due			
	Current (high grade)	1-30 days	>30 days	Expected credit loss	Total
2023					
Cash in banks	35,627,566	-	-	-	35,627,566
Accounts and other receivables*	39,767,640	8,187,003	50,481,711	(448,662)	97,987,692
Due from related parties	2,027,547	-	12,500,000	-	14,527,547
	77,422,753	8,187,003	62,981,711	(448,662)	148,142,805
2022					
Cash in banks	33,291,629	-	-	-	33,291,629
Accounts and other receivables*	30,915,876	10,344,756	23,749,933	(405,084)	64,605,481
Due from related parties	10,700,000	27,547	1,800,000	-	12,527,547
	74,907,505	10,372,303	25,549,933	(405,084)	110,424,657

**Excluding advances to employees as at December 31, 2023 and 2022.*

There being no collaterals or credit enhancements attached to the Company's financial assets, the Company's maximum exposure to credit risk approximates the carrying values of its financial assets as at December 31, 2023 and 2022.

(a) Cash in banks

The credit risk on deposits with banks and financial institutions is limited because the transactions are with reputable local banks and a related party. The Company does not require any collateral and other credit enhancements. While cash are also subject to the impairment requirements of PFRS 9, the expected credit loss has been assessed to be immaterial. The maximum exposure to credit risk at the reporting date is the fair value of cash in banks as presented above. The remaining cash in the statement of financial position pertains to cash on hand which is not exposed to credit risk.

(b) Accounts and other receivables

High performing receivables relates to those which are consistently collected before the maturity date, normally 30 to 90 days from billing date. Underperforming receivables include accounts from customers that are collectible beyond 90 days from billing date even without an effort from the Company to follow them up. Past due accounts classified as not impaired are those which are assessed as highly probable to be collected due to good credit standing of customers whereas those classified as impaired are assessed to be uncollectible due to the economic status of the customers.

The Company applies, if necessary, the PFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All of the Company's trade receivables had been assessed to be fully performing as at reporting date. Management has determined based on its historical loss experience that the expected credit loss on these fully performing trade receivables is not material for financial reporting purposes.

The expected credit loss on other receivables is considered to be minimal as there is no history of defaults and collections are expected to be made within 30 to 90 days.

The maximum exposure to credit risk at the reporting date is the fair value of receivables as presented above.

(c) Due from related parties

Credit exposure of the Company on due from related parties is considered to be low as there is no history of default and have strong credit standing of concerned related parties. Credit risk is negligible since the related parties are faithfully paying on normal credit terms based on contracts. There was no provision for doubtful accounts relating to amounts owed by related parties because of strong financial condition of the concerned entities. Terms are normally due on demand.

None of the financial assets that are fully performing have been renegotiated in the last year.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Company maintains a level of cash that is sufficient to finance operations and to mitigate the effects of fluctuation in cash flows. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions or from its parent company.

Overall, the Company's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Company's business.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

	≤ 1 year	> 1 year	2 to 5 years	Total
2023				
Accounts and other payables*	234,738,724	-	-	234,738,724
Due to related parties	753,953,236	-	-	753,953,236
	988,691,960	-	-	988,691,960
2022				
Accounts and other payables*	170,127,369	-	-	170,127,369
Due to related parties	1,000,238,598	-	-	1,000,238,598
	1,170,365,967	-	-	1,170,365,967

**Excluding taxes payable and guest deposits as at December 31, 2023 and 2022.*

17 Revenue from contracts with customers

(a) Disaggregated revenue information

The Company has three (3) revenue streams arising from contracts with customers, which are rooms, food and beverage and other operating departments. Revenue from rooms and other operating departments are recognized over time, while revenue from food and beverage is recognized at point in time.

(b) Contract balances

Trade receivables pertain to amounts collectible from customers arising from sales and services of the Hotel operations. These are noninterest-bearing and are normally collectible within 30 to 60 days.

Contract liabilities pertain to amounts paid by guests in advance to guarantee reservation. These are recorded under “Accounts and other payables” in the statement of financial position. These are recognized as revenue once the performance obligation has been satisfied. Guest deposits amounted to P8.83 million and P8.08 million as at December 31, 2023 and 2022, respectively (Note 7).

(c) Performance obligations

For the sale of goods and services, the performance obligation is satisfied when food and beverages are sold, and services are rendered. Payment is generally due within 30 to 60 days as the customer receives the goods and services except for some customers with specific credit terms. The Company applies the practical expedient and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

18 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments 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.

The Company makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the succeeding sections.

18.1 Critical judgments in applying the Company's accounting policies

(a) Allocation of transaction price on room services and sale of food and beverage

The Company provides room accommodation services that are bundled together with the sale of food and beverage to the guest, which is the breakfast buffet. The sale of food and beverage is a promise to provide in the future and is part of the negotiated exchange between the Company and the guest. The Company determined that both the room accommodation and breakfast buffet are capable of being distinct. In allocating the hotel room charges, the Company considers the cost plus a predetermined margin for the breakfast and assigns the remaining transaction price to revenue from room services.

(b) Impairment of hotel property and equipment; operating equipment

The Company determines whether its hotel property and equipment is impaired when impairment indicators exist. The factors that the Company considers important, which could trigger an impairment review include, among others, significant underperformance relative to the future sales performance and projected operating results and significant negative industry or economic trends. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance. As at December 31, 2023 and 2022, management believes that there were no impairment indicators on the Company's non-financial assets.

(c) Recognition of deferred tax assets

The Company reviews the carrying amounts of deferred income taxes at the reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Company's assessment is based on budgeted and forecasted taxable income in the immediately succeeding year. In such assessment, external factors which may limit the utilization of deferred tax assets are taken into consideration.

Recognized deferred tax assets as at December 31, 2023 and 2022 are disclosed in Note 13.

18.2 Critical accounting estimates and assumptions

(a) Provision for impairment of receivables

The provision for impairment of receivables and due from related parties is based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. In 2023, the Company recognized a provision for impairment of receivables amounting to P2.70 million (2022 - nil).

The carrying value of the Company's receivables is disclosed in Note 3.

(b) Estimation of useful lives of hotel property and equipment; operating equipment

Useful lives of hotel property and equipment and operating equipment are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and operating equipment are reviewed periodically and are updated if expectations differ from previous estimates due to asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned.

If the actual useful lives of the property and equipment differ by 10% (management threshold), the carrying amount of property and equipment would have been P5.32 million higher or P6.50 million lower (2022 - P5.60 million higher or P6.84 million lower) (Note 5).

(c) Provision for retirement benefits

The determination of the obligation and retirement costs is dependent on the selection of certain assumptions by management used by the actuary in calculating such amounts. Those assumptions are described in the above section and include, among others, discount rates and salary increase rates. While the Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement benefit obligation. The assumptions are reviewed at each reporting date and are adjusted as necessary to reflect the current circumstances.

The sensitivity of the defined benefit obligation to changes in the principal assumptions as at December 31 are presented in Note 14.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit asset recognized within the statement of financial position.

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

19 Summary of material accounting policies

19.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Philippine peso, which is the Company's functional currency. All values are rounded to the nearest peso, except the number of shares or when otherwise indicated.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 18.

Changes in accounting policies and disclosures

(a) New standards, amendments to existing standards and interpretations adopted

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2023:

- Disclosure of Accounting Policies – Amendments to PAS 1 and PFRS Practice Statement 2

  The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments were adopted by the Financial Reporting Standards Council on April 14, 2021 and are effective for annual periods beginning on or after January 1, 2023. The Company assessed, considering both the quantitative and qualitative characteristics, whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Company already disclosed its material accounting policies in its 2023 financial statements.

- Definition of Accounting Estimates - Amendments to PAS 8

  The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to PAS 12

  The amendments require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with (a) right-of-use assets and lease liabilities, and (b) decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets. The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

  The above amendments did not have any impact on the amounts recognized in current and prior periods and are not expected to significantly affect future periods.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

19.2 Financial instruments

19.2.1 Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through other comprehensive income ("OCI") or through profit or loss, and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Subsequent to initial recognition, measurement depends on the Company's business model for managing the asset and cash flow characteristic of the asset. For financial assets at amortized cost, interest income, if any, from these financial assets is included within the statement of total comprehensive income through profit or loss using the effective interest rate method.

(c) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. As at December 31, 2023 and 2022, the Company holds financial assets at amortized cost which consist of cash (Note 2), accounts and other receivables, excluding advances to employees,(Note 3) and due from related parties (Note 8).

Financial assets at amortized cost are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized in profit or loss using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expense).

(d) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 18 details how the Company determines whether there has been a significant increase in credit risk.

Impairment losses and subsequent recoveries on receivables are presented within the statement of total comprehensive income through profit or loss.

19.2.2 Financial liabilities

The Company classifies its financial liabilities at initial recognition in the following categories: at fair value through profit or loss (including financial liabilities held for trading and those designated at fair value) and financial liabilities at amortized cost. As at December 31, 2023 and 2022, the Company only holds financial liabilities at amortized cost.

Issued financial instruments or their components, which are not designated at fair value through profit or loss, are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder.

The Company's accounts and other payables (excluding taxes payables and guest deposits) (Note 7) and due to related parties (Note 8) in the statement of financial position are classified under financial liabilities at amortized cost.

19.3 Inventories

Inventories are stated at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Cost is determined using the moving average method. Inventories and supplies in-transit are stated at invoice cost plus importation and incidental charges.

Inventories exclude borrowing costs, if any. Inventory losses are set-up, if necessary, based on a review of the movement and current condition of each inventory item and charged to cost of sales in the statement of total comprehensive income.

Inventories are derecognized when they are sold or when there are no more future benefits to the Company. The carrying amount of those inventories is recognized as an expense and reported as cost of sales in statement of total comprehensive income in the period in which the related revenue is recognized.

19.4 Hotel property and equipment; Operating equipment

Hotel property and equipment and operating equipment are carried at historical cost less accumulated depreciation and amortization (except for work in-progress which represents equipment under construction and is stated at cost).

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of hotel property and equipment and operating equipment commences once the hotel property and equipment are available for use and is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives (in years), as follows:

Hotel building and improvements	40
Machinery and equipment	10
Furniture, fixtures and equipment	10
Operating equipment	5

Constructions in-progress is depreciated upon transfer to the respective asset account once completed and placed into operational use.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

Fully depreciated hotel property and equipment are retained in the accounts until they are no longer in use.

The carrying amount of an item of hotel property and equipment and operating equipment are derecognized on disposal or when no future economic benefits are expected from its use or disposal. When assets are derecognized, their cost, accumulated depreciation and amortization and accumulated impairment losses, if any, are eliminated from the statement of financial position. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are charged/credited to other income (expense) in the statement of total comprehensive income.

19.5 Impairment of non-financial assets

Assets that have definite useful life are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

19.6 Current and deferred income tax

(a) Current income tax

Current tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

(b) Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted as of reporting date.

Deferred tax assets and liabilities relating to items recognized directly in equity are recognized in equity and not in the statement of total comprehensive income.

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

19.7 Employee benefits

(a) Retirement benefit obligation

The Company maintains a defined benefit retirement plan which is a retirement plan that is non-contributory in nature, defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on certain factors such as age, years of credited service, and salary.

The liability recognized in the statement of financial position in respect of defined benefit retirement plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. In cases when the fair value of plan assets exceeds the present value of the defined benefit obligation at the end of the reporting period, the asset recognized is adjusted to the effect of asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in personnel costs in the statement of total comprehensive income.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Bonus plans

The Company recognizes a liability and an expense for bonuses and based on a formula that takes into consideration the profit attributable to the Company's employees after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Other short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under Accounts payable and accrued expenses in the statement of financial position.

19.8 Share capital

The Company's share capital is composed of common and preferred shares at par value. The amount of proceeds from the issuance or sale of common and preferred shares representing the aggregate par value is credited to share capital. Proceeds in excess of the aggregate par or stated value of common and preferred shares, if any, are credited to share premium.

After initial measurement, share capital and share premium, if any, are carried at historical cost and are classified as equity in the statement of financial position.

19.9 Retained earnings/Dividends

Retained earnings include all current and prior years' results of operations, net of dividends declared. Retained earnings may include the effect of changes in accounting policy as may be required by the relevant standard's transitional provisions.

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

19.10 Revenue

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The following specific recognition criteria must be met before revenue and expenses are recognized:

(a) Rooms revenue

Revenue from room rentals are recognized over the period of time under the input method, a time-based measure that results in a straight-line recognition of revenue, as the customer simultaneously receives the benefits from the services rendered by the Company throughout the period when rooms are occupied, or services are performed. Payment is due generally within 30 to 60 days as the customer occupies the room and receives the services, except for some customers with specific credit terms.

The Company considers whether there are other promises in the contract that are distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of services and goods.

(b) Food and beverage revenue

Revenue from food and beverage sales are recognized at a point in time as goods are delivered. The transaction price of the goods is representative of their stand-alone selling prices. Payment is due generally within 30 to 60 days as goods are delivered, except for some customers with specific credit terms.

(c) Other operating departments revenue

Revenue from other operating departments include, among others, lobby shops, business center and car rental, laundry service, telephone service, and health club services which are recognized at a point in time as goods are delivered and over time as services are performed. The transaction prices of the related goods and services are representative of their stand-alone selling prices. Payment is due generally within 30 to 60 days as the customer receives the goods and services, except for some customers with specific credit terms.

In considering the transaction price for the revenue from rooms, food and beverages and other operating departments, the Company considers the effects of any variable consideration (e.g., rebates and discounts), noncash consideration and consideration payable to customers.

(d) Interest income

Interest income from cash in bank is recognized as the interest accrues.

19.11 Cost and expenses

Cost and expenses include expenses incurred by the Company for the generation of revenue from room rentals, food and beverage sales, and other operating departments.

19.12 Leases

(a) Variable leases

Payments associated with leases with variable lease payments, those that are based on a certain percentage of a specific measure are recognized as expenses in the statement of total comprehensive income in the period in which the condition that triggers those payments occurs.

(b) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of total comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

19.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; the difference between the proceeds and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Borrowing costs which are directly attributable to the acquisition, construction, or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) are capitalized as part of the cost of that asset. Borrowing costs not directly attributed to a qualifying asset are recognized and charged to operations in the year in which these are incurred.

19.14 Related party transactions and relationships

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

19.15 Events after the reporting date

Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

20 Reclassification

Certain amount in the statement of cash flows for the year ended December 31, 2022 have been reclassified to conform with the current year presentation.

The Company reclassified the portion of movement of due to related parties amounting to P18,017,072 as part of operating activities which was previously presented as part of financing activities in the statement of cash flows.

The reclassification did not impact previously reported equity and cash flows.

21 Supplementary information required under BSP circular No. 1075

Presented below are the additional information required by BSP Circular No. 1075 issued on February 2, 2020.

Total volume/value of remittance and/or money changing/foreign exchange transactions for the year ended December 31, 2023:

	Type of transactions	No. of transactions	Amount in USD	Amount in PHP
A.	International Inward (Payout) Remittance Transactions	-	-	-
B.	International Outward (Send Out) Remittance Transactions	41	46,537	2,560,781
C.	Domestic Inward (Payout) Remittance Transactions	-	-	-
D.	Domestic Outward (Send Out) Remittance Transactions	-	-	-
E.	Foreign Currencies Bought	463	111,085	6,080,657
F.	Foreign Currencies Sold	-	-	-
G.	International Inward (Payout) Remittance Facilitated Through VC	-	-	-
H.	International Outward (Send Out) Remittance Facilitated Through VC	-	-	-
	Exchange of VC to Philippine Peso/Other Currency	-	-	-
J.	Exchange of Philippine Peso/Other Currency to VC	-	-	-
K.	Other VC Transactions (please specify)	-	-	-

Basic quantitative indicators of financial performance as at December 31, 2023 are as follows:

Basic quantitative indicators	%
Return on Average Equity	5.55%
Return on Average Assets	2.89%

22 Supplementary information required under revenue regulations 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010, hereunder are the information on taxes and license fees paid and accrued during the taxable year.

(a) Output VAT

Net sales/receipts and output VAT declared in the Company's VAT returns filed December 31, 2023:

	Net sales/ Receipts	Output VAT
Sales of services	695,144,371	83,417,324
Sales to government	20,222,439	2,426,693
Zero rated sales	5,521,374	-
Exempt sales	45,469,414	-
	766,357,598	85,844,017

(b) Input VAT

Input VAT declared in the Company's VAT returns filed for the year ended December 31, 2023

	Philippine Peso equivalent
Balance at beginning of year	82,773,899
Input tax on capital goods exceeding P1,000,000 from previous quarter	373,303
Current year's domestic purchases/payments for:	
Services	20,266,548
Goods other than capital goods	14,857,050
Total available input VAT	118,270,800
Deductions from input VAT	
Capital goods exceeding P1,000,000	-
Allocable to exempt sales	(2,080,183)
Total allowable input VAT	116,190,617
Less claimed against output VAT	(85,844,017)
Add: Tax credit supported by BIR Form 2306	1,205,759
Balance at end of year	31,552,359

(c) Importations

The Company has no importation duties in 2023.

(d) Excise tax

The Company did not have transactions subject to excise tax for the year ended December 31, 2023.

(e) Documentary stamp tax

The Company paid documentary stamp taxes for the year ended December 31, 2023 amounting to P3,869,201, presented within general and administrative account, for its loans.

(f) Taxes and licenses

Local and national taxes paid for the year ended December 31, 2023 consist of:

	Amount
Real property taxes	12,491,454
BIR annual registration	1,000
Other	1,629,413
	14,121,867

(g) Withholding taxes

Withholding taxes paid and accrued during the year ended December 31, 2023 consist of:

	Paid	Accrued	Amount
Withholding taxes on compensation	10,269,937	1,033,849	11,303,786
Expanded withholding taxes	13,381,947	1,899,489	15,281,436
	23,651,884	2,933,338	26,585,222

(h) Tax assessments and cases

On March 8, 2024, the Company received a Letter of Authority (LOA) under eLA202300021849 for taxable period January 1 to June 30, 2023 covering VAT. As at reporting date, the Company submitted the required documents and is awaiting response from the BIR.

On March 21, 2024, the Company received an LOA under eLA202300003933 for taxable year 2022 covering all internal revenue taxes. As at reporting date, the Company submitted the required documents and is awaiting response from the BIR. The Company has not been involved in any tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2023.

AHRC Garcia, Rusty L.

From: eafs@bir.gov.ph
Sent: Thursday, May 23, 2024 2:18 PM
To: ahrcnthvi@gmail.com
Cc: GULA.VIRGIE@SEDAHOTELS.COM
Subject: Your BIR AFS eSubmission uploads were received

Hi NORTH TRIANGLE HOTEL VENTURES, INC.,

Valid files

- EAFS007899718ITRTY122023.pdf
- EAFS007899718AFSTY122023.pdf
- EAFS007899718TCRTY122023-01.pdf
- EAFS007899718OTHTY122023.pdf
- EAFS007899718RPTTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-AEBJG55L0666C9DEFNMM4ZPZ404M3Q4RSR**
Submission Date/Time: **May 23, 2024 02:18 PM**
Company TIN: **007-899-718**

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

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