



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **31 March 2025**
2. Commission Identification Number **163671**
3. BIR Tax Identification No. **000-804-342-000**
4. Exact name of issuer as specified in its charter **AyalaLand Logistics Holdings Corp.**
5. Province, country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office and postal code  
**3<sup>rd</sup> Floor Glorietta 5, Ayala Center, Makati City 1224**
8. Issuer's telephone number, including area code **(632) 8884-1106**
9. Former name, former address and former fiscal year, if changed since last report:  
**N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA  
(As of 30 April 2025)

<u>Title of each Class</u>	<u>Number of shares of common stock outstanding</u>
<b>Common shares</b>	<b>6,301,591,987</b>
<u>Amount of Debt Securities Outstanding</u>	<b>nil</b>

11. Are any or all of the securities listed on a Stock Exchange?  
Yes [  ] No [  ]

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

**Philippine Stock Exchange**                      **Common**

12. Indicate by check mark whether the registrant:
  - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)  
  
Yes [  ] No [  ]
  - (b) has been subject to such filing requirements for the past ninety (90) days.  
  
Yes [  ] No [  ]

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

Please see attached.

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

#### **Consolidated Results of Operations**

For the first quarter ended 31 March 2025, AyalaLand Logistics Holdings Corp. (ALLHC) posted consolidated revenues of P867.7 million, 33% lower than P1.3 billion last year, while cost and expenses decreased by 30% to P636.7 million from P904.6 million last year.

Net income was at P66.3 million, a decline of 69% over P210.8 million from last year pending the launch of new inventories and continuous stabilization of the leasing businesses.

Earnings per share for the period ended 31 March 2025 was at P0.01 versus the P0.03 for the same period last year.

#### ***By Business Segment***

Table below shows the revenues per segment for the three-month period ended 31 March 2025 and 31 March 2024:

Segment	Amount – P' million			Change
	2025	2024	2025 vs 2024	
Real estate sales	393.7	851.4	(457.7)	(54%)
Rental services	464.4	453.4	11.0	2%
Others	9.6	-	9.6	100%
Total	867.7	1,304.8	(437.1)	(33%)

a) As of 31 March 2025, landbank was at 180 hectares.

b) Rental revenues were attributed to:

b.1) Warehouse leasing revenues for the quarter amounted to P189.4 million, an improvement of 8% or P175.1 million versus last year.

Total GLA for warehouse leasing was at 357,000 square meters (sqm.) as of 31 March 2025.

b.2) Commercial leasing revenues for the quarter were at P229.2 million, a decrease of 3% versus last year's P237.0 million.

Commercial leasing's GLA was at 94,000 sqm. as of 31 March 2025.

b.3) Cold storage services posted revenues of P45.8 million for the quarter versus P41.3 million for the same period last year.

Total pallet position count as of 31 March 2025 was at 31,500 pallet position.

c) Other revenue was at P9.6 million as of 31 March 2025 due to sale of a noncore asset.

### **Laguna Technopark, Inc.**

For the first quarter, LTI's revenues decreased by 75% to P249.3 million from last year's P987.9 million mainly due to decrease in lot sales. Cost and expenses also decreased by 71% to P190.7 million from P656.4 million for the same period last year.

Net income for the first quarter decreased to P75.8 million versus P271.0 million last year mainly attributable to lower revenues.

### **ALogis Artico, Inc.**

For the first quarter, cold storage and dry warehouse revenues posted at P52.3 million from P73.0 million, 28% lower than the same period last year. Cost and expenses increased by 32% to P47.8 million from P36.1 million for the same period last year.

The Company incurred net loss for the first quarter amounting to P19.8 million versus net income of P9.2 million last year due to ongoing stabilization of operations in new facilities.

### **Unity Realty & Development Corporation (URDC)**

For the first quarter, URDC posted P278.7 million revenues or 735% increase compared to P33.4 million revenue for the same period last year. Cost and expenses for the quarter was P123.6 million versus last year's P19.3 million.

Net income for this quarter registered at P67.8 million, a 730% increase from net loss of P10.8 million for the same period last year mainly due to higher lot sales.

### **LCI Commercial Ventures, Inc. (LCVI)**

Revenues for the first quarter registered at P48.5 million or 4% higher than last year's P46.5 million. Moreover, cost and expenses posted at P24.2 million, which was 15% lower compared to same period last year of P28.5 million.

As a result, net income for the quarter was posted at P9.1 million compared to P4.5 million last year.

### **Orion Land Inc. (OLI)**

For the first quarter of 2025, total revenues posted at P81.3 million compared to P76.2 million last year or a 7% increase. Cost and expenses recorded at P84.7 million which was 7% higher than last year's P79.2 million.

OLI posted a net income of P3.1 million versus P2.2 million for the same period last year.

### **Tutuban Properties, Inc. (TPI)**

Revenues for the first quarter of 2025 stood at P147.8 million versus last year's P160.9 million. Cost and expenses this quarter decreased by 2% to P99.7 million from P102.2 million last year.

For the first quarter, TPI posted a net income of P19.8 million versus P26.1 million for the same period last year.

## **Financial Condition**

As of 31 March 2025, Total Assets of the Group registered at P31.2 billion or a 1% increase from P30.7 billion as of 31 December 2024. This was on account of increase in property and equipment due to opening of new facilities and intercompany lending.

Total Liabilities as of 31 March 2025 was P16.2 billion, up by 2% from the P15.9 billion as of 31 December 2024 mainly due to increase in intercompany borrowings and payables related to capital asset acquisition.

Total Equity registered at P15.0 billion, 0.5% higher than P14.9 billion as of 31 December 2024. This was attributable to the net income for the three-month period.

## **Financing Through Loans**

As of 31 March 2025, the Group had outstanding loans from a financial institution amounting to P2.4 billion.

The top 6 Key Performance Indicators of the Group were as follows:

<b>Ratio</b>	<b>Formula</b>	<b>31 March 2025</b>	<b>31 March 2024</b>	<b>31 December 2024</b>
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.05: 1 10,612,129 / 10,138,605	1.16:1 10,182,568 / 8,759,637	1.15: 1 11,320,682 / 9,846,345
Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Equity}}$	1.08: 1 16,221,250 / 14,952,616	1.04: 1 15,011,856 / 14,458,185	1.07: 1 15,854,863 / 14,884,433
Net Debt to Equity Ratio	$\frac{\text{Net Liabilities}}{\text{Equity}}$	0.93: 1 13,875,408 / 14,952,616	0.89: 1 12,846,453 / 14,458,185	0.92: 1 13,624,071 / 14,884,433
Capital Adequacy Ratio	$\frac{\text{Equity}}{\text{Total Assets}}$	0.48: 1 14,952,616 / 31,173,866	0.49: 1 14,458,185 / 29,470,041	0.48: 1 14,884,433 / 30,739,296
Book Value per Share	$\frac{\text{Equity}}{\text{Total \# of Shares}}$	2.37 14,952,616 / 6,301,592	2.29 14,458,185 / 6,301,592	2.36 14,884,433 / 6,301,592
Income per Share	$\frac{\text{Net Income}}{\text{Total \# of Shares}}$	0.01 66,307 / 6,252,148	0.03 210,797 / 6,252,148	0.11 700,756 / 6,252,148

**Current ratio** shows the Group's ability to meet its short-term financial obligation. As of 31 March 2025, the Group's current assets for every peso of current liabilities was at 1.05 from 1.15 as at 31 December 2024 mainly from sale of receivables which was used to fund the acquisitions. The Group has sufficient current assets to support its current liabilities as of the period.

**Debt to Equity ratio** indicates the extent of the Group's debt which is covered by shareholders' fund. It reflects the relative position of the equity holders. The higher the ratio, the greater the risk being assumed by the creditors. A lower ratio generally indicates greater long-term financial safety. Compared to 31 December 2024 ratio of 1.07, debt-to-equity ratio slightly increased to 1.08.

**Net Debt to Equity ratio** is a measure of the Group's financial leverage. It is calculated by dividing net liabilities over Equity. Net liabilities is the difference of Total Liabilities less deferred payables, lease liabilities, deferred income tax liabilities and cash and cash equivalents. Net debt-to-equity ratio was at 0.92 and 0.93 as at 31 December 2024 and 31 March 2025, respectively.

**Capital Adequacy Ratio** is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Group. As of 31 March 2025, the Group's Capital Adequacy Ratio was constant at 0.48.

**Book value per share** measures the recoverable amount in the event of liquidation if assets are realized at book value. The Group's book value per share as of 31 March 2025 was at P2.37 versus P2.36 as of 31 December 2024.

**Income per share** is calculated by dividing net income attributable to the equity holders of the Parent Company by the weighted average number of shares issued and outstanding. Income per share as of

31 March 2025 was P0.01 which was lower than P0.03 as of 31 March 2024 due to decline in net income.

**(i) Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.**

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries' liquidity increasing or decreasing in any material way.

**(ii) Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation**

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

**(iii) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.**

There were no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

**(iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.**

The Group's total capital expenditures in 2025 amounted to P1.7 billion of which 9% was spent for land development of industrial parks, 17% for commercial and leasing projects and 74% for land and building acquisition. This was financed through internally generated funds and intercompany borrowings.

**(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales or revenues or income from continuing operations should be described.**

There are no known trends, events or uncertainties that have material impact on net sales or revenues or income from continuing operations.

**(vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations.**

The Group did not recognize income or loss during the period that did not come from continuing operations.

**(vii) Causes of Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).**

a. Cash and cash equivalents increased by 28% to P309.9 million due to increase in operating and financing activities.

b. Receivables – net of current portion declined by 30% to P2.1 billion due to collection and sale of outstanding receivables.

c. Amounts owed by related parties – net increased to P1.0 billion or 9% higher from P932.7 million as of 31 December 2024 due to additional lending to intercompany funds.

d. Financial assets at fair value through profit or loss decreased by 50% to P2.5 million from P4.9 million due to the sale of Unit Investment Trust Fund.

- e. Other current assets increased by P91.5 million to P1.5 billion or 6% higher as of 31 March 2025 attributable to input VAT and creditable withholding taxes.
- f. Property and equipment, net increased to P2.9 billion or 73% due to the acquisition of new facilities.
- g. Income tax payable decreased to P2.4 million or 55% lower than previous year due to lower taxable income.
- h. Installment payable, net of current portion decreased by 38% to P274.8 million due to payment amortization of the outstanding liability.
- i. Deferred income tax liabilities – net increased by 5% to P287.7 million due to lot sales.
- j. Other noncurrent liabilities increased by 27% to P925.9 million driven by increase in retention payable off from additional capital asset.

**(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.**

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

**Breakdown on contribution of ALLHC’s subsidiaries (on a per type of business basis) to ALLHC’s net income as provided below:**

Parent company/holding	-	(75.1%)
Real estate - commercial leasing and industrial lot sales and development	-	152.6%
Cold storage	-	18.4%
Others	-	4.1%
		<u>100.00%</u>

**SIGNATURE**

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

Issuer:

**AYALALAND LOGISTICS HOLDINGS CORP.**

By:



**TRISTAN JOHN T. DE GUZMAN**

Chief Finance Officer/Compliance Officer  
and Chief Risk Officer

Date: 14 March 2025

## AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Financial Position  
As at March 31, 2025  
(With comparative figures as at December 31, 2024)  
(All amounts in thousands of Philippine Peso)

		(Unaudited)	(Audited)
	Notes	March 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	309,877	242,677
Receivables, net	3	2,081,906	2,989,124
Real estate held for development and sale, net	4	5,668,321	5,705,925
Amounts owed by related parties	15	1,012,724	932,702
Financial assets at fair value through profit or loss	6	2,475	4,906
Other current assets	7	1,536,826	1,445,348
<b>Total current assets</b>		<b>10,612,129</b>	<b>11,320,682</b>
<b>Non-current assets</b>			
Receivables, net of current portion	3	2,638,859	2,639,047
Financial assets at fair value through other comprehensive income	5	151,690	151,284
Investment in joint venture	8	733,653	737,607
Right-of-use of asset, net	23	983,462	999,762
Investment properties, net	9	12,126,294	12,208,487
Property and equipment, net	10	2,943,134	1,702,781
Net pension assets	20	1,519	1,519
Deferred tax assets, net		186,478	182,112
Other non-current assets	7	796,648	796,015
<b>Total non-current assets</b>		<b>20,561,737</b>	<b>19,418,614</b>
<b>Total assets</b>		<b>31,173,866</b>	<b>30,739,296</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	11	2,330,396	2,250,617
Amounts owed to related parties	15	7,341,585	7,124,850
Current portion of long-term debts	12	24,800	24,800
Income tax payable		2,422	5,390
Lease liabilities	23	36,027	36,014
Rental and other deposits	13	403,375	404,674
<b>Total current liabilities</b>		<b>10,138,605</b>	<b>9,846,345</b>
<b>Non-current liabilities</b>			
Installment payable, net of current portion	11	274,780	444,360
Long-term debts, net of current portion	12	2,415,324	2,421,089
Rental and other deposits, net of current portion	13	466,654	461,308
Lease liabilities, net of current portion	23	1,712,228	1,677,432
Deferred income tax liabilities, net		287,710	274,669
Other non-current liabilities	16	925,949	729,660
<b>Total non-current liabilities</b>		<b>6,082,645</b>	<b>6,008,518</b>
<b>Total liabilities</b>		<b>16,221,250</b>	<b>15,854,863</b>

**AyalaLand Logistics Holdings Corp. and Subsidiaries**

As at March 31, 2025  
(With comparative figures as at December 31, 2024)  
(All amounts in thousands of Philippine Peso)

*(continued)*

	Notes	(Unaudited) March 31, 2025	(Audited) December 31, 2024
<b>Equity</b>			
Equity attributable to equity holders of the Parent Company			
Capital stock	14	6,215,203	6,214,328
Additional paid-in capital	14	6,024,328	6,023,733
Shares held by a subsidiary	14	(144,377)	(144,377)
Equity reserves	25	(1,693,307)	(1,693,307)
Other comprehensive losses, net	14	(912,029)	(912,544)
Retained earnings		5,193,215	5,126,762
		14,683,033	14,614,595
Non-controlling interests		269,583	269,838
Total equity		14,952,616	14,884,433
Total liabilities and equity		31,173,866	30,739,296

The notes on pages 1 to 40 are integral part of these consolidated financial statements.

**AyalaLand Logistics Holdings Corp. and Subsidiaries**

Consolidated Statements of Comprehensive Income  
For the period ended March 31, 2025  
(with comparative figures for the period ended March 31, 2024)  
(All amounts in thousands of Philippine Peso except for earnings per share figure)

	Notes	(Unaudited) March 31, 2025	(Unaudited) March 31, 2024
<b>Revenues</b>			
Real estate sales	21	393,739	851,384
Rental services	21	320,720	332,081
Cold storage services	21	45,775	41,279
Others	23	107,492	80,086
		867,726	1,304,830
<b>Cost and expenses</b>			
Cost of real estate sales	17	230,830	546,598
Cost of rental services	17	290,075	269,847
Cost of storage services	17	34,944	26,485
Operating expenses	18	80,877	61,668
		636,726	904,598
<b>Other charges, net</b>			
Interest expense and bank charges, net	19	(184,672)	(137,653)
Provision for probable losses	24	(184)	(3,840)
Miscellaneous income (charges)	19	49,567	(34,111)
		(135,289)	(175,604)
<b>Income before income tax</b>		95,711	224,628
Income tax expense		29,404	13,831
<b>Net income for the year</b>		66,307	210,797
<b>Attributable to:</b>			
Equity holders of the Parent Company		66,453	210,681
Non-controlling interests		(146)	116
		66,307	210,797
<b>Earnings per share</b>			
Basic and diluted, for income for the year attributable			
to ordinary equity holders of the Parent Company	22	0.01	0.03

The notes on pages 1 to 40 are integral part of these consolidated financial statements.

**AyalaLand Logistics Holdings Corp. and Subsidiaries**

Consolidated Statements of Comprehensive Income  
 For the period ended March 31, 2025  
 (with comparative figures for the period ended March 31, 2024)  
 (All amounts in thousands of Philippine Peso except for earnings per share figure)

		<b>(Unaudited)</b>	(Unaudited)
	<b>Notes</b>	<b>March 31, 2025</b>	March 31, 2024
<b>Net income</b>		66,307	210,797
<b>Other comprehensive income</b>			
<i>Items that may not be reclassified to profit or loss in subsequent periods:</i>			
Unrealized gain on equity financial assets			
at fair value through other comprehensive income	5	406	-
<b>Total comprehensive income</b>		66,713	210,797
<b>Attributable to:</b>			
Equity holders of the Parent Company		66,968	210,681
Non-controlling interests		(255)	116
		66,713	210,797

The notes on pages 1 to 40 are integral part of these consolidated financial statements.

## AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Changes in Equity  
For the period ended March 31, 2025  
(with comparative figures for the period ended March 31, 2024)  
(All amounts in thousands of Philippine Peso)

Notes	Attributable to equity holders of the Parent Company						Retained Earnings	Total	Non-controlling interests	Total equity
	Capital stock (Note 14)	Additional paid-in capital (Note 14)	Shares held by a subsidiary (Note 14)	Equity reserves (Note 25)	Other comprehensive losses, net (Note 14)	Total				
<b>Balances at January 1, 2025</b>	6,214,328	6,023,733	(144,377)	(1,693,307)	(912,544)	5,126,762	14,614,595	269,838	14,884,433	
<b>Comprehensive income</b>										
Net income for the year	-	-	-	-	-	66,453	66,453	(146)	66,307	
Other comprehensive income for the year	-	-	-	-	515	-	515	(109)	406	
Total comprehensive income for the year	-	-	-	-	515	66,453	66,968	(255)	66,713	
<b>Transactions with owners</b>										
Proceeds from share subscriptions	14	875	595	-	-	-	1,470	-	1,470	
Transfer of realized valuation increment		-	-	-	-	-	-	-	-	
Total transactions with owners		875	595	-	-	-	1,470	-	1,470	
<b>Balances at March 31, 2025</b>	6,215,203	6,024,328	(144,377)	(1,693,307)	(912,029)	5,193,215	14,683,033	269,583	14,952,616	

  

Notes	Attributable to equity holders of the Parent Company						Retained Earnings	Total	Non-controlling interests	Total equity
	Capital stock (Note 14)	Additional paid-in capital (Note 14)	Shares held by a subsidiary (Note 14)	Equity reserves (Note 25)	Other comprehensive losses, net (Note 14)	Total				
<b>Balances at January 1, 2024, as previously restated</b>	6,209,956	6,020,760	(144,377)	(1,693,307)	(928,145)	4,171,573	13,636,460	270,749	13,907,209	
Adoption of PFRS 15 covered by PIC Q&A 2018-12-D	-	-	-	-	-	339,654	339,654	-	339,654	
<b>Balance at January 1, 2024, as restated</b>	6,209,956	6,020,760	(144,377)	(1,693,307)	(928,145)	4,511,227	13,976,114	270,749	14,246,863	
<b>Comprehensive income</b>										
Net income for the year	-	-	-	-	-	210,681	210,681	116	210,797	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	210,681	210,681	116	210,797	
<b>Transactions with owners</b>										
Proceeds from share subscriptions	14	312	212	-	-	-	524	-	524	
Transfer of realized valuation increment		-	-	-	-	-	-	-	-	
Total transactions with owners		312	212	-	-	-	524	-	524	
<b>Balances at March 31, 2024</b>	6,210,268	6,020,972	(144,377)	(1,693,307)	(928,145)	4,721,908	14,187,319	270,865	14,458,184	

The notes on pages 1 to 40 are integral part of these consolidated financial statements.

**AyalaLand Logistics Holdings Corp. and Subsidiaries**

Consolidated Statements of Cash Flows  
For the period ended March 31, 2025  
(with comparative figures for the period ended March 31, 2024)  
(All amounts in thousands of Philippine Peso)

		(Unaudited)	(Unaudited)
	Notes	March 31, 2025	March 31, 2024
<b>Cash flows from operating activities</b>			
Income before income tax		95,711	224,628
Adjustments for:			
Depreciation and amortization	7,9,10,17,18	124,538	111,805
Interest expense and bank charges	19	196,577	111,890
Depreciation of right-of-use assets	17,23	16,300	16,481
Provision for probable losses	24	184	3,840
(Reversal) of impairment losses on receivables	3	-	(12,680)
Equity in net loss of joint ventures	19	3,954	464
Unrealized (gain) loss on financial assets at FVPL	6	2,431	(27)
Interest income	19	(11,905)	(15,108)
Operating income before working capital changes		427,790	441,293
Increase (decrease) in:			
Receivables		907,405	(487,322)
Real estate held for sale and development		37,603	-
Other current assets		(91,478)	268,741
Other noncurrent assets		(633)	11,254
Decrease (increase) in:			
Accounts payable and accrued expenses		106,325	(78,000)
Rental and other deposits		4,048	7,569
Other noncurrent liabilities		196,288	-
Net cash flows generated from operations		1,587,348	163,535
Interest received		18,359	15,108
Interest paid		(44,326)	(42,672)
Income tax paid		(23,697)	(13,832)
Net cash generated from operating activities		1,537,684	122,139
<b>Cash flows from investing activities</b>			
Net additions to amounts owed by related parties		(87,161)	(110,927)
Acquisitions of:			
Investment in properties	9	(278,310)	(366,545)
Property and equipment	10	(1,252,313)	(103,235)
Net cash used in investing activities		(1,617,784)	(580,707)

**AyalaLand Logistics Holdings Corp. and Subsidiaries**

Consolidated Statements of Cash Flows  
 For the period ended March 31, 2025  
 (with comparative figures for the period ended March 31, 2024)  
 (All amounts in thousands of Philippine Peso)

*(continued)*

		(Unaudited)	(Unaudited)
	Notes	March 31, 2025	March 31, 2024
<b>Cash flows from financing activities</b>			
Payments of loan		(6,200)	(3,225)
Proceeds from share subscriptions, net	14	1,471	524
Net amount owed to related parties	15	152,029	388,149
Net cash flows from financing activities		147,300	385,448
<b>Net increase (decrease) in cash and cash equivalents</b>		67,200	(73,120)
Cash and cash equivalents at beginning of year		242,677	214,713
<b>Cash and cash equivalents at end of year</b>	2	309,877	141,593

The notes on pages 1 to 40 are integral part of these consolidated financial statements.

## AyalaLand Logistics Holdings Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

As at and for the period ended March 31, 2025

(with comparative figures for the year ended December 31, 2024 and for the period ended March 31, 2024)

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

### 1 Corporate and Group information

#### 1.1 Corporate information

AyalaLand Logistics Holdings Corp. (ALLHC; the “Parent Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 19, 1989. The Parent Company’s registered office address is 3rd Level Glorietta 5, Ayala Center, Makati City. The Parent Company is a subsidiary of Ayala Land, Inc. (ALI). ALI’s parent company is Ayala Corporation (AC). AC is 47.57% owned by Mermac, Inc. and the rest by the public as at December 31, 2024. Both ALI and AC are publicly-listed companies incorporated in the Philippines. The Parent Company is listed in the Philippine Stock Exchange.

ALLHC and its subsidiaries, collectively referred to as “the Group”, have principal business interests in holding companies, industrial lot development and sale, warehouse and commercial leasing and cold storage services.

#### 1.2 Group Information

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Nature of business	Percentage of Ownership	
		March 31, 2025	December 31, 2024
Laguna Technopark, Inc. (LTI)	Real estate development and warehouse leasing	100%	100%
ALogis Artico Inc. (AAI), formerly Ecozone Power Management, Inc. (EPMI)	Warehouse leasing and cold storage services	100%	100%
Unity Realty & Development Corporation (URDC)	Real estate development	100%	100%
Orion Land, Inc. (OLI)	Commercial leasing	100%	100%
Tutuban Properties, Inc. (TPI)	Commercial leasing	100%	100%
TPI Holdings Corporation (TPIHC)**	Investment holding company	100%	100%
Orion Property Developments, Inc. (OPDI)	Real estate development	100%	100%
Orion Beverage, Inc. (OBI)*	Manufacturing	100%	100%
LCI Commercial Ventures, Inc. (LCVI)	Warehouse leasing	100%	100%
Luck Hock Venture Holdings, Inc. (LHVHI)**	Other business activities	60%	60%
Orion Maxis, Inc. (OMI)*	Marketing and administrative services	100%	100%
Orion I Holdings Philippines, Inc. (OIHPI)**	Financial holding company	100%	100%
FLT Prime Insurance Corporation (FPIC)*	Non-life insurance company	78.77%	78.77%
A-FLOW Land I Corp (A-FLOW Land)	Real estate leasing	60.00%	60.00%
Orion Solutions, Inc. (OSI)*	Management information technology consultancy services	100%	100%

\* Inactive companies approved by their respective BOD for liquidation

\*\*SEC approved shortening of corporate term

All the entities in the Group are incorporated in the Philippines.

The voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interest.

LTI

LTI was incorporated on November 15, 1990 and is based in Laguna. LTI develops industrial parks and leases ready-built factory units and sells industrial lots to local and company locators. In 2022, LTI acquired a property in Padre Garcia, Batangas for the development of the future Batangas Technopark. LTI is likewise into the construction and operation of standard factory buildings located in multiple sites in Laguna, Cavite, and Pampanga.

#### *AAI*

AAI, formerly EPMI, was incorporated on August 20, 2010, was engaged in retail electricity supply. In 2022, the Company gradually assigned its retail electricity business to focus on the industrial real estate business. On January 30, 2024, the SEC approved the Company's change of corporate name. The Company is registered with PEZA as an "ecozone facilities enterprise" at the Laguna Technopark Special Economic Zone in Biñan, Laguna and as a "domestic market enterprise" engaged in operation and maintenance of a warehouse building at Light Industry and Science Park III in Sto. Tomas, Batangas.

#### *URDC*

URDC was acquired from previous individual stockholders on July 19, 2019. URDC owns a property in Pampanga which is currently being developed to be Pampanga Technopark, a world-class industrial township, which caters to light and medium, non-polluting enterprises, from both global and local markets.

#### *OLI*

OLI operates a commercial building composed of a 5-storey shopping center and a 6-storey business processing outsourcing office with a gross leasable area of 60,000 square meters located along National Road, Alabang, Muntinlupa City.

#### *TPI*

TPI operates the Tutuban Center, a 20-hectare commercial complex located in Manila City. The Tutuban Center will be the location of the North-South Railway Project (NSRP) Transfer Station which will interconnect with the LRT 2 West Station.

#### *OPDI*

OPDI handles property development. Its present landholdings include properties in Batangas and Calamba.

#### *LCVI*

LCVI was a top manufacturer of ceramic floor and wall tiles in the Philippines and has a manufacturing plant in Laguna. In 2012, LCVI ceased its manufacturing operations and started renting out its warehouses in 2014.

#### *A-FLOW Land*

A-FLOW Land was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 12, 2022. On October 4, 2022, ALLHC entered into subscription agreement with Flow Luna | Property Pte. Ltd (FLOW) representing 60% interest in A-FLOW Land. A-FLOW Land's primary purpose is to engage in the land leasing business.

### **1.3 Approval of financial statements**

The accompanying consolidated financial statements of the Group as at March 31, 2025 and December 31, 2024, and for the period ended March 31, 2025 and December 31, 2024 were approved by the Parent Company's Audit Committee in a meeting dated May 8, 2025.

## 2 Cash and cash equivalents

Details of the account are as follows:

	March 31, 2025	December 31, 2024
Cash on hand	407	407
Cash in bank	309,470	242,270
Cash equivalent	-	-
	<u>309,877</u>	<u>242,677</u>

Cash in banks earn interest at the respective bank deposit rates.

Cash equivalents pertain to short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of acquisition and subject to an insignificant risk of changes in value.

Interest earned from cash and cash equivalents amounted to P0.31 million in 2025 (2024 – P0.25 million) (Note 19).

## 3 Receivables, net

Details of the account are as follows:

	March 31, 2025	December 31, 2024
Trade receivables		
Land sales	3,639,818	4,529,068
Receivables from tenants	818,383	848,707
Non-trade receivables	535,201	523,033
	<u>4,993,402</u>	<u>5,900,808</u>
Less: allowance for expected credit losses	272,637	272,637
	<u>4,720,765</u>	<u>5,628,171</u>
Less: non-current portion	2,638,859	2,639,047
Receivables, current portion	<u>2,081,906</u>	<u>2,989,124</u>

Receivables from land sales represent amounts arising from sale of industrial and commercial lots, which are collectible in monthly installments within two to ten years from the date of sale.

Receivables from tenants represent the outstanding receivables arising from the lease of warehouse units, mall and office spaces and cold storage operations which are collectible within 30 days from billing date.

Non-trade receivables consist mainly of receivables from the government related to expropriation against certain properties of the Group, omnibus loan to a consolidator, a fully provided collateralized receivable from a third party after OLI's sale of its previously owned investment in equity securities and a fully provided insurance receivables from policyholders, insurance agents and reinsurance companies. These are noninterest-bearing and are due and demandable.

The allowance for expected credit losses on trade receivables and nontrade receivables as at March 31, 2025 and December 31, 2024 are P77.59 million and P195.05 million respectively.

#### 4 Real estate held for development and sale, net

Details of the account are as follows:

	March 31, 2025	December 31, 2024
Land	5,708,169	5,745,773
Less: allowance for inventory write-down	39,848	39,848
	5,668,321	5,705,925

Land consists of parcels of land located in Cavite, Misamis Oriental, Laguna, Batangas, Tarlac and Pampanga.

The composition of inventoriable costs as at March 31, 2025 and December 31, 2024 follows:

	March 31, 2025	December 31, 2024
Land cost	5,425,677	5,420,363
Construction overhead and other related costs	282,492	325,410
	5,708,169	5,745,773

The roll forward analysis of real estate held for development and sale follows:

	Note	March 31, 2025	December 31, 2024
Balance at the beginning of the year		5,745,773	5,085,049
Acquisition		-	464,814
Development costs incurred		151,517	1,946,590
Cost of real estate (excluding commission)	17	(189,121)	(1,750,680)
		5,708,169	5,745,773
Less allowance for inventory write-down		39,848	39,848
		5,668,321	5,705,925

Sale of real estates recognized in 2025 amounted to P393.74 million (2024 – P851.38 million) (Note 22). Real estate inventories recognized as cost of real estate sales amounted to P189.12 million (2024 – P421.04 million) (Note 17).

There are no real estate inventories held as collateral as at March 31, 2025 and December 31, 2024.

#### 5 Financial assets at FVOCI

Details of the account are as follows:

	Note	March 31, 2025	December 31, 2024
Equity securities	16	127,129	114,387
Debt securities		24,561	36,897
		151,690	151,284

Equity securities mainly pertain to quoted golf club shares and 19.65% equity interest in Cyber Bay Corporation.

The Group's investment in Cyber Bay Corporation amounting to P458.07 is fully provided of the allowance. As at March 31, 2025 and December 31, 2024, the book value of Cyber Bay shares amounted to nil.

Debt instruments pertain to quoted government securities.

Movement of financial assets at FVOCI for the years ended March 31, 2025 and December 31, 2024 follows:

	March 31, 2025	December 31, 2024
Beginning of year	151,284	126,614
Unrealized gain	406	24,670
End of year	151,690	151,284

Interest earned from financial assets at FVOCI amounted to P0.69 million in 2025 (2024 – P0.64 million) (Note 19).

## 6 Financial assets at FVPL

This account pertains to investments in redeemable preferred shares and Unit Investment Trust Fund (UITF) designated as financial assets at FVPL.

Movements of financial assets at FVPL for the period ended March 31, 2025 and December 31, 2024 follows:

	March 31, 2025	December 31, 2024
Beginning of year	4,906	4,798
Realized gain (loss)	(2,431)	108
End of year	2,475	4,906

There were no dividend income earned from these shares in March 31, 2025 and December 31, 2024.

## 7 Other assets

Details of the account are as follows:

	March 31, 2025			December 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Input VAT	862,560	452,452	1,315,012	824,450	452,452	1,276,902
Creditable withholding taxes	210,254	233,275	443,529	181,119	233,275	414,394
Advances to suppliers and contractors	335,740	-	335,740	345,452	-	345,452
Refundable deposits	6,141	108,831	114,972	6,135	108,651	114,786
Prepayments	125,994	-	125,994	91,811	-	91,811
Others	5,090	2,090	7,180	5,334	1,637	6,971
	1,545,779	796,648	2,342,427	1,454,301	796,015	2,250,316
Less allowance for impairment losses	8,953	-	8,953	8,953	-	8,953
	1,536,826	796,648	2,333,764	1,445,348	796,015	2,241,363

Input value added tax (VAT) pertains to VAT passed on from purchases of goods, services and capital goods which is available for application against output VAT.

Creditable withholding taxes (CWTs) are available for offset against income tax payable in the future periods.

Advances to suppliers and contractors pertain to advance payment to land owners for purchases of land and service contractors for construction services of the Group's real estate held for development and sale.

Refundable deposits pertain to deposits made to utility companies, other suppliers and various miscellaneous deposits.

Prepayments pertain to prepaid insurance, taxes and licenses and other prepaid expenses that are to be amortized over a period of one (1) year.

Others include software costs with depreciation expense recognized amounting to P0.01 million in 2025 (2024 - nil) (Note 18).

There were no provisions for impairment losses for the period ended March 31, 2025 and December 31, 2024 (Note 18).

## 8 Investments in joint venture

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 (A-FLOW PropCo), a joint venture involved in the establishing, developing, operating, leasing, and owning digital, critical, and physical infrastructure of and for data center facilities and other digital transformative technologies, as well as to render and provide services ancillary to the foregoing.

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 ration.

Investments in joint ventures are accounted under the equity method of accounting.

Movement in investment in joint venture follows:

	Note	March 31, 2025	December 31, 2024
Beginning of the year		737,607	677,773
Investment including transaction costs during the year		-	83,000
Share in net loss during the year	19	(3,954)	(23,166)
End of year		733,653	737,607

Set out below is the summarized financial information for A-FLOW PropCo as at and for the period ended March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Current assets	350,681	771,681
Non-current assets	2,657,138	2,329,639
Current liabilities	(1,309)	(226,901)
Non-current liabilities	(1,850,000)	(1,710,000)
Equity	1,156,510	1,164,419
Revenue during the year	2	210
Net loss during the year	(3,954)	(46,333)
Total comprehensive loss during the year	(3,954)	(46,333)

ALLHC did not receive any dividends from A-FLOW PropCo for the period ended March 31, 2025 and December 31, 2024.

ALLHC has not incurred any contingent liabilities as at March 31, 2025 and December 31, 2024 in relation to its interest in the joint ventures, nor do the joint ventures themselves have any contingent liabilities for which the ALLHC is contingently liable.

## 9 Investment properties

Details of the account are as follows:

March 31, 2025	Notes	Building and improvements	Land improvements	Construction in progress	Total
<b>Cost</b>					
Beginning of year		12,321,667	3,743,829	676,032	16,741,528
Additions during the year		8,975	-	21,400	30,375
Reclassifications during the year		6,548	-	(6,548)	-
End of year		12,337,190	3,743,829	690,884	16,771,903
<b>Accumulated depreciation</b>					
Beginning of year		4,496,069	36,972	-	4,533,041
Depreciation during the year	17,18	112,568	-	-	112,568
At end of year		4,608,637	36,972	-	4,645,609
<b>Net book values</b>		<b>7,728,553</b>	<b>3,706,857</b>	<b>690,884</b>	<b>12,126,294</b>

December 31, 2024	Notes	Building and improvements	Land improvements	Construction in progress	Total
<b>Cost</b>					
Beginning of year		12,049,402	3,636,622	529,917	16,215,941
Additions during the year		116,046	107,207	302,334	525,587
Reclassifications during the year		156,219	-	(156,219)	-
End of year		12,321,667	3,743,829	676,032	16,741,528
<b>Accumulated depreciation</b>					
Beginning of year		4,069,857	32,661	-	4,102,518
Depreciation during the year	17,18	426,212	4,311	-	430,523
At end of year		4,496,069	36,972	-	4,533,041
<b>Net book values</b>		<b>7,825,598</b>	<b>3,706,857</b>	<b>676,032</b>	<b>12,208,487</b>

### *Fair Value of Investment Properties*

The aggregate fair value of the Group's investment properties amounted to P19,716.71 million as at March 31, 2025 and December 31, 2024. The fair value of the Group's investment properties is determined by independent professionally qualified appraisers, based on the latest valuation reports. Fair value was measured using income approach method with expected rental income and expenses as inputs (except URDC where sales comparison approach method has been used with comparable selling price as inputs). The fair value of the Group's investment property falls under Level 3 of the fair value hierarchy. The Group has no restriction on the realizability of its investment properties and no obligation to either purchase, construct or develop or for repairs, maintenance and enhancements.

## 10 Property and equipment

Details of the account are as follows:

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
March 31, 2025									
<b>Cost</b>									
Beginning of year		356,433	1,027,337	11,122	68,491	40,075	148,346	264,751	1,916,555
Additions during the year		180,970	1,019,237	2,518	-	-	-	58,130	1,260,855
Disposals during the year		-	-	-	-	-	-	-	-
Reclassifications during the year		-	-	-	(6,049)	(1,053)	(1,441)	-	(8,543)
End of year		537,403	2,046,574	13,640	62,442	39,022	146,905	322,881	3,168,867
<b>Accumulated depreciation and amortization</b>									
Beginning of year		-	74,324	4,749	59,308	24,689	50,704	-	213,774
Depreciation and amortization during the year	17,18	-	7,035	184	711	1,388	2,641	-	11,959
Disposals during the year		-	-	-	-	-	-	-	-
End of year		-	81,359	4,933	60,019	26,077	53,345	-	225,733
<b>Net book values</b>		537,403	1,965,215	8,707	2,423	12,945	93,560	322,881	2,943,134

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
December 31, 2024									
<b>Cost</b>									
Beginning of year		356,433	719,317	5,537	61,210	34,282	75,899	164,696	1,417,374
Additions during the year		-	2,214	5,585	7,281	6,115	72,447	405,861	499,503
Disposals during the year		-	-	-	-	(322)	-	-	(322)
Reclassifications during the year		-	305,806	-	-	-	-	(305,806)	-
End of year		356,433	1,027,337	11,122	68,491	40,075	148,346	264,751	1,916,555
<b>Accumulated depreciation and amortization</b>									
Beginning of year		-	54,078	3,578	57,626	19,667	48,029	-	182,978
Depreciation and amortization during the year	17,18	-	20,246	1,171	1,682	5,070	2,675	-	30,844
Disposals during the year		-	-	-	-	(48)	-	-	(48)
End of year		-	74,324	4,749	59,308	24,689	50,704	-	213,774
<b>Net book values</b>		356,433	953,013	6,373	9,183	15,386	97,642	264,751	1,702,781

## 11 Accounts payable and accrued expenses; Installment payables

Details of the account are as follows:

	Note	March 31, 2025	December 31, 2024
Trade payables		1,444,865	1,314,386
Payable to government agencies		392,146	405,286
Current portion of installment payables		265,381	284,511
Provision	25	89,602	89,418
Accrued expenses		58,268	75,964
Others		80,034	81,052
		2,330,296	2,250,617

Trade payable and accrued expenses are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are noninterest-bearing and are normally settled on thirty (30) days' term. Accrued expenses are noninterest-bearing and are normally settled on sixty (60) days' term or due and demandable. These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

### *Installment payables*

This account pertains to the unpaid portion of the purchased price of investment properties and property and equipment acquired on installment basis. Details as at March 31, 2025 and December 31, 2024 follow:

	March 31, 2025	December 31, 2024
Current portion	265,381	284,511
Non-current portion	274,780	444,360
	540,161	728,871

Movements in the unamortized discount of the Group's long-term installment payable follows:

	March 31, 2025	December 31, 2024
Beginning of year	29,187	57,663
Accretion for the year	(5,372)	(28,476)
End of year	23,815	29,187

## 12 Long-term debts

The Group availed the following unsecured long-term debts with local banks for working capital requirements:

Loan	Borrower	Date availed	March 31,	December 31,	Details
			2025	2024	
			Outstanding balance		
1	ALLHC	November 2021	1,273,875	1,277,100	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at March 31, 2025 and December 31, 2024, respectively.
2	LTI	November 2021	681,375	683,100	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at March 31, 2025 and December 31, 2024, respectively.
3	AAI	September 2022	371,135	372,068	- Matures in September 2032 - Interest rate per annum is at 6.66% and 6.80% as at March 31, 2025 and December 31, 2024, respectively.
4	AAI	September 2022	126,365	126,682	- Matures in November 2032 - Interest rate per annum is at 6.66% and 6.80% as at March 31, 2025 and December 31, 2024, respectively.
			2,452,750	2,458,950	
Less: Deferred transaction costs			(12,626)	(13,061)	
			2,440,124	2,445,889	

Movements in long-term debts for the period ended March 31, 2025 and December 31, 2024 are as follows:

	Note	March 31, 2025	December 31, 2024
Beginning of year		2,445,889	2,465,064
Payments for the current year		(6,200)	(21,050)
Amortization of deferred transaction costs	19	435	1,875
End of year		2,440,124	2,445,889

Total interest expense arising from bank loans amounted to P41.49 million for 2025 (2024 – P40.05 million) (Note 19)

These loans require that the borrowers comply with certain covenants including, among others, a bank debt to tangible net worth ratio. As at March 31, 2025 and December 31, 2024, the Group has complied with the loan covenants.

### 13 Rental and other deposits

Details of the account are as follows:

	March 31, 2025			December 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits	291,918	270,535	562,453	289,694	280,888	570,582
Rental deposits	63,758	182,945	246,703	68,468	169,838	238,306
Construction bond	35,245	687	35,932	34,048	538	34,586
Customer deposits	9,214	-	9,214	9,214	-	9,214
Others	3,240	12,487	15,727	3,250	10,044	13,294
	403,375	466,654	870,029	404,674	461,308	865,982

Tenants are required to post security deposits, which shall be refunded, without interest, within sixty (60) days after the expiration of the lease period, deducting the amount of damages to the leased premises, if any.

Security deposits also include deposits that may be refunded or applied to any outstanding account of the customers at the end of the retail electricity supply term. The duration of these deposits ranges from three to six months.

Rental deposits are equivalent to tenant's three month's current rent and shall be increased annually or as is when the rental rate increases. These are paid upon signing of the contract of lease or possession of leased premises, whichever comes first and can be applied as payment for rent due for the last three months of the lease.

Construction bond is tenants' payments as security for repairs or any damaged caused to the Group's property arising out of or in connection to any loss, damage, or destruction to the leased premises as a result of the renovation or construction. The construction bond shall be equivalent to tenant's one month's minimum rent and can be applied as payment for outstanding accounts provided that they are in compliance with the construction guidelines and requirements imposed by the Group.

Customer deposits pertain to reservation deposits of the tenants which will form part of the payment of rent upon commencement of lease.

### 14 Equity

#### *Capital stock and additional paid-in capital*

Details of the Parent Company's capital stock and additional paid-in capital follows:

	March 31, 2025		December 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Authorized, P1 par value	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000
Issued	6,158,660,192	6,158,660,192	6,158,660,192	6,158,660,192
Subscribed	142,931,795	142,931,795	142,931,795	142,931,795
Subscription receivable		(86,388,360)		(87,263,931)
Issued and outstanding	6,215,203,627	6,215,203,627	6,214,328,056	6,214,328,056
Additional paid-in capital		6,024,328,637		6,023,733,248

Capital stock and additional paid-in capital increased by P0.9 million and P0.6 million, net of stock transaction costs, respectively, following collection of subscription receivable (2024 – P4.4 million and P3.0 million), respectively.

The Parent Company's track record of capital stock follows:

	Number of shares registered	Issue/offer price	Date of approval	Number of holders at year end
January 1, 2021	6,153,452,792			784
Add:				
Additional issuance	3,584,000	1.00/share	November 10, 2015	
Additional issuance	1,277,400	1.68/share	November 10, 2015	
Additional issuance	346,000	1.00/share	May 19, 1989	
December 31, 2021	6,158,660,192			740
December 31, 2022	6,158,660,192			727
December 31, 2023	6,158,660,192			734
December 31, 2024	6,158,660,192			735
March 31, 2025	6,158,660,192			734

#### *Shares held by a subsidiary*

In 2019, OLI subscribed to 49,444,216 shares of the Parent Company for a total consideration amounting to P144.38 million. As at December 31, 2024 and 2023, the listing of these shares is still pending with the Philippine Stock Exchange (PSE).

#### *Other comprehensive losses, net*

Details of the Parent Company's other comprehensive losses, net follows:

	Note	March 31, 2025	December 31, 2024
Revaluation increment	9	165,682	165,682
Unrealized loss on financial assets at FVOCI	5	(1,033,737)	(1,034,252)
Loss on measurement of retirement benefits	20	(43,974)	(43,974)
		(912,029)	(912,544)

#### *Capital Management*

The primary objective of the Group's capital management is to optimize the use and earnings potential of the Group's resources and considering changes in economic conditions and the risk characteristics of the Group's activities.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes as at March 31, 2025 and December 31, 2024.

As at March 31, 2025 and December 31, 2024, the Group considers its capital stock, additional paid in capital and retained earnings as its capital.

The Group is not subject to externally imposed capital requirements.

## **15 Related party transactions**

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 enterprises and its key management personnel, directors or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Group has an approval requirement and limits on the amount and extent on any related party transactions.

The Parent Company and its subsidiaries, in their normal course of business, have entered into transactions with related parties principally consisting of interest and noninterest-bearing advances with no fixed repayment terms and are due and demandable. These transactions are normally settled in cash. The assessment of impairment is undertaken at each financial year-end by examining the financial position of the related parties and the market in which the related parties operate. As at March 31, 2025 and December 31, 2024, the Group has not recognized any impairment on its amounts owed by related parties.

Amounts owed by related parties

	Transactions for the year		Due from		Terms and condition
	March 31, 2025	March 31, 2024	March 31, 2025	December 31, 2024	
<b>Loans to related parties</b>					These are unsecured, unguaranteed, interest bearing and collectible in cash within 12 months. Interest rate is at 5.60% to 5.95% per annum.
<i>Immediate Parent Company</i>	-	-	-	-	
<i>Entities under common control</i>	671,106	29,695	919,810	842,570	
	671,106	29,695	919,810	842,570	
<b>Interest Income (Note 19)</b>					Interest income is due and demandable and shall be collected based on interest rates agreed between parties.
<i>Immediate Parent Company</i>	212	230	582	582	
<i>Entities under common control</i>	10,697	13,182	43,499	43,615	
	10,909	13,412	44,081	44,197	
<b>Service fees</b>					The Group entered into various service agreement including management and supervision of planning, design, construction and commissioning of real estate projects. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
<i>Immediate Parent Company</i>	-	-	-	22,010	
<i>Entities under common control</i>	-	-	3,153	4,895	
<i>Other Related Parties</i>	-	-	33	2,509	
	-	-	3,186	29,414	
<b>Leases and others</b>					The Group entered into commercial space short-term lease agreements as lessor with its related parties. In consideration, lease fee are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
<i>Immediate Parent Company</i>	-	-	12,259	16,521	
<i>Other Related Parties</i>	-	-	33,388	-	
	-	-	45,647	16,521	
	682,015	43,107	1,012,724	932,702	

Amounts owed to related parties

	Transactions for the year		Due to		Terms and condition
	March 31, 2025	March 31, 2024	March 31, 2025	December 31, 2024	
<b>Loans from related parties</b>					These are unsecured, unguaranteed, interest bearing and payable in cash within 12 months. Interest rate is at 5.60% to 6.60% per annum. These loans were obtained to fund the Company's working capital requirements and business operations.
<i>Immediate Parent Company</i>	-	(409,470)	46,630	658,054	
<i>Entities under common control</i>	1,891,502	754,568	5,420,662	4,684,746	
	1,891,502	345,098	5,467,292	5,342,800	
<b>Interest expense (Note 19)</b>					Interest expense is due and demandable and shall be payable based on interest rates agreed between parties
<i>Immediate Parent Company</i>	2,210	89	16,543	12,537	
<i>Entities under common control</i>	67,755	75,098	137,241	76,539	
	69,965	75,187	153,784	89,076	
	1,961,467	420,285	5,621,076	5,431,876	

	Transactions for the year		Due to		Terms and condition
	March 31, 2025	March 31, 2024	March 31, 2025	December 31, 2024	
<b>Management fees and systems cost (Note 17 and 18)</b>					The Group entered into system cost and management fee agreement with its related parties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and payable in on demand.
<i>Immediate Parent Company</i>	8,131	90,457	1,354,682	1,314,642	
<i>Entities under common control</i>	-	-	1,542	3,300	
	8,131	90,457	1,356,224	1,317,942	
<b>Construction contracts</b>					The Group has engaged the services of its related parties for the technical due diligence, land development and construction of facilities within its real estate properties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and payable in on demand.
<i>Immediate Parent Company</i>	-	-	-	-	
<i>Entities under common control</i>	114,766	-	214,366	221,959	
	114,766	-	214,366	221,959	
<b>Service and other fees</b>					The Group engaged its related parties for certain service agreements including legal and professional services. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
<i>Entities under common control</i>	-	-	380	3,534	
<b>Purchase of real property</b>					The Group acquired from its related parties, parcel of lots intended for industrial park development at agreed price. These are unsecured, unguaranteed, noninterest bearing and payable on demand.
<i>Ultimate Parent Company</i>	-	-	149,539	149,539	
<b>Deposit for future stock subscription</b>					
<i>Non-controlling interest</i>	-	-	-	-	
	122,897	90,457	1,720,509	1,692,974	
	2,084,364	510,742	7,341,585	7,124,850	

#### Compensation of key management personnel

The key management personnel of the Group are employees of ALI. As such, the compensation of the said employees is paid by ALI, the necessary disclosures required by PAS 24, Related Party Disclosure are included in the financial statements of ALI. Compensation for said employees are billed to the Group and form part of systems cost.

## 16 Other non-current liabilities

Details of the account are as follows:

	March 31, 2025	December 31, 2024
Subscription payable	481,675	481,675
Retention payable	444,274	247,985
	925,949	729,660

As at March 31, 2025 and December 31, 2024, the Parent Company has outstanding subscription payable on common shares of Cyber Bay amounting to P481.68 million.

Retention payable pertains to an amount deducted from the contractors' progress billing which will be released after the expiration of the project's warranty period.

## 17 Cost of real estate sales, rental and storage services

### *Cost of real estate sales*

The details of this account follow:

	Notes	March 31, 2025	March 31, 2024
Cost of real estate	4	189,121	421,044
Management fee	15	29,897	84,204
Commission		11,812	41,350
		230,830	546,598

### *Cost of rental services*

The details of this account follow:

	Notes	March 31, 2025	March 31, 2024
Depreciation and amortization	7,9,10,23	117,452	110,487
Share in CUSA related expenses		100,255	78,900
Taxes and licenses		43,064	41,765
Repairs and maintenance		9,532	11,402
Insurance		4,502	896
Rental	23	3,332	2,857
Professional fees		2,091	1,889
Supplies		1,310	1,121
Management fee	15	317	6,253
Others		8,220	14,277
		290,075	269,847

### *Cost of storage services*

	Notes	March 31, 2025	March 31, 2024
Share in CUSA related expenses		17,798	12,945
Depreciation and amortization	7,9,10,23	11,416	7,970
Taxes and licenses		1,241	1,816
Rental	23	1,520	675
Repairs and maintenance		702	588
Supplies		668	77
Insurance		294	175
Others		1,305	2,239
		34,944	26,485

### **18 Operating expenses**

The details of this account follow:

	Notes	March 31, 2025	March 31, 2024
Personnel expenses			
Compensation and employee benefits		37,434	24,496
Retirement expense	20	1,151	3,236
		38,585	27,732
Depreciation and amortization	7,9,10	11,970	9,829
Systems costs	15	8,131	3,284
Taxes and licenses		5,156	9,896
Janitorial and security services		4,888	3,034
Professional and legal fees		3,606	324
Communication and transportation		3,307	2,188
Supplies and repairs		1,149	3,024
Others		4,085	2,357
		80,877	61,668

### **19 Interest expense and bank charges, net; Miscellaneous (charges) income**

#### *Interest expense and bank charges, net*

The details of this account follow:

	Notes	March 31, 2025	March 31, 2024
Interest expense and bank charges			
Amounts owed to related parties	15	(67,965)	(75,187)
Discount amortization on long term liabilities		(51,306)	-
Bank loan	12	(41,051)	(40,051)
Interest expense on lease liabilities	23	(35,715)	(36,691)
Discount amortization on bank loan	12	(435)	(466)
Discount amortization on security deposits	13	(89)	(354)
Bank charges		(16)	(12)
		(196,577)	(152,761)
Interest income			
Amounts owed by related parties	15	10,909	14,170
Interest income on financial assets at FVOCI	5	685	685
Cash and cash equivalents	2	311	253
		11,905	15,108
		(184,672)	(137,653)

### *Miscellaneous (charges) income*

The details of this account follow:

	Note	March 31, 2025	March 31, 2024
Equity in net loss of joint ventures	8	(3,954)	(464)
Reversal (accretion) of long outstanding accrual		48,545	(30,692)
Recoveries and other miscellaneous income (expense)		4,976	(2,955)
		49,567	(34,111)

## **20 Retirement benefits liability**

The Parent Company and LTI has a separate, funded, non-contributory retirement plan covering all its regular employees. The plan provides for retirement, separation, disability and death benefits to its members. The normal retirement benefit is based on a percentage of the employees' final monthly salary for every year of credited service. The company engage an independent actuarial valuation expert every year-end. The latest independent actuarial valuation as at December 31, 2024 was determined using the projected unit credit method in accordance with PAS 19 (R).

## **21 Segment information**

The Group's operating businesses are recognized and managed according to the nature of the products or services offered, with each segment representing a strategic business unit that serves different markets. The BOD is the chief operating decision maker of the Group. Segment assets and liabilities reported are those assets and liabilities included in measures that are used by the BOD.

Segment revenue, expenses and performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in consolidation.

### *Revenue from Contracts with Customers*

The Group derives revenue from the transfer of goods and services over time.

### *Geographical Segments*

The Group does not have geographical segments.

### *Business Segments*

The Group's operating businesses are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit.

The industry segments where the Parent Company and its subsidiaries operate are as follows: (1) Holding Company; (2) Real estate and property development - commercial leasing and industrial lot sales and development; (3) Cold storage operations; (4) Other services.

The amount of segment assets and liabilities are based on measurement principles that are similar with those used in measuring assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS Accounting Standards.

Financial information about the operations of these business segments is summarized as follows:

	Holding company	Real Estate and Property Development*	Cold Storage Operations	Others	Subtotal	Elimination	Total
<b>March 31, 2025</b>							
Revenues	-	812,254	45,775	10,593	868,622	(896)	867,726
Cost and expenses	(10,322)	(577,135)	(34,944)	(14,020)	(636,421)	(305)	(636,726)
Other income (charges)	(40,392)	(94,518)	(5,145)	4,766	(135,289)	-	(135,289)
Profit (loss) before income tax	(50,714)	140,601	5,686	1,339	96,912	(1,201)	95,711
Income tax expense (benefit)	(3)	37,537	(6,725)	(1,405)	29,404	-	29,404
<b>Net income</b>	<b>(50,711)</b>	<b>103,064</b>	<b>12,411</b>	<b>2,744</b>	<b>67,508</b>	<b>(1,201)</b>	<b>66,307</b>
<b>March 31, 2025</b>							
<b>Segment assets</b>	<b>16,257,970</b>	<b>28,373,005</b>	<b>2,035,432</b>	<b>1,878,738</b>	<b>48,545,145</b>	<b>(17,371,279)</b>	<b>31,173,866</b>
<b>Segment liabilities</b>	<b>4,713,618</b>	<b>11,134,988</b>	<b>2,535,196</b>	<b>1,171,316</b>	<b>19,555,118</b>	<b>(3,333,868)</b>	<b>16,221,250</b>
<b>March 31, 2024</b>							
Revenues	-	1,263,551	41,279	896	1,305,726	(896)	1,304,830
Cost and expenses	(10,239)	(862,928)	(26,485)	(4,743)	(904,395)	(203)	(904,598)
Other income (charges)	(66,653)	(93,860)	(8,329)	(7,575)	(176,417)	813	(175,604)
Profit (loss) before income tax	(76,892)	306,763	6,465	(11,422)	224,914	(286)	224,628
Income tax expense (benefit)	-	14,797	806	(1,772)	13,831	-	13,831
Net income	(76,892)	291,966	5,659	(9,650)	211,083	(286)	210,797
<b>December 31, 2024</b>							
Segment assets	16,029,699	28,553,318	1,457,758	1,875,791	47,916,566	(17,177,270)	30,739,296
Segment liabilities	4,436,101	12,673,821	754,770	1,173,273	19,037,965	(3,183,102)	15,854,863

\*includes lot sales and rental revenue amounting to P393.74 million and P320.72 million, respectively (2023 – P851.38 million and P332.08 million, respectively)

## 22 Earnings per share

The following table presents information necessary to calculate basic earnings per share:

	March 31, 2025	March 31, 2024
Net income attributable to equity holders of the Parent	66,453	210,681
Weighted average number of shares	6,252,148	6,252,148
Basic/diluted earnings per share	0.01	0.03

Impact of ESOWN plan is not material to the calculation of earnings per share.

## 23 Leases

### *Group as Lessee*

The Parent Company and its subsidiaries entered in the various long-term contracts for land used in its operations. Renewable lease contracts are subject to the mutual agreement of the parties and to compliance with the terms and conditions of the lease agreement.

### *TPI*

In 1990, TPI, through a Deed of Assignment, entered into a lease contract for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental, 12% escalation rate every two (2) years, additional P10 million every two (2) years, plus 2% of gross revenues. The lease covers a period of twenty-five (25) years until 2014 and is automatically renewable for another twenty-five (25) years. In 2009, TPI renewed its lease contract for another twenty-five (25) years beginning September 5, 2014 until 2039.

### *LTI*

In 2017, LTI entered into separate lease contract with ALI, Alveo Land, Corp. (Alveo) and Nuevocentro, Inc. (Nuevo) related parties, to lease parcels of land primarily for the construction, development and operation of Standard Factory Buildings (SFBs). The lease contract provided for a payment of a guaranteed minimum monthly rental with a 10% escalation rate every five (5) years. The lease contract with ALI and Alveo covers a period of twenty-five (25) years until December 31, 2041 and are renewable while the lease contract with Nuevo covers a period of thirty (30) years until October 31, 2047 and is renewable for another ten (10) years.

In 2019, LTI entered another lease contract with Nuevo still for the construction, development and operation of SFBs. The contract provided for a payment of a guaranteed minimum monthly rental with a 10% escalation rate every five (5) years. The lease covers a period of twenty-nine (29) years until October 31, 2047 and is renewable for another ten (10) years.

### *Parent Company*

In 2020, the Parent Company entered into a Contract of Lease with ALI Commercial Center, Inc., a related party, to lease a building space located primarily for administrative use of the Parent Company. The contract provided for a payment of a guaranteed fixed monthly rental. The lease covers period covers from July 1, 2020 to December 31, 2023. The Parent Company extended the lease contract until 2025.

Set out below are the carrying amounts of right-of-use assets recognized and the movements as at and for the period ended March 31, 2025 and December 31, 2024:

	Note	March 31, 2025	December 31, 2024
Beginning of year		999,762	1,066,049
Amortization expense	17	(16,300)	(66,287)
End of year		983,462	999,762

Set out below are the carrying amounts of lease liabilities and the movements as at and for the period ended March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Beginning of year	1,713,446	1,724,979
Accretion of interest	35,715	146,473
Payments	(906)	(158,006)
End of year	1,748,255	1,713,446
Less: Current portion	(36,027)	(36,014)
Non-current portion	1,712,228	1,677,432

As at and for the period ended March 31, 2025 and December 31, 2024, the maturity analysis of undiscounted lease payments follows:

	March 31, 2025	December 31, 2024
Within one (1) year	173,153	347,859
More than one (1) year to five (5) years	744,093	909,207
More than five (5) years	2,123,758	2,004,989
	3,041,004	3,262,055

As at March 31, the following are the amounts recognized in profit or loss:

	Note	March 31, 2025	March 31, 2024
Accretion of interest on lease liabilities	19	36,715	36,691
Amortization expense for right-of-use assets	17	16,300	16,481
Variable lease payments	17	4,852	3,532
		57,867	56,704

#### *Group as a Lessor (Operating leases)*

The Group has entered into commercial property leases on its buildings. These leases have remaining terms of one (1) year to less than five (5) years except for one (1) tenant with lease term of 15 years. Renewals are subject to the mutual consent of the lessor and the lessee.

The total other revenues of the Group for the period ended March 31, 2025 amounting to P107.49 million (2024 – P80.09 million) includes gross CUSA and air-conditioning charges amounting to P87.80 million (2024 – P77.38 million).

As at March 31, 2025 and December 31, 2024, future minimum rentals receivable under non-cancellable operating leases of the Group follows (amounts in thousands):

	March 31, 2025	December 31, 2024
Less than one (1) year	817,577	1,285,364
One (1) year to five (5) years	3,563,539	3,589,572
More than five (5) years	2,165,415	2,190,647
	6,546,531	7,065,583

## 24 Provisions and contingencies

The Group, in the ordinary course of business, is involved in various legal proceedings and assessments that are either pending decision by the courts or under on-going discussions. Management and its legal counsels believe that the eventual outcome of these lawsuits or claims will not have a material effect on the consolidated financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

The roll forward of the provisions follows:

	Note	March 31, 2025	December 31, 2024
Beginning of year		89,418	32,057
Provisions during the year		184	61,362
Settlements during the year		-	(4,001)
End of year	11	89,602	89,418

The detailed information normally required under PAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed as it may prejudice the outcome of the proceedings.

## 25 Share-based payments

In 2015, the Group introduced the ESOWN Plan (the Plan) wherein grantees (employees within 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 will pay for the shares subscribed through installments over a maximum period of ten (10) years.

There are no share-based compensation granted as at and for the period ended March 31, 2025 and December 31, 2024.

## 26 Financial instruments

### *Fair Value Information*

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as at March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized costs</b>				
Cash and cash equivalents	309,877	309,877	242,677	242,677
Receivables	4,720,765	4,720,765	5,628,171	5,628,171
Amounts owed by related parties	1,012,724	1,012,724	932,702	932,702
Refundable deposits	114,972	114,972	114,786	114,786
Financial assets at FVPL	2,475	2,475	4,906	4,906
Financial assets at FVOCI	151,690	151,690	151,284	151,284
	6,312,503	6,312,503	7,074,526	7,074,526
<b>Financial liabilities</b>				
Accounts payable and accrued expenses	2,123,328	2,123,328	2,200,273	2,200,273
Amounts owed to related parties	7,341,585	7,341,585	7,124,850	7,124,850
Long-term debts	2,440,124	2,440,124	2,445,889	2,445,889
Rental and other deposits	578,180	578,180	583,876	583,876
Lease liabilities	1,748,255	1,748,255	1,713,446	1,713,446
Subscription payable	481,675	481,675	481,675	481,675
	14,713,147	14,713,147	14,550,009	14,550,009

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values at March 31, 2025 and December 31, 2024 are set out below:

#### *Cash and cash equivalents*

The carrying amount of cash and cash equivalents approximates its fair values due to the short-term maturity of this financial instrument.

#### *Receivables, Accounts payable and accrued expenses and Amounts owed to and by related Parties*

The carrying amounts of the current portion of receivables, accounts payable and accrued expenses and amounts owed by related parties approximate their fair values due to their short-term nature.

The fair value of the non-current portion of land sales trade receivables as at March 31, 2025 and December 31, 2024 is based on the discounted value of future cash flows using the applicable rates for similar type of instruments. The discount rates used range from 5.23% to 6.28% in 2025 and 2024.

The fair value of the non-current portion of land sales trade receivables as at March 31, 2025 and December 31, 2024 is based on the undiscounted value of future cash flows following the Group's adoption of PIC Q&A 2018-12 and the Group's assessment that the overall impact pertaining to significant financing component is not material to the consolidated financial statements of the Group (Note 28).

Accounts payable and accrued expenses exclude payable to government agencies and provisions which are not considered financial liabilities.

#### *Refundable Deposits under Other non-current assets and Rental and Other Deposits*

The carrying amounts of current portion of rental and other deposits approximates its fair value due to the short-term maturity of this financial instrument. The fair values of noncurrent security deposit and other deposits recorded under 'Rental and other deposits' and refundable deposits recorded under 'Other noncurrent assets' are determined by discounting future cash flows using the applicable rates of similar types of instruments.

#### *Long-term debts and lease liabilities*

The fair values of long-term debts and lease liabilities are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates and current yield rates for similar borrowings with maturities consistent with those of the liabilities being valued. The discount rates used ranged from 1.02% to 5.09%.

#### *Financial Assets at FVOCI*

Except for Investment in Cyber Bay equity securities, equity financial assets that are listed are based on their quoted prices published in markets as at March 31, 2025 and December 31, 2024. Debt financial assets that are quoted are based on published market prices as at March 31, 2025 and December 31, 2024.

#### *Financial Assets at FVPL*

Listed equity securities designated as financial assets at FVPL are based on their quoted prices as at March 31, 2025 and December 31, 2024. The fair value of the UITF has been determined based on the net asset values as at reporting date, based on the nature and level of adjustments needed to be made to the NAV and the level of trading in the money market UITF.

#### *Fair Value Hierarchy*

Quoted FVOCI financial assets amounting to P151.69 million as at March 31, 2025 were classified under Level 1 (2024 - P151.28 million) (Note 5).

Quoted FVPL financial assets amounting to P2.48 million as at March 31, 2025 (2024 - P4.91 million) were classified under Level 1 (Note 6).

The fair value disclosure of receivables, long-term debt, rental and other deposits and refundable deposits as at March 31, 2025 and December 31, 2024, were classified under Level 3.

There have been no reclassifications from Level 1 to Level 2 categories in 2025 and 2024.

#### Financial Risk Management Objectives, Policies and Capital Management

The Group has various financial instruments such as cash and cash equivalents, receivables, amounts owed by/to related parties, financial assets at FVOCI, FVPL investments, deposits under other noncurrent assets, accounts payable and accrued expenses, rental and other deposits, long term debt and subscriptions payable.

The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group. The Group has other financial liabilities such as accounts payable and accrued expenses and rental and other deposits, which arise directly from its operations.

The main risks from the use of financial instruments are liquidity risk, credit risk and equity price risk.

The Group's BOD reviews and approves policies for managing these risks as summarized below.

#### *Liquidity Risk*

Liquidity risk arises when there is a shortage of funds and the Group as a consequence could not meet its maturing obligations.

In the management of liquidity, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 Year	Total
<b>March 31, 2025</b>						
Accounts payable and accrued expenses	1,444,865	-	138,302	265,381	274,780	2,123,328
Amounts owed to related parties	7,341,585	-	-	-	-	7,341,585
Long-term debts and interest payable	10,194	26,901	28,563	82,661	3,122,168	3,270,487
Rental and other deposits	-	-	-	295,158	283,022	578,180
Lease liabilities	-	43,288	43,288	86,776	2,867,652	3,041,004
Subscription payable	-	-	-	-	481,675	481,675
	8,796,644	70,189	210,153	729,976	7,029,297	16,836,259
<b>December 31, 2024</b>						
Accounts payable and accrued expenses	1,314,386	-	157,016	284,511	444,360	2,200,273
Amounts owed to related parties	7,124,850	-	-	-	-	7,124,850
Long-term debts and interest payable	11,952	24,871	37,095	74,666	3,158,726	3,307,310
Rental and other deposits	-	-	-	292,944	290,932	583,876
Lease liabilities	-	86,965	86,965	173,930	2,914,195	3,262,055
Subscription payable	-	-	-	-	481,675	481,675
	8,451,188	111,836	281,076	826,051	7,289,888	16,960,039

### *Equity Price Risk*

The Group is exposed to equity securities price risk arising from the Group's financial asset measured at FVOCI in the consolidated statements of financial position. Components of equity would increase or decrease as a result of gains or losses on such equity securities classified as financial asset measured at FVOCI. Management, however, does not foresee exposure to price risk on its financial assets at FVOCI to be significant.

### *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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group's gross maximum exposure to credit risk as at March 31, 2025 and December 31, 2024, is equal to the carrying values of its financial assets. The details follow:

	Gross maximum exposure
<hr/>	
<u>March 31, 2025</u>	
Cash in banks and cash equivalents	309,270
Trade receivables	
Land sales	3,639,818
Receivables from tenants	818,383
Non-trade receivables	535,201
Financial assets at FVOCI - quoted debt securities	24,561
	<hr/> 5,327,233 <hr/>
<u>December 31, 2024</u>	
Cash in banks and cash equivalents	242,270
Trade receivables	
Land sales	4,529,068
Receivables from tenants	848,707
Non-trade receivables	523,033
Financial assets at FVOCI - quoted debt securities	36,897
	<hr/> 6,179,975 <hr/>

### *Cash in banks and cash equivalents*

Cash in banks and cash equivalents are still subject to credit risk but impairment is deemed insignificant. Credit risk from balances with banks and financial institutions and related parties is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

### *Trade receivables - real estate receivables*

For real estate receivables, exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Applying the expected credit risk model did not result in the recognition of an impairment loss for real estate receivables in 2025 and 2024.

### *Trade receivables - receivable from tenants*

Credit risk arising from receivables from tenants of 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. The security deposits are considered in the calculation of impairment as recoveries. For existing tenants, the Group has put in place a monitoring and follow-up system. These are aged and

analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken for further assessment of paying capacity.

Set out below is the information about the credit risk exposure of the Group's trade receivables from tenants using a provision matrix excluding rental accruals:

	Current	More than 30 days	More than 60 days	More than 90 days	Total
<b>March 31, 2025</b>					
Expected credit loss rate	1.20%	11.85%	9.86%	14.75%	9.48%
Total gross carrying amount	259,853	70,223	120,408	367,899	818,383
Expected credit losses	3,129	8,324	11,877	54,261	77,591
<b>December 31, 2024</b>					
Expected credit loss rate	1.01%	11.82%	10.19%	15.46%	9.14%
Total gross carrying amount	310,764	70,406	116,521	351,016	848,707
Expected credit losses	3,129	8,324	11,877	54,261	77,591

Applying the expected credit risk model resulted in the recognition of an impairment loss for trade receivable from tenants amounting to P23.75 million and the Company written off P25.00 million of its trade debtor receivables in 2024 (Note 3). There were no impairment losses recognized in 2025.

#### *Trade receivables - retail electricity*

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 for groupings of various customer segments with similar loss pattern. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Applying the expected credit risk model did not result in the recognition of an impairment loss for trade debtors retail electricity in 2025 and 2024.

Generally, "Trade receivables" under "Receivables" receivables are written-off if past due for more than one year and are not subject to enforcement activity.

#### *Non-trade receivables*

Credit risk exposure in respect of all other counterparties is managed by setting standard business terms that are required to be met by all counterparties. An impairment analysis is performed at each reporting date to consider when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. These receivables are written off when there is no reasonable expectation of recovering the contractual cash flows. There were no impairment losses recognized in 2025 and 2024 applying the expected credit risk model. Total write offs amounted to nil in 2025 and 2024 (Note 3).

#### *Financial assets at FVOCI - quoted debt securities*

The Group's debt instruments at fair value through OCI comprise solely of government securities. 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' and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure expected credit losses (ECLs) on such instruments on a 12-month basis. Applying the expected credit risk model did not result in the recognition of an impairment loss in 2025 and 2024.

## 27 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures, at the end of the reporting period. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions 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. However, actual outcome can differ from these estimates.

### **Judgments**

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

#### *Determining the lease term of contracts with renewal and termination options - Group as 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 renewal periods for leases of land with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term since it is reasonably certain that the Group will exercise the option to renew or not exercise the option to terminate. Renewal or termination of lease is subject to mutual agreement with the lessors.

#### *Classification of joint venture*

The Group's investment in joint venture is structured in separate incorporated entity. The respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the party to the agreement only have the rights to the net assets of the joint venture through the terms of contractual arrangements.

#### *Assessing operating lease commitments - Group as lessor*

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out under operating lease arrangements.

#### *Distinction between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as investment property. In making its judgment, the Group 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 for capital appreciation and another portion that is held for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

#### *Assessing realizability of deferred income tax assets*

The Group reviews the carrying amounts of deferred income tax assets at each end of the reporting period and reduces it to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Judgments and estimation are required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and

level of future taxable income together with future tax planning strategies. However, there is no assurance that the Group will generate sufficient future taxable profits to allow all or part of its deferred income tax assets to be utilized.

The temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized, as the management has assessed that it is not probable that sufficient future taxable income will be available for which the benefit of the deferred income tax assets can be utilized, are disclosed in Note 21.

### **Estimates and assumptions**

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

#### *Leases - estimating the incremental borrowing rate*

The Group 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 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. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

#### *Provision for expected credit losses of trade and other receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables except for receivables from real estate. 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 Gross Domestic Product growth rate and inflation rate. 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 real estate receivable. 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 (gross domestic product and inflation rate) and ECLs is also 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 26.

#### *Estimating useful lives of depreciable investment properties and property and equipment*

The estimated useful lives used as bases for depreciating and amortizing the Group's investment properties and property and equipment were determined on the basis of management's assessment of the period within which the benefits of these asset items are expected to be realized taking into account actual historical

information on the use of such assets as well as industry standards and averages applicable to the Group's assets. The Group estimates the useful lives of its investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties and property and equipment 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 the factors mentioned above. A reduction in the estimated useful lives of these assets increases depreciation and amortization and decreases the carrying value of investment properties and property and equipment.

Information on the estimated useful life of investment properties and property and equipment is included in Note 28.9 and 28.10, respectively.

#### *Determining retirement benefits liability*

The cost of defined retirement obligation as well as the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligation are highly sensitive to changes in these assumptions. The assumptions are reviewed at each end of the reporting period.

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. Further details about the assumptions used are provided in Note 20.

#### *Assessing and estimating contingencies and provisions*

The Group is involved in certain disputes for which the Group has recognized provisions for probable expenses, which may be incurred, and disclosed relevant information about such contingencies.

## **28 Summary of material accounting policies**

### **28.1 Basis of preparation**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Debt and equity financial assets measured at fair value
- Certain financial instruments and lease liabilities carried at amortized cost
- Investments in joint ventures in which equity method of accounting is applied;
- Retirement benefit obligation measured at the present value of the defined benefit obligation net of the fair value of the plan assets.

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional currency. All amounts are rounded off to the nearest thousand, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

## 28.2 Statement of Compliance

The consolidated financial statements of the Group 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
- Interpretation 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 SEC.

## 28.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at March 31, 2025 and December 31, 2024 and for the period ended March 31, 2025 and March 31, 2024.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the group ceases control over a subsidiary.

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 those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control.

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:

- a. the contractual arrangement with the other vote holders of the investee;
- b. rights arising from other contractual arrangements; and
- c. the Group's voting rights and potential voting rights.

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

The financial statements of the subsidiaries are prepared for the same accounting period as the Parent Company using uniform accounting policies. All significant intercompany transactions and balances between and among the Group, including intercompany profits and unrealized profits, are eliminated in the consolidation.

Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity holders of the parent.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity as "Equity reserve" and attributed to the owners of the Parent Company.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities,

non-controlling interests and other components of equity, while the resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

#### **28.4 Changes in Accounting Policies and Disclosures**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of 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 noncurrent 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 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 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 Retained earnings is an increase of P247.25 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 Group.

#### *Future Changes in Accounting Policies*

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

#### ***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.

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.

## **28.5 Financial Instruments**

### *Financial assets*

The Company classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) fair value through profit or loss and (c) fair value through other comprehensive income (OCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company's financial assets at amortized cost category comprise of cash and cash equivalents (Note 2), receivables (Note 3) and amounts owned to related parties (Note 15) refundable deposits under other current assets (Note 7).

For financial asset at fair value through OCI, the Company had designated listed equity securities and quoted debt securities as not held for trading where management consider these investments to be strategic in nature (Note 5).

For financial asset at fair value through profit or loss (FVPL), the Company had designated equity investment as held for trading financial asset where management intended to hold them for the medium to long-term. The Company's financial asset at FVPL consist of investment in redeemable preferred shares and UITF (Note 6).

### *Impairment of financial assets*

The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from other credit enhancements (e.g., lessee's deposit) that are integral to the contractual terms.

For trade receivables except real estate receivable, the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk, instead, recognizes a loss allowance based on lifetime

ECLs at each reporting date. The Group 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.

Vintage approach accounts for expected credit losses by calculating the cumulative loss rates of a given real estate receivable 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 probability of default model.

It allows the evaluation of the loan activity from its origination period until the end of the contract period. In addition to primary drivers like macroeconomic indicators of qualitative factors such as, but not limited to, forward-looking data on inflation rate was added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points.

The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on the type of facility. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission and refurbishment. As these are future cash flows, these are discounted back to the time of default using the appropriate effective interest rate, usually being the original effective interest rate (EIR) or an approximation thereof.

The Group considers a financial asset in default generally when contractual payments are 30 days past due for commercial leasing and 90 days past due for real estate and property development or when sales are cancelled supported by a notarized cancellation letter executed by the Group and customer. 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.

For other financial assets such as nontrade receivables, insurance receivables, amounts owed by related parties, refundable deposits and other receivables, 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 and cash equivalents and short-term investments, the Group applies the low credit risk simplification. 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 (i.e., no longer low credit risk). The probability of default and loss given defaults are publicly available and are used by the Group to estimate ECLs. 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's debt instruments at fair value through OCI comprise solely of government securities. 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'.

#### *Financial liabilities*

The Group classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss (FVPL); and (b) financial liabilities at amortized cost. Financial liabilities at fair value through profit or loss is composed of two sub-categories: financial liabilities classified as held for trading and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

Management determines the classification of its financial liabilities at initial recognition.

The Group has not designated any financial liability as at fair value through profit or loss.

The Group's financial liabilities at amortized cost consist of accounts payables and accrued expenses (Note 11), amounts owned to related parties (Note 15), long-term debt (Note 12), rental and other deposits (Note 13) and lease liabilities (Note 23).

## 28.6 Fair Value Measurement

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used is the current bid price. These instruments are included in Level 1.

## 28.7 Real Estate Held for Development and Sale

Real estate held for development and sale is carried at the lower of cost and NRV. NRV is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost includes acquisition cost of the land plus development and improvement costs.

## 28.8 Investments in Joint Ventures

Investments in joint ventures are accounted under the equity method of accounting.

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 impairments 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.

## 28.9 Investment Properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at cost less any impairment in value. Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the investment properties as follows:

	Useful life in years
Land improvements	30
Buildings and improvements	7-40
Machineries and equipment	9-25

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives or the term of the lease, whichever is shorter.

## 28.10 Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation, amortization and any impairment in value. Depreciation and amortization of property and equipment are calculated on a straight-line basis over the estimated useful life of the property and equipment as follows:

	Useful life in years
Leasehold improvements	3-5
Buildings	30
Machinery and equipment	5-10
Transportation equipment	5
Furniture, fixtures and equipment	3-5

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

## 28.11 Combinations of Entities Under Common Control

Combinations of entities under common control are accounted for using the pooling of interest method. The pooling of interest method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts as at date of acquisition. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.

## 28.12 Revenue Recognition

### *Revenue from Contract 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 reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, 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 disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 28.

### *(i) Real estate sales*

The Group derives its real estate revenue from sale of industrial lots. Revenue from sale of industrial lots are recognized over time during the development period (or percentage of completion) since based on the terms and conditions of its contract with the customers, 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 based on 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.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability are recognized in the year in which the changes are determined.

*(ii) Rental and Rent Concessions*

Rental income arising from operating leases on investment properties is accounted for on a straight- line basis over the lease terms.

Rental concessions are treated as reductions to the rental income granted to lessees and accounted for as variable rent.

*(iii) Cold Storage Revenue*

The Group recognizes revenue from cold storage services over time using the output method as the customer receives and consumes the benefit from the performance of the related storage service. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed and variable amount every month.

*(iv) Interest Income*

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as financial assets at FVOCI and AFS financial assets, interest income is recorded using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

*(v) Dividend Income*

Dividend income is recognized when the Group's right to receive the payment is established.

## **28.13 Income Tax**

*Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

*Deferred tax*

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

## 28.14 Retirement Benefits Costs

The Group has a funded, non-contributory defined benefit retirement plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as retirement benefits costs under "Personnel expenses" in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as "Interest income (expense)" in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

### **28.15 Leases (Group as a lessee)**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

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 Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the Incremental Borrowing Rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To determine the incremental borrowing rate, the group:

- 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 by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

**AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES**  
**AGING OF ACCOUNTS RECEIVABLE**  
**As at March 31, 2025**

	<b>AMOUNT</b>
Current	3,953,035
1 to 30 days	71,414
31 to 60 days	7,736
61 to 90 days	16,484
Over 90 days	409,532
<b>Total trade receivables</b>	<b>4,458,201</b>
Non-trade receivables	535,201
<b>Total gross receivables</b>	<b>4,993,402</b>
Allowance for doubtful accounts	(272,637)
<b>Total receivables, net of allowance</b>	<b>4,720,765</b>