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(Company's Full Name)

[illegible][illegible][illegible][illegible]

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

TRISTAN JOHN T. DE GUZMAN

(Contact Person)

8884-1106

(Company Telephone Number)

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Month Day
(Fiscal Year)

SEC Form
17-Q

SEC Form

(Form Type)

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Month Day
(Annual Meeting)

(Firstary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total No. of Stockholders

Domestic

10

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Document ID

Cashier

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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 **30 June 2026**
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
5TH Floor Glorietta 4, 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 31 July 2026)

<u>Title of each Class</u>	<u>Number of shares of common stock outstanding</u>
Common shares	6,301,591,987

<u>Amount of Debt Securities Outstanding</u>	nil
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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
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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 second quarter ended 30 June 2026, AyalaLand Logistics Holdings Corp. (ALLHC) posted consolidated revenues of P854.2 million, 11% lower than the P959.2 million recorded in the same period last year, while cost and expenses decreased by 1% to P675.2 million from P684.5 million year-on-year. Net income amounted to P5.8 million, 85% lower than the P39.0 million recorded in the same period last year, primarily due to the extended payment terms, which resulted in longer conversion periods from gross take up to the recognition of real estate sales.

For the six-month period ended 30 June 2026, consolidated revenues decreased by 16% to P1,578.9 million from P1,826.9 million in the same period last year. Cost and expenses decreased by 9% to P1,198.7 million from P1,321.2 million in the prior-year period. Consolidated net income amounted to P10.8 million, a 90% decrease from P105.3 million last year, primarily due to the decline in real estate sales and commercial leasing revenues.

Earnings per share for the period ended 30 June 2026 was P0.00, compared with P0.02 for the same period last year.

Revenues by Business Segment

The table below shows revenues by segment for the six-month period ended 30 June 2026 and 30 June 2025.

Segment	Amount – P' million			Change
	2026	2025	2026 vs 2025	
Real estate sales	488.9	868.6	(379.7)	(43.7%)
Rental services	1,072.1	948.7	123.4	13.0%
Others	17.9	9.6	8.3	86.5%
Total	1,578.9	1,826.9	(248.0)	(13.6%)

a) As of 30 June 2026, landbank stood at 161 hectares.

b) Rental revenues were attributed to:

b.1) Warehouse leasing

Warehouse leasing revenues for the quarter increased by 11% to P189.5 million, compared with P171.4 million in the same period last year.

For the first half of 2026, warehouse leasing revenues amounted to P391.2 million, an increase of 8% from P360.8 million last year, driven by higher tenant occupancy.

Total GLA for warehouse leasing was 379,000 square meters (sqm) as of 30 June 2026.

b.2) Commercial leasing

Commercial leasing revenues for the quarter amounted to P207.9 million, a decline of 12% from P237.3 million in the same period last year.

For the six-month period, commercial leasing revenues declined by 6% to P438.4 million in 2026 from P466.5 million last year, primarily due to tenant terminations.

Commercial leasing GLA was 94,000 sqm as of 30 June 2026.

b.3) Cold storage

Cold storage services generated revenues of P124.2 million for the quarter, compared with P75.7 million for the same period last year.

For the six-month period, cold storage generated revenues of P242.5 million and P121.5 million as of 30 June 2026 and 30 June 2025, respectively, representing a 100% increase, driven by the stabilization of occupancy at additional cold storage sites.

Total pallet position count as of 30 June 2026 was 31,500 pallet positions.

c) Other revenues

Other revenues amounted to P17.9 million as of 30 June 2026, compared with P9.6 million as of 30 June 2025. The increase was primarily attributable to rental income from land leased to a related entity, while the comparative period included proceeds from the sale of a non-core asset.

ALLHC Operating Subsidiaries Financial Performance

Laguna Technopark, Inc. (LTI)

For the second quarter, LTI's revenues increased by 21% to P335.8 million from last year's P278.4 million. Cost and expenses increased also by 10% to P230.7 million from P209.5 million for the same period last year. Net income for the second quarter increased by 110% to P70.7 million versus P33.6 million year-on-year.

For the six-month period ended 30 June 2026, total revenues increased by 17% to P619.3 million from last year's P527.7 million. Cost and expenses decreased by 1% to P397.7 million from P400.2 million for the same period last year. Net income was P152.4 million or 39% higher than last year's P109.4 million. The increase was primarily driven by higher revenues from real estate sales and dry warehouse leasing.

ALogis Artico, Inc. (AAI)

For the second quarter of 2026, AAI posted revenues of P113.4 million, a 40% increase from P81.2 million in the same period last year. Cost and expenses for the quarter amounted to P88.8 million, a 26% increase from P70.3 million in the same period last year. Net loss for the quarter was P24.4 million, compared with P21.4 million net loss in the same period last year.

For the six-month period ended 30 June 2026, AAI posted revenues of P215.8 million or a 62% increase over last year's P133.5 million. Cost and expenses amounted to P172.8 million or a 46% increase compared to last year's P118.2 million. Net loss was P48.9 million, compared with P41.2 million net loss in the same period last year.

Unity Realty & Development Corporation (URDC)

For the second quarter of 2026, URDC posted P146.0 million revenues or 55% decrease compared to P326.8 million for the same period last year. Cost and expenses for the quarter decreased by 18% to P118.2 million from P143.7 million in the same period last year. Net loss for the quarter was P19.5 million, compared with net income of P113.8 million in the same period last year.

For the six-month period ended 30 June 2026, revenues registered at P202.4 million or 67% decrease over last year's P605.5 million. Cost and expenses amounted to P187.4 million or a 30% decrease compared to last year's P267.4 million. Net loss was P69.9 million or 138% decrease over P181.6 million net loss year-on-year.

LCI Commercial Ventures, Inc. (LCVI)

Revenues for the second quarter amounted to P42.4 million, a 10% increase from P38.5 million in the same period last year. Moreover, cost and expenses posted at P18.2 million which was 47% lower than P34.3 million for same period last year. As a result, LCVI recorded net income of P11.3 million for the quarter, compared with a net loss of P7.5 million in the same period last year.

For the six-month period ended 30 June 2026, revenues were at P85.2 million or 2% lower than P87.1 million last year. Cost and expenses posted at P45.8 million versus last year's P58.5 million or 22% lower. Net income was P15.6 million from P1.6 million year-on-year.

Orion Land, Inc. (OLI)

For the second quarter of 2026, total revenues posted at P71.7 million compared to P80.3 million last year or an 11% decrease. Cost and expenses recorded at P77.2 million which was 8% lower than last year's P83.8 million. OLI posted a net income of P2.8 million versus P3.2 million in the same period last year.

As of 30 June 2026, revenues were P146.6 million or a 9% decrease than the previous year's P161.7 million. Cost and expenses were P164.2 million or a 3% decrease compared to last year's P168.5 million. OLI recorded a net loss of P0.81 million, compared with net income of P6.3 million in the same period last year.

Tutuban Properties, Inc. (TPI)

Revenues for the second quarter of 2026 stood at P136.2 million versus last year's P154.0 million revenues. Cost and expenses this quarter decreased by 9% to P97.9 million from P108.1 million last year. For the second quarter, TPI posted a net income of P13.5 million versus P14.6 million for the same period last year.

As of 30 June 2026, revenues were at P291.8 million or 3% decrease over last year's P301.8 million. Cost and expenses posted at P209.8 million as compared to last year's P207.8 million. TPI registered a net income of P31.6 million or 8% decrease from last year's net income of P34.4 million.

Financial Condition

As of 30 June 2026, Total Assets of the Group is registered at P32.0 billion or a 0.5% decline from P32.2 billion as of 31 December 2025. This was mainly due to the decline in intercompany lending.

Total Liabilities as of 30 June 2026 was P16.9 billion, down by 1% from the P17.1 billion as of 31 December 2025 mainly due to decline in intercompany borrowings and deferred income tax liabilities.

Total equity remained at P15.1 billion as of 30 June 2026 compared with P15.1 billion as of 31 December 2025. This was attributable to the slight decline in other comprehensive losses for the period.

Financing Through Loans

As of 30 June 2026, the Group had outstanding loans from a financial institution amounting to P3.5 billion.

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

Ratio	Formula	30 June 2026	30 June 2025	31 December 2025
Current Ratio	<u>Current Assets</u> <u>Current Liabilities</u>	0.90: 1 10,400,813 / 11,591,179	1.08: 1 11,020,771 / 10,191,219	0.91:1 10,488,018 / 11,474,175
Debt to Equity Ratio	<u>Total Liabilities</u> <u>Equity</u>	1.12: 1 16,936,998 / 15,105,405	1.10: 1 16,533,665 / 14,991,900	1.13: 1 17,080,000 / 15,105,868
Net Debt to Equity Ratio	<u>Net Liabilities</u> <u>Equity</u>	0.98: 1 14,765,911 / 15,105,405	0.94: 1 14,061,672 / 14,991,900	1.00: 1 15,099,145 / 15,105,868

Capital Adequacy Ratio	Equity Total Assets	0.47: 1 15,105,405 / 32,042,403	0.48: 1 14,991,900 / 31,525,565	0.47: 1 15,105,868 / 32,185,868
Book Value per Share	Equity Total # of Shares	2.40 15,105,405 / 6,301,592	2.38 14,991,900 / 6,301,592	2.40 15,105,868 / 6,301,592
Income per Share	Net Income Total # of Shares	0.00 10,814 / 6,252,148	0.02 105,297 / 6,252,148	0.04 220,229 / 6,252,148

Current ratio shows the Group's ability to meet its short-term financial obligation. As of 30 June 2026, the Group had P0.90 of current assets for every P1.00 of current liabilities, compared with P0.91 as of 31 December 2025. The slight decrease was mainly attributable to lower amounts owed by related parties.

Debt to Equity ratio indicates the extent to which the Group's operations are financed by liabilities relative to shareholders' equity. A higher ratio generally indicates greater financial leverage and risk to creditors. The debt-to-equity ratio slightly decreased to 1.12 as of 30 June 2026 from 1.13 as of 31 December 2025.

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 are calculated as total liabilities less lease liabilities, deferred payables, and cash and cash equivalents. Net debt-to-equity ratio was at 0.98 and 1.00 as at 30 June 2026 and 31 December 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 30 June 2026, the Group's capital adequacy ratio remained at 47%, compared with 47% as of 31 December 2025.

Book value per share represents the amount of equity attributable to each outstanding share based on the Group's reported net assets. The Group's book value per share remained at P2.40 as of 30 June 2026, unchanged from 31 December 2025.

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 for the six-month period ended 30 June 2026 was P0.00, compared with P0.02 for the same period last year, reflecting the 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 spending in 2026 amounted to P626.1 million of which 37% was spent for land development of industrial parks, 31% for commercial and leasing projects and 32% 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 125% to P349.1 million, primarily due to increased cash flows from operating and financing activities.
- b. Amounts owed by related parties decreased by 41% mainly due to reallocation of intercompany lending within ALLHC and Ayala Land, Inc.
- c. Other current assets increased by P126.2 million, or 10%, primarily due to higher input VAT and creditable withholding taxes.
- d. Accounts payable and accrued expenses increased by 7% to P2.4 billion, primarily due to additional statutory liabilities and payables to vendors and suppliers.
- e. Income tax payable increased to P38.6 million, primarily due to higher taxable income from real estate sales.
- f. Lease liabilities decreased by 5% to P152.9 million, primarily due to payments made during the period.
- g. Rental and other deposits increased by 23% to P333.2 million, primarily due to the renewal of tenant leases.
- h. Installment payable, net of current portion decreased to nil as of 30 June 2026 from P188.7 million as of 31 December 2025 due to the transfer of the balance from the non-current to the current portion.
- i. Rental and other deposits, net of current portion decreased by 10% to P637.8 million due to the transfer of amounts from the non-current to the current portion.
- j. Deferred income tax liabilities, net declined by 13% to P258.4 million driven by increase in recognition of taxable income.

- (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	-	(788.9%)
Real estate - commercial leasing and industrial lot sales and development	-	855.3%
Cold storage	-	(0.3%)
Others	-	33.9%
		<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 August 2026

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Financial Position

As at June 30, 2026 and December 31, 2025

(All amounts in thousands of Philippine Peso)

		June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents	2	349,142	155,091
Receivables, net	3	2,231,112	2,285,475
Real estate held for development and sale, net	4	5,881,354	5,873,227
Amounts owed by related parties	14	513,878	875,103
Other current assets	6	1,425,327	1,299,122
Total current assets		10,400,813	10,488,018
Non-current assets			
Receivables, net of current portion	3	2,749,901	2,748,270
Financial assets at fair value through other comprehensive income	5	139,205	144,950
Investment in joint venture	7	1,217,056	1,217,092
Right-of-use of asset, net	22	886,511	915,323
Investment properties, net	8	12,015,982	12,064,176
Property and equipment, net	9	3,173,400	3,177,276
Deferred tax assets, net		167,038	160,706
Other non-current assets	6	1,292,497	1,270,057
Total non-current assets		21,641,590	21,697,850
Total assets		32,042,403	32,185,868
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued expenses	10	2,380,932	2,233,987
Amounts owed to related parties	14	7,560,735	7,679,491
Short-term debt and current portion of long-term debts	11	1,124,800	1,124,800
Income tax payable		38,625	4,921
Lease liabilities	22	152,907	160,407
Rental and other deposits	12	333,180	270,569
Total current liabilities		11,591,179	11,474,175
Non-current liabilities			
Installment payable, net of current portion	10	-	188,679
Long-term debts, net of current portion	11	2,385,828	2,397,938
Rental and other deposits, net of current portion	12	637,767	704,743
Lease liabilities, net of current portion	22	1,410,652	1,368,724
Net pension liabilities	19	9,736	9,736
Deferred income tax liabilities, net		258,387	296,633
Other non-current liabilities	15	643,449	639,372
Total non-current liabilities		5,345,819	5,605,825
Total liabilities		16,936,998	17,080,000

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Financial Position

As at June 30, 2026 and December 31, 2025

(All amounts in thousands of Philippine Peso)

(continued)

	Notes	June 30, 2026	December 31, 2025
Equity			
Equity attributable to equity holders of the Parent Company			
Capital stock	13	6,217,544	6,217,506
Additional paid-in capital	13	6,025,921	6,025,834
Shares held by a subsidiary	13	(144,377)	(144,377)
Equity reserves	24	(1,693,307)	(1,693,307)
Other comprehensive losses, net	13	(929,535)	(923,144)
Retained earnings		5,345,015	5,334,201
		14,821,261	14,816,713
Non-controlling interests		284,144	289,155
Total equity		15,105,405	15,105,868
Total liabilities and equity		32,042,403	32,185,868

The notes on pages 1 to 41 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the period ended June 30, 2026

(with comparative figures for the period ended June 30, 2025)

(All amounts in thousands of Philippine Peso except for earnings per share figure)

(Unaudited)					
	Notes	THREE MONTHS ENDED		SIX MONTHS ENDED	
		2026	2025	2026	2025
Revenues					
Real estate sales	20	323,658	474,833	488,866	868,572
Rental services	20	318,994	321,148	665,952	641,868
Cold storage services	20	124,250	75,716	242,540	121,491
Others	23	87,309	87,498	181,559	194,990
		854,211	959,195	1,578,917	1,826,921
Cost and expenses					
Cost of real estate sales	16	174,277	229,198	249,401	460,028
Cost of rental services	16	296,624	300,474	567,570	590,549
Cost of storage services	16	96,543	63,188	176,382	98,132
Operating expenses	17	107,782	91,603	205,306	172,480
		675,226	684,463	1,198,659	1,321,189
Other charges, net					
Interest expense and bank charges, net	18	(169,211)	(155,448)	(328,684)	(340,120)
Provision for probable losses	23	-	(4,957)	-	(5,141)
Miscellaneous income (charges)	18	23,604	(4,550)	8,845	45,017
		(145,607)	(164,955)	(319,839)	(300,244)
Income before income tax		33,378	109,777	60,419	205,488
Income tax expense		27,571	70,787	49,605	100,191
Net income for the year		5,807	38,990	10,814	105,297
Attributable to:					
Equity holders of the Parent Company		3,456	40,034	5,927	106,487
Non-controlling interests		2,351	(1,044)	4,887	(1,190)
		5,807	38,990	10,814	105,297
Earnings per share					
Basic and diluted, for income for the year attributable to ordinary equity holders of the Parent Company	21	0.00	0.01	0.00	0.02

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the period ended June 30, 2026
(with comparative figures for the period ended June 30, 2025)
(All amounts in thousands of Philippine Peso except for earnings per share figure)

(Unaudited)					
	Notes	THREE MONTHS ENDED		SIX MONTHS ENDED	
		2026	2025	2026	2025
Net income		5,807	38,990	10,814	105,297
Other comprehensive income					
Items that may not be reclassified to profit or loss in subsequent periods:					
Unrealized gain on equity financial assets at fair value through other comprehensive income	5	(2,876)	230	(6,391)	636
Total comprehensive income		2,931	39,220	4,423	105,933
Attributable to:					
Equity holders of the Parent Company		1,340	40,046	(587)	107,014
Non-controlling interests		1,592	355	5,010	472
		2,931	39,220	4,423	105,933

AyalaLand Logistics Holdings Corp. and Subsidiaries
Consolidated Statements of Changes in Equity
For the period ended June 30, 2026
(With comparative figures for the period ended June 30, 2025)
(All amounts in thousands of Philippine Peso except for earnings per share figure)

	Notes	Attributable to equity holders of the Parent Company						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 26)	Other comprehensive losses, net (Note 14)	Retained Earnings		
Balances at January 1, 2026		6,217,506	6,025,834	(144,377)	(1,693,307)	(923,144)	5,334,201	14,816,713	15,105,868
Comprehensive income									
Net income for the year		-	-	-	-	-	10,814	10,814	5,927
Other comprehensive loss for the year		-	-	-	-	(6,391)	-	(124)	(6,515)
Total comprehensive income for the year		-	-	-	-	(6,391)	10,814	(5,011)	(588)
Transactions with owners									
Proceeds from share subscriptions	13	38	87	-	-	-	-	-	125
Transfer of realized valuation increment		-	-	-	-	-	-	-	-
Total transactions with owners		38	87	-	-	-	-	-	125
Balances at June 30, 2026		6,217,544	6,025,921	(144,377)	(1,693,307)	(929,535)	5,345,015	14,821,261	15,105,405

	Notes	Attributable to equity holders of the Parent Company						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)	Retained Earnings		
Balances at January 1, 2025		6,214,328	6,023,733	(144,377)	(1,693,307)	(912,544)	5,126,762	14,614,595	14,884,433
Comprehensive income									
Net income for the year		-	-	-	-	-	106,487	106,487	105,297
Other comprehensive income for the year		-	-	-	-	527	-	109	636
Total comprehensive income for the year		-	-	-	-	527	106,487	(1,081)	105,933
Transactions with owners									
Proceeds from share subscriptions	13	913	621	-	-	-	-	-	1,534
Transfer of realized valuation increment		-	-	-	-	-	-	-	-
Total transactions with owners		913	621	-	-	-	-	-	1,534
Balances at June 30, 2025		6,215,241	6,024,354	(144,377)	(1,693,307)	(912,017)	5,233,249	268,757	14,991,900

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Cash Flows
For the period ended June 30, 2026
(with comparative figures for the period ended June 30, 2025)

	Notes	June 30, 2026	June 30, 2025
Cash flows from operating activities			
Income before income tax		60,419	205,488
Adjustments for:			
Depreciation and amortization	7,9,10,17,18	279,022	259,924
Interest expense and bank charges	19	368,414	376,253
Depreciation of right-of-use assets	17,24	32,781	32,781
Provision for probable losses	25	-	5,141
Provision for impairment losses on receivables	3	-	6,366
Equity in net loss of joint ventures	19	36	11,226
Unrealized loss on financial assets at FVPL		-	2,431
Interest income	19	(39,730)	(36,134)
Operating income before working capital changes		700,942	863,476
Increase (decrease) in:			
Receivables		52,731	762,561
Real estate held for sale and development		(8,125)	(293,808)
Other current assets		(126,224)	18,112
Other noncurrent assets		(23,379)	(38)
Decrease (increase) in:			
Accounts payable and accrued expenses		197,158	(215,645)
Amounts owed to related parties		8,182	71,770
Rental and other deposits		(4,365)	442,878
Other noncurrent liabilities		4,074	1,649,306
Net cash flows generated from operations		800,994	863,476
Interest received		40,968	13,243
Interest paid		(297,864)	(199,590)
Income tax paid		(60,478)	(122,411)
Net cash generated from operating activities		483,620	1,340,548
Cash flows from investing activities			
Net additions to amounts owed by related parties		(24,000)	(11,108)
Acquisitions of:			
Investment in properties	9	(439,140)	(368,976)
Property and equipment	10	(34,790)	(1,212,127)
Net cash used in investing activities		(497,930)	(1,592,211)

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Cash Flows
For the period ended June 30, 2026
(with comparative figures for the period ended June 30, 2025)

(continued)

	Notes	June 30, 2026	June 30, 2025
Cash flows from financing activities			
Payments of loan	12	(12,400)	(6,100)
Proceeds from share subscriptions, net	14	124	1,471
Net amounts owed to related parties		256,469	152,029
Payment of lease liabilities		(35,832)	-
Net cash flows from financing activities		208,361	147,300
Net (decrease) increase in cash and cash equivalents		194,051	67,200
Cash and cash equivalents at beginning of year		155,091	242,677
Cash and cash equivalents at end of year	2	349,142	242,677

The notes on pages 1 to 41 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

As at June 30, 2026 and December 31, 2025

(with comparative figures for the year ended December 31, 2025 and for the period ended June 30, 2025)

(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 5th Level Glorietta 4, 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, 2025. 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:

Percentage of Ownership Subsidiaries	Nature of business	June 30, 2026	December 31, 2025
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. 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 and 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 for the period ended June 30, 2026 were approved by the Company's Audit Committee in a meeting dated July 30, 2026.

2 Cash and cash equivalents

Details of the account are as follows:

	June 30, 2026	December 31, 2025
Cash on hand	662	523
Cash in bank	328,493	139,930
Cash equivalent	19,987	14,638
	349,142	155,091

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 P0.50 million in 2026 (2025 - P0.56 million) (Note 19).

3 Receivables, net

Details of the account are as follows:	June 30, 2026	December 31, 2025
Trade receivables		
Land sales	3,586,368	3,682,028
Receivables from tenants	1,170,167	1,098,171
Non-trade receivables	519,231	548,299
	5,275,766	5,328,498
Less: allowance for expected credit losses	294,753	294,753
	4,981,013	5,033,745
Less: non-current portion	2,749,901	2,748,270
Receivables, current portion	2,231,112	2,285,475

Receivables from land sales represent amounts arising from sale of industrial lots, which are collectible in monthly installments within two to ten years from the date of sale. In 2025, the Group sold certain receivables from land sales amounting to P707.23 million on a without recourse basis to a partner mortgage bank for P661.30 million resulting in a loss amounting to P45.93 million recognized within interest expense in the statement of comprehensive income (Note 19). The proceeds from the sale of receivables were considered as cash flow from financing activities in the statement of cash flows.

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 movements of allowance for expected credit losses on receivables follow:

	Note	Trade receivables	Non-trade receivables	Total
At December 31, 2025		101,413	193,340	294,753
Provision for impairment losses	17	-	-	-
Write-off		-	-	-
At June 30, 2026		101,413	193,340	294,753

4 Real estate held for development and sale, net

Details of the account are as follows:

	June 30, 2026	December 31, 2025
Land	5,921,202	5,913,075
Less: allowance for inventory write-down	39,848	39,848
	5,881,354	5,873,227

Land consists of parcels of land located in Cavite, Laguna, Batangas, Tarlac and Pampanga. The composition of inventoriable costs as at December 31 follows:

	June 30, 2026	December 31, 2025
Land cost	5,709,486	5,193,823
Construction overhead and other related costs	211,716	719,252
	5,921,202	5,913,075

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

	Note	June 30, 2026	December 31, 2025
Balance at the beginning of the year		5,913,075	5,745,773
Acquisition		-	154,571
Development costs incurred		233,073	714,191
Cost of real estate (excluding management fees and commission)	17	(224,946)	(701,460)
		5,921,202	5,913,075
Less: allowance for inventory write-down		39,848	39,848
At net realizable value		5,881,354	5,873,227

Sale of real estates recognized in 2026 amounted to P488.87 million (2025 – P868.57 million) (Note 22).

Real estate inventories recognized as cost of real estate sales amounted to P249.40 million (2025 – P398.30 million) (Note 17).

There are no real estate inventories held as collateral as at June 30, 2026 and December 31, 2025.

5 Financial assets at FVOCI

Details of the account are as follows:

	June 30, 2026	December 31, 2025
Equity securities	101,181	102,607
Debt securities	38,024	42,343
	139,205	144,950

Equity securities mainly pertain to quoted golf club shares.

Debt instruments pertain to quoted government securities.

Movements of financial assets at FVOCI at June 30, 2026 and December 31, 2025 follows:

	June 30, 2026	December 31, 2025
Beginning of year	144,950	151,284
Unrealized gain (loss)	(5,745)	1,866
Proceeds from maturity	-	(8,200)
End of period	139,205	144,950

Interest earned from financial assets at FVOCI amounted to P0.58 million in 2026 (2025 – P0.73 million) (Note 19).

6 Other assets

Details of the account are as follows:

	Jun 30, 2026			December 31, 2025		
	Current	Non-current	Total	Current	Non-current	Total
Input VAT	1,137,583	327,892	1,284,230	982,795	327,892	1,310,687
Creditable withholding taxes	174,148	331,334	470,365	210,595	331,314	541,909
Advances to suppliers and contractors	-	434,073	460,218	-	492,214	492,214
Refundable deposits	14,144	190,127	195,823	6,147	113,252	119,399
Prepayments	101,986	-	137,300	94,623	-	94,623
Others	162	9,071	14,224	7,658	5,385	13,043
	1,428,023	1,292,497	2,562,160	1,301,818	1,270,057	2,571,875
Less allowance for impairment losses	2,696	-	2,696	2,696	-	2,696
	1,425,327	1,292,497	2,559,464	1,299,122	1,270,057	2,569,179

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 and or property and equipment and investment properties.

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 P0.96 million in 2026 (2025 - P0.01 million) (Note 18).

The movements of allowance for impairment losses as at June 30, 2026 follow:

At January 1, 2026	2,696
Write-off	-
At June 30, 2026	2,696

There were no provisions for impairment losses as at June 30, 2026 and December 31, 2025. (Note 18).

7 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 ratio.

Investments in joint ventures are accounted under the equity method of accounting. Movement in investment in joint venture follows:

	Note	June 30, 2026	December 31, 2025
Beginning of the year		1,217,092	737,607
Investment including transaction costs during the year		-	593,000
Share in net loss during the year	19	(36)	(113,515)
End of year		1,217,056	1,217,092

Set out below is the summarized unaudited financial information for A-FLOW PropCo as at and for the years ended June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Current assets	652,467	1,087,371
Non-current assets	4,453,605	3,972,706
Current liabilities	(132,417)	(60,522)
Non-current liabilities	(2,863,728)	(2,881,072)
Equity	2,109,927	2,118,483
Total comprehensive loss during the year	(36)	(227,030)

ALLHC did not receive any dividends from A-FLOW PropCo as at June 30, 2026 and December 31, 2025. ALLHC has not incurred any contingent liabilities as at June 30, 2026 and December 31, 2025 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.

8 Investment properties, net

Details of the account are as follows:

June 30, 2026	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		12,563,881	3,753,345	761,220	17,078,446
Additions during the year		132,265	-	58,937	191,202
End of year		12,696,146	3,753,345	820,157	17,269,648
Accumulated depreciation					
Beginning of year		4,974,123	40,147	-	5,014,270
Depreciation during the year	16,17	237,282	2,116	-	239,398
At end of year		5,211,405	42,263	-	5,253,668
Net book values		7,484,741	3,711,082	820,157	12,015,980

December 31, 2025	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		12,321,667	3,743,829	676,032	16,741,528
Additions during the year		122,444	9,516	204,958	336,918
Reclassifications during the year		119,770	-	(119,770)	-
End of year		12,563,881	3,753,345	761,220	17,078,446
Accumulated depreciation					
Beginning of year		4,496,069	36,972	-	4,533,041
Depreciation during the year	16,17	478,054	3,175	-	481,229
At end of year		4,974,123	40,147	-	5,014,270
Net book values		7,589,758	3,713,198	761,220	12,064,176

Fair Value of Investment Properties

The aggregate fair value of the Group's investment properties amounted to P20,975 million as at June 30, 2026 (2025 – P20,309 million). 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.

9 Property and equipment, net

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
June 30, 2026									
Cost									
Beginning of year		1,346,651	1,385,943	11,804	68,883	42,495	198,037	314,005	3,367,818
Additions during the year		-	50,624	28,315	866	13,568	101,666	6,762	201,801
Adjustments during the year		-	-	-	(46,684)	-	(71,995)	-	(118,679)
End of year		1,346,651	1,436,567	40,119	23,065	56,063	227,708	320,767	3,450,940
Accumulated depreciation and amortization									
Beginning of year		-	39,771	5,990	62,926	30,208	51,647	-	190,542
Depreciation and amortization during the year	16, 17	-	28,868	852	2,327	2,886	2,733	-	37,666
Adjustments during the year		780	(1,221)	(185)	(43,293)	9,386	82,865	-	48,332
End of year		780	67,418	6,657	21,960	42,480	137,245	-	276,540
Net book values		1,345,871	1,369,149	33,462	1,105	13,583	90,463	320,767	3,174,400
	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
December 31, 2025									
Cost									
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		990,218	370,823	682	392	4,580	56,541	117,988	1,541,224
Disposals during the year		-	(80,951)	-	-	(2,160)	(6,850)	-	(89,961)
Reclassifications during the year		-	68,734	-	-	-	-	(68,734)	-
End of year		1,346,651	1,385,943	11,804	68,883	42,495	198,037	314,005	3,367,818
Accumulated depreciation and amortization									
Beginning of year		-	74,324	4,749	59,308	24,689	50,704	-	213,774
Depreciation and amortization during the year	16, 17	-	46,398	1,241	3,618	5,560	5,029	-	61,846
Disposals during the year		-	(80,951)	-	-	(41)	(4,086)	-	(85,078)
End of year		-	39,771	5,990	62,926	30,208	51,647	-	190,542
Net book values		1,346,651	1,346,172	5,814	5,957	12,287	146,390	314,005	3,177,276

10 Accounts payable and accrued expenses; Installment payables

Details of the account are as follows:

	Note	June 30, 2026	December 31, 2025
Trade payables		1,556,587	1,504,397
Payable to government agencies		440,777	309,140
Current portion of installment payables		219,418	284,511
Provision	25	90,490	90,490
Accrued expenses		43,655	20,086
Others		30,005	25,363
		2,380,932	2,233,987

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 December 31 follow:

	June 30, 2026	December 31, 2025
Current portion	219,418	284,511
Non-current portion	-	188,679
	219,418	473,190

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

	June 30, 2026	December 31, 2025
Beginning of year	9,489	29,187
Accretion for the year	-	(19,698)
End of year	9,489	9,489

11 Short-term and long-term debts

Short-term debt

In 2025, the Company obtained short-term loans amounting to an aggregate of P1,100 million with local bank to fund its working capital requirement, carrying interest rates of 5.20% to 5.60% per annum and payable on demand with repricing every 45 days.

Long-term debts

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

Loan	Borrower	Date availed	2026	2025	Details
			Outstanding	balance	
1	ALLHC	November 2021	1,257,750	1,264,200	- Matures in November 2031 - Interest rate per annum is at 6.56% as at June 30, 2026 and December 31, 2025.
2	LTI	November 2021	672,750	676,200	- Matures in November 2031 - Interest rate per annum is at 6.56% as at June 30, 2026 and December 31, 2025.
3	AAI	September 2022	366,473	368,338	- Matures in September 2032 - Interest rate per annum is at 6.66% as at June 30, 2026 and December 31, 2025.
4	AAI	September 2022	124,778	125,412	- Matures in November 2032 - Interest rate per annum is at 6.66% as at June 30, 2026 and December 31, 2025.
			2,421,751	2,458,950	
Less: Deferred transaction costs			(11,123)	(11,412)	
			2,410,628	2,422,738	
Current portion of long-term debt			(24,800)	(24,800)	
Non-current portion of long-term debt			2,385,828	2,397,938	

Movements in short-term and long-term debts for the years ended December 31 are as follows:

	Note	June 30, 2026	December 31, 2025
Beginning of year		3,522,738	2,445,889
Availment of short-term loans during the year		-	1,100,000
Principal payments of long-term loans during the year		(12,400)	(24,800)
Amortization of deferred transaction costs	19	290	1,649
End of year		3,510,628	3,522,738

Amortization of deferred transaction costs amounted to P0.29 million for 2026 (2025 – P1.65 million) (Note 18). Interest expense arising from bank loans amounted to P129.81 million for 2026 (2025 – P174.65 million) (Note 18).

These loans require that the borrowers comply with certain covenants including, among others, a bank debt to tangible net worth ratio. As at June 30, 2026 and December 31, 2025, the Group has complied with the loan covenants.

12 Rental and other deposits

Details of the account are as follows:

	June 30, 2026			December 31, 2025		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits	215,884	399,874	615,758	167,985	481,867	649,852
Rental deposits	69,479	225,089	294,568	67,358	200,720	268,078
Construction bond	38,603	840	39,443	26,012	11,718	37,730
Others	9,214	11,964	21,178	9,214	10,438	19,652
	333,180	637,767	970,947	270,569	704,743	975,312

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. Interest expense from accretion of security deposits amounted to nil million for 2026 (2025 - P0.89 million) (Note 19).

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.

13 Equity

Capital stock and additional paid-in capital

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

	2026		2025	
	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		(84,046,821)		(84,085,522)
Issued and outstanding	6,214,328,056	6,217,545,166	6,214,328,056	6,217,506,465
Additional paid-in capital		6,025,920,884		6,025,833,899

Capital stock and additional paid-in capital increased by P0.4 million and P0.9 million, net of stock transaction costs, respectively, following collection of subscription receivable (2025 - P3.2 million and P2.1 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 period 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
December 31, 2025	6,158,660,192			727
June 30, 2026	6,158,660,192			725

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. The shares were listed in the Philippine Stock Exchange (PSE) on October 7, 2025.

Other comprehensive losses, net

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

	Note	June 30, 2026	December 31, 2025
Revaluation increment	9	155,642	155,642
Unrealized loss on financial assets at FVOCI	5	(1,038,275)	(1,031,884)
Loss on measurement of retirement benefits	20	(46,902)	(46,902)
		(929,535)	(923,144)

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 June 30, 2026 and December 31, 2025.

As at June 30, 2026 and December 31, 2025, 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.

14 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 June 30, 2026 and December 31, 2025, 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
	2026	2025	2026	2025	
Loans to related parties					
<i>Entities under common control</i>	24,000	756,981	393,198	753,419	These are unsecured, unguaranteed, interest bearing and collectible in cash within 12 months. Interest rate is at 4.50% to 5.78% per annum.
Interest Income (Note 19)					
<i>Immediate Parent Company</i>	6	631	1,782	834	Interest income is due and demandable and shall be collected based on rates agreed between parties.
<i>Entities under common control</i>	38,647	34,218	41,288	43,469	
	38,653	34,849	43,070	44,303	
Service fees					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>	-	-	-	-	
<i>Entities under common control</i>	20,055	5,115	28,072	10,428	
<i>Other related parties</i>	-	-	6,470	3,772	
	20,055	5,115	34,542	14,200	
Leases					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>	-	5,212	43,029	54,536	
<i>Other related parties</i>	15,131	4,139	39	8,645	
	15,131	9,351	43,068	63,181	
	97,839	806,296	513,878	875,103	

	Transactions for the year		Due to		Terms and condition
	2026	2025	2026	2025	
Loans from related parties					These are unsecured, unguaranteed, interest bearing and payable in cash within 12 months. Interest rate is at 4.50% to 5.78% per annum. These loans were obtained to fund the Company's working capital requirements and business operations.
<i>Immediate Parent Company</i>	427,700	300,276	990,031	866,769	
<i>Entities under common control</i>	727,664	3,060,810	4,622,200	4,960,610	
	1,155,364	3,361,086	5,612,231	5,827,379	
Interest expense (Note 19)					Interest expense is due and demandable and shall be payable based on interest rates agreed between parties.
<i>Immediate Parent Company</i>	14,694	11,902	37,800	22,420	
<i>Entities under common control</i>	153,297	156,597	345,843	127,851	
	167,991	168,499	383,643	150,271	
Management fees and systems cost (Note 17 and 18)					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>	47,142	99,910	1,409,521	1,523,965	
<i>Entities under common control</i>	-	-	4,151	12,276	
	47,142	99,910	1,413,672	1,536,241	
Construction contracts					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>Entities under common control</i>	-	85,462	142,928	145,858	
Service and other fees					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>	-	7,880	8,261	19,742	
<i>Ultimate Parent Company</i>	-	-	-	-	
	1,370,497	3,722,837	7,560,735	7,679,491	

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.

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.

15 Other non-current liabilities

Details of the account are as follows:

	June 30, 2026	December 31, 2025
Subscription payable on common shares of Cyber Bay	481,675	481,675
Retention payable	161,774	157,697
	643,449	639,372

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 happening 12 months after the end of the reporting period.

16 Cost of real estate sales, rental and storage services

Cost of real estate sales

The details of this account follow:

	Notes	June 30, 2026	June 30, 2025
Cost of real estate	4	224,946	368,116
Management fee	15	11,408	62,074
Commission		13,047	29,838
		249,401	460,028

Cost of rental services

The details of this account follow:

	Notes	June 30, 2026	June 30, 2025
Depreciation and amortization	7,8,9,22	228,420	230,522
Share in CUSA related expenses		209,289	227,176
Taxes and licenses		56,999	80,606
Repairs and maintenance		24,250	16,096
Insurance		8,295	7,440
Rental	22	4,679	6,639
Professional fees		1,876	2,860
Others		33,762	19,210
		567,570	590,549

Cost of storage services

	Notes	June 30, 2026	June 30, 2025
Share in CUSA related expenses		104,857	42,719
Depreciation and amortization	7,9,10,24	43,760	35,883
Rental	24	6,285	3,231
Repairs and maintenance		5,370	3,601
Taxes and licenses		3,377	8,262
Supplies		2,035	-
Others		10,698	4,436
		176,382	98,132

17 Operating expenses

The details of this account follow:

	Notes	June 30, 2026	June 30, 2025
Compensation and employee benefits		77,648	55,546
Systems costs	15	47,142	27,302
Depreciation and amortization	7,9,10	38,666	28,440
Communication and transportation		10,409	7,148
Professional and legal fees		9,314	9,778
Janitorial and security services		9,132	10,904
Supplies and repairs		4,129	3,106
Taxes and licenses		1,652	13,539
Provision for impairment losses		-	6,366
Others		7,214	4,085
		205,306	172,480

18 Interest expense and bank charges, net; Miscellaneous income (charges)

Interest expense and bank charges, net

The details of this account follow:

	Notes	June 30, 2026	June 30, 2025
Interest expense and bank charges			
Amounts owed to related parties	14	(167,991)	(143,725)
Bank loan	11	(129,811)	(89,189)
Interest expense on lease liabilities	22	(70,260)	(71,682)
Discount amortization on long term liabilities		-	(56,975)
Discount amortization on bank loan	11	(290)	(921)
Bank charges and other charges		(62)	(328)
		(368,414)	(362,820)
Interest income			
Amounts owed by related parties	14	38,653	21,415
Cash and cash equivalents	2	497	729
Interest income on financial assets at FVOCI	5	580	556
		39,730	22,700
		(328,684)	(340,120)

Miscellaneous income (charges)

The details of this account follow:

	Note	June 30, 2026	June 30, 2025
Share in net loss of joint ventures	7	(36)	(11,226)
Reversal (accretion) of long outstanding payable		8,229	48,545
Recoveries and other miscellaneous income		652	7,698
		8,845	45,017

19 Net pension (liabilities) assets

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 latest independent actuarial valuation as at December 31, 2025 was determined using the projected unit credit method in accordance with PAS 19 @.

20 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.

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
<u>June 30, 2026</u>							
Revenues	-	1,318,437	242,540	19,733	1,580,710	(1,793)	1,578,917
Cost and expenses	(7,180)	(1,001,191)	(176,413)	(13,265)	(1,198,049)	(609)	(1,198,658)
Other income (charges)	(78,119)	(183,199)	(63,217)	4,695	(319,840)	-	(319,840)
Profit (loss) before income tax	(85,299)	134,047	2,910	14,073	62,821	(2,402)	60,419
Income tax expense (benefit)	12	41,560	2,938	5,095	49,605	-	49,605
Net income	(85,311)	92,487	(28)	6,068	13,216	(2,402)	10,814
Segment assets	16,816,808	27,863,760	4,090,572	1,620,161	50,391,301	(18,348,898)	32,042,403
Segment liabilities	5,137,762	11,911,190	3,660,307	445,487	21,154,746	(4,217,748)	16,936,998
<u>June 30, 2025</u>							
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
Net income	(50,711)	103,064	12,411	2,744	67,508	(1,201)	66,307
<u>December 31, 2025</u>							
Segment assets	16,977,026	27,588,547	4,003,140	1,603,406	50,172,119	(17,986,251)	32,185,868
Segment liabilities	5,207,684	11,800,434	3,516,432	441,676	20,966,226	(3,886,226)	17,080,000

**includes lot sales and rental revenue amounting to P488.87 million and P1,072.10 million, respectively (2025 – P868.57 million and P641.89 million, respectively) (Note 4)*

21 Earnings per share

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

	June 30, 2026	June 30, 2025
Net income attributable to equity holders of the Parent	5,927	106,487
Weighted average number of shares	6,252,148	6,252,148
Basic/diluted earnings per share	0.00	0.02

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

22 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.

Set out below are the carrying amounts of right-of-use assets recognized and the movements as at and for the period ended June 30, 2026 and year ended December 31, 2025:

	Note	June 30, 2026	December 31, 2025
Beginning of year		915,323	999,762
Additions		3,969	-
Amortization expense	17	(32,781)	(66,106)
Adjustments		-	(18,333)
End of year		886,511	915,323

Set out below are the carrying amounts of lease liabilities and the movements as at and for June 30, 2026 and year ended December 31, 2025:

	Note	June 30, 2026	December 31, 2025
Beginning of year		1,529,131	1,713,446
Accretion of interest	19	70,260	143,986
Payments		(35,832)	(328,301)
End of year		1,563,559	1,529,131
Less: Current portion		(152,907)	(160,407)
Non-current portion		1,410,652	1,368,724

As at June 30, 2026 and December 31, 2025, the maturity analysis of undiscounted lease payments follows:

	June 30, 2026	December 31, 2025
Within one (1) year	180,378	361,665
More than one (1) year to five (5) years	763,939	959,507
More than five (5) years	1,877,190	1,852,702
	2,821,507	3,173,874

As at June 30, the following are the amounts recognized in profit or loss:

	Notes	June 30, 2026	June 30, 2025
Accretion of interest on lease liabilities	18	32,781	36,715
Amortization expense for right-of-use assets	16	70,260	16,300
Variable lease payments	17	10,964	4,852
Short-term leases	16	4,167	-
		118,172	57,867

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 June 30, 2026 amounting to P181.56 million (2025 – P194.99 million) includes gross CUSA and air-conditioning charges amounting to P162.65 million (2025 – P170.37 million).

As at June 30, 2026 and December 31, 2025, future minimum rentals receivable under non-cancellable operating leases of the Group follows (amounts in thousands):

	June 30, 2026	December 31, 2025
Less than one (1) year	1,028,496	1,276,726
One (1) year to five (5) years	2,535,917	3,538,346
More than five (5) years	2,427,148	2,161,034
	5,991,561	6,976,106

23 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	June 30, 2026	December 31, 2025
Beginning of year		90,490	89,418
Provisions during the year		-	20,767
Settlements during the year		-	(19,695)
End of period	10	90,490	90,490

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.

24 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 for the years ended June 30, 2026 and 2025.

25 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 June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized costs				
Cash and cash equivalents	349,142	349,142	155,091	155,091
Receivables	4,981,013	4,981,013	5,033,745	5,033,745
Amounts owed by related parties	513,878	513,878	875,103	875,103
Refundable deposits	195,823	195,823	119,399	119,399
Financial assets at FVOCI	139,205	139,205	144,950	144,950
	6,179,061	6,039,856	6,328,288	6,328,288
<u>Financial liabilities</u>				
Accounts payable and accrued expenses	1,823,293	1,823,293	2,082,982	2,082,982
Amounts owed to related parties	7,560,735	7,560,735	7,679,491	7,679,491
Short-term and long-term debts	3,510,628	3,510,628	3,534,150	3,534,150
Rental and other deposits	627,722	627,722	660,290	660,290
Lease liabilities	1,563,559	1,563,559	1,529,131	1,529,131
Subscription payable	481,675	481,675	481,675	481,675
	15,567,612	15,567,612	15,967,719	15,967,719

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 June 30, 2026 and December 31, 2025 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, Amounts owed to and by related parties, and Short-term debt

The carrying amounts of the current portion of receivables, accounts payable and accrued expenses, amounts owed to and by related parties and short-term debt 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 June 30, 2026 and December 31, 2025 is based on the undiscounted value of future cash flows as the impact of discounting is immaterial.

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 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 June 30, 2026 and December 31, 2025. Debt financial assets that are quoted are based on published market prices as at June 30, 2026 and December 31, 2025.

Fair Value Hierarchy

Quoted FVOCI financial assets amounting to P139.21 million as at Jun 30, 2026 were classified under Level 1 (2025 - P144.95 million) (Note 5).

The fair value disclosure of receivables, long-term debt, rental and other deposits and refundable deposits as at June 30, 2026 and December 31, 2025, were classified under Level 3.

There have been no reclassifications from Level 1 to Level 2 categories in 2026 and 2025. 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
<u>June 30, 2026</u>						
Accounts payable and accrued expenses	1,306,448	-	45,449	284,511	188,679	1,825,087
Amounts owed to related parties	7,560,735	-	-	-	-	7,560,735
Short-term debts and interest payable	1,109,540	-	-	-	-	1,109,540
Long-term debts and interest payable	10,429	26,677	30,058	81,648	2,936,538	3,085,350
Rental and other deposits	-	-	-	215,884	411,838	627,722
Lease liabilities	-	45,095	45,095	90,190	2,641,127	2,821,507
Subscription payable	-	-	-	-	481,675	481,675
	9,987,152	71,772	120,602	672,233	6,659,857	17,511,616
<u>December 31, 2025</u>						
Accounts payable and accrued expenses	1,504,397	-	45,449	284,511	188,679	2,023,036
Amounts owed to related parties	7,679,491	-	-	-	-	7,679,491
Short-term debts and interest payable	1,109,540	-	-	-	-	1,109,540
Long-term debts and interest payable	10,465	26,193	29,797	81,057	3,017,050	3,164,562
Rental and other deposits	-	-	-	167,895	492,305	660,200
Lease liabilities	-	90,416	90,416	180,833	2,812,208	3,173,874
Subscription payable	-	-	-	-	481,675	481,675
	10,303,893	116,609	165,662	714,296	6,991,917	18,292,378

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, 2026 and December 31, 2025, is equal to the carrying values of its financial assets. The details follow:

	Gross maximum exposure
<u>June 30, 2026</u>	
Cash in banks and cash equivalents	348,480
Trade receivables	
Land sales	3,586,368
Receivables from tenants	1,170,167
Non-trade receivables	519,231
Financial assets at FVOCI - quoted debt securities	38,024
	5,662,270
	Gross maximum exposure
<u>December 31, 2025</u>	
Cash in banks and cash equivalents	154,568
Trade receivables	
Land sales	3,682,028
Receivables from tenants	1,098,171
Non-trade receivables	548,299
Financial assets at FVOCI - quoted debt securities	40,751
	5,523,817

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 2026 and 2025.

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
2026					
Expected credit loss rate	0.71%	10.24%	21.03%	13.13%	8.67%
Total gross carrying amount	427,335	54,141	30,270	658,421	1,170,167
Expected credit losses	3,042	5,543	6,366	86,462	101,413
2025					
Expected credit loss rate	0.73%	8.72%	31.86%	14.57%	9.26%
Total gross carrying amount	417,429	63,586	19,983	593,588	1,094,585
Expected credit losses	3,042	5,543	6,366	86,462	101,413

Applying the expected credit risk model resulted in the recognition of an impairment loss for trade receivable from tenants amounting to nil in 2026 and P23.82 million in 2025. There were no impairment losses recognized in 2026. 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 2026 and 2025 applying the expected credit risk model. Total write offs amounted to P1.7 million in 2025 (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 2026 and 2025.

26 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.

Revenue recognition on real estate projects

The Group's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate, mainly arising from residential development, is recognized based on the percentage of completion and this is measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the percentage of completion is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to sell and cost to obtain a contract (e.g., commission), is determined using the percentage of completion. To determine the cost of sales, the percentage of completion is applied to the standard cost which is regularly reviewed and adjusted to actual cost.

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 27.

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 29.9 and 29.10, 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.

27 Summary of material accounting policies

a. 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.

b. 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.

c. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at June 30, 2026 and December 31, 2025 and for the years in the period ended June 30, 2026 and June 30, 2025.

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.

d. Changes in Accounting Policies and Disclosures

i. New and amended standards adopted by the Group

The Group has applied the following amendment for the first time for its annual reporting period commencing 1 January 2025:

Lack of Exchangeability – Amendments to PAS 21;

On 15 August 2023, the IASB amended PAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, PAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

Management assessed that the amendment above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current reported balances.

ii. New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2025, 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:

1. 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;
2. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
3. 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
4. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The adoption of the above amendment is not expected to have a material impact on the consolidated financial statements of the Group.

Contracts Referencing Nature-dependent Electricity – Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 18 December 2024, the IASB has issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. The amendments include:

5. clarifying the application of the 'own-use' requirements;
6. permitting hedge accounting if these contracts are used as hedging instruments; and

7. adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The adoption of the above amendment is not expected to have a material impact on the consolidated financial statements of the Group.

Annual Improvements to PFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026)

On 18 July 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The amended Standards are:

8. PFRS 1 First-time Adoption of International Financial Reporting Standards;
9. PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7;
10. PFRS 9 Financial Instruments;
11. PFRS 10 Consolidated Financial Statements; and
12. PAS 7 Statement of Cash Flows.

The adoption of the above amendment is not expected to have a material impact on the consolidated financial statements of the Group.

PFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2025, PFRS 19 allows for certain eligible subsidiaries of parent entities that report under PFRS Accounting Standards to apply reduced disclosure requirements.

The adoption of the above amendment 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 for annual periods beginning on or after 1 January 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:

1. 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:
 - a. 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.
 - b. PFRS 18 has specific requirements on the category in which derivative gains or losses are recognized – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognizes some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the group is currently evaluating the need for change.

2. 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.
3. 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:
 - a. management-defined performance measures;
 - b. 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
 - c. 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.
4. 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 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with PFRS 18.

b. 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 24).

c. 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.

d. 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.

e. 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.

f. 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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.

I. 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 June 30, 2026

	AMOUNT
Current	3,892,392
1 to 30 days	290,530
31 to 60 days	30,263
61 to 90 days	24,236
Over 90 days	519,114
Total trade receivables	4,756,535
Non-trade receivables	519,231
Total gross receivables	5,275,766
Allowance for doubtful accounts	(294,753)
Total receivables, net of allowance	4,981,013