Empire East

Shaping Tomorrow's Communities

BOLDER TOGETHER

2025 ANNUAL AND SUSTAINABILITY REPORT

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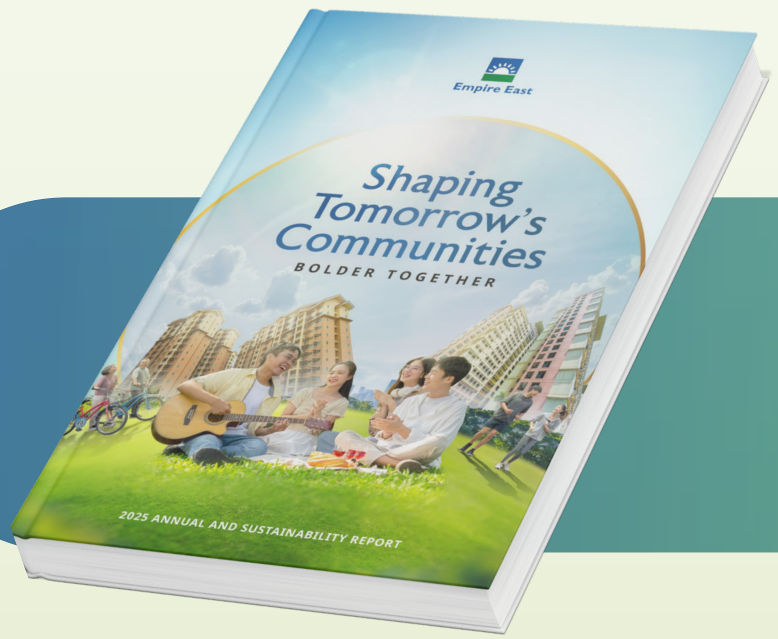
About the Cover

The cover of the 2025 Annual and Sustainability Report reflects Empire East's theme, **"Shaping Tomorrow's Communities,"** through a clean and purposeful design anchored on the Company's signature circular form. The circle, outlined in gold, represents continuity, shared spaces, and the inclusive nature of the communities the Company builds. It reinforces Empire East's commitment to creating environments where people can live, connect, and thrive together.

"Shaping Tomorrow's Communities" reflects Empire East Land Holdings, Inc.'s core identity as a developer that goes beyond constructing buildings to creating thoughtfully designed living environments. It underscores the Company's commitment to planning not only for today's buyers, but for future families and communities. It conveys a balanced approach to development that integrates housing, lifestyle, sustainability, and social responsibility. It signals to stakeholders, including buyers, investors, regulators, and society at large, that Empire East is focused on long-term value creation, holistic living, and purposeful community building, rather than short term real estate transactions.

At the center of the design are Empire East's sustainable communities, highlighting thoughtfully planned developments that integrate residential, commercial, and lifestyle components. The focus on the built environment aligns the visual narrative with the report's emphasis on long-term value creation, responsible growth, and community development. The rising sun serves as a unifying element across the composition, symbolizing optimism, opportunity, and the promise of "properties under the sun." It reflects the Company's forward-looking vision and its role in shaping resilient, future-ready communities across generations.

The simplified layout, balanced use of light, and restrained color palette create a cleaner and more modern presentation.
The gold circular frame provides visual continuity and underscores Empire East's pursuit of elevated standards of excellence, reinforcing its commitment to building communities that endure.



About the Report 2-1, 2-2, 2-3

This Annual and Sustainability Report (ASR) presents Empire East Land Holdings, Inc.'s ("EELHI", "Empire East", "the Company") performance across financial, operational, and sustainability dimensions. It is intended to communicate to the Company's stakeholders EELHI's dedication to responsible business, environmental stewardship, and humanity's shared sustainability goals.

This report outlines EELHI's sustainability strategy, commitments, achievements, and challenges, and serves as a platform for strengthening building relationships among investors, customers, employees, regulatory bodies, communities, and other stakeholders. By providing relevant and decision-useful information, the ASR supports informed engagement and contributes to the Company's continuous development alongside the stakeholders it engages with. Also highlighted are key breakthroughs supported by purposeful and actionable targets that guide EELHI's future direction.

The scope of this report includes the significant economic, environmental, and social impacts of EELHI. The reporting boundary covers the Project Construction Department (Construction Management Group) and all properties managed by the Property Development, Administration & General Services Department. This ASR covers the reporting period from January 1, 2025 to December 31, 2025.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and in adherence to the Philippine Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies. The disclosures are also aligned with the United Nations Sustainable Development Goals (UN SDGs), reinforcing the Company's commitment to responsible and sustainable operations.

EELHI follows an annual reporting cycle for its ASR, reflecting its recognition that stronger and longer-term economic performance is supported by the integration of sustainability principles across its operations. This approach further strengthens the Company's commitment to transparency, good governance, and the continuous improvement of its sustainability performance.

EELHI values stakeholders' insights and considers feedback an important input in enhancing the quality, relevance, and clarity of its sustainability reporting.

For feedback or queries regarding the content of this 2025 Annual and Sustainability Report, please contact:

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Message from the Leadership 2-22

To our valued shareholders, partners, and homeowners,

In 2025, our Company continued to strengthen its foundation as a developer of enduring communities—guided not only by market conditions, but by a clear and consistent vision: to shape environments where people can live better, more connected lives.

The year likewise reaffirmed a fundamental reality about the real estate market: demand does not disappear—it becomes more defined.

As segments of the industry recalibrated, particularly those driven largely by investment activity, a clearer direction emerged. Demand is increasingly anchored on end-users—homebuyers purchasing not for speculation, but for long-term living. This shift continues to redefine how value is created across the sector and reinforces the importance of building developments grounded in real occupancy, accessibility, and long-term relevance.

Our Company remains firmly aligned with this reality.

Our focus on the mid-income segment positions us within a market where demand continues to be steady, resilient, and sustainable. Across our developments, we are seeing not only sales activity, but communities actively taking shape—homes being occupied, neighborhoods becoming established, and residents building their lives within the environments we create. To us, this remains the clearest measure of genuine demand and affirms the strength of our long-standing approach.

In 2025, we generated ₱5.39 billion in revenues and sustained healthy collections, reinforcing the financial stability necessary to support ongoing developments and future growth. Beyond these figures lies a more meaningful outcome: the steady progress of our projects and the continued fulfillment of our commitments to homeowners.

Execution remains central to our operations. Supported by over ₱4.11 billion in engagement with contractors and suppliers, construction activity across our developments remained active and consistent throughout the year. Through disciplined resource management and close coordination with our partners, we continued to advance projects efficiently while upholding our standards for quality, reliability, and timely delivery.

During the year, The North Residences at The Covent Garden in Manila and the East Tower at the Mango Tree Residences in San Juan, comprising a combined total of more than 800 condominium units, were completed and

"We are not just building structures —we are building the Filipino dream."

successfully turned over. In advanced stages of development are: a. Tower 6 of The Pioneer Woodlands, b. Towers 1 to 4 of The Paddington Place in Mandaluyong City, and c. Towers 4 and 6 of Kasara Urban Resort Residences in Pasig City.

Our premier township, the Empire East Highland City, continues to take shape, with construction of its initial residential towers progressing in full swing. Major infrastructure components have also been completed, including its expansive 4-lane and 6-lane road networks, complemented by the installation of solar-powered streetlights—laying the groundwork for a connected, future-ready community.

In line with our commitment to sustainability and community-building, employee volunteers planted native tree seedlings across multiple phases of the township's 1.36-hectare Highland Forest. More than an environmental initiative, this reflects our broader vision of integrating nature into urban developments and creating communities that remain livable, resilient, and relevant for generations to come.

We likewise continued to strengthen accessibility for our buyers. Our advancement to Pag-IBIG Window 1 status has enabled more efficient financing processes, allowing us to serve a broader segment of aspiring homeowners. At the same time, enhancements to our digital platforms and on-site services have streamlined the home-buying journey—from reservation to financing—making the experience more responsive to the evolving expectations of today's market.

Internally, we continued to build a more aligned and responsive organization. The consolidation of our headquarters, together with stronger coordination across our property development, sales and marketing, financing, and customer support teams, has improved operational execution and customer engagement. These initiatives reflect deliberate steps toward building a more agile enterprise—one capable of adapting to changing market conditions while remaining firmly focused on long-term value creation.

Sustainability likewise remains integral to our direction. In 2025, we further embedded environmental, social, and governance considerations into our operations through SCORE, ensuring that ESG principles are integrated into the way decisions are made across the organization. From resource efficiency initiatives to community engagement efforts, our objective is to ensure that each development contributes positively not only to our business, but also to the broader communities we serve.

This is what "Shaping Tomorrow's Communities" means to us. It is defined not merely by scale, but by how thoughtfully we plan, build, and manage our developments—creating spaces that remain relevant, resilient, and valuable over time.

These efforts are reflected not only in our operational performance, but also in the recognition we received during the year. The Company was honored with the Golden Arrow Award for Good Corporate Governance and recognized for Customer Service Innovation at the Real Estate Asia Awards in Singapore—affirming our continued commitment to governance, operational excellence, and customer experience.

As part of the Alliance Global Group, we move forward under the shared direction of Being Bolder Together. For our Company, this means strengthening partnerships, deepening collaboration, improving execution, and continuing to build with purpose—recognizing that long-term success is achieved through consistency, discipline, and trust.

The market is becoming more selective. So are we.

We will continue to build where demand is real, operate with prudence and discipline, and deliver on our commitments. This is how we create lasting value—not through market cycles alone, but through sustained execution, financial responsibility, and the confidence of the communities we serve.

Thank you for your continued trust and support.

Atty. Anthony Charlemagne C. Yu
President and Chief Executive Officer
Empire East Land Holdings, Inc.

About Empire East

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Company Overview and History

Empire East Land Holdings, Inc. (EELHI) is a residential real estate developer operating across urban and suburban markets in the Philippines. The Company develops residential communities designed to support connectivity, comfort, and modern city living.

EELHI's core activities include residential real estate development, construction, leasing, and property management, with a primary focus on the mid-end residential segment. Its business model is centered on delivering accessible developments in prime locations that respond to evolving lifestyle and mobility needs.

The Company manages the full real estate development lifecycle, covering land acquisition, project planning and design, construction, sales, unit turnover, and post-completion property and estate management. EELHI's portfolio includes high-rise residential developments in Metro Manila and master-planned communities in suburban locations.

Key developments include The Paddington Place, Mango Tree Residences, Covent Garden, Kasara Urban Resort Residences, The Rochester, Pioneer Woodlands, Little Baguio Terraces, San Lorenzo Place, The Cambridge Village, and The Sonoma.

A defining feature of EELHI's approach to development is its focus on Transit-Oriented Developments (TODs), which prioritize proximity to transport hubs, business districts, and essential urban services. This model promotes walkable environments, improves accessibility, and supports better quality of life and environmental performance.

As of December 31, 2025, EELHI holds 100% ownership in Eastwood Property Holdings, Inc., Valle Verde Properties, Inc., Sherman Oak Holdings, Inc., Empire East Communities, Inc., and 20th Century Nylon Shirt Co., Inc., and maintains majority and minority interests in selected subsidiaries and affiliates.

EMPIRE EAST HIGHLAND CITY

Empire East Highland City is located along Felix Avenue at the boundary between Pasig City and Cainta, Rizal, situated near Marcos Highway and Ortigas Avenue Extension. This strategic location provides direct access to LRT-2 (Marikina Station) and the upcoming MRT-4 at Cainta Junction, which will connect to the Metro Manila Subway.

Its remarkable 8,000 square-meter elevated green space known as Highland Park features wide walking paths, water features, and outdoor dining and retail areas. At the park's core is a Spanish Steps-inspired facade leading to Highland Mall that is envisioned as a lifestyle hub offering dining, entertainment, leisure, and essential services.

Empire East Highland City is master-planned to integrate high-rise residences, a man-made forest, and an exclusive leisure club (The Chartered Club). Its key feature is micro-climate regulation that provides a cooling effect while highlighting wide roads, bike lanes, and sidewalks integrated in landscaped areas and avenue trees.

THE PADDINGTON PLACE

Located along Shaw Boulevard in Mandaluyong City, **The Paddington Place** is a four-tower condominium residence master-planned through EELHI's Transit-Oriented Development (TOD) concept. It is strategically situated for accessibility by foot to Ortigas Central Business District (CBD). Similarly, it provides urban convenience through its quick access to the MRT-3 Shaw Boulevard Station.

Located within its ground podium is a retail hub, called "The Pad," that offers diverse lifestyle options and essential services. The seventh and eighth floors feature a lap pool, fitness gym, function rooms, landscaped gardens, and indoor recreational spaces specifically designed for enhancement of clients' well-being. The development aims to provide a hub for leisure, social interaction, and physical and mental health enrichment.

Owing from four high-rise towers' strategic position is the breath-taking skyline views of nearby business districts that the residents can enjoy.

MANGO TREE RESIDENCES

Located at M. Paterno St. cor. Ledesma St., San Juan City, **Mango Tree Residences** is a low-rise density, two-tower five-level podium community enclaved by existing decade-old mango trees. Preserving these trees anchored this development as it offers both serenity and recreational luxuries amid the bustle of urban life. Notable schools and hospitals are within reach at less than one to two kilometer-distance. While external business and commercial services are accessible within one to four kilometer-distance. It opens connectivity to Quezon City, Pasig City and Makati City through alignment with future MRT Line 4 and major roads including N. Domingo and Santolan.

Its key feature beyond preserved mango trees is green stilt development where the ground area provides for landscaped gardens while the upper floors serve as residential areas that allow for both privacy and serenity. Green spaces underneath the residential stilts are enjoyed exclusively by the residents including an outdoor lounge, recreational facilities, and retail arcade.

COVENT GARDEN

Covent Garden is a two-tower contemporary development located along Santol Extension in Sta. Mesa Manila offers a gateway to the city's essential business centers and social services. The University Belt and Central Business Districts are accessible through LRT-2 and transportation lines. It is strategically located, offering exceptional pedestrian accessibility and connectivity to key parts of Metro Manila through LRT-2 (V. Mapa Station) that directly links to LRT-1 and MRT-3 and via Skyway Stage 3 Extension and other major roadways. It incorporates green open spaces with first class amenities within residential and commercial hubs. Various recreational amenities including a lap pool, a kiddie pool, an outdoor bar and lounge, a multi-purpose function hall, a playground, and jogging trail, and fitness gym can be enjoyed by the residents. This elevated structure is well-positioned to relish the skyline view of the city.

KASARA

Urban Resort Residences

Kasara Urban Resort Residences is a six-tower high-rise community located in Ugong, Pasig City. Its proximity to C5 Road, Ortigas CBD, and future infrastructure developments such as the Metro Manila Subway and MRT-4 enhances connectivity and mobility. With almost 60% open space, residents enjoy nature-inspired landscaped gardens and water features, including pools, waterfalls, and koi ponds. Additional amenities include a function hall and jogging paths.

This urban resort concept offers a relaxed, vacation-like environment within a residential setting, allowing residents to enjoy everyday living with a sense of leisure and open space.

The Rochester

The Rochester is a seven-tower residential development located along Elisco Road in San Joaquin, Pasig City. It features a range of lifestyle amenities, including a 25-meter lap pool, children's pool, playground, basketball and tennis courts, and a five-star exclusive clubhouse with a function hall, gym, poolside bar, and game area.

Located only three kilometers from Bonifacio Global City, it offers convenient access to shopping malls, modern offices, international schools, and entertainment hubs, supporting a well-connected urban living experience.

Pioneer Woodlands

Pioneer Woodlands is a six-tower high-rise community located along EDSA corner Pioneer St. in Mandaluyong City, with a direct link to the MRT-3 Boni Avenue Station, providing seamless urban mobility for residents. Its strategic location also offers convenient access to key CBDs in Makati, Ortigas, and Uptown Bonifacio, as well as major transportation hubs.

The development features a range of lifestyle amenities located on the fifth floor of Woodland Park I to IV, including a landscaped garden, lap swimming pool, wading pool, and gym. These are complemented by additional facilities such as a children's playground, paved sunbathing deck, jogging path, function room, and outdoor fitness station.

Little Baguio Terraces

Little Baguio Terraces is a four-tower residential development set within an 8,000 square-meter property between N. Domingo Street in San Juan City and Aurora Boulevard in Quezon City. Strategically located near major transport lines, it offers convenient access to LRT-2 Gilmore and J. Ruiz Stations, providing connectivity to the university belts of Manila via Recto and Legarda and to Quezon City via Katipunan. The development is also close to schools, leisure hubs, and medical institutions.

Its amenities include a 14-meter lap pool, kiddie pool, daycare center, outdoor spa, paved sunbathing deck, children's playground, jogging path, and a gym, supporting an active and community-oriented lifestyle.

San Lorenzo Place

Makati CBD Luxury Residences

San Lorenzo Place is a four-tower development strategically located within Makati CBD. This upscale development is conveniently linked to the Magallanes station of the MRT-3, offering another transportation option to vital hubs in the North. Its amenities include commercial shops at the ground and podium levels, swimming pool, multi-purpose court, paved sunbathing deck, children's playground, landscaped gardens, jogging path, fitness gym and function room. Its bi-level podium offers premium products and services for residents' convenience.

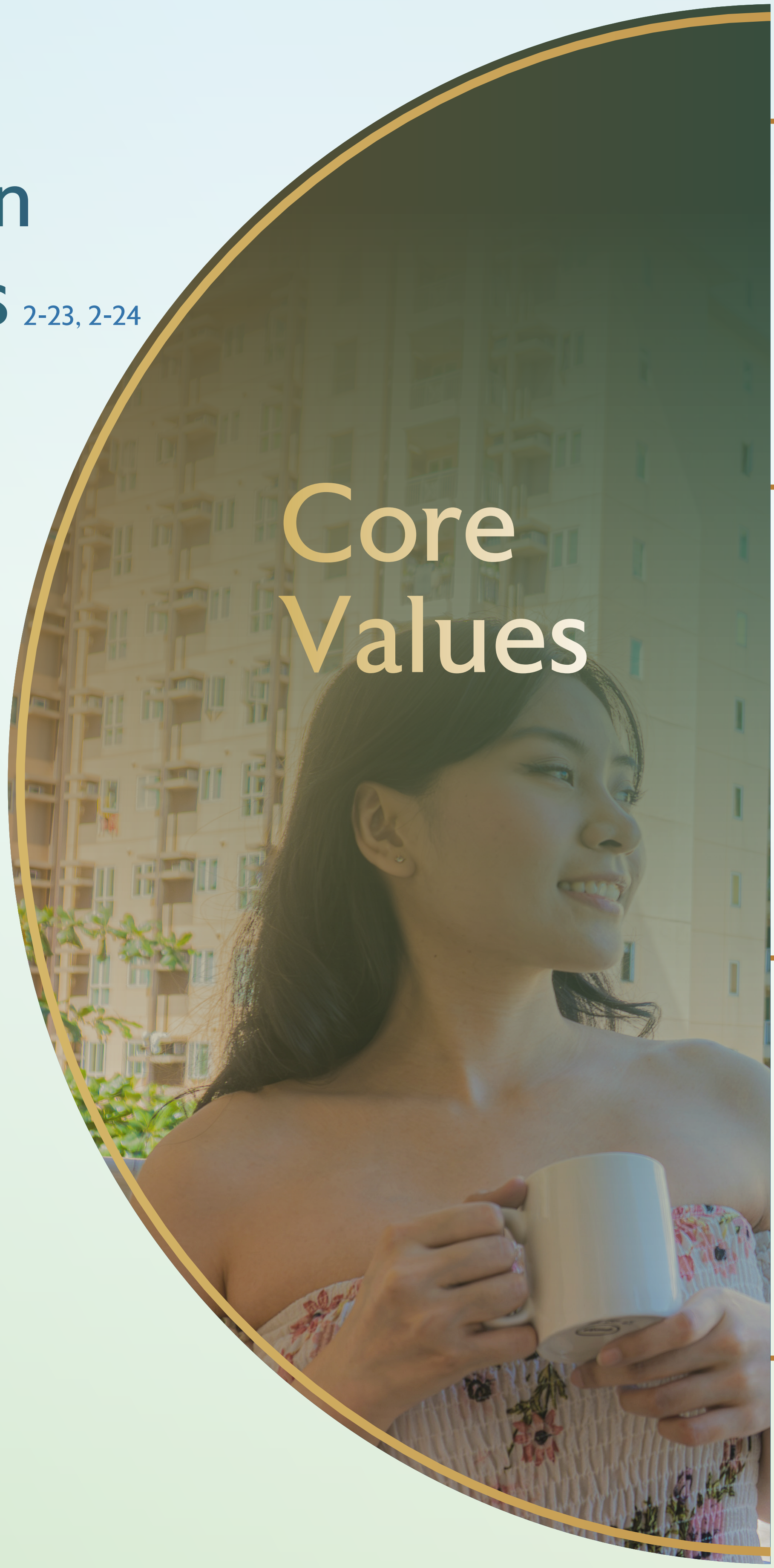
Vision, Mission & Core Values 2-23, 2-24

Vision

To be a brand of home that understands the humanity of its dwellers and crafts a cityscape of lifestyle empowerment.

Mission

To build homes with a blueprint that reflects the reality of the all-time wants and needs of aspiring homebuyers, integrated into dynamic communities engineered through innovative and pioneering lifestyle concepts.



Core Values

Commitment to Buyers

Empire East has a well-known track record of project completion and delivery as a testament to its 100% commitment to the vision of creating quality homes for aspiring homeowners. Each development concept and construction comes with unique features and elegant design that meet and even exceed every client's discerning expectations. Empire East honors the trust that each buyer gives them and assures that it is being atoned equitably and excellently.

Home and Family Building

A family is considered a special atom that composes a nation. It is therefore regarded as the basic unit of society, from whom today's active doers and leaders are nurtured. Aiming for better relations and stronger values within this system is crucial in building a community that unites in the common goal of economic, social, and political stride. It is therefore essential for this unit to be placed in an environment that instigates forward thinkers and in a place that is conducive to one's personal growth. Through Empire East's integrated township concepts, each person automatically has a healthier ground to plant their roots and to progressively grow. Through this, Empire East can fulfill its goal to help sustain the country's continuous development.

National Progress and Prosperity

A progressive cityscape is a sign of an improving country and urban lifestyle. Empire East is dedicated to continuing to uplift the lives of Filipinos by providing a variety of developments located at strategic addresses in Metro Manila. This innovation aims to bring every essential lifestyle closer to its dwellers to offer urgent attention to each dynamic city need. Its premier concepts that incorporate resort-inspired lifestyles and transit-oriented living into people's homes open each person's minds to better standards of life which in turn, pull up the values of others they interact with.

Expansion of Ideas and Vision

Empire East values the importance of ideas from which more significant concepts come from. The Company believes that big changes are not possible without that seed of change. Everything starts with a vision, which is slowly manifested into reality. Empire East is inspired by its Chairman Dr. Andrew L. Tan, who started his Company only from a dream of producing exceptional living spaces for aspiring families. Three decades later, he was not only able to provide homes but also, he was able to create the best lifestyles that Filipinos deserve.

History

Empire East Land Holdings, Inc. originated from Megaworld Corporation's Community Housing Division, which was established to develop affordable housing projects. In 1994, Megaworld incorporated Empire East Land Holdings, Inc. as a separate entity to serve the middle-income residential segment, building its foundation on disciplined project delivery and quality standards.

Over the years, EELHI expanded beyond its initial market focus, growing its residential portfolio to include upper mid-cost and selected luxury developments, high-rise projects, and township-scale communities. The Company's evolution has been marked by the introduction of new residential concepts, including township developments, loft-type units, micro-city planning, transit-oriented communities, and urban resort developments. Empire East is also recognized for pioneering elevated city concepts and flexible home ownership options in the Philippine residential market.

EELHI's development track record has been recognized through various local and international awards, including Real Estate Asia's ESG Initiative of the Year for the Philippines (2024), reflecting its increasing focus on sustainability alongside business growth.

Projects Launched

- Laguna Bel-Air 1
  Laguna Bel-Air 2
  Little Baguio Gardens
  Governor's Place
  Kingswood
  Gilmore Heights
- Laguna Bel-Air 4
  Pioneer Woodlands
  Little Baguio Terraces
  San Lorenzo Place
  The Rochester
- San Francisco Gardens
  Greenhills Garden Square
  The Xavier Hills
  California Garden Square
  Laguna Bel-Air 3
  Cambridge Village
- The Sonoma
  Kasara Urban Resort Residences
  Mango Tree Residences
  Covent Garden
  The Paddington Place
  Empire East Highland City

Milestones and Innovations

- Pioneered Live-Work-Play Township Model
- Flexible Unit Layouts through Unit Combination
- First to Offer No Down Payment and Zero Interest Schemes
- Established "Empire East Networks" Regional Sales Offices
- Pioneered Transit-Oriented Developments
- Introduced Resort-Style Condominiums
- First to Open a Mall Showroom
- Introduced Cluster Type Micro-City Concept
- First to Launch Loft-Type Units
- Strong Market Leadership for 30 Years
- Multi-Awarded Developer and Residential Projects
- Trendsetter in Advertising and Marketing Strategies
- Digital Transformation to Upgrade Processes and Customer Services
- Survived Various Crises: Asian Financial Crisis, Global Recession, COVID-19 Pandemic
- Launched the First "Elevated City" in the Philippines
- Introduced the "Empire East Elite" Luxury Brand of Developments
- Launched Numerous CSR Projects under "Empire East Cares"

2025 at a Glance

A Stronger Platform for Sustainable Growth

In 2025, Empire East reinforced its financial resilience to support long-term, community-focused development aligned with its sustainability strategy.

2025 Revenue
Php 5.39 Billion

- **Php 4.99 Billion** Economic Value Distributed
- **100%** Procurement from Local Suppliers
- **Php 4.11 Billion** Supplier & Contractor Spend
- **Collection Targets Achieved** Stronger Cash Flow Realization

Despite a dynamic market environment, Empire East sustained resilient revenues and strong reservation sales.

This financial stability enabled continued investments in developments, employees, digital transformation, and environmental initiatives — laying the groundwork for long-term community growth.

Turning Performance Into Communities

Expanding Access to Homes

23 Developments
19 Completed
2 New
2 Ongoing

Window 1 Status
Faster Loan Processing

Digital innovations
- CARE (Client Appointment and Registration Engagement)
- Ask About Your Home (Web Portal)
- Walkthrough Application
- Digital Payment Channels (QR)

More families gained access to homes located near major transport hubs, supported by digital tools that simplified purchasing, payment, and customer engagement.

Empowering People

Customer Service Innovation of the Year

Centralized Headquarters
Improved Workforce Coordination & Efficiency

Cross-Functional Alignment
Enhanced Sales, Marketing & Financing Collaboration

Behind every home delivered is a workforce empowered through fair compensation, strong safety standards, and a culture of accountability and trust.

Protecting the Places We Build

SCORE Established
Embedding ESG Across All Departments

37% Reduction in Water Consumption

13,125 GJ
Total Energy Consumption (↓YoY)

As communities grow, sustainability remains embedded — through renewable energy transitions, green spaces, responsible sourcing, and resource-efficient construction practices.

Stories from the Communities We Build

Homeowner Perspective

"Empire East made it possible for us to own a home near our workplace. The digital tools made payments easier, and the location allows us to spend more time with family."

Employee Spotlight

Safety and teamwork are our priorities. We build not just structures, but spaces where families grow.

Community Commitment

In 2025, Empire East strengthened partnerships with local communities and NGOs, advanced digital transformation to reduce paper use, and expanded climate-aligned initiatives to ensure every development supports long-term environmental resilience.

Certifications, Awards, and Recognitions

2025 BDO Home Loan Developers Awards

Sapphire Award

Top 10 Real Property Taxpayers for Residential Classification at the City of Santa Rosa Lion Awards 2025

Setting Milestone with Golden Arrow Recognition

Empire East values its commitment to integrity, transparency, and responsible leadership demonstrated by the Golden Arrow Recognition for Good Corporate Governance, held on October 23, 2025, at Okada Manila, and organized by the Institute of Corporate Directors (ICD).

The Company consistently earns the trust of its stakeholders while serving communities through implementing principles of good governance. Similarly, its parent company, Alliance Global Group, Inc. (AGI) and sister company Megaworld Corporation, Empire East earned one Golden Arrow marking a significant milestone in the Company's pursuit of excellence through its first-ever recognition from the ICD.

This award was received on behalf of the Company by Ms. Jhoanna Llaga (Senior Vice President and Chief Marketing Officer), Ms. Maylene Sison (Customer Relations Head), and Atty. Celeste Sioson-Bumatay (First Vice President of the Credits and Collection Department). This recognition highlighted the Company's governance principles translating into real shared value. Beyond winning the award, this reflects the governance principles embedded into the Company's culture that guide the community development while promoting livelihood through project expansion and job creation. It is a strong testament of Empire East's governance anchored in transparency, accountability, and ethical leadership. This continuing milestone strengthens the Company's demonstration of building trust for its stakeholders and the communities, and sustaining shared growth and shaping the industry it supports.

Board Composition and ESG Leadership 2-9, 2-10, 2-11, 2-12, 2-13

EELHI embeds environmental, social, and governance (ESG) initiatives into its core strategy under the oversight of a skilled and experienced Board of Directors operating under a formal charter. Following enhancements to the Company's governance structure in 2024, designated Board committees were established to oversee key impact areas, including economic performance, environmental matters, and employee engagement.

There are seven (7) members of the Company's Board of Directors, two of whom are independent directors. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director (SRC Rule 38). All directors were elected during the annual meeting of stockholders held on 11 June 2024 for a term of one year and until their successors are elected and qualified.

Information concerning the background of the directors/nominees for directors, and executive officers of the Company indicating their principal occupation or employment and their business or professional experience for the past five (5) years is provided below.

Lino P. Victorioso, Jr.

Director
Male
- Executive (Member)
- Audit (Member)

Enrique Santos L. Sy

Director (Non-Executive)
Male
- Corporate Governance (Member)
- Board Risk (Member)
- Related Party Transactions (Member)

Andrew L. Tan

Chairman of the Board (Non-Executive)
Male
- Executive (Chairman)

Atty. Anthony Charlemagne C. Yu

President and Chief Executive Officer
Male
- Executive (Member)

Kevin Andrew L. Tan

Director (Non-Executive)
Male

Sergio R. Ortiz-Luis, Jr.

Independent Director
Male
- Board Risk (Chairman)
- Audit (Member)
- Corporate Governance (Member)
- Related Party Transactions (Member)

Cresencio P. Aquino

Lead Independent Director
Male
- Audit (Chairman)
- Corporate Governance (Chairman)
- Related Party Transactions (Chairman)
- Board Risk (Member)

Andrew L. Tan

Chairman of the Board (Non-Executive)
75, Male, Filipino

Date of First Appointment:
July 1994
Length of Service:
31 years
Committee Membership:
Executive (Chairman)

Mr. Tan, 75 years old, Filipino, has served as Chairman of the Company's Board of Directors since its incorporation in July 1994. He was also Treasurer of the Company from July 1994 to May 1998. He is the Chairman of the Board of Megaworld Corporation, a publicly listed corporation and the parent company of the Company, and Chairman of other publicly listed companies such as Alliance Global Group, Inc., Emperador Inc., and Global-Estate Resorts, Inc. He pioneered the live-work play-learn model in real estate development through the Company's integrated township communities, fueling the growth of the business process outsourcing (BPO) industry. He embarked on the development of integrated tourism estates through publicly listed Alliance Global Group, Inc. and Global Estate Resorts, Inc., which he both chairs, while continuing to focus on consumer friendly food and beverage and quick service restaurants. Mr. Tan serves as Chairman of the Board of Suntrust Properties, Inc., a subsidiary engaged in the development and marketing of affordable housing projects. He also serves in the boards of other Megaworld subsidiaries including Eastwood Cyber One Corporation, Megaworld Land, Inc., Megaworld Central Properties Inc., Megaworld Bacolod Properties, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Newport Property Holdings, Inc. and Richmonde Hotel Group International Limited. He is also the Chairman of Emperador Inc., a public-listed company which owns Emperador Distillers, Inc., the leading brandy manufacturer and distributor in the Philippines. Mr. Tan is Chairman Emeritus of Megaworld Foundation, the Company's corporate social responsibility arm, which primarily focuses on the promotion of education through scholarship programs for financially handicapped but deserving students, and supports causes that promote poverty alleviation, people empowerment, social justice, good governance and environmental conservation. He is a director of Travellers International Hotel Group, Inc., which owns Newport World Resorts Manila, and the food and beverage companies, Emperador Distillers, Inc., Alliance Global Brands, Inc., and Golden Arches Development Corporation. Dr. Tan graduated magna cum laude from the University of the East with a Bachelor of Science degree in Business Administration. In 2011, Dr. Tan was conferred by the University of the East the Degree of Doctor of Humanities, honoris causa.

Kevin Andrew L. Tan

Director (Non-Executive)
45, Male, Filipino

Date of First Appointment:
June 2015
Length of Service:
10 years
Committee Membership:
(N/A)

Mr. Tan, 45 years old, Filipino, has served as Director since June 2015. He is the Director and Executive Director of Megaworld Corporation. He previously held the position of Vice President and Chief Strategy Officer and also previously a Senior Vice President for Commercial Division which markets and operates the Megaworld Lifestyle Malls including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, and Lucky Chinatown Mall in Binondo, Manila, and Uptown Mall in Bonifacio Global City. He is the President, Chief Executive Officer and Vice Chairman of public-listed company, Alliance Global Group, Inc., as well as the President and Chief Executive Officer of MREIT, Inc. He is also concurrently a Director of publicly-listed companies, Emperador Inc. and Global-Estate Resorts, Inc., and other affiliate companies such as Eastwood Cyber One Corporation, Uptown Cinemas, Inc., Megaworld Central Properties Inc., Twin Lakes Corporation, Megaworld Land, Inc., Townsquare Development, Inc., Emperador Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., and New Town Land Partners, Inc.

He is also a Chairman of Megaworld Foundation, Inc. and the Chairman and President of Alliance Global-Infracorp Development, Inc. and Agile Digital Ventures, Inc. Mr. Tan obtained his bachelor's degree in Business Administration major in Management from the University of Asia and the Pacific.

Enrique Santos L. Sy

Director (Non-Executive)
76, Male, Filipino

Date of First Appointment:
June 2009
Length of Service:
16 years
Committee Membership:
Corporate Governance (Member)
Board Risk (Member)
Related Party Transactions (Member)

Mr. Sy, 76 years old, Filipino, was elected to the Board on 09 June 2009. Previously, he served as director of the Company from April 1996 to April 1998 and from June 1999 to 23 December 2008. Mr. Sy was Corporate Secretary of the Company from July 1994 until 31 March 2011. Mr. Sy concurrently serves on the Board of the publicly-listed company, Megaworld Corporation. He is a Director of Eastin Holdings and First Oceanic Property Management, Inc. He is also a Director and the Corporate Secretary of Asia Finest Cuisine, Inc. and the Corporate Secretary of Empire East Communities, Inc. Mr. Sy previously worked as Advertising Manager of Consolidated Distillers of the Far East, Inc., Creative Director of AdCentrum Advertising, Inc., Copy Chief of Admakers, Inc., and Peace Advertising Corporation and Creative Associate of Adformatix, Inc. Mr. Sy graduated with honors from the Ateneo de Manila University with the degree of Bachelor of Arts in Communication Arts.

Cresencio P. Aquino

Lead Independent Director
71, Male, Filipino

Date of First Appointment:
February 2018
Length of Service:
7 years
Committee Membership:
Audit (Chairman)
Corporate Governance (Chairman)
Related Party Transactions (Chairman)
Board Risk (Member)

Atty. Aquino, 71 years old, Filipino, is currently the Managing Partner of The Law Firm of CP Aquino & Partners. He was first elected as independent director of the Company on February 15, 2018. He concurrently serves as an independent director in the Boards of publicly-listed companies, Megaworld Corporation and Global-Estate Resorts, Inc. Atty. Aquino has extensive experience in both the public and private sectors as Director of Clark Development Corporation from 2012 to 2016, Independent Director of Suntrust Home Developers, Inc. from 2009 to 2012, Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, Director of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bank from September 1992 to June 1998, and Executive Director of the Department of Interior and Local Government ("DILG") from 1988 to 1992, and concurrently Ex-Officio Commissioner of the DILG with the Housing and Land Use Regulatory Board also for the same period. Atty. Aquino was formerly an Associate Professor with the San Sebastian College. Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus, and the Lawyers League of the Philippines. Atty. Aquino graduated from San Sebastian College Manila with the degree of Bachelor of Arts in 1973. He obtained his Bachelor of Laws from the same institution in 1977.

Sergio R. Ortiz-Luis, Jr.

Independent Director
81, Male, Filipino

Date of First Appointment:
June 2022
Length of Service:
3 years
Committee Membership:
Board Risk (Chairman)
Audit (Member)
Corporate Governance (Member)
Related Party Transactions (Member)

Mr. Ortiz-Luis, 81 years old, Filipino, is an independent director of the Company since June 2022. He is the Head of the Philippine Exporters Confederation, Inc., the country's umbrella organization of Philippine exporters under the Export Development Act, Honorary Chairman and Treasurer of the Philippine Chamber of Commerce & Industry, President of Employers Confederation of the Philippines, a Director and Past President at Philippine Foundation, Inc. or Team Philippines, and Founding Director of the International Chamber of Commerce in the Philippines. He is also the Independent Director of MREIT, Inc. Mr. Ortiz-Luis, Jr. obtained his bachelor's degree in Liberal Arts and Business Administration, and a candidate of Master of Business Administration from De La Salle College. He has a PhD in Humanities from Central Luzon State University, PhD in Business Technology from Eulogio "Amang" Rodriguez Institute of Science and Technology, and PhD in Business Administration from Angeles University Foundation.

Corporate Governance Structure

Atty. Anthony Charlemagne C. Yu

President and Chief Executive Officer
62, Male, Filipino

Date of First Appointment:
August 1997
Length of Service:
28 years
Committee Membership:
Executive (Member)

Atty. Yu, 62 years old, Filipino, has been a member of the Company's Board of Directors since August 1997 and has served as President and CEO of the Company for the same period. He joined Megaworld Land, Inc. in July 1996 and served as its Vice President until July 1997. Mr. Yu obtained his Bachelor of Arts degree major in Political Science from the Ateneo de Manila University and his Juris Doctor degree from the University of the Philippines. He holds a Master's Degree from the University of London. He also holds a Master of Laws (LLM) degree from the University of California at Berkeley. He has also undertaken further studies in Advanced Finance in the University of Michigan. Atty. Yu previously worked for Ten Knots Development Corporation where he served as Vice President for Corporate and Legal Affairs and was a member of both its Executive and Management Committees. He also worked as a Legal Associate in one of the country's largest and most active law firms then, and served as Special Legal Counsel to the Secretary of Health, Dr. Juan Flavier. He also served as a Consultant in the Senate of the Philippines. Atty. Yu is a Professor of Law in the College of Law of the University of the Philippines. He was a member of the University Faculty of the Ateneo de Manila University for many years, and sat on the Board of the Institute of the Philippine Culture of the Ateneo de Manila University. He is presently the Chair of a committee of the Board of the Ateneo de Manila University. He was also a Founding Faculty of the College of Law of De La Salle University, and was a Professor of Law at the Lyceum College of Law. He is presently the Chairperson of the Board of Trustees of World Wide Fund for Nature – WWF Philippines, which works to improve Filipino lives by crafting solutions to climate change, providing sustainable livelihood programs, and conserving the country's richest marine and terrestrial habitats. He was a member of the Philippine Delegation to the Integrated Environmental Management Forum held in Israel. Atty. Yu was also a member of the Regional Network of Legal Experts on Marine Pollution of a multilateral agency, and sat in the Board of Trustees of Management Advancement Systems, Association, Inc. He served as the Chairman of the Board and President of the Philippine Science-assisted school, Laguna BelAir Science School, Inc. He is the President of the El Nido Foundation, an NGO that promotes sustainable development and environmental protection in northern Palawan. He is a Trustee of Culion Foundation, a social development organization that primarily supports undertakings on the prevention and control of selected communicable and infectious diseases, reproductive health, and micro-enterprise development. For many years, he served as the

Chairman of the ERDA Group of Foundations, which promotes educational assistance to the marginalized sectors of society, including street children. He was also a member of the Board of Trustees of IBON Foundation, a non-profit research and education development institution that provides socio-economic research and analysis on people's issues to various sectors. He also sits in the Board of NVC Foundation - Negrense Volunteers for Change, an organization that fights hunger and poverty by providing proper nutrition for poor children, as well as sustainable livelihood opportunities for their families. He is also a member of the Board of AHA! Learning Center, an NGO that supports public school children in various ways. He also sits as a member of the Board of Kaya Natin Movement for Good Governance and Ethical Leadership (Kaya Natin), which promotes good governance and ethical leadership in the Philippines. Atty. Yu is also President and/or Director of Empire East Communities, Inc., Megaworld Central Properties, Inc., Sherman Oak Holdings, Inc., Sonoma Premier Land, Inc., Valle Verde Properties, Inc., and Megaworld Newport Property Holdings, Inc. He has been appointed by the Supreme Court to be a member of the Ad Hoc Committee for the Formulation of the Special Rules of Procedure on Anti-Terrorism Cases, the Judicial Committee on Sustainability and Environmental Concerns, the Technical Working Group to draft the Amended Rules on Mandatory Continuing Legal Education of 2025, the Technical Working Group to Study the Freedom Writs (Writ of Habeas Corpus and Writ of Amparo), the Technical Working Group to Amend the Rules on Special Proceedings of the Rules of Court, the Technical Working Group for the Training and Capacity Building of Judges for the Implementation of the Anti-Terrorism Act of 2020 and Related Laws, and the Technical Working Group on Public Interest Lawyering, Alternative Lawyering, Developmental Legal Aid, and Legal Aid, among others. He has also served as a resource person of the Supreme Court's Technical Working Group on The New Code of Judicial Conduct. He was also a resource speaker in the Supreme Court's National Summit on Sustainability and Environmental Law. He was assigned by the Supreme Court to be a Reactor, together with Senior Associate Justice Marvic Leonen, to the presentation of Australia's Federal Court Chief Justice Debra Sue Mortimer on the topic of Native Title during the Philippine Judiciary Knowledge Exchange with the Federal Court of Australia. He was a member of the delegation sent by the Supreme Court in the Learning Exchange in Australia for the Philippine Judiciary. Atty. Yu has also been appointed by the Supreme Court to be the Chair of the Constitutional Law Department of the Philippine Judicial Academy (PhilJA), a component unit of the Supreme Court which serves as the training school for justices, judges, and other present and aspiring members of the Philippine Judiciary as well as court personnel.

Lino P. Victorioso, Jr.

Chief Financial Officer
and Chief Information Officer
45, Male, Filipino

Date of First Appointment:
June 2024
Length of Service:
1 year and 6 months
Committee Membership:
Executive (Member)
Audit (Member)

Mr. Victorioso, Jr., 45 years old, Filipino, is the current Chief Financial Officer and Chief Information Officer of the Company. He has served as director of the Company since 11 June 2024. He also serves as the Data Protection Officer of Megaworld Corporation, a publicly-listed company. Mr. Victorioso, Jr. previously held the position of Senior Assistant Vice-President and headed the Corporate Financial Services Division of the Megaworld Corporation. Prior to joining the Company, he held various CFO roles in the real estate and retail industries. Mr. Victorioso, Jr. graduated cum laude from the University of the Philippines Diliman with a degree in Business Administration and Accountancy. He is a Certified Public Accountant.

Jhoanna Lyndelou T. Llaga

Senior Vice President and
Chief Marketing Officer
53, Female, Filipino

Date of First Appointment:
April 1996
Length of Service:
29 years

Ms. Llaga, 53, Filipino, concurrently serves as Director of Empire East Communities, Inc., the Company's subsidiary, and as Senior Vice President of Megaworld Central Properties, Inc., an affiliate of the Company. She joined the Company in April 1996 and currently serves as Senior Vice President and Chief Marketing Officer. She was appointed Marketing Head in June 2003, Assistant Vice President in July 2009, Vice President in March 2011, and First Vice President in July 2015. Ms. Llaga graduated from the University of the Philippines Diliman with a Bachelor of Arts degree in English Language Studies and is completing her Master's in Development Communication at the University of the Philippines Open University.

Giovanni C. Ng

Treasurer
51, Male, Filipino

Date of First Appointment:
January 6, 2002
Length of Service:
23 years

Mr. Ng, 51 years old, Filipino, has served as Treasurer of the Company since 06 January 2002. He is also the Senior Vice President and Finance Director of Megaworld Corporation and Treasurer of Adams Properties, Inc. and Townsquare Development, Inc. He serves as a director in Eastwood Property Holdings, Inc., Oceantown Properties, Inc., Empire East Communities, Inc., Gilmore Property Marketing Associates, Inc., First Centro, Inc., Valle Verde Properties, Inc., Lucky Chinatown Cinemas, Inc. and New Town Land Partners, Inc. and Megaworld Land, Inc. Previously, he worked as Analyst Associate in Keppel IVI Investments. Mr. Ng obtained his bachelor's degree in Quantitative Economics from the University of Asia and the Pacific, graduating summa cum laude in 1995.

Dennis E. Edaño

Corporate Secretary and First Vice President for Legal and Corporate Affairs
48, Male, Filipino

Date of First Appointment:
September 2003
Length of Service:
22 years

Atty. Edaño, 48 years old, Filipino, is the Corporate Secretary of the Company. He has been with the Company since September 2003 and currently heads the Legal & Corporate Affairs Department. Prior to his appointment as Corporate Secretary, Atty. Edaño was Assistant Corporate Secretary of the Company. Atty. Edaño has extensive experience in civil, criminal, administrative, labor and local taxation litigation, labor relations, and real estate law. Prior to joining the Company, he was an Associate at the Siguion Reyna Montecillo Ongsiako Law Offices. Atty. Edaño obtained his bachelor's degree in Law in 1999 from the University of the Philippines and his bachelor's degree in Liberal Arts major in Philosophy from the same institution in 1995.

Celeste Z. Sioson-Bumatay

Assistant Corporate Secretary and First Vice President for Credit and Collection
48, Female, Filipino

Date of First Appointment:
October 2006
Length of Service:
19 years

Atty. Sioson-Bumatay, 48 years old, Filipino, is the Assistant Corporate Secretary of the Company. She joined the Company in October 2006 and is currently the First Vice President of the Credit and Collection Department of the Company. Atty. Sioson-Bumatay obtained her bachelor's degree in Law from the University of the Philippines in 2002 and her bachelor's degree in Science major in Biology in 1998 from the same institution. She has extensive experience in civil, criminal, administrative, labor litigation, labor relations, and real estate law. Prior to joining the Company, she was a Senior Associate at the Andres Marcelo Padernal Guerrero and Paras Law Offices and an Associate at the Ponce Enrile Reyes & Manalastas Law Offices.

Franemil T. Ramos

First Vice President for Management Information System
51, Male, Filipino

Date of First Appointment:
December 1997
Length of Service:
28 years

Mr. Ramos, 51 years old, Filipino, joined the Company in December 1997 and held various positions in the Management Information System (MIS) Department. He was appointed as First Vice President in May 2022. He also held the position of Senior Manager in July 2004, Assistant Vice President in July 2006 and Vice President for MIS in July 2016. Mr. Ramos has a broad background in multiple programming languages along with extensive experience in system analysis, design, and implementation. Prior to joining the company, he was a Programmer Analyst of Union Industries, Inc. assigned to developing and migrating applications from mainframe computer. He graduated from the Lyceum of the Philippines with the degree of Bachelor of Science in Information Technology.

Kim Camille B. Manansala

Vice President for Audit & Management Services
34, Female, Filipino

Date of First Appointment:
May 2016
Length of Service:
9 years

Ms. Manansala, 34, Filipino, serves as Chief Audit Executive and Vice President for Audit and Management Services (AMS), where she leads governance, risk management, and internal control initiatives across the organization. Since joining the Company in 2016 as Senior Audit Manager, she has progressed rapidly through leadership roles, culminating in her appointment as Vice President in 2024 and Chief Audit Executive in 2025. She also served as Project Head for the Company's SAP implementation. Prior to joining the Company, she was with SyCip Gorres Velayo & Co. (SGV & Co), where she gained extensive experience in financial and operational audits across industries, including insurance, services, finance and holding companies, advertising, and non-profit organizations. Ms. Manansala graduated Magna Cum Laude with a Bachelor of Science in Accountancy degree from the Polytechnic University of the Philippines and is a Certified Public Accountant, achieving a 90% rating in the licensure examination.

Cosca Camille M. Tuason

Assistant Vice President for Human Resources Department
39, Female, Filipino

Date of First Appointment:
May 2006
Length of Service:
16 years

Ms. Tuason, 39 years old, Filipino, joined the Company in May 2006 and has held various roles in the Human Resources and Marketing Department. She was promoted as Assistant Vice President for Human Resources Department on April 1, 2025. Ms. Tuason holds a double degree in Psychology and Guidance & Counseling from St. Scholastica's College Manila. She also earned a Diploma in Industrial Relations and is completing her degree in Master of Industrial Relations at the University of the Philippines Diliman.

Gemma O. Romero

Vice President for Project Development, Administration and General Services Department
51, Female, Filipino

Date of First Appointment:
August 5, 1998
Length of Service:
26 years

Engr. Romero, 51, Filipino, joined the Company in 1998 as a Senior Customer Care Officer. She was subsequently promoted to Assistant Vice President for the Property Development Department and was appointed Vice President for Property Development, Administration and General Services Department on February 15, 2025. She has since held various key positions in the Company and brings extensive experience in construction, structural consultancy, and real estate. Engr. Romero graduated from Bicol University with a degree in Civil Engineering. She is a licensed Civil Engineer.

Rudolf Ryan B. Capor

Assistant Vice President for Project Construction
40, Male, Filipino

Date of First Appointment:
February 17,2025
Length of Service:
~ 1 year

Engr. Capor, a 40-year-old Filipino civil engineer, joined Empire East on February 17, 2025 as Head of the Project Construction Department. Prior to this, he spent 17 years with Megaworld Corporation, where he progressed from Site Engineer to Construction Area Manager and led several high-rise residential, BPO, and land development projects. He earned his Bachelor of Science degree in Civil Engineering from Mapúa Institute of Technology in 2006 and obtained his professional license in the same year. In 2018, he completed his Master's degree in Construction Engineering and Management at Mapúa University. Engr. Capor is recognized for implementing modern construction technologies and industry best practices, contributing to improved project delivery, quality control, and sustainable construction initiatives.

Executive Committee

The Executive Committee addresses matters delegated by the Board, with the exception of shareholder approvals, by-law amendments, Board vacancies, and dividend declarations. It provides strategic direction and operational oversight.

Chairman:
Dr. Andrew L. Tan

Members:
Atty. Anthony Charlemagne C. Yu
Lino P. Victorioso Jr.

Related Party Transactions Committee

The committee ensures transparency and fairness in dealings involving related parties by reviewing transactions for compliance with company policies.

Chairman:
Cresencio P. Aquino

Members:
Sergio R. Ortiz-Luis, Jr.

Audit Committee

The Audit Committee oversees financial reporting, internal audit effectiveness, operational efficiency, and compliance with laws and regulations.

Chairman:
Cresencio P. Aquino

Members:
Sergio R. Ortiz-Luis, Jr.
Lino P. Victorioso Jr.

Board Risk Oversight Committee

This committee supervises the implementation of the Enterprise Risk Management Framework to ensure that EELHI effectively identifies, monitors, and mitigates key business risks.

Chairman:
Sergio R. Ortiz-Luis, Jr.

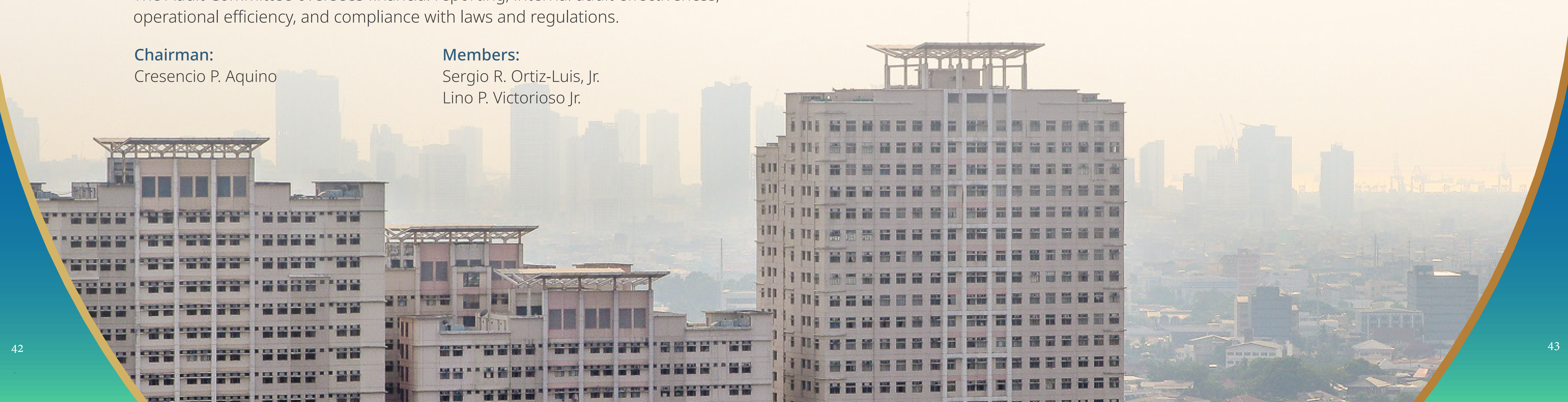
Members:
Cresencio P. Aquino
Enrique Santos L. Sy

Corporate Governance Committee

This committee is responsible for upholding strong corporate governance by reviewing policies, assessing Board performance, and ensuring governance practices are in place and up to date.

Chairman:
Sergio R. Ortiz-Luis, Jr.

Members:
Cresencio P. Aquino
Enrique Santos L. Sy



Sustainability Strategy

In 2025, Empire East strengthened its commitment to Shaping Tomorrow's Communities by placing people at the center of its sustainability journey. Guided by its pillars of People, Planet, and Prosperity, the Company develops homes and neighborhoods that support everyday well-being, use resources responsibly, and create long-term value.

For Empire East, sustainability means building spaces where families can thrive today while ensuring growth remains resilient, inclusive, and responsible for the future. This approach integrates social responsibility, environmental stewardship, and disciplined governance into how the Company plans, builds, and manages its developments.

Sustainability Framework

EELHI embeds sustainability across the organization through three interconnected pillars: People, Planet, and Prosperity. These pillars guide how the Company designs communities, manages its operations, and creates long-term value for the people it serves.

Grounded in the sustainability direction of its parent company, AGI, the framework strengthens governance and strategic alignment while allowing EELHI to respond to the evolving needs of homeowners, employees, partners, investors, and host communities. By linking sustainability priorities with everyday decision-making, the pillars provide a clear and practical foundation for responsible growth and resilient communities.

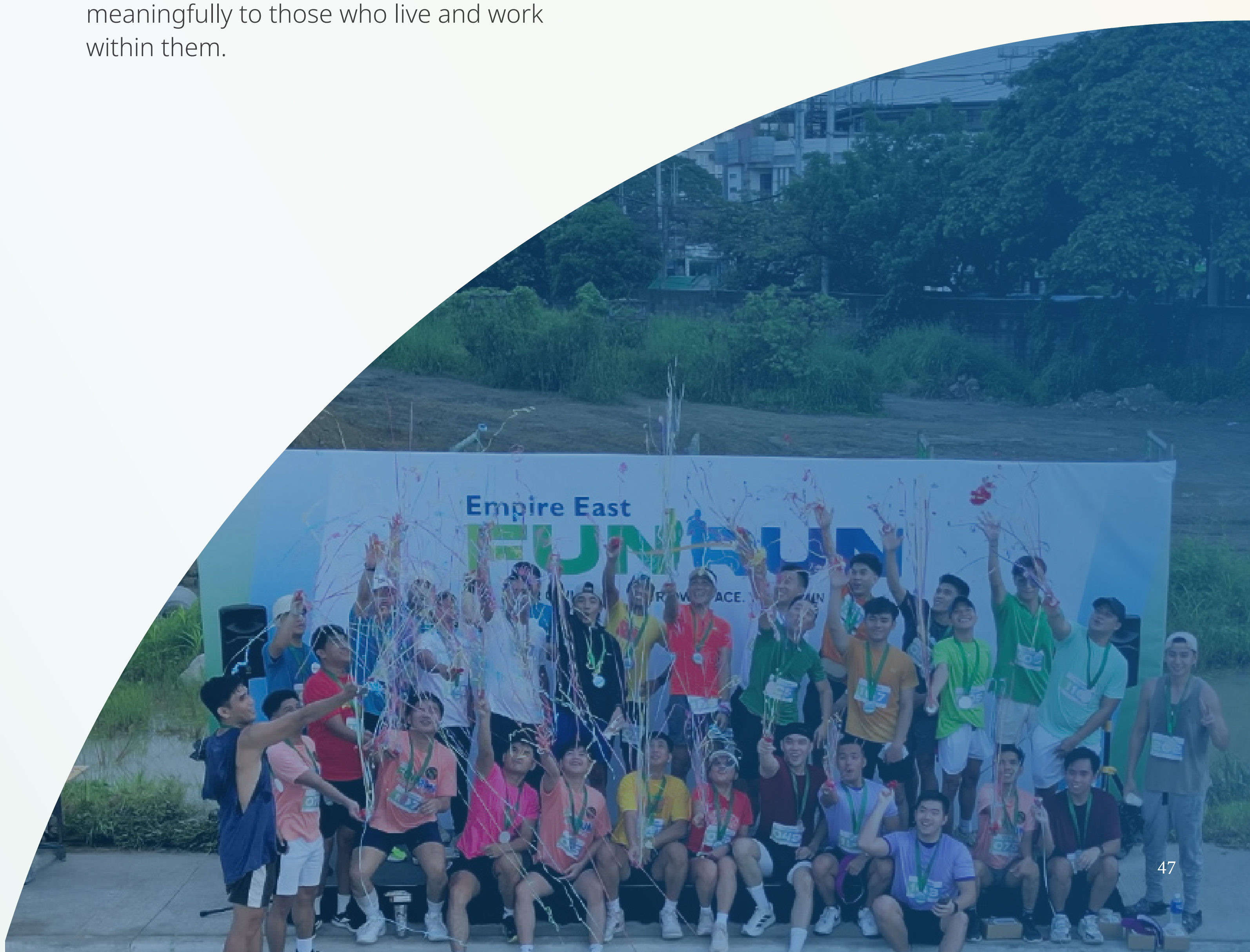
Pillar I: People

Building Communities where People Thrive

Strong communities begin with people. Under the People pillar, EELHI focuses on fostering a supportive workplace, delivering a positive customer experience, and strengthening relationships with partners and local communities.

By promoting respect, accountability, and open engagement, the Company cultivates trust across its stakeholder groups. This pillar ensures that developments are not only well-built structures, but environments that enhance everyday living and contribute meaningfully to those who live and work within them.

- Employee Wellness and Empowerment
- Community Transformation
- Customer Care



Pillar II: Planet

Designing Responsibly for Future Generations

EELHI recognizes that community well-being is closely tied to environmental responsibility. Through the Planet pillar, sustainability considerations are integrated into planning, construction, and property management.

By improving resource efficiency, managing environmental impacts, and refining design standards, the Company supports safer, more resilient developments. These efforts help ensure that projects remain viable, comfortable, and environmentally responsible over time.

- Climate Action
- Resource Efficiency
- Sustainable Building Operations

Pillar III: Prosperity

Sustaining Growth That Benefits Communities

Long-term value depends on sound governance and disciplined performance. The Prosperity pillar reflects EELHI's commitment to ethical business practices, risk management, and financial stability.

Through responsible leadership and transparent operations, the Company builds investor confidence while creating economic opportunities for employees, partners, and the communities it serves. Sustainable growth, in this context, is growth that is managed prudently and built to endure.

- Impactful Growth
- Good Governance

Stakeholder Engagement 2-29

EELHI's sustainability journey is shaped by continuous engagement with those it serves. The Company builds long-term relationships grounded in trust, transparency, and accountability.

Through established communication channels, reporting mechanisms, and resolution systems, EELHI actively listens to stakeholder concerns and integrates feedback into operational and strategic decisions.

Engagement spans customers, employees, applicants, business partners, regulators, investors, and local communities.

By maintaining open dialogue and responding responsibly, the Company ensures that stakeholder perspectives inform its priorities and reinforce its commitment to building communities that endure.

Stakeholder Group	Concerns	Engagement Channels	Actions Taken
Customers	Project updates, payment processes, unit turnover and titles, property management, after-sales support	Calls, SMS, email, customer feedback channels, centralized payment platform	EELHI strengthens customer experience through digitalized processes, transparent project updates, and coordinated after-sales support.
Employees	Work arrangements, adequate tools and resources, manpower support, sustainability awareness, workplace well-being	Meetings, teleconferences, internal platforms, consultations	The Company enhances workplace systems, upgrades tools and resources, and promotes employee development and well-being.
Applicants	Transparent hiring process, flexible interview arrangements, career opportunities	Online job portals, video interviews, phone calls	EELHI maintains a fair, paperless, and accessible recruitment process to attract qualified talent
Business Partners	Efficient bid submission, technical coordination, timely approvals	Digital submission platforms, contractor portals, coordination meetings	The Company improves collaboration through digital procurement systems and structured coordination processes.
Government & Regulators	Regulatory compliance, environmental standards, labor and safety requirements, permit processing	Regulatory submissions, inspections, coordination meetings	EELHI ensures compliance through regular monitoring, updated programs, and proactive coordination with agencies.
Shareholders & Investors	Reliable financial information, transparency, sound governance	Financial reports, regulatory disclosures, meetings	The Company provides timely and accurate disclosures to support informed decision-making.
Communities	Property management standards, security, association dues, connectivity, community engagement	Property management channels, community meetings, CSR initiatives	EELHI works closely with communities to maintain safe, well-managed developments and support local initiatives.

Materiality 3-1, 3-2

Materiality defines the sustainability topics that most influence EELHI's ability to create value for homeowners, support thriving communities, and deliver long-term returns to investors. As a transit-oriented development company, these priorities guide how the Company plans and builds communities that improve accessibility, enhance quality of life, and contribute to more connected urban environments—supporting its vision of shaping tomorrow's communities.

EELHI regularly reviews and refines its material topics to reflect evolving business conditions, regulatory developments, and stakeholder expectations. Through this process, the Company ensures that its sustainability initiatives remain focused on the issues that matter most to residents, employees, partners, investors, and host communities, while strengthening the alignment between sustainability priorities and business strategy.

The materiality process follows three key steps:

Previously identified material topics were reviewed to confirm their continued relevance in light of changes in business priorities, operating conditions, and the sustainability landscape, consistent with the principles of the GRI Standards.

Insights from ongoing engagement with customers, employees, investors, partners, and regulators were considered in validating each topic's relevance. The Company ensured that its priorities remain responsive to stakeholder expectations.

The reviewed topics were benchmarked against SASB guidance and relevant industry peers to ensure alignment with sector standards and evolving best practices. The refined topics were then reviewed by Management and endorsed by the Board, and prioritized to guide sustainability focus areas, resource allocation, and disclosures.

Unified Impact: An ESG Blueprint

The Company's material topics are operationalized through an integrated ESG Blueprint that connects governance, operations, and performance across the People, Planet, and Prosperity pillars.

Rather than managing sustainability issues in isolation, EELHI aligns workforce initiatives, environmental programs, customer-focused improvements, ethical standards, and risk oversight within a coordinated framework. This approach ensures that actions taken under one pillar reinforce progress across the others.

The ESG Blueprint translates priorities into policies, programs, controls, and measurable outcomes. It strengthens accountability, promotes consistency across business units, and embeds sustainability into everyday decision-making.

By integrating impact management with strategic oversight, EELHI advances balanced value creation that supports people, protects resources, and sustains long-term growth.

PEOPLE

Employee Wellness and Empowerment
- Diversity and Equal Opportunity
- Labor Management and Human Rights
- Employee Training and Education
- Workforce Health and Safety

Community Transformation
- Community Impacts of Development

Customer Care
- Customer Satisfaction

PLANET

Climate Action
- GHG Emissions
- Climate Change

Resource Efficiency
- Water
- Waste Management
- Energy
- Material Consumption

Sustainable Building Operations
- Continued Development of Design Standards

PROSPERITY

Impactful Growth
- Economic Performance

Good Governance
- Risk Management
- Business Ethics and Integrity
- Anti-corruption
- Procurement Practices
- Supplier Management

UN SDG Contributions

EELHI aligns its sustainability efforts with the United Nations Sustainable Development Goals (UN SDGs) by integrating ESG principles into its strategy and operations. Through its focus on sustainable urban development, responsible resource use, climate action, and inclusive growth, the Company seeks to manage its economic, environmental, and social impacts responsibly while contributing to shared sustainability objectives for its stakeholders and the communities it serves.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Employee Wellness and Empowerment					
Diversity and Equal Opportunity Empire East promotes an inclusive workplace by applying non-discriminatory hiring and advancement practices and fostering equal access to opportunities across roles and levels.	**GRI 401:** Employment **GRI 405:** Diversity and Equal Opportunity	• Inclusive and merit-based hiring across roles and levels • Equal access to career advancement and professional development	• Longer recruitment cycles due to broader candidate evaluation	• Optimize recruitment processes while maintaining inclusive hiring standards • Strengthen inclusive workplace policies and diversity programs	
Labor Management and Human Rights Empire East safeguards lawful and ethical employment by preventing child and forced labor, strengthening labor management relations, and extending labor expectations to suppliers and contractors.	**GRI 402:** Labor/Management Relations **GRI 408:** Child Labor **GRI 409**: Forced or Compulsory Labor	• Protection of worker rights across operations • Fair and lawful employment practices • Responsible labor standards for contractors and suppliers • Reduced risk of labor exploitation across the value chain	• Risk of policy non-compliance and labor disputes	• Regular labor compliance monitoring and audits • Clear labor and human rights requirements in contracts • Accessible worker grievance and feedback mechanisms • Timely corrective actions for identified issues	
Employee Training and Education Empire East ensures a high-performing workforce through enhancing skills, productivity and career growth; in doing so, the Company fosters innovation, retention and long-term business sustainability.	**GRI 404:** Training and Education	• Strengthened workforce skills • and capabilities • Improved operational and service performance • Clearer career development and internal mobility pathways • Higher employee retention and engagement	• Increased training costs and time investment • Skills gaps if training programs are misaligned with role needs • Lower engagement if career pathways are unclear	• Role-based training needs assessments • Post-training evaluations and feedback mechanisms • Individual development plans and mentoring support • Monitoring of training outcomes and career mobility	
Workforce Health and Safety Empire East maintains safe work environments by preventing incidents, managing site risks, and strengthening a culture of safety across employees, contractors, and project locations.	**GRI 403:** Occupational Health and Safety	• Reduced workplace injuries and incidents • Safer project sites and operational environments • Stronger safety culture among employees and contractors • Improved contractor safety compliance	• Work disruptions from safety incidents • Project delays due to safety non-compliance findings • Inconsistent safety practices across project sites	• Mandatory safety orientations and toolbox meetings • Routine site inspections and corrective actions • Incident reporting and root-cause analysis • Contractor safety monitoring and alignment	
Community Transformation					
Community Impact of Developments Empire East advances responsible development by minimizing construction disruption, engaging stakeholders early, and supporting community priorities across the project lifecycle	**GRI 413:** Local Communities	• Development of residential communities that support urban growth and local economic activity • Improved access to housing, infrastructure, and community amenities • Engagement with local stakeholders during project planning and development • Job creation and business opportunities during construction and development phases	• Temporary construction impacts such as noise, dust, traffic, and access disruptions • Concerns from nearby communities regarding project scale or environmental effects • Increased demand on local infrastructure and public services	• Early stakeholder consultation with local communities and authorities • Implementation of construction management and environmental mitigation measures • Coordination with local government on traffic management and community advisories • Grievance mechanisms to receive and address community concerns	

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Customer Care					
Customer Satisfaction Empire East strengthens customer trust by improving transparency, service quality, and data protection across customer touchpoints—from inquiry to turnover and after-sales.	**GRI 418:** Customer Privacy	• Delivery of quality housing that meets customer needs and expectations • Transparent communication on project timelines, documentation, and turnover processes • Provision of after-sales support and customer assistance channels • Protection of customer data and personal information	• Customer dissatisfaction due to project delays or turnover issues • Service gaps affecting responsiveness to customer concerns • Risks related to data privacy or handling of customer information	• Monitoring of project progress and communication of updates to buyers • Customer service channels for inquiries, feedback, and complaints • Continuous improvement of service processes and response times • Data privacy policies and information security controls	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Climate Action					
GHG Emissions Empire East manages emissions by tracking key sources and implementing practical efficiency and greening measures that support lower-carbon property operations.	**GRI 305:** Emissions	• Reduced operational emissions through efficiency improvements • Greener property operations and facility management • Practical decarbonization initiatives across developments • Increased climate awareness among employees and stakeholders	• Higher upfront costs for energy efficiency upgrades • Limited participation affecting program impact	• Phased implementation with budget prioritization • Assigned accountability for property sustainability initiatives • Monitoring of emissions and efficiency programs • Partnerships to support greening and decarbonization initiatives	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION 15 LIFE ON LAND
Climate Change Empire East strengthens climate resilience by integrating climate considerations into planning and adopting practical design and operational measures for extreme weather and resource risks.		• More climate-resilient developments and infrastructure • Improved long-term habitability of communities • Reduced exposure of projects and residents to climate risks • Support for sustainable and resilient urban growth	• Higher costs for climate-resilient upgrades • Longer planning and design timelines	• Integration of climate risk considerations in project planning • Long-term cost–benefit evaluation of resilience upgrades • Phased implementation aligned with the project pipeline • Alignment with regulatory and industry climate standards	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Resource Efficiency					
Water Empire East promotes water security by maintaining water systems, monitoring quality, and encouraging efficient water use across properties and operations.	**GRI 303:** Water and Effluents	• Reliable water supply for occupants and communities • Improved water quality management across properties • Reduced water wastage through efficiency measures • Stronger operational continuity of water systems	• Service disruptions from infrastructure failures • Water loss if leaks are not promptly addressed	• Preventive maintenance of water systems • Regular water quality monitoring and testing • Leak detection and timely repairs • Water conservation guidance for occupants	6 CLEAN WATER AND SANITATION
Waste Management Empire East reduces waste impacts by strengthening segregation, responsible hauling, and awareness programs that minimize landfill dependence and environmental risks.	**GRI 306:** Waste	• Reduced pollution through proper waste management • Improved resource efficiency through waste segregation • Cleaner and healthier shared spaces • Lower landfill waste contribution	• Environmental risks from improper waste segregation • Waste handling lapses by vendors or contractors • Increased landfill use if compliance declines	• Clear waste handling guidelines and vendor requirements • Routine compliance checks and corrective actions • Awareness programs for occupants and site teams • Monitoring and documentation of waste practices	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Energy Empire East improves energy performance by promoting conservation initiatives and adopting efficiency measures that reduce operating costs and environmental impact.	**GRI 302:** Energy	• Lower energy consumption through efficiency measures • Reduced operational carbon footprint • Greater awareness of energy conservation among occupants and employees • Improved energy performance across properties	• Low participation in energy conservation programs • Inconsistent implementation across properties	• Targeted engagement and incentive programs • Monitoring of energy initiatives across properties • Integration of energy-saving practices into operations • Periodic review to improve program adoption	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Material Consumption Empire East strengthens resource efficiency by improving procurement planning and encouraging responsible material selection that supports durability and reduces waste.	**GRI 301:** Materials	• More efficient material use that reduces operational waste • Improved lifecycle value through durable and fit-for-purpose materials • Better supply continuity through planned sourcing approaches • Encourages responsible consumption in the value chain	• Higher costs for sustainable or higher-quality inputs • Material scarcity or supply delays affecting project timelines	• Strategic sourcing and supplier partnerships • Long-term procurement planning with alternates for critical materials • Material efficiency review during design and planning stages • Supplier performance monitoring (quality, timeliness, compliance)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Sustainable Building Operations					
Continued Development of Design Standards Empire East enhances design practices by integrating efficiency, green building considerations, and climate responsiveness to meet evolving standards and community needs.		• More efficient use of construction materials • Reduced waste through responsible sourcing • Improved durability of building materials • More reliable supply of key materials	• Higher costs for sustainable materials • Supply shortages affecting project timelines	• Strategic sourcing and supplier partnerships • Long-term procurement planning for key materials • Material efficiency reviews during design • Supplier performance monitoring	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Impactful Growth					
Economic Performance Sustains business viability through disciplined planning and performance management that supports investment, jobs, and long-term value creation.	**GRI 201:** Economic Performance	• Financial stability supporting long-term growth • Contribution to economic activity and employment • Responsible capital allocation and planning	• Exposure to financial risks and market volatility • Economic downturn affecting project delivery	• Strengthened financial resilience strategies • Scenario planning and forecasting • Disciplined capital management	8 DECENT WORK AND ECONOMIC GROWTH
Good Governance					
Risk Management Empire East strengthens resilience through structured risk identification, mitigation planning, and crisis preparedness to manage operational and market uncertainties.		• Stronger organizational resilience • Reduced operational disruptions • Improved governance and accountability • Better crisis preparedness	• Market fluctuations impacting returns • Operational disruptions during crises	• Proactive risk identification and mitigation • Strengthened crisis response protocols • Continuous review of risk governance	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Business Ethics and Integrity Empire East reinforces ethical conduct and regulatory compliance by promoting accountable decision-making and fair competition across business activities.	**GRI 206:** Anti-competitive Behavior	• Strengthens trust through ethical conduct • Promotes fair competition and compliance • Improves governance and accountability • Reduces integrity risks in business dealings	• Regulatory exposure from compliance breaches • Reputational damage from unethical conduct • Inconsistent policy enforcement	• Regular compliance audits and checks • Policy reinforcement and employee training • Monitoring mechanisms and leadership oversight • Clear investigation and escalation procedures	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Anti-Corruption Empire East prevents bribery and unethical conduct by building awareness, strengthening controls, and enabling safe reporting to protect stakeholder trust.	**GRI 205:** Anti-corruption	• Protects integrity of transactions and decisions • Strengthens stakeholder trust and confidence • Promotes ethical culture across employees and partners • Reduces corruption risks in business operations	• Misconduct if controls are bypassed • Underreporting due to fear of retaliation	• Ethics and anti-corruption awareness programs • Confidential reporting and whistleblower protection • Investigation procedures and disciplinary actions • Periodic control reviews and leadership oversight	10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Procurement Practices Empire East improves procurement integrity by applying transparent supplier selection and integrating ESG considerations to support responsible, reliable sourcing.	**GRI 206:** Anti-competitive Behavior	• Stronger supply chain accountability • ESG-aware procurement decisions • Improved vendor quality and compliance • Reduced sustainability risks in sourcing	• Smaller supplier pool due to ESG screening • Procurement delays if vendors lack compliance	• Supplier due diligence and screening • Clear ESG expectations in contracts • Vendor performance monitoring • Periodic supplier reassessment	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Supplier Management Empire East strengthens supplier accountability by assessing environmental and social practices and setting expectations on labor, ethics, and responsible operations.	**GRI 308:** Supplier Environmental Assessment **GRI 414:** Supplier Social Assessment	• Promotes responsible practices among suppliers • Reduces labor and environmental risks in the value chain • Strengthens transparency in procurement • Supports long-term supplier partnerships	• Supplier non-compliance with ESG requirements • Increased costs or delays from supplier upgrades • Risk of hidden issues if assessments are limited	• Supplier evaluation and accreditation processes • ESG requirements embedded in contracts • Corrective action plans for non-compliance	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Pillar I:
People
Empowering Stakeholders & Society

People:

Empowering Stakeholders & Society

Empire East recognizes that long-term value creation depends on the strength of its relationships. Under the People pillar, the Company focuses on developing capable employees, supporting responsible community integration, and sustaining trust with customers.

These priorities reflect the Company's view that residential development extends beyond physical structures. It requires disciplined workforce practices, meaningful stakeholder engagement, and consistent service delivery. Through this approach, EELHI strengthens institutional resilience while contributing to the stability and well-being of the communities it serves.

Employee Wellness & Empowerment

At EELHI, every development begins with the people behind it. Engineers, project teams, sales professionals, and support staff each contribute to delivering safe homes, responsive service, and reliable operations.

As of 2025, the Company employed 706 people across its business units. EELHI recognizes that sustaining performance depends on employees who are supported, treated fairly, and provided with clear opportunities to contribute and grow.

Employee Wellness and Empowerment at EELHI is guided by structured policies and programs that aim to ensure:

- Equal access to opportunities
- Responsible and lawful employment practices
- Clear role alignment and mobility
- Continuous skills development
- Safe and healthy working environments

These priorities reflect the Company's commitment to creating a workplace where employees are equipped to perform their roles confidently while maintaining balance and well-being.

The succeeding sections outline how these commitments are translated into measurable practices and outcomes across the organization.

Diversity and Equal Opportunity

3-3, 2-7,2-8, 401-1, 401-2, 401-3, 405-1

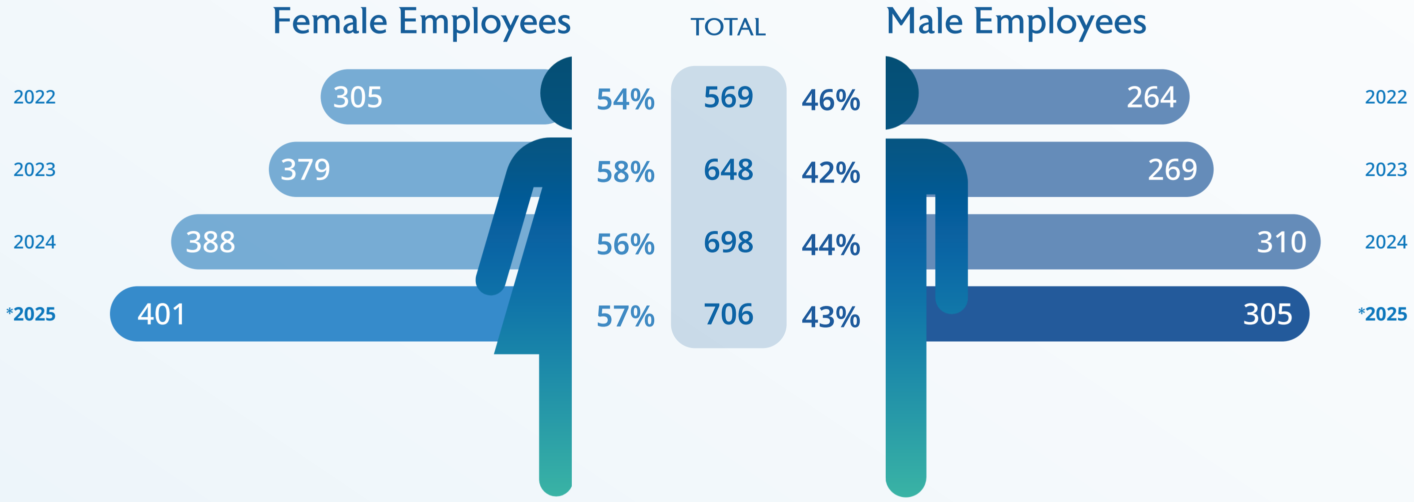
EELHI believes that a fair and inclusive workplace begins with equal access to opportunity. Employment decisions across the Company are guided by merit, defined competencies, and role requirements, ensuring that people are evaluated based on performance and capability.

The Company's commitment to diversity and equal opportunity supports both organizational performance and responsible business practices. Inclusive employment practices strengthen talent attraction and retention while supporting career progression across the workforce. By cultivating a workplace that values varied perspectives, EELHI benefits from broader insights that support responsible decision-making and innovation.

These practices reflect the Company's commitment to upholding fundamental human rights in the workplace. EELHI promotes non-discrimination, equal treatment, and equal opportunity in employment while fostering a respectful and inclusive culture where employees feel valued regardless of gender, age, disability, religion, or other personal attributes. Employment policies and workplace practices are designed to comply with applicable labor regulations and human rights standards, reinforcing a safe and equitable working environment.

In 2025, EELHI employed 706 individuals across operational, technical, sales, and corporate functions. Women comprised 57% of the total workforce, reflecting strong participation across employee levels. Female representation in senior management increased to 50% from 35% in the previous year, while women accounted for 48% of middle management and 62% of rank-and-file roles.

Employee Breakdown [2-7]



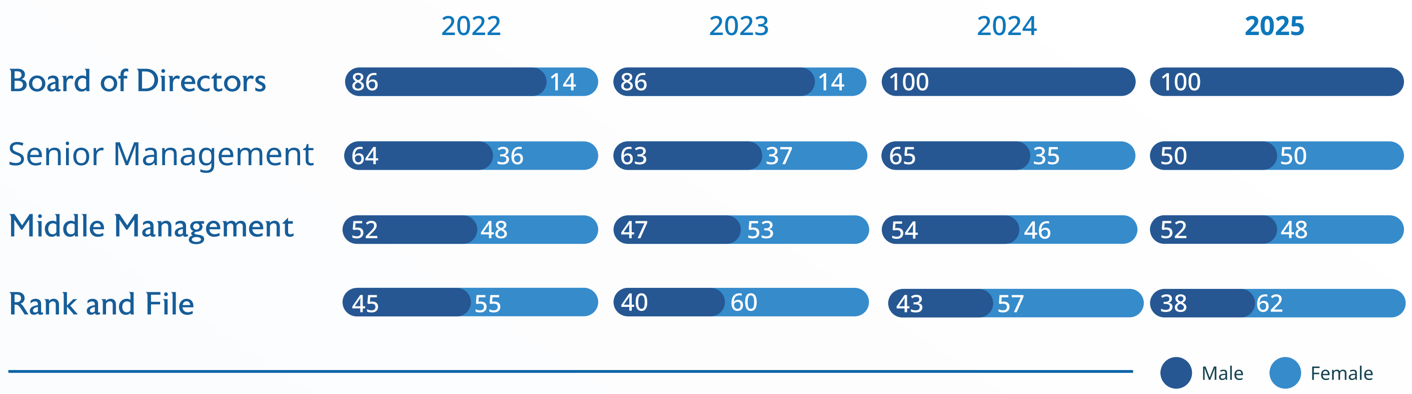
**Prior year data includes both EPHI and ELI, while 2025 data covers ELI only.*

EELHI's workforce profile in 2025 also reflects progress in strengthening an inclusive and future-ready leadership base. The increase in female representation at the senior management level signals stronger internal progression and a more balanced leadership structure, reinforcing the Company's focus on developing capable leaders across the organization.

At the same time, generational diversity continued to deepen. Leaders within the 30–50 age group expanded their presence at both governance and senior management levels, strengthening leadership continuity and succession depth. Notably, employees under 30 years old assumed a larger share of middle management roles compared to the previous year, reflecting growing trust in emerging talent and earlier leadership exposure.These shifts demonstrate a workforce that combines institutional experience with new ideas. For EELHI, this balance supports better decision-making, sustained operational resilience, and stronger alignment with the evolving needs of homeowners and communities.

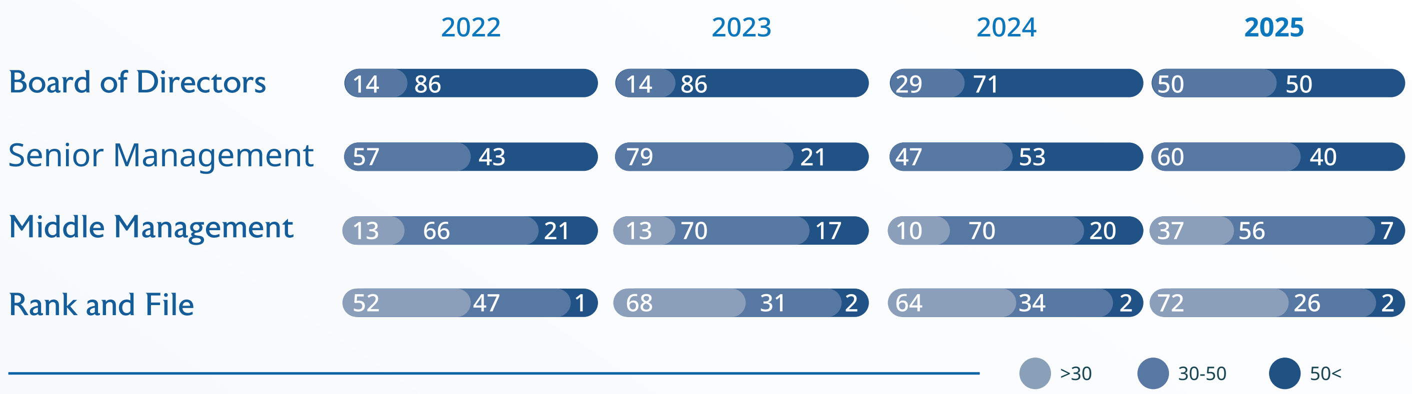
Diversity Across Organizational Levels by Gender [405-1]

in percentage



Diversity Across Organizational Levels by Age [405-1]

in percentage



In addition to its direct workforce, EELHI engages independent contractors and accredited manpower service providers to support construction, sales, marketing, security, maintenance, and property management operations. These arrangements allow the Company to scale resources in line with project timelines and operational demands while maintaining flexibility across its developments.

Male workers accounted for the majority of non-employee personnel, representing 88% in 2025. This distribution corresponds with the operational profile of construction and security-related services, which comprise a significant portion of contractor engagements.

Workers Who Are Not Employees

[2-8]

2022

Male	62%	279
Female	38%	170
Total Workers		449

2023

Male	49%	147
Female	51%	155
Total Workers		302

2024

Male	88%	2337
Female	12%	314
Total Workers		2651

2025

Male	88%	60
Female	12%	8
Total Workers		68

Workforce Growth and Mobility

[2-7, 401-1]

EELHI manages workforce growth along with its development activities and operational requirements. As projects progress and functions evolve, staffing levels and role assignments are reviewed to ensure teams are appropriately resourced.

In 2025, EELHI recorded 212 new hires, representing a hiring rate of 30.03%. Recruitment activity remained aligned with project launches, digital transformation initiatives, and strengthening of frontline and technical roles.

Hiring trends continued to show strong participation among early-career professionals, particularly within the under-30 age group, reinforcing the Company's commitment to building a long-term leadership pipeline. The continued entry of younger professionals supports knowledge continuity, injects new perspectives into operations, and ensures that EELHI remains adaptive in a competitive real estate environment.

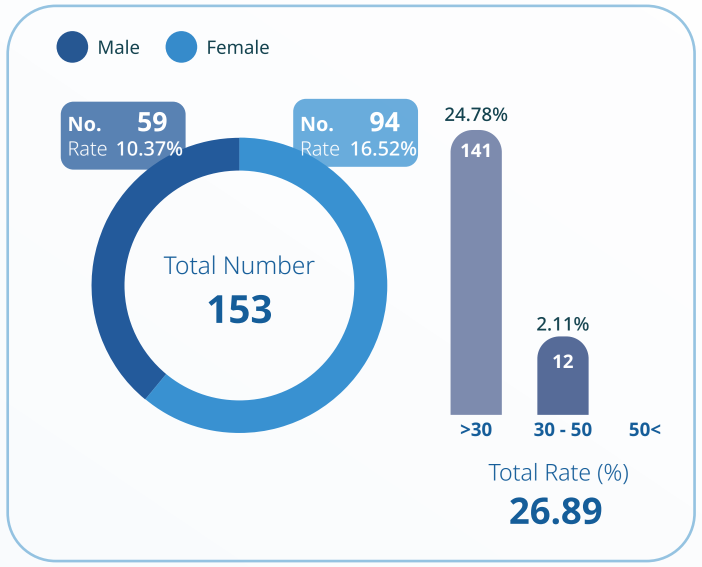
At the same time, recruitment across mid-career roles enabled the Company to reinforce supervisory and technical expertise where operational complexity increased. This balanced intake of emerging and experienced talent supports both immediate execution needs and future leadership succession.

New Employee Hires

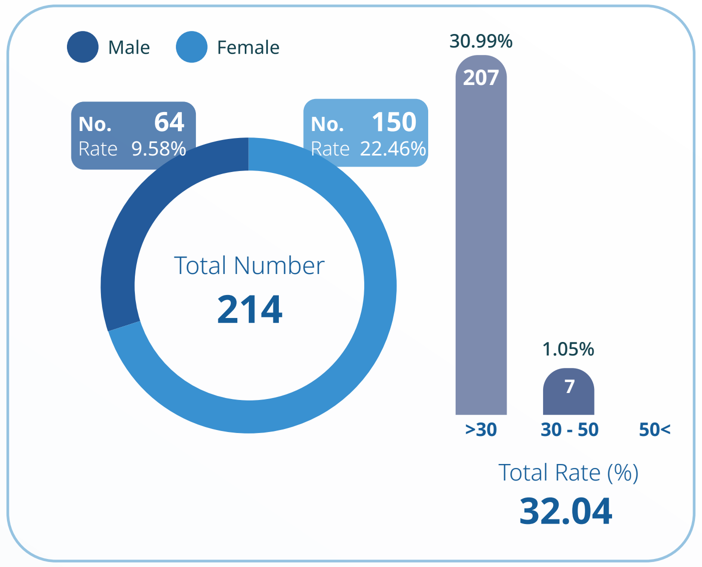
[405-1]

based on Gender and Age

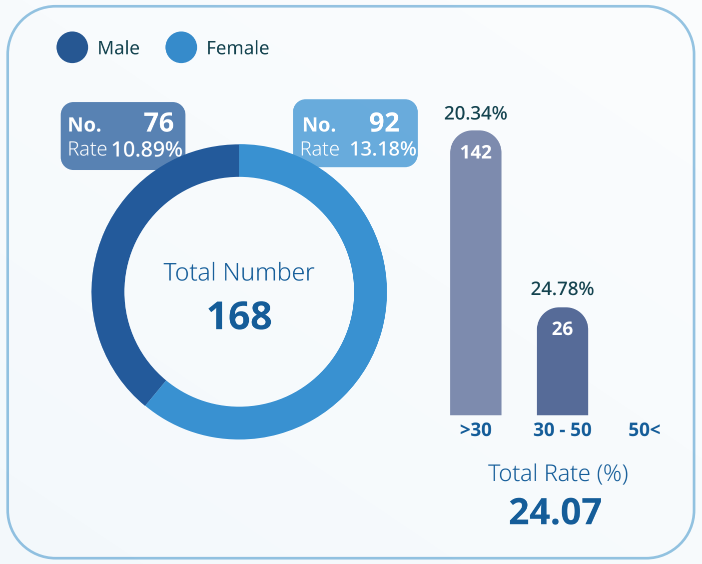
2022



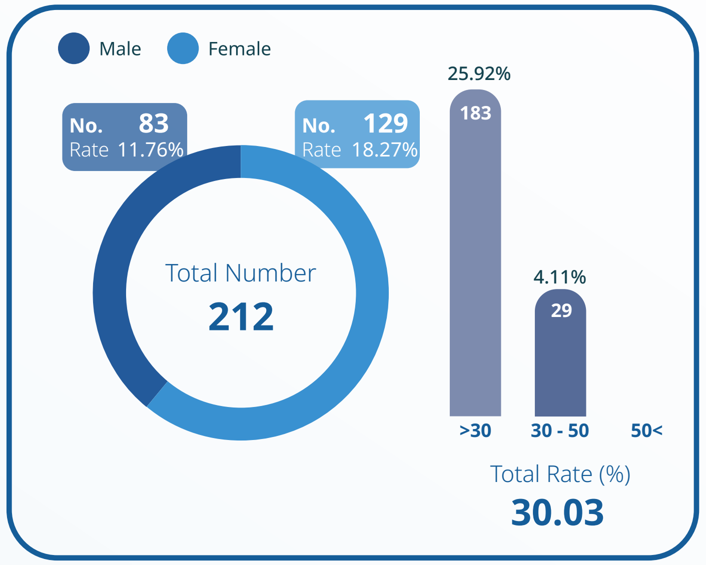
2023



2024



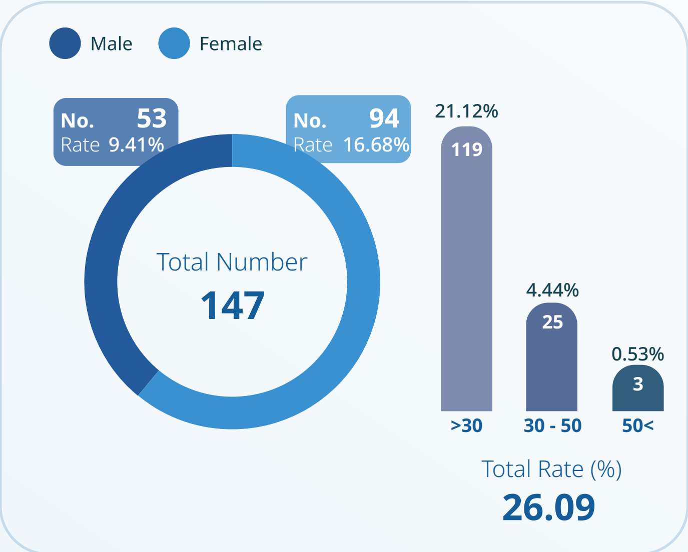
2025



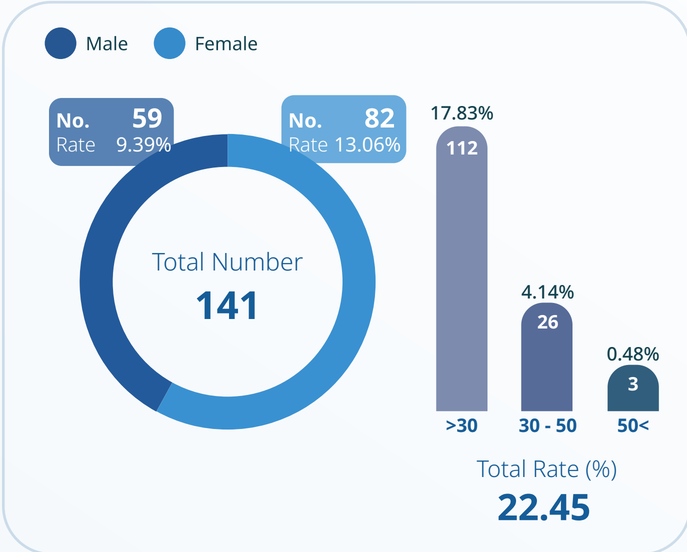
Employee Turnover [401-1]

based on Gender and Age

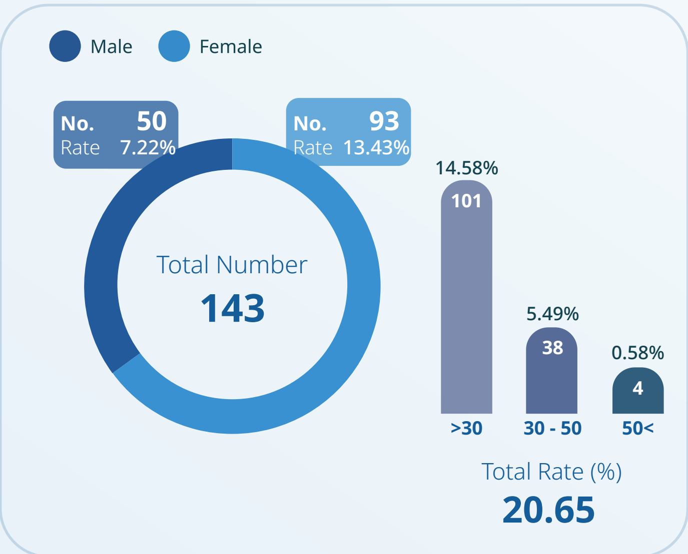
2022



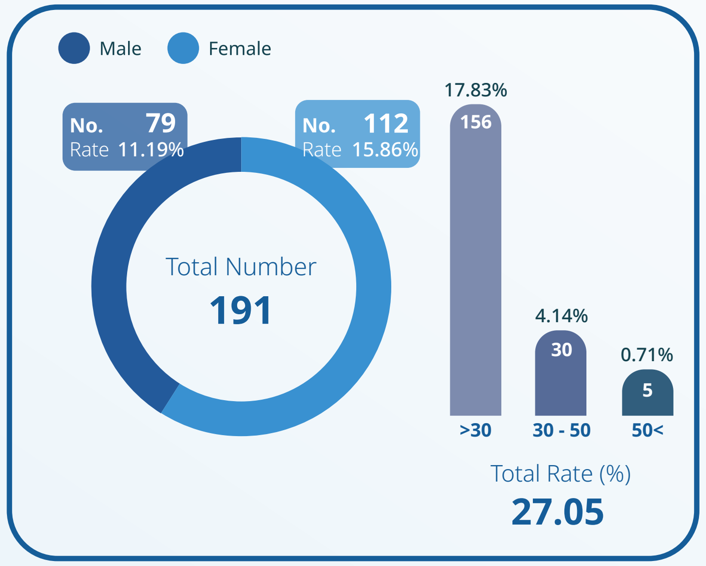
2023



2024



2025



Internal mobility allows employees to assume expanded responsibilities or transition into roles that align with their skills and performance. Rather than relying solely on external hiring, EELHI supports role realignments and internal movements where operational needs and employee competencies intersect.

During the year, departmental restructuring initiatives clarified reporting lines and grouped related functions into more specialized teams. These adjustments provided clearer accountability and defined expectations while allowing employees to contribute more effectively within their areas of expertise.

Recruitment decisions continue to be guided by defined competencies and business requirements. Through structured workforce planning and transparent role alignment, EELHI maintains a balanced approach to expansion while supporting employees in navigating evolving responsibilities.

Employee Benefits and Work-Life Integration [401-2, 401-3]

Core benefits include government-mandated contributions such as the Social Security System (SSS), PhilHealth, and Pag-IBIG, as well as statutory leave entitlements and other Company-provided allowances where applicable. These measures help employees manage personal and family responsibilities while maintaining continuity in their roles.

In 2025, benefit utilization patterns reflected both workforce demographics and operational adjustments. Vacation leave utilization remained high, with 61.10% of female employees and 57.38% of male employees availing of leave benefits. This indicates active use of rest and recovery entitlements, reinforcing the Company's support for work-life balance while maintaining service continuity.

Medical benefits utilization increased compared to the prior year, reaching 14.46% for female employees and 11.15% for male employees. This upward movement suggests improved awareness and accessibility of healthcare support programs, particularly as operational demands expanded. Housing assistance participation also rose among female employees to 1.00%, reflecting growing engagement with long-term financial support mechanisms.

Employees Who Availed Benefits [401-2]

in percentage

Benefits	2022		2023		2024		2025	
	Female	Male	Female	Male	Female	Male	Female	Male
SSS	4.90	4.51	9.50	11.15	3.63	0.32	3.74	2.62
PhilHealth	3.15	4.92	3.96	4.09	2.59	1.60	2.49	0.98
Pag-ibig	4.20	4.10	5.54	8.55	0	0	4.99	5.90
Life Insurance	0	0	0	0	0	0.32	0	0.33
Disability and invalidity coverage	0	0	0	0	0	0.32	0	0.33
Parental leaves	4.90	1.64	4.75	6.32	3.37	1.92	2.49	1.97
Vacation leaves	90.21	85.66	100.00	100.00	37.05	71.47	61.10	57.38
Sick leaves	38.46	33.20	47.23	75.46	60.88	96.46	22.19	11.48
Medical benefits (aside from PhilHealth)	13.99	10.25	36.41	21.93	1.30	0.64	14.46	11.15
Housing assistance (aside from Pag-ibig)	0	0	0.79	1.86	1.04	3.21	1.00	2.95
Retirement fund (aside from SSS)	0.35	0.41	0.37	0.53	1.00	1.00	0	0.98
Telecommuting	78.32	89.75	1.32	1.12	0	0	0	0
Flexible-working Hours	78.32	89.75	0	0	0	0	0	0

EELHI grants parental leave in accordance with national labor laws, including maternity and paternity leave entitlements. Beyond compliance, the Company monitors return-to-work and retention outcomes to ensure that employees are supported through major life transitions without compromising career continuity.

In 2025, 100% of employees who took parental leave—both male and female—returned to work. This consistent return-to-work rate reflects effective transition planning, team coordination, and role continuity across departments.

More significantly, retention 12 months after return improved markedly compared to the previous year. Retention among male employees rose to 93.75% in 2025 from 52.94% in 2024, while female retention increased to 90% from 55.56%. This substantial improvement signals stronger post-leave engagement and sustained workforce attachment following family-related absences.

Parental Leave [401-3]

Reporting Period & By Gender	Entitled to Parental Leave	Took Parental Leave	Returned to Work after Parental Leave Ended	Returned to work after parental leave ended who were still employed 12 months after their return to work	Returning from parental leave in the prior reporting period	% Return to Work Rate	% Retention Rate
FY 2025							
Male	81	16	16	15	16	100	93.75
Female	65	20	20	18	20	100	90.00
FY 2024							
Male	73	9	9	9	17	100	52.94
Female	57	15	15	10	18	100	55.56
FY 2023							
Male	74	17	17	4	4	100	100
Female	62	18	18	14	14	100	100
FY 2022							
Male	81	4	4	3	4	100	75.0
Female	59	14	14	12	13	100	92.31

Fostering Workplace Connection

In addition to structured benefits and work arrangements, EELHI recognizes the importance of shared experiences and recognition in strengthening employee engagement. Throughout the year, the Company organized gatherings and milestone events that acknowledged contributions across teams and reinforced collective accountability.

Weave: Strength in Every Thread

Empire East's 2025 Salesforce Christmas Party, "Weave: Strength in Every Thread," celebrated the teamwork and dedication that sustain the Company's sales performance. The event recognized long-serving sales agents through the Hi-5, Hi-10, Hi-15, and Hi-20 awards, which honor 5 to 20 years of service. During the program, Senior Vice President and Chief Marketing Officer Ms. Jhoanna Lyndelou T. Llaga emphasized the importance of collaboration in achieving consistent results. A symbolic weaving ritual by sales directors reflected the interconnected efforts of the sales organization.

Celebrating Together as One Empire East

In December 2025, EELHI held its annual Christmas gathering, bringing together employees and the salesforce to celebrate the year's milestones and recognize the collective efforts of teams across the organization. During the program, President and CEO Atty. Anthony Charlemagne C. Yu highlighted the role of collaboration and shared commitment in driving the Company's progress. The celebration featured department performances, a themed fashion showcase, and employee raffle segments that encouraged participation and camaraderie. Long-serving employees were also recognized for their loyalty and contributions, reflecting the Company's appreciation for the people whose dedication supports Empire East's continued growth.

Reshaping Credit & Collections Around Specialized Groups

In 2025, the Credit & Collections department was reorganized into seven specialized groups, each with a defined focus and a clearer sense of ownership. The restructuring was designed with people in mind — placing employees in roles where they can build expertise, collaborate more effectively, and contribute with greater confidence. Beyond operational efficiency, the new structure also introduced a dedicated group for personnel development, ensuring that learning, engagement, and employee growth remain a priority. For the company, the reorganization strengthens accountability and positions the department to better serve buyers and support Empire East's long-term goals.

Targeting Sales: SOLD (Sales Officers Learning & Development) Program

On January 26, 2025, Empire East's sales officers participated in a session under the SOLD (Sales Officers Learning & Development) Program, held at Attack Arena along Shaw Boulevard. The activity combined learning and team engagement, encouraging officers to reflect on their professional and personal goals. During the session, participants shared what motivates their continued trust in the Company, with some highlighting the support and guidance received throughout their careers. The program concluded with a bow-and-arrow challenge symbolizing focus and teamwork—reinforcing how individual effort and collective support work together in achieving shared sales targets.

Labor Management and Human Rights

2-30, 3-3, 402-1, 408, 408-1, 409-1, 410-1

EELHI upholds lawful, ethical, and transparent employment practices across its operations. The Company recognizes that respect for labor standards and human rights is fundamental to maintaining a fair and accountable workplace.

Employment policies are aligned with applicable Philippine labor laws and regulations, including standards on working hours, wages, leave entitlements, and workplace conditions. These policies guide day-to-day workforce management and are communicated to employees through established internal channels.

Grievance and Escalation Mechanisms [402]

Employees have access to structured communication channels where they may raise workplace concerns, seek clarification, or provide feedback on employment-related matters. Changes affecting working conditions are communicated through defined internal mechanisms to promote transparency and orderly implementation.

Concerns related to workplace practices—including unfair treatment or policy questions—are addressed through documented review and escalation procedures. Confidentiality safeguards are maintained to protect individuals who raise concerns in good faith.

Prevention of Child and Forced Labor [408, 409]

EELHI strictly prohibits child labor and forced or compulsory labor within its operations. Pre-employment screening procedures verify age and eligibility prior to hiring, and contractual arrangements reinforce lawful employment standards.

The Company extends these expectations to contractors and service providers operating within Company-controlled sites. Agreements with third parties include provisions requiring compliance with labor regulations and ethical employment practices.

No incidents of child labor or forced labor were identified during the reporting period.

Human Rights/Labor Law Incidents [2-30, 408-1, 409-1]

Disclosure	2022	2023	2024	2025
No. of legal actions or employee grievances involving forced or child labor	0	0	0	**0**

Responsible Oversight [410]

EELHI ensures that personnel responsible for property and site security understand and uphold human rights standards.

Formal training reinforces appropriate conduct, use of authority, and escalation procedures.

Security Personnel Trained in Human Rights Policies or Procedures [410-1]

Disclosure	2022	2023	2024	2025
Security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security (%)	-	-	100	**100**
Are third-party security personnel also required to undergo security and human rights training?	-	-	Yes	**Yes**

Employee Training and Education

3-3, 404-1, 404-2, 404-3

EELHI invests in employee learning to strengthen professional capability and support consistent service delivery across its operations.

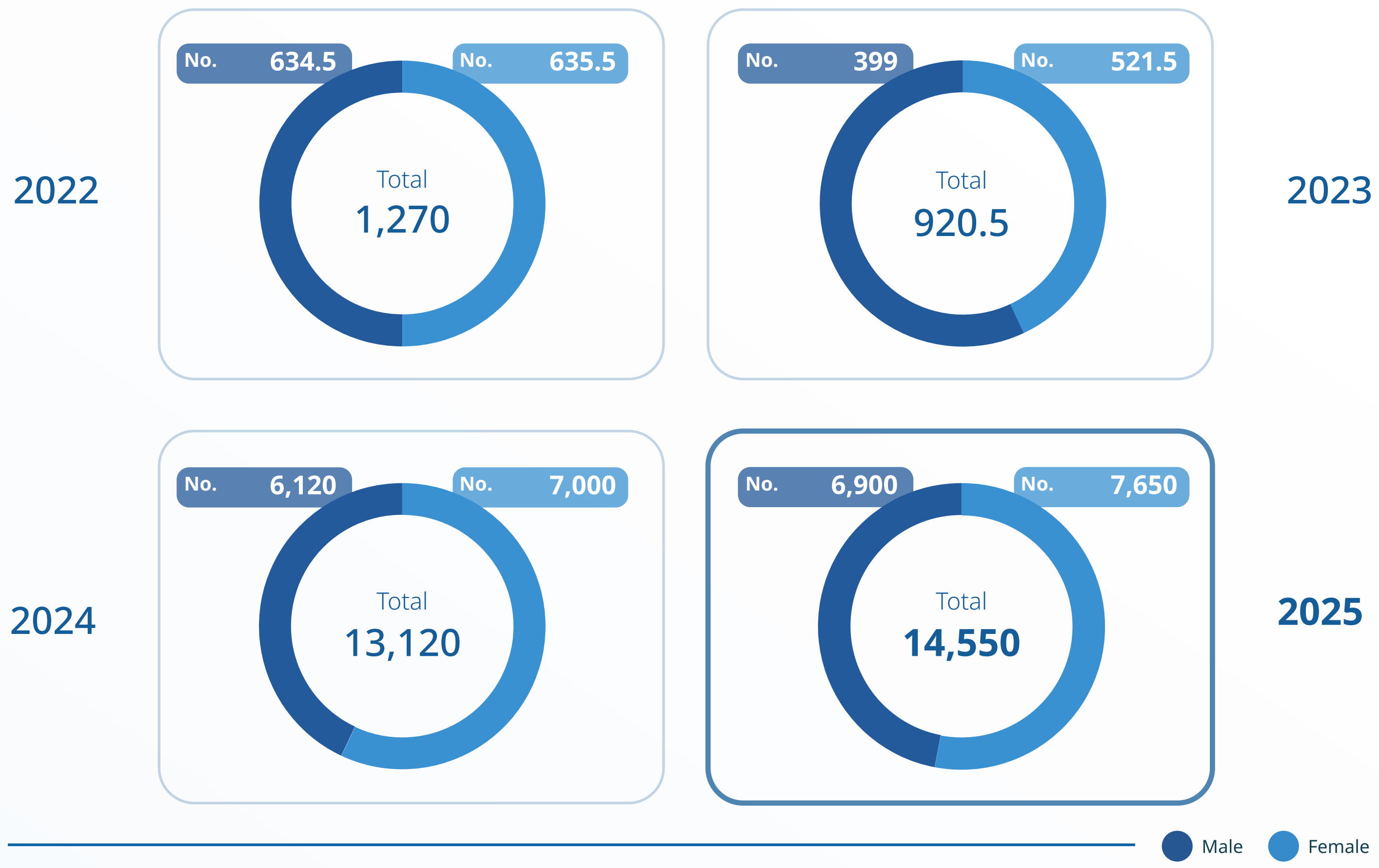
In 2025, total training hours increased to 14,550, up from 13,120 hours in 2024, reflecting continued investment in workforce development as projects and operational demands expanded. Average training hours per employee also rose to 20.61 hours, indicating sustained access to structured learning across departments.

The increase in average training hours among male employees to 22.62 hours highlights intensified upskilling in operational and technical functions, while overall participation across genders demonstrates balanced access to development opportunities.

Beyond direct employees, the Company maintained targeted training touchpoints for independent contractors and sales agents to reinforce safety, compliance, and product knowledge standards across its extended workforce.

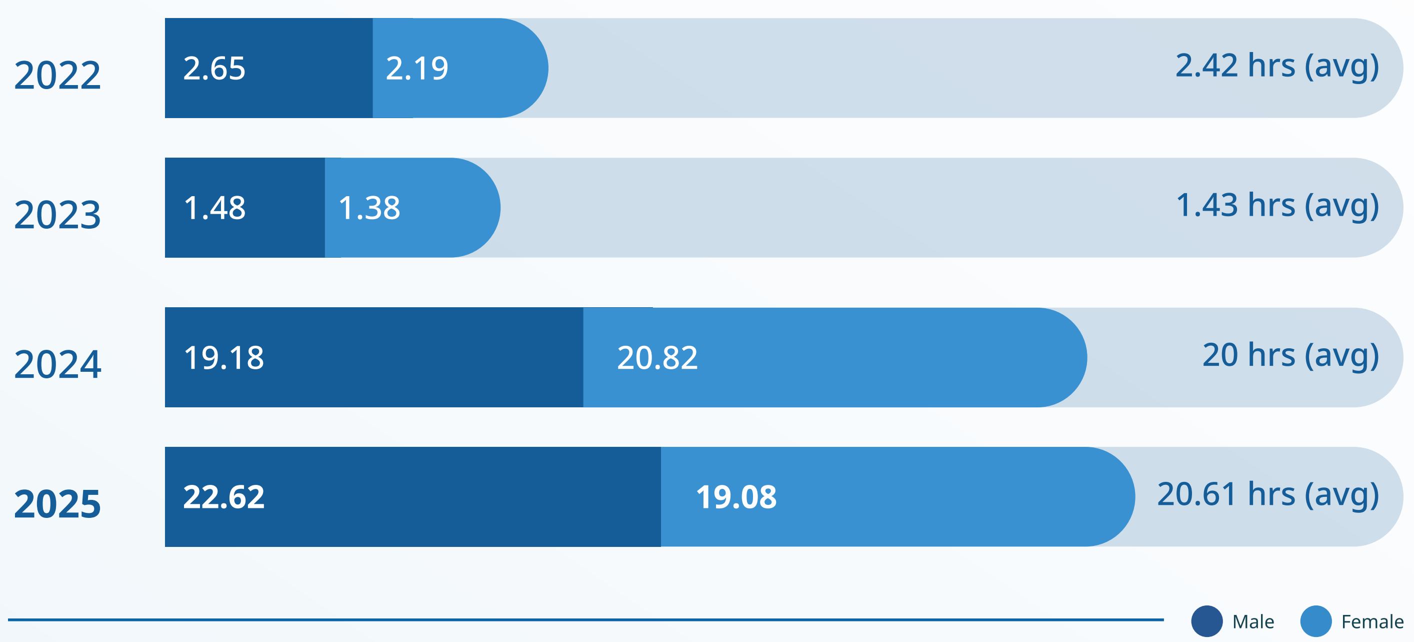
Employee Training Hours [404-1]

based on Gender and Age



Average Training Hours [404-1]

based on Gender and Age



Average Training Hours - Independent Contractors and Sales Agents

[404-1]

Independent Contractors

	# of Independent Contractors	Average Training Hours
Male	394	0.11
Female	295	0.14

Total Training Hours

Male 41.50 hrs | Female 41.50 hrs

Sales Agents

	# of Independent Contractors	Average Training Hours
Male	122	0.32
Female	89	0.44

Total Training Hours

Male 39.50 hrs | Female 39.50 hrs

Performance Reviews and Development Planning

[404-3]

Formal performance and career development reviews provide employees with structured feedback, clearer role expectations, and defined growth pathways.

In 2025, review coverage remained high, with 96.39% of male employees and 91.02% of female employees receiving regular evaluations. This sustained level of participation reflects strong alignment between individual performance and organizational goals.

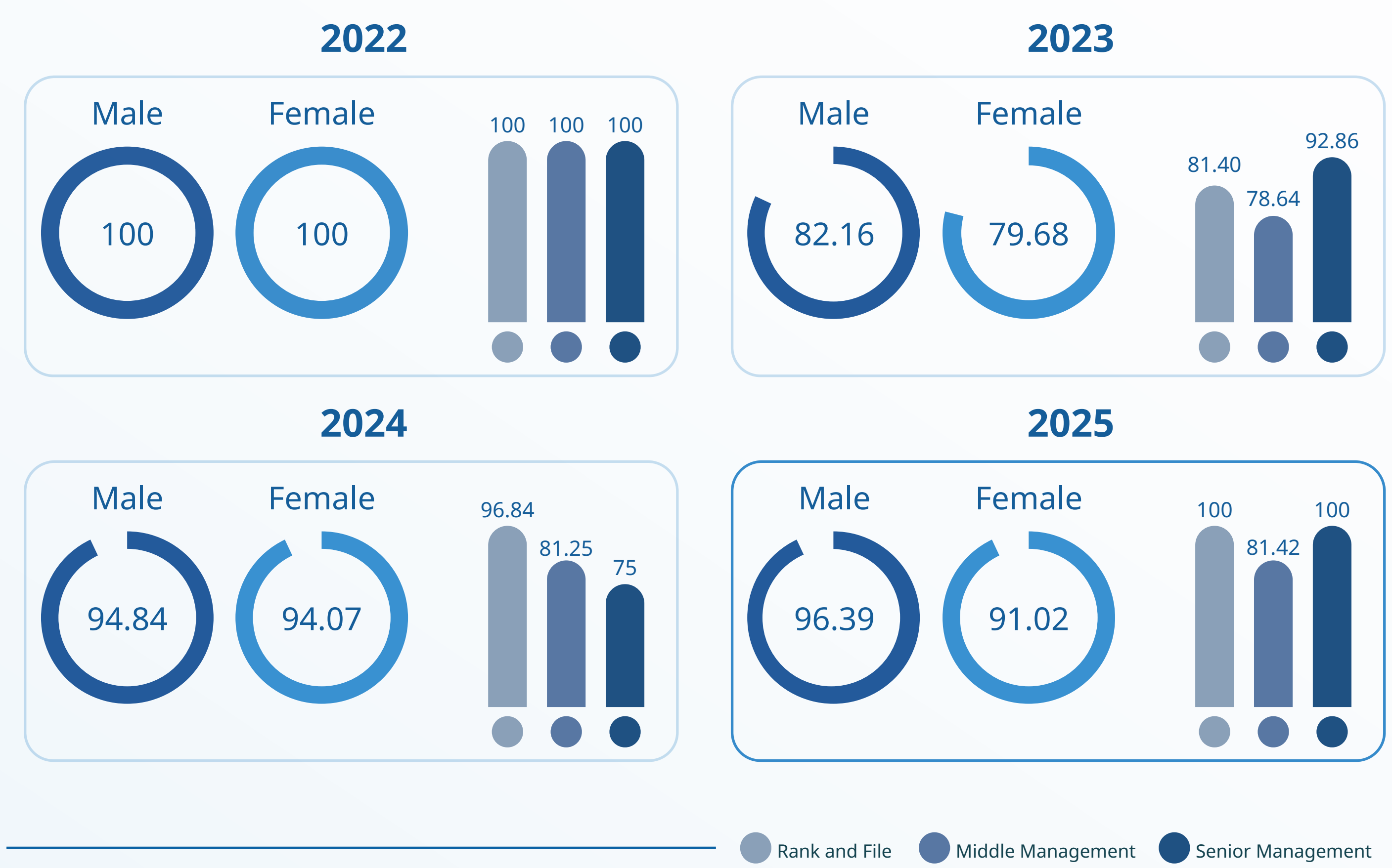
At the rank-and-file level, coverage remained particularly strong at 100%, reinforcing accountability and consistent standards across frontline operations. Senior management review coverage stood at 100%, supporting leadership alignment and succession visibility.

Consistently high participation indicates that performance discussions are embedded within EELHI's management culture. By maintaining structured evaluations across levels, the Company strengthens succession planning, supports targeted development interventions, and enhances retention by providing employees with clearer growth direction within the organization.

Employees Receiving Regular Performance and Career Development Reviews

[404-3]

in percentage



Investment in Learning

EELHI allocates financial resources annually to support employee development initiatives. In 2025, total expenditure on training and development amounted to Php 8,227,611 covering both internal programs and external learning engagements.

Training in Action: Turning Learning into Impact

EELHI continues to strengthen employee capability by translating learning programs into practical improvements in leadership, sustainability management, and financial governance. In 2025, several internal and group-wide learning initiatives reinforced the Company's commitment to developing employees who are equipped to contribute meaningfully to operational excellence and responsible business practices.

One such initiative was the Ten Talks session titled "Purple and People: Nurturing a Healthy Organization." The program focused on strengthening workplace culture by promoting collaboration, trust, and outcome-driven accountability across teams. Leaders emphasized a shift from monitoring day-to-day activity toward measuring results, encouraging employees to exercise greater ownership and independence in their roles. Open dialogue sessions provided employees across organizational levels with the opportunity to share insights directly with leadership, strengthening alignment and reinforcing a culture of transparency and mutual respect. Sustainability capability was also strengthened through the launch of the SCORE (Sustainability Core) Initiative, which integrates ESG principles more deeply into departmental operations. Under SCORE, sustainability responsibilities were embedded into departmental Key Performance Indicators (KPIs), ensuring that environmental and social considerations are translated into measurable actions across functions such as planning, procurement, construction, and property management. During the launch, President and CEO Atty. Anthony Charlemagne Yu highlighted the importance of leadership commitment in sustaining the Company's sustainability agenda, emphasizing that preparedness and disciplined execution are essential to meeting long-term environmental and social goals.

In addition to internal programs, EELHI employees also participate in group-wide professional development platforms. In 2025, members of the Company's finance team joined the AGI Annual Accountants' Conference, where participants received updates on evolving accounting regulations, internal control practices, and financial reporting standards across Alliance Global Group. The conference strengthened technical expertise while reinforcing alignment with group-wide governance and transparency standards.

Workforce Health and Safety

3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

Safe workplaces enable strong communities. EELHI is committed to providing safe and healthy working environments for employees, contractors, and third-party workers across its offices and project sites. Protecting people from workplace hazards is a core operational responsibility integrated into daily activities.

The Company implements an Occupational Safety and Health (OSH) Program aligned with applicable Philippine regulations and industry standards. The program covers hazard identification, risk assessment, incident reporting, emergency preparedness, and continuous monitoring across Company controlled sites.

A Structured Approach to Safety

Regular assessments are conducted to identify physical, environmental, ergonomic, and operational risks. Where hazards are identified, control measures are implemented following established safety protocols.

Preventive safety measures in 2025 included regular generator performance testing, equipment inspections, and compliance audits to ensure operational safety standards were consistently maintained.

All workplace incidents, including near-miss cases, are documented and reviewed to determine root causes and corrective actions. This structured review process supports ongoing improvements in safety practices.

Contractors and service providers operating within Company sites are required to comply with established safety standards and regulatory requirements to ensure consistent protection across workforces.

Worker Participation and Consultation [403-4]

Employees are encouraged to actively participate in safety committees, drills, and consultations. These forums allow workers to raise concerns, recommend improvements, and remain informed about safety procedures. By involving employees in safety discussions, EELHI reinforces shared responsibility in maintaining safe work environments.

Supporting Health and Well-Being [403-3, 403-6]

Beyond risk prevention, EELHI supports employee well-being through various health services and wellness initiatives. These include periodic medical examinations, health screenings, and access to medical support where needed. Personal health information is handled confidentially and used solely for occupational health purposes.

In 2025, the Company recorded 4,857,198 safe-man hours, reflecting continued implementation of safety controls across project sites and operational areas. Work-related injuries were reduced to 0 cases, with zero fatalities and zero recorded cases of work-related ill-health, indicating strengthened incident prevention and monitoring measures.

The Company also conducted 9 safety drills during the year to reinforce emergency preparedness and response readiness. These results underscore EELHI's commitment to maintaining a safe and health-conscious work environment. By proactively monitoring safety performance and investing in preventive measures, the Company protects its workforce, safeguards operational continuity, and reinforces a culture where employee well-being remains integral to business performance.

OHS Performance [403-9, 403-10]

Disclosure	2022	2023	2024	2025
Safe-Man Hours	4,857,198	3,258,005	26,435,900	**4,857,198**
Work-related injuries	17	23	325	**0**
Work-related fatalities	0	4	0	**0**
Work-related ill-health	0	0	8	**0**
Safety drills	11	7	21	**9**

The following highlights demonstrate how safety preparedness and wellness awareness are applied across worksites and offices.

Empire East Fun Run

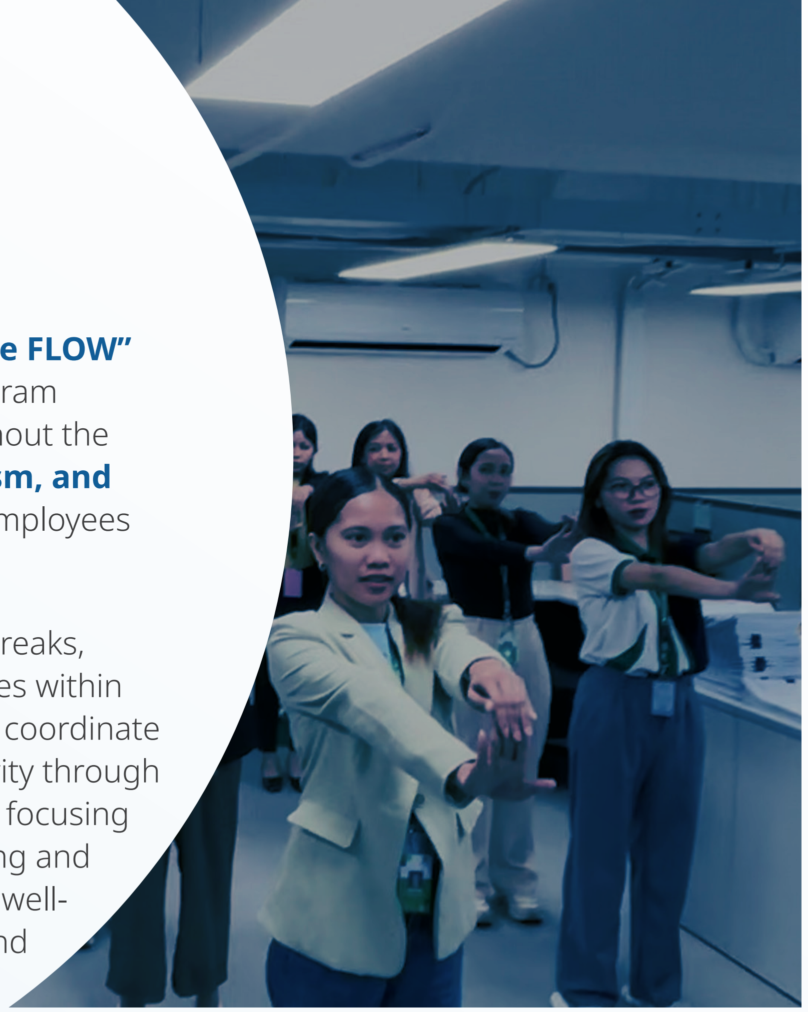
In July 2025, EELHI marked its 31st anniversary with its first company-wide Fun Run, bringing together employees and the salesforce for a shared wellness activity. Held at Empire East Highland City, the event featured a 3.1-kilometer route symbolizing the Company's 31 years of operations.

The run encouraged physical activity, team engagement, and a stronger culture of health awareness, with participants from various departments joining the event. Organized as a zero-waste initiative, the activity also promoted responsible practices such as the use of reusable water bottles. By combining wellness and environmental mindfulness, the celebration reflected how employee engagement activities can support EELHI's broader sustainability values.

Go with the FLOW: Small Movements, Big Impact

EELHI continued its **"FLOW IDOL: Go with the FLOW"** initiative in 2025, a workplace movement program encouraging employees to stay active throughout the workday. **FLOW—Fitness, Lifestyle, Optimism, and Wellness**— promotes simple exercises that employees can easily incorporate into daily routines.

The program includes scheduled movement breaks, guided desk exercises, and short walking routes within office areas. Department representatives help coordinate participation, while employees track their activity through a **"FLOW passport"** or digital applications. By focusing on small, consistent actions—such as stretching and short walks—the initiative supports employee well-being, helping improve energy levels, focus, and cross-department engagement.



Earthquake Drill: Strengthening Preparedness Across Workplaces and Communities

Recognizing the Philippines' exposure to seismic risks, EELHI conducted an earthquake preparedness drill in October 2025 involving employees, building staff, and residents in selected developments. The exercise reinforced proper emergency response procedures, including "duck, cover, and hold," evacuation protocols, and coordinated communication during emergencies.

Designated safety officers and floor captains guided participants through evacuation routes toward identified safe zones, supported by department evacuation maps and intercom alerts. Beyond raising awareness, the drill helped test coordination across teams and familiarize participants with emergency systems. Similar orientations were also extended to residents in Company-managed properties, promoting consistent safety preparedness across both workplaces and communities.

Community Transformation

EELHI recognizes that its developments operate within established neighborhoods and local communities. As projects progress from planning to construction and operation, the Company considers both the opportunities and potential impacts that may arise.

Community Transformation initiatives focus on managing development-related impacts responsibly while fostering constructive engagement with local stakeholders.

Community Impacts Development [3-3, 203, 413-1]

Construction activities may temporarily affect surrounding areas through increased traffic, noise, dust, or changes in access. EELHI coordinates with contractors and local authorities to implement mitigation measures, monitor compliance with environmental and safety standards, and respond to community concerns as they arise.

Beyond temporary disruptions, the Company evaluates long-term considerations such as land use integration, infrastructure connectivity, and environmental exposure risks during project planning stages. Where developments are located in flood-prone or high-density areas, design and site planning incorporate mitigation measures to reduce environmental risks.

These controls aim to support smoother integration of developments into surrounding communities while minimizing unintended impacts.

Strengthening Local Engagement

EELHI maintains communication channels with local stakeholders, including community representatives, homeowners' associations, and local government units. These engagements support coordination on matters such as access routes, shared facilities, and neighborhood concerns.

Through open communication and structured coordination, the Company seeks to address issues early and maintain constructive relationships throughout the project lifecycle.

Supporting Community Well-being

In addition to impact management, EELHI participates in community-oriented initiatives aligned with local needs. In 2025, these included employee-led donation drives and disaster-response support activities.

For instance, following a fire incident in Addition Hills, Mandaluyong, the Company mobilized volunteers and distributed essential items to affected families through its Blanket Project initiative. This response reflected coordinated employee participation and timely assistance during a period of community need.

While these initiatives represent a complementary component of operations, they reinforce the Company's recognition that responsible development extends beyond project boundaries.

Economic Contribution to Local Areas

Through construction activities, property management operations, and supplier engagement, EELHI contributes to local employment and economic activity. Where feasible, the Company prioritizes working with local contractors and service providers, supporting economic participation within host communities.

By combining impact management, stakeholder engagement, and community initiatives, EELHI aims to contribute positively to the environments in which it operates.

Customer Care

Purchasing a home is a significant financial and personal commitment. EELHI recognizes that maintaining customer trust requires consistent service, clear communication, and responsible oversight throughout the homeownership journey.

From reservation and construction updates to turnover and post-occupancy support, the Company coordinates across departments to ensure that customer concerns are addressed in a timely and structured manner.

Customer Satisfaction

Customer inquiries related to accounts, construction status, documentation, and post-turnover concerns are managed through defined coordination workflows. Escalation procedures are in place to support resolution where issues require cross-functional intervention.

Feedback gathered through customer touchpoints is reviewed to identify service gaps and improve response consistency across developments.

Customer Health and Safety

[3-3, 416-1, 416-2]

Customer health and safety considerations are integrated into project planning, construction oversight, and property management activities. In 2025, 100% of EELHI's product and service categories were assessed for health and safety impacts.

Potential risks related to construction quality, contractor performance, and environmental conditions are monitored through inspection protocols and compliance checks prior to turnover and during property management operations.

Incidents of Non-Compliance Concerning Health and Safety Impacts of Products and Services

[416-2]

Disclosure	2022	2023	2024	2025
Incidents of non-compliance resulting in fine or penalty	0	0	0	**0**
Incidents of non-compliance resulting in a warning	0	0	0	**0**
Incidents of non-compliance with voluntary codes	0	0	0	**0**

Data Privacy

EELHI safeguards customer information in accordance with applicable data privacy regulations. Access controls, secure documentation processes, and defined handling procedures are implemented to protect personal and financial data.

Any concerns related to information security are addressed through established reporting and review mechanisms.

Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data

[418-1]

Disclosure	2022	2023	2024	2025
Number of individual clients for whom data was primarily stored	49,393	45,333	44,787	**46,765**
No. of data breaches, including leaks, thefts and losses of data	0	0	0	**0**
No. of substantiated complaints on customer privacy from outside parties	0	0	0	**0**
No. of complaints from regulatory bodies	0	0	0	**0**
No. of substantiated complaints on marketing and labeling	0	0	0	**0**
No. of complaints addressed	N/A	N/A	0	**0**

Pillar II:
Planet
Protecting the Environment & Resources

Planet:

Protecting the Environment & Resources

EELHI recognizes that property development carries environmental responsibilities alongside economic and social contributions. From construction to property management, environmental considerations are integrated into planning, design, and daily operations.

The Company's environmental approach focuses on responsible resource use, emissions management, and climate responsive development. These priorities guide operational controls and long-term asset planning across its portfolio.

Climate Action

EELHI's plans on climate action center on understanding its emissions profile, improving energy efficiency, and supporting the transition toward cleaner energy sources. While a formal net-zero target has not yet been declared, the Company continues to strengthen its carbon management practices through monitoring, operational controls, and renewable energy participation.

GHG Emissions

[3-3, 305]

EELHI recognizes that real estate development is energy-intensive and closely linked to land use, mobility, and resource consumption. Managing carbon emissions is therefore both an environmental responsibility and a long-term business priority.

Transit-oriented developments remain a core structural approach to reducing indirect emissions by encouraging residents to access public transportation and reducing reliance on private vehicles. This planning model supports lower mobility-related carbon intensity over the long term.

At the operational level, EELHI monitors greenhouse gas (GHG) emissions across:

- **Scope 1:** Direct emissions from Company-controlled sources such as diesel and gasoline used in generator sets and Company-owned vehicles
- **Scope 2:** Indirect emissions from purchased electricity
- **Scope 3:** Indirect emissions from purchased goods and services, road transport, waste, waste by type and disposal method, and T&D losses of purchased electricity.

EELHI's GHG emissions trends reflect the pace of construction activities and energy use across its developments and operations. Scope 1 emissions decreased by 39% in 2025, indicating lower fuel consumption from company vehicles, generators, and other on-site equipment as certain project phases stabilized.

Scope 2 emissions also declined by 9% year-on-year, reflecting more stable electricity consumption across project sites and operational facilities.

Meanwhile, Scope 3 emissions increased by 9%, remaining the largest contributor to the Company's overall carbon footprint. The increase was primarily driven by ongoing construction activities and supply chain-related emissions associated with the procurement and transportation of construction materials and services.

Emissions by Scope

in $tCO_{2}e$

[305-1, 305-2, 305-3]

Disclosure	2022	2023	2024	2025
Gross Emissions				
Scope 1	75.44	95.84	211.89	**128.90**
Scope 2	666.28	802.79	2,639.44	**2,398.55**
Scope 3	9,903.28	6,315.98	21,793.48	**23,841.49**
Avoided Emissions (RE Use)*	-	-	-	**3.33**
Net Emissions	10,645.00	7,214.60	24,644.81	**26,365.61**

**Avoided emissions from renewable energy use are disclosed starting 2025. In prior years, renewable energy consumption and the resulting avoided emissions were not tracked.*

GHG Emissions Intensity

[305-4]

Disclosure	2022	*2023	2024	2025
Scope 1 + Scope 2				
tCO2e per revenue (tCO2e/revenue)	0.000000158	0.000000173	0.000000576	**0.000000468**
tCO2e per employee (tCO2e/employee)	1.30	1.39	4.09	**3.58**
Scope 3				
tCO2e per revenue (tCO2e/revenue)	0.00000210	0.00000121	0.00000440	**0.00000442**
tCO2e per employee (tCO2e/employee)	17.40	9.75	31.22	**33.77**
Organization specific metric (revenue, in PhP)	4,707,066,845	5,203,131,447	4,950,793,738	**5,396,823,579**
Organization specific metric (employees)	569	648	698	**706**

**Restatement: Corrected values for 2023*

To manage direct emissions, the Property Development Division conducts weekly five-minute no-load tests on generator sets to optimize performance and reduce unnecessary fuel consumption. Generator monitoring sheets are used to track efficiency and maintenance performance.

Beyond operational controls, the Company participates in voluntary environmental initiatives that support broader decarbonization efforts.

To further reduce dependence on grid-based electricity, EELHI collaborates with MERALCO under the Green Energy Option Program (GEOP). Through GEOP, eligible facilities transition portions of electricity consumption to renewable energy sources, supporting the Company's gradual shift toward cleaner power supply. As part of its Renewable Action Plan (RAP), EELHI continues to pursue further initiatives to accelerate this transition. Complementing these initiatives are tree planting and forest adoption programs, which form part of the Company's broader carbon management approach.

Together, structural design strategies, operational efficiency controls, renewable energy sourcing, and community-based climate actions position EELHI to progressively reduce its environmental footprint while safeguarding long-term asset resilience.

Climate Change

Climate change presents physical risks to real estate developments, including stronger typhoons, rising temperatures, and increased flooding exposure. These risks may affect construction timelines, building durability, and long-term operational stability.

EELHI integrates climate-responsive measures into site planning and development design. In flood-prone areas, engineering controls such as enhanced drainage systems, elevation strategies, and stormwater management features are incorporated to mitigate potential impacts.

Transit-oriented development (TOD) planning also forms part of the Company's climate approach. By situating developments near major transport hubs, EELHI supports reduced dependence on private vehicles, indirectly contributing to lower mobility-related emissions over time.

Environmental performance and climate-related data are reviewed through internal reporting mechanisms and regulatory compliance processes. Management evaluates trends annually to inform operational improvements and future climate strategy development.

Resource Efficiency

EELHI recognizes that property development and building operations require the responsible use of natural resources. Efficient management of water, energy, construction materials, and waste supports environmental protection while improving operational stability and cost discipline.

Resource efficiency initiatives are embedded across development planning, construction oversight, and property management functions to minimize environmental impact and promote long-term sustainability.

Water

[3-3, 303-1, 303-2]

Water supports both construction activities and daily residential operations. Reliable water supply is essential to maintaining project development, property operations, and the daily needs of residents. Responsible water use also carries important economic, environmental, and social implications. Proper water management helps reduce potential regulatory risks and associated remediation costs, while efficient consumption helps lessen pressure on local freshwater resources. Access to reliable and safe water also supports hygiene, sanitation, and overall well-being for residents and building occupants.

EELHI sources water from regulated service providers such as Maynilad and Manila Water, supplemented by deepwell systems where permitted. In residential developments, potable water supply is stored in cisterns and elevated tanks to support consistent distribution to units and shared facilities. Maintaining water quality and reliability remains essential to supporting safe and livable communities within the Company's developments.

Water withdrawal decreased slightly by approximately 4% in 2025, reflecting relatively stable operational and development activity across Empire East's project sites. The level of withdrawal remains consistent with the water requirements associated with ongoing construction works and property operations during the year.

Despite the slight decline in withdrawal volumes, water consumption decreased further by about 37% year-on-year, indicating more efficient use of water across operations. The reduction reflects improved monitoring practices and the implementation of water conservation measures in managed properties and construction sites.

Water discharges increased by around 5%, broadly in line with operational water use. The modest increase suggests that operational controls continue to support responsible water management.

Water and Effluents

[303-3, 303-4, 303-5]

in megaliters, ML

Disclosure	2022	2023	2024	2025
Water withdrawal	1,299.80	1,922.8	1,484.59	1,432.08
Water consumption	692.53	541.99	299.27	188.68
Water discharge	607.27	1,380.8	1,185.32	1,243.40
Water recycled and reused	N/A	6.58	0	0
Water intensity (m^3 / PHP million revenue)	276.14	369.55	299.87	265.36

Water intensity decreased from 299.87 m^3 per PHP million revenue in 2024 to 265.36 in 2025, reflecting more efficient water use relative to the Company's economic output. The decline was driven by a slight reduction in water withdrawal alongside higher revenue during the year. This trend is consistent with the decrease in total water consumption in 2025, indicating improved water management practices across operations.

Water discharge volumes rose moderately in line with overall withdrawal levels, while wastewater continues to be managed through sewage treatment plants (STPs) operated in compliance with regulatory standards. Regular monitoring ensures that treated effluents meet environmental requirements prior to discharge.

After a transition period in 2024 when infrastructure upgrades temporarily limited reuse volumes, water recycling and reuse activities resumed in 2025, reflecting improvements in system integration and wastewater management capacity.

Water Efficiency Measures

Water-saving practices implemented across developments include:

- Installation of low-flow fixtures in residential units and common areas
- Regular inspection and maintenance of plumbing systems to prevent leaks
- Monitoring of water usage patterns in property management operations

Where applicable, drainage systems and stormwater management infrastructure are integrated into project design to manage runoff and reduce localized flooding risks.

Through strengthened monitoring, infrastructure upgrades, and conservation measures, EELHI continues to improve water efficiency while supporting safe and reliable supply for residents and operational needs.

Waste Management

[3-3, 306-1, 306-2]

Construction activities and property operations generate various waste streams, including construction debris, packaging materials, domestic waste, and regulated hazardous materials. EELHI recognizes that these waste streams carry economic, environmental, and social implications across project sites and surrounding communities. Responsible handling and segregation of waste can support efficient collection by local government units and accredited service providers, while helping reduce potential costs and risks associated with improper disposal or regulatory non-compliance.

The Company also recognizes that waste generated from construction and building operations may contribute to environmental impacts such as land and water contamination if not properly managed. Certain materials, including broken fluorescent lamps, are classified as hazardous waste and may contain substances such as mercury that could pose environmental and health risks if mishandled. By acknowledging these risks, EELHI underscores the importance of responsible waste handling practices in protecting the environment, safeguarding worker and community health, and maintaining safe and orderly development sites.

In 2025, total waste generation increased significantly, by approximately 85% compared with the previous year. The increase reflects intensified construction activity and the expansion of development works across multiple project sites during the year.

Waste directed to disposal followed a similar trend, increasing by around 105% year-on-year as construction volumes expanded. Construction activities typically generate large quantities of non-hazardous materials such as concrete debris, soil, and packaging waste, which account for the majority of waste streams during active building phases.

Waste diverted from disposal recorded a slight decline of about 3% compared with 2024. Despite the increase in overall waste generation, project sites continued to implement waste segregation and recovery practices where feasible, including the collection of recyclable materials.

Waste Generation

[306-3]

in metric tonnes, MT

Disclosure	2022	2023	2024	2025
Non-hazardous waste	18,733.15	26,988.40	16,962.88	**31,096.61**
Hazardous waste	1.62	2.59	4.05	**341.03**
Total waste generated	18,734.77	26,990.99	16,966.93	**31,437.64**

Waste Management

[306-4, 306-5]

in metric tonnes, MT

Disclosure	2022	2023	2024	2025
Waste diverted from disposal	**1.37**	**2,601.19**	**3,129.56**	**3,029.94**
Reusable	1.37	-	-	**-**
Recyclable	-	-	3,129.56	**3,029.94**
Waste directed to disposal	**18,733.40**	**24,389.80**	***13,837.37**	**28,407.70**
Landfill	-	-	*13,837.37	**28,407.70**

**Restatement: Corrected value for 2024*

To strengthen on-site waste discipline, the Company implements a structured 5S Waste Management Framework, promoting systematic sorting, site organization, and responsible disposal practices. Material Recovery Facilities (MRFs) are utilized to support waste segregation and recycling efforts, particularly for non-hazardous materials generated during construction and operations.

Beyond waste handling, sustainable construction practices are integrated into project execution. Where feasible, eco-friendly and resource-efficient materials are used to help reduce the overall carbon footprint of developments. Compliance with solid waste management policies is reinforced through contractor coordination and site-level monitoring.

Projects such as Empire East Highland City incorporate flood mitigation and drainage systems as part of broader environmental risk management strategies. These measures not only address climate exposure but also support responsible land use and environmental protection during and after construction.

Energy

[3-3, 302]

Energy represents a significant component of EELHI's operational requirements, supporting construction activities, property management operations, offices, and showroom facilities. Reliable energy supply is essential to business continuity, resident services, and operational stability. Energy use also carries economic and environmental implications across the Company's developments. Efficient electricity consumption can help reduce utility costs for unit owners and support better cost management across operations, while responsible energy use contributes to lowering environmental impacts associated with electricity consumption. At the same time, certain operational requirements, such as the use of diesel-powered generators during power interruptions or testing activities, may contribute to air emissions and environmental pollution if not properly managed.

Recognizing these impacts, EELHI considers energy efficiency and responsible energy use as important factors in maintaining operational stability while supporting environmental stewardship and long-term value creation for homeowners, communities, and other stakeholders.

In 2025, total energy consumption within the organization decreased by approximately 22% compared to the previous year, reflecting strengthened efficiency measures and moderated operational demand. Electricity consumption decreased by about 16%, while diesel and gasoline usage decreased by roughly 46% and 42%, respectively. The reductions were driven by improved energy management practices, optimization of generator operations, and normalization of energy demand following the elevated consumption levels recorded in 2024 during periods of expanded showroom operations and intensified project activity.

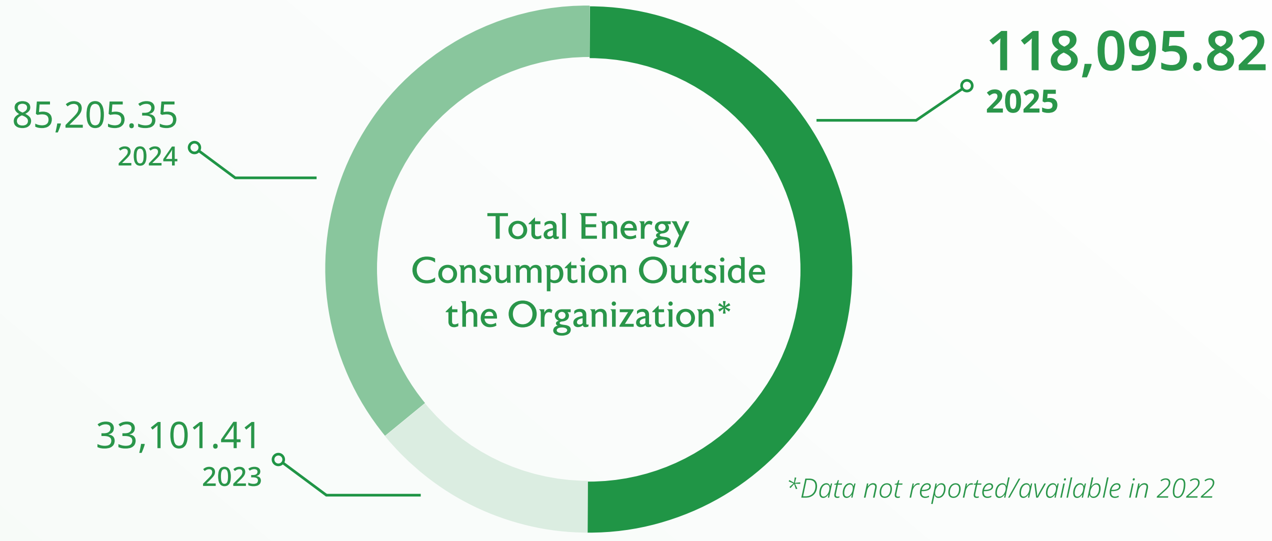
Energy Consumption Within the Organization

[302-1]

in gigajoules, GJ

Disclosure	2022	2023	2024	2025
Gasoline	10.36	136.40	393.74	**228.09**
Diesel	1,109.40	1,161.58	3,014.81	**1,617.26**
Mobile	-	-	2,641.73	**1,535.33**
Stationary	-	-	373.08	**81.93**
Electricity	3,367.88	4,057.88	13,401.92	**11,280.06**
Non-renewable	-	-	-	**11,265.86**
Renewable	-	-	-	**14.20**
Total Energy Consumption within the Organization	**4,487.67**	**5,355.86**	**16,810.47**	**13,125.40**

*This is the first year the Company has disclosed a more detailed breakdown of energy consumption. In prior years, energy consumption was reported on an aggregated basis.



Energy Intensity

[302-3]

in gigajoules, GJ

Disclosure	2022	2023	2024	2025
Energy intensity ratio within the organization				
Gigajoules per revenue (GJ/revenue)	0.000000953	0.000001029	0.000003396	**0.000002432**
Gigajoules per employee (GJ/employee)	7.89	*8.27	*25.51	**18.54**
Energy intensity ratio outside the organization				
Gigajoules per revenue (GJ/revenue)	-	0.00000636	0.00001721	**0.00002188**
Gigajoules per revenue (GJ/employee)	-	*51.08	*129.29	**166.80**

*Restatement: Corrected values for 2023 and 2024

Energy intensity metrics reflect how efficiently the Company utilizes energy relative to its scale of operations. In 2025, energy intensity per revenue within the organization declined by approximately 28% year-on-year, indicating improved efficiency as revenue growth outpaced energy use.

Energy intensity per employee also decreased by around 27%, reflecting more efficient energy utilization across office and operational facilities.

For activities outside the organization, energy intensity per revenue declined by about 27%, while energy use per employee decreased by approximately 29%. These improvements reflect more efficient construction practices and better management of contractor-related energy use.

Strengthening Energy Efficiency and Conservation

EELHI continues to strengthen energy efficiency across its operations through structured monitoring, equipment maintenance, and operational controls that help optimize energy use across offices, development sites, and managed properties.

Key initiatives implemented during the year include:

- Transitioning to **energy-efficient lighting** systems in applicable facilities and common areas
- Conducting **regular maintenance and monitoring of generator sets** to ensure optimal fuel efficiency and reliable operation
- Performing **scheduled audits and operational reviews** to identify energy-saving opportunities
- Implementing **lights-off protocols during designated hours** to reduce unnecessary electricity consumption

A structured energy management approach supports the monitoring of consumption patterns, performance reviews, and corrective action planning. Contractors are also required to identify and implement energy-saving measures during project execution to support efficient resource use across development projects.

In addition to operational measures, EELHI promotes awareness of responsible energy use within its communities.

During Earth Hour 2025, Empire East joined the global initiative by switching off lights across selected developments and gathering residents and employees at Kasara Urban Resort Residences in Pasig City for an evening of community engagement. The event featured live music, pledge-writing activities, and discussions on the United Nations Sustainable Development Goals (SDGs), encouraging participants to reflect on how everyday actions can contribute to environmental sustainability.

A solar-powered Earth lamp illuminated the gathering, symbolizing the collective commitment of the Empire East community to responsible energy use. Through initiatives such as Earth Hour, the Company encourages residents and employees to participate in small but meaningful actions that support broader sustainability efforts.

Materials Consumption

[3-3, 301]

Construction activities require substantial material inputs, including concrete, steel, masonry components, and finishing materials. EELHI manages material consumption through structured procurement planning, contractor coordination, and project monitoring to ensure efficient resource use while maintaining structural integrity and safety standards for residents.

Material selection is guided by engineering specifications, regulatory requirements, and long-term durability considerations. These controls help ensure that developments are built to withstand environmental conditions while minimizing unnecessary resource use during construction.

Materials Used by the Organization

[302-1]

in metric tonnes,MT

Disclosure	Unit	*2022	*2023	*2024	2025
Construction Stage					
Cement/RMC	MT	5,707.91	20,188.37	64,946.03	**105,959.09**
Ceramic tiles	MT	169.58	228.04	132.44	**855.16**
Paint	MT	31.32	17.73	30.66	**16.69**
Sand	MT	0.27	0.07	0.57	**0.48**
Gypsum board	MT	3.96	297.99	29.47	**80.29**
PVC pipes	MT	71.41	37.74	0.01	**96.81**
Steel (pipes and bars)	MT	5,858.12	8,103.41	16,207.32	**9,772.98**
Wood (doors and cabinets)	MT	249.15	42.59	0.05	**1.18**
Glass	MT	66.11	153.97	256.30	**238.79**
Wires/Copper	MT	319.67	200.40	11.62	**10.82**
Concrete Hollow Blocks (CHB)**	MT	-	-	-	**5,174.71**
Aerated Autoclaved Concrete (AAC)**	MT	-	-	-	**2,392.73**
Phenolic Boards**	MT	-	-	158.45	**651.57**
Reinforced Concrete Pipe**	MT	-	-	158.42	**647.42**
Property Operation Stage					
Fluorescent Lights	MT	0.40	2.56	0.71	**1.21**
LED Lights	MT	0.24	0.24	8.24	**1.29**
Magnetic Contactors	MT	0.02	0.02	0.02	**0.40**
Total		12,478.16	29,273.13	81,940.31	**125,901.62**
Percentage of recycled input materials used to manufacture the organization's primary products and services	%	0	0	0	**0**

**Data for previous years reflect improvements in data collection and management processes.*
***Comparative data for certain material categories are not available, as these were not tracked in prior years.*

Material consumption in 2025 reflects the Company's transition to more advanced construction stages, with usage aligned to project phasing beyond peak structural works.

Structural materials, including cement, ready-mix concrete (RMC), and steel, continued to support ongoing construction activities, while reduced reliance on certain materials indicates that major structural and utility installations were largely completed in earlier phases. The Company also expanded its use of Autoclaved Aerated Concrete (AAC), supporting faster construction, reduced material waste, and improved building performance.

Finishing works progressed during the year, supporting unit completion, while variations in materials such as pipes and glass were primarily driven by construction scheduling and the timing of installations across projects.

The Company continues to strengthen materials management through improved data monitoring and the adoption of more resource-efficient materials.

Recycled Input Materials Used [301-2]

in metric tonnes, MT

Disclosure	2022	2023	2024	**2025**
% of recycled input materials used to manufacture the organization's primary products and services	0	0	0	**0**

Empire East has not yet incorporated recycled materials into its production process since 2022. Moving forward, Empire East is focusing to enhance their strategies and in optimizing resource use effectively by reducing reliance on nonrenewable resources and exploring the use of recycled materials as a part of the Company's commitment to sustainability and environmental responsibility.

To improve construction efficiency and reduce environmental impact, EELHI has begun integrating lightweight partition materials into ongoing and future residential developments. These materials are currently being implemented across several projects, including Empire East Highland City in Pasig-Cainta, which serves as a flagship for this approach.

Unlike traditional blockwork, these lightweight panels allow for dry and modular installation, enabling faster assembly and reducing the need for cement-intensive construction methods. This approach can shorten installation time by up to 70% compared with conventional partition systems, helping improve project efficiency while minimizing construction waste.

Because of their lower density, the panels also reduce structural dead load, allowing for more flexible building design while maintaining fire resistance and durability standards. In addition, their thermal and sound insulation properties contribute to improved indoor comfort and energy performance for residential units.

By incorporating these materials into its developments, the Company aims to balance construction efficiency, environmental responsibility, and long-term building performance.

Environmental Stewardship

Beyond managing resource use in construction, Empire East also participates in environmental initiatives that support ecosystem protection and community awareness. These efforts reflect the Company's broader commitment to safeguarding the environments where its communities grow.

Saving Hatchlings: Coastal Cleanup and Turtle Release

In February 2025, EELHI's Property Development Division partnered with the Samahan ng Labac Pawikan Patrollers (SLPP) for a coastal cleanup and sea turtle hatchling release in Barangay Labac, Naic, Cavite. A total of 28 employee volunteers joined 18 SLPP members in clearing coastal waste, collecting 15 bags of debris to help reduce marine pollution and support safer nesting grounds for sea turtles.

Following the cleanup, approximately 50 Olive Ridley (Lepidochelys olivacea) hatchlings were released into the sea. The activity also provided volunteers with insights into SLPP's conservation efforts, including shoreline patrols and hatchery operations. Through partnerships such as this, EELHI continues to support environmental stewardship while encouraging employee participation in protecting coastal ecosystems.

Highland Forest: 2nd Phase Tree Planting

On December 17, 2025, Empire East employees and salesforce members came together at Highland Forest to do something simple but meaningful — plant trees, side by side.

The activity was held within Highland Forest's 1.3-hectare Forest Park, a space designed from the ground up to make nature part of daily community life. Guided by DENR representatives Forester Minette Espinas and Mr. Charles Vincent Boral, participants learned the proper techniques for planting and caring for trees — a reminder that stewardship is as much about follow-through as it is about intention.

With President and CEO Anthony Charlemagne C. Yu joining the initiative, the message was clear: building communities and caring for the environment are not separate pursuits. At Highland Forest, they grow together.

Sustainable Building Operations

Continued Development of Design Standards

EELHI remains committed to delivering well-designed communities that balance functionality, sustainability, and long-term value for residents. To support this goal, the Company continues to strengthen its architectural and engineering standards across development projects through a framework that enables the continuous refinement of building specifications and operational requirements.

Working closely with independent consultants and contractors, the Design and Construction Management Group (DCMG) oversees the integration of these standards across the project lifecycle. Development designs adhere to the Philippine Green Building Code and incorporate material efficiency and energy conservation measures. Sustainability considerations are embedded from the earliest stages of planning through construction and ongoing property management, helping ensure that developments remain efficient, resilient, and responsive to the needs of residents.

Beyond individual buildings, EELHI applies these standards at the community planning level, designing master-planned developments that integrate residential spaces with commercial, recreational, and lifestyle components. By bringing essential services, workplaces, and leisure spaces closer to where people live, these communities support more connected and convenient daily living while helping reduce travel distances and environmental impact.

Community layouts are designed to encourage walkability, accessibility, and efficient land use, complemented by open spaces and landscaped areas that enhance the living environment. Infrastructure elements such as pedestrian-friendly pathways, green spaces, and energy-efficient lighting contribute to healthier and more sustainable urban communities.

The Company also maintains a comprehensive system for monitoring materials used across its operations. This process, managed by DCMG in coordination with external technical consultants, supports responsible material selection and resource-efficient construction practices. Through structured design reviews and procurement controls, EELHI ensures that sustainability considerations are integrated at each stage of project development.

To guide these efforts, EELHI has established a Design Terms of Reference that provides clear standards for architects, engineers, and contractors. The framework prioritizes efficient use of materials, responsible construction practices, and long-term building performance, supporting the delivery of communities designed for both present needs and future growth.

Pillar III:
Prosperity
Driving Economic Growth & Innovation

Prosperity: Driving Economic Growth & Innovation

Driving economic growth, innovation, and resilience, EELHI continues to strengthen its financial performance by optimizing operations, implementing strategic promotions, and enhancing innovative homeownership programs.

Beyond business performance, the Company contributes to nation-building by creating employment opportunities, supporting local communities, and advancing sustainability initiatives across its developments. These efforts reinforce EELHI's role in shaping vibrant communities while generating long-term value for stakeholders.

To sustain this momentum, EELHI integrates sustainability into its broader business strategy, supported by a comprehensive governance framework that promotes ethical business practices and proactive risk management. This framework is regularly reviewed and strengthened to respond to evolving market conditions and emerging risks while ensuring the Company remains resilient and future-ready.

Impactful Growth

EELHI continues to strengthen its growth trajectory through the rollout of its ₱25-billion five-year capital expenditure program, focused on developing sustainable, transit-oriented, and master-planned communities for the mid-market segment. These investments expand the Company's portfolio of integrated developments while reinforcing its role in delivering accessible homeownership in key urban growth areas.

Over the past several years, the Company has progressed from viewing sustainability as a compliance requirement to embedding ESG principles within its core business strategy. This shift has supported stronger operational resilience and long-term value creation. EELHI's growth is driven by disciplined cost management, expanded client acquisition, and flexible payment options that make homeownership more attainable for Filipino families. The Transmutation Program, a key strategic initiative, further enhances the homebuyer journey by providing practical solutions that respond to evolving customer needs.

Five years after the pandemic, EELHI remains focused on affordability and market accessibility. Strategic promotions such as Home Opportunity Alert strengthened the Company's market presence and helped drive strong sales performance, allowing EELHI to surpass its target sales despite external economic pressures such as inflation.

The Company's expansion also contributes to broader economic activity. As development projects progress, demand increases for construction materials, logistics services, and professional expertise, generating opportunities for contractors, suppliers, and local enterprises across the value chain. These activities support employment generation and stimulate local economic growth in the communities where EELHI operates.

To further enhance the homebuying experience, EELHI has adopted a hybrid sales model that integrates in-person engagement with digital transaction platforms. This approach provides homebuyers with both personalized support and greater convenience, helping the Company reach a wider customer base while improving service efficiency.

Supported by disciplined sales targets, strengthened market presence, proactive risk management, and continuous stakeholder engagement, EELHI continues to pursue growth that delivers sustainable economic value for investors, homeowners, and the communities it serves.

Economic Performance

[3-3, 201]

EELHI continues to safeguard the Company's long-term operations while generating sustainable returns for shareholders and broader value for stakeholders. The Company maintains an optimal capital structure designed to manage financing costs while supporting stable business growth. Operational efficiency is strengthened through continuous process improvements that reduce redundancies and eliminate non-value-adding activities across business units.

To manage costs and maintain operational stability, EELHI integrates risk management into its financial and operational planning. The Company monitors operational expenditures through a comprehensive risk management framework that considers physical, climate-related, and regulatory risks. Business continuity planning includes regular risk assessments, impact analyses, and emergency response procedures. Physical risks—such as earthquakes, storms, and typhoons—are monitored due to their potential impact on project sites and property operations, while regulatory risks are managed through proactive compliance with national and local laws to minimize disruptions, penalties, or legal exposure.

In 2025, EELHI generated PHP 5,396,823,579 in revenue, representing an increase from PHP 4,950,793,738 in 2024. While revenue experienced a slight dip in 2024 compared with PHP 5,203,131,447 in 2023, the Company sustained overall growth momentum from 2022. This performance reflects EELHI's strengthened operational management and disciplined capital planning amid evolving market conditions.

During the year, the Company continued to allocate economic value across key stakeholders through operating expenditures, employee compensation, shareholder returns, taxes, and community investments. Operating costs amounted to PHP 4,113,571,181 in 2025, supporting construction activities, supplier payments, and operational services across development projects. Employee wages and benefits reached PHP 494,378,069, reflecting the Company's continued investment in its workforce.

EELHI also generated value for investors through dividends and interest payments totaling PHP 46,016,125, while contributing PHP 342,366,331 in taxes to national and local governments. These contributions support public infrastructure and services that enable economic activity in the communities where the Company operates. In addition, the Company allocated PHP 63,000 to community investments, supporting selected social initiatives and development programs.

Direct Economic Value Generated and Distributed

[201-1]

In Philippine Peso, Php

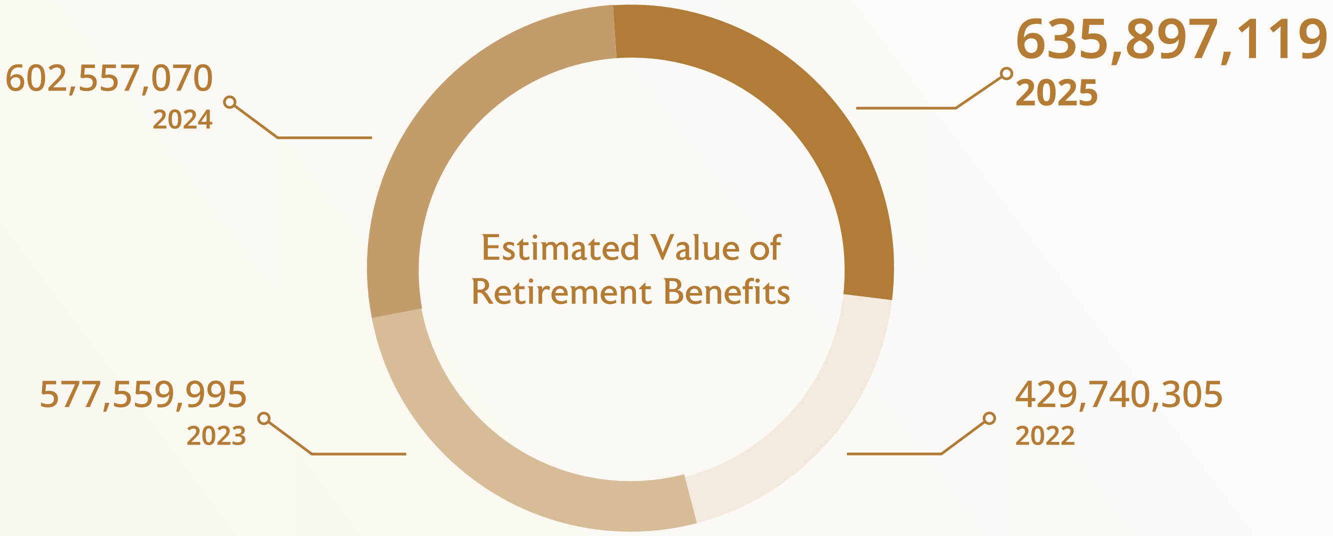
Economic Value Generated	2022	2023	2024	2025
Revenue	**4,707,066,845**	**5,203,131,447**	**4,950,793,738**	**5,396,823,579**
Distributed	7,852,177,490	6,937,897,990	5,090,491,514	**4,996,394,706**
Operating costs	7,073,783,796	6,119,809,090	4,249,281,575	**4,113,571,181**
Employee wages and benefits	398,502,593	431,102,206	468,163,427	**494,378,069**
Dividends given to stockholders and interest payments to loan providers	47,052,306	79,388,750	69,072,625	**46,016,125**
Taxes given to government	332,729,886	306,828,390	303,592,673	**342,366,331**
Investments to community (e.g. donations, CSR)	108,909	769,554	381,214	**63,000**

The Company continues to strengthen employee welfare through its non-contributory retirement plan, which follows a final salary-defined benefit structure. Under this plan, employees are not required to contribute financially from their wages. Retirement benefits are calculated based on years of service and plan salary, providing employees with long-term financial security and supporting workforce retention.

To ensure sustainability of the retirement program, EELHI engages independent actuarial services to assess the adequacy of the retirement fund. These assessments include annual valuations, recommended contribution rates, and risk management reviews. This process helps ensure that future obligations to retirees are met and that any unfunded liabilities are addressed promptly.

Defined Benefit Plan Obligations and Other Retirement Plans [201-3]

In Philippine Peso, Php



Financial Implications of Climate Change

Empire East recognizes that climate change may influence the long-term resilience of its developments, project execution, and operational performance. As a property developer, the Company considers climate-related factors in its planning and risk management processes to help safeguard assets, maintain operational continuity, and support sustainable community development.

In line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, Empire East evaluates climate-related considerations across four pillars—Governance, Strategy, Risk Management, and Metrics and Targets. This approach helps the Company identify potential financial exposures from physical hazards, regulatory developments, and market conditions that may affect property development and operations.

TCFD Pillar: Governance

Board Oversight:
The Board of Directors provides oversight of sustainability and climate-related considerations as part of its strategic and risk governance responsibilities. Through the Audit and Compliance Committees, the Board monitors compliance, operational risks, and sustainability initiatives that may affect the Company's developments and operations.

Senior Management Role:
Senior management implements sustainability and resilience initiatives through operational programs and project-level planning. Functions such as Property Development, Administration, Audit, and MIS support initiatives including energy efficiency, responsible resource management, and compliance monitoring. Relevant sustainability indicators are periodically reported to the Board.

TCFD Pillar: Strategy

Empire East evaluates climate-related risks and opportunities that may affect its developments, project timelines, and long-term asset performance. These considerations inform project planning and operational decisions across the Company's development portfolio.

- **Physical Risks:** Extreme weather events such as typhoons, storms, and earthquakes may disrupt construction activities, affect project schedules, or increase maintenance requirements for property assets.
- **Transition Risks:** Evolving environmental regulations and sustainability standards may introduce additional compliance requirements and influence building practices and operational processes.
- **Market Factors:** Changes in interest rates, construction material prices, and supply chain conditions may affect development costs and project feasibility.
- **Opportunities:** Integrating resilience and efficiency considerations into project planning may support more durable developments, improved operational performance, and sustained asset value.

TCFD Pillar: Risk Management

Climate-related risks are managed through the Company's broader risk management and operational planning processes, which include:

- Monitoring regulatory developments and environmental compliance requirements
- Assessing exposure to physical risks that may affect project sites and operations
- Integrating resilience considerations into development planning and construction activities
- Maintaining business continuity and operational preparedness measures

TCFD Pillar: Metrics and Targets

While the Company does not yet maintain dedicated climate-related financial metrics, it monitors indicators that may reflect potential exposure, including:

- Costs associated with property damage or operational disruptions
- Potential penalties related to regulatory non-compliance
- Changes in operating costs linked to energy use, inflation, or regulatory developments

Empire East continues to strengthen its sustainability monitoring practices by integrating environmental and resilience indicators into project planning and operational oversight.

Good Governance

EELHI is committed to fostering a culture of integrity, accountability, and responsible leadership across the organization. The Company promotes ethical conduct by encouraging transparency in decision-making, strengthening risk awareness among employees, and holding leaders accountable for upholding governance standards. Through transparent financial reporting, EELHI ensures that stakeholders have access to clear, accurate, and reliable information that supports informed decisions and builds long-term trust. At the same time, the Company continuously reviews and strengthens its risk management practices to help its people anticipate emerging challenges and respond effectively, reinforcing a culture of responsible stewardship and resilience.

Risk Management

[3-3]

Empire East Land Holdings, Inc. manages risks through a structured, top-down Enterprise Risk Management (ERM) framework overseen by the Board of Directors through the Audit Committee. The framework supports the identification and mitigation of financial, operational, and strategic risks while strengthening governance oversight, digital innovation, and operational controls.

The Board of Directors provides overall risk oversight, with the Audit Committee, chaired by an independent director, meeting at least four times a year to review risk management policies, internal controls, and compliance with financial, legal, tax, and regulatory requirements. At the management level, the Internal Audit Unit, led by the Risk Management Officer (RMO), coordinates risk monitoring and mitigation efforts across the organization. The Company also maintains a policy that allows stakeholders to confidentially report any unethical, illegal, or questionable activities without fear of reprisal.

Governance & Compliance
- Code of Business Conduct and Ethics
- Anti-corruption and fair procurement policies
- Related-party transaction oversight
- Whistleblowing mechanism

Operational Risks
- Construction monitoring teams
- Project cost and timeline oversight
- Efficient materials management

Market & Financial Risks
- Portfolio diversification across developments
- Flexible payment options for homebuyers

Technology & Business Continuity
- Workflow automation and digital tools
- Remote work arrangements and digital platforms

Environmental & ESG Risks
- Climate-responsive development design
- ESG monitoring and regulatory compliance

As illustrated in the infographic, EELHI manages risks across several key areas. Operational risks, including project cost management and completion timelines, are addressed through dedicated monitoring teams that oversee construction progress and ensure efficient use of materials. The Company also conducts annual training seminars for directors and key officers to strengthen compliance awareness and risk management practices.

To address market and financial risks, including revenue volatility, EELHI continues to diversify and expand its property portfolio to reduce reliance on a single market segment or geographic area. Flexible payment terms are also offered to homebuyers to support demand during periods of economic uncertainty.

Digital initiatives further enhance the Company's risk management capabilities. Automation and digital tools streamline workflows, improve transparency, and support service delivery to homebuyers, while flexible work arrangements and digital collaboration platforms help ensure business continuity during disruptions such as extreme weather events or other emergencies.

EELHI also integrates ethical governance and sustainability considerations into its risk management practices. The Company adheres to its Code of Business Conduct and Ethics and Revised Manual on Corporate Governance, which establish policies on anti-corruption and fair procurement. Transactions with related parties are subject to strict Board oversight to prevent conflicts of interest and ensure transparency. Environmental considerations are also integrated into development planning through ESG monitoring and the adoption of resilient, climate-responsive, eco-friendly, and inclusive designs that strengthen project resilience and support regulatory compliance.

Business Ethics and Integrity

[3-3]

EELHI promotes a culture of integrity by encouraging employees, leaders, and partners to uphold ethical conduct and responsible decision-making in all business activities. By strengthening transparency and accountability across the organization, the Company helps build trust with stakeholders and support long-term value creation.

EELHI complies with applicable national and local laws and regulations, including labor laws, taxation requirements, and the Anti-Money Laundering Act (AMLA). The Company adheres to the regulatory requirements of the Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR), Philippine Stock Exchange (PSE), Bangko Sentral ng Pilipinas (BSP), local government units (LGUs), and other relevant government agencies. Compliance practices are integrated across operations—from project design and development to implementation and maintenance. Project management teams work closely with contractors to meet environmental and construction standards, including securing the required Environmental Compliance Certificates (ECC) from the Department of Environment and Natural Resources (DENR) and approvals from the Laguna Lake Development Authority (LLDA) where applicable.

These practices reinforce responsible conduct across the organization. During the reporting period, no legal actions pending or completed were recorded regarding anti-competitive behavior, anti-trust violations, or monopoly practices in which the Company was identified as a participant.

Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practice

[206-1]

Disclosure	2022	2023	2024	2025
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0	0	0	**0**

Anti-Corruption

[3-3]

EELHI reinforces its commitment to integrity by implementing monitoring mechanisms that promote transparency and accountability across its operations. The Company requires vendors to submit Letter 101 documentation and comply with the Site Gate Pass system, which tracks material transfers at project sites. It also implements strict vendor accreditation and competitive bidding processes to support fair procurement practices.

Through these safeguards, EELHI helps ensure that transactions remain transparent and that resources are used responsibly. The Company recognizes that effective anti-corruption measures strengthen trust among homebuyers, employees, business partners, and investors, while supporting fair market practices. By preventing irregular payments and unnecessary costs, the Company helps ensure that financial resources are directed toward construction quality, operational efficiency, and long-term value creation.

Responsible financial management also enables the Company to allocate resources toward sustainable construction practices, environmental initiatives, and community development programs that benefit host communities and surrounding environments.

In line with its commitment to human rights and responsible business conduct, EELHI works to safeguard homebuyers' payments by ensuring they are used solely for property development and maintenance. The Company recognizes that delays in securing permits, licenses, and title transfers can affect the timely enjoyment of home ownership. To address this, EELHI continues to streamline processes and coordinate with regulatory agencies to help improve efficiency in these areas.

The Company maintains a zero-tolerance policy on corruption and works closely with regulators to ensure compliance. Management and employees are prohibited from offering or accepting improper gifts, and the Company regularly reinforces these policies through monitoring and internal controls.

Anti-corruption policies and procedures are communicated to employees, directors, and relevant stakeholders, while employees receive regular training to reinforce ethical conduct and strengthen the Company's anti-corruption risk management and response systems.

During the reporting period, 100% of employees and governance body members received communication and training on anti-corruption policies, and no confirmed incidents of corruption were recorded.

Communication and Training on Anti-Corruption Policies and Procedure

[205-2]

in percentage

Disclosure	2022	2023	2024	2025
Employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100	**100**
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	N/A	N/A	**N/A**
Governance body members that have received training on anti-corruption	100	100	100	**100**
Employees that have received anti-corruption training	100	100	100	**100**

Confirmed Incidents of Corruption and Actions Taken

[205-3]

Disclosure	2022	2023	2024	2025
Number of incidents in which directors were removed or disciplined for corruption	0	0	0	**0**
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0	**0**
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0	**0**

Procurement Practices

[3-3]

EELHI upholds ethical procurement practices by engaging responsibly with its vendors under its Supply and Procurement Policy. The Company recognizes that transparent and equitable procurement processes help distribute economic value across the supply chain while creating opportunities for suppliers and communities that support its operations.

To promote responsible sourcing, EELHI evaluates suppliers based on compliance with regulatory requirements, including business permits and operational documentation. Departmental assessments also review suppliers' policies and practices on anti-corruption, labor standards, and compensation and benefits. These assessments help ensure reliability, legality, and fairness in procurement activities. The Company regularly reviews its supplier accreditation and evaluation processes to strengthen environmental, social, and governance safeguards. EELHI also promotes fairness and accountability by prohibiting employees from engaging in activities that create conflicts of interest. Employees are not allowed to receive gifts or favors from third parties, helping maintain integrity in procurement decisions. Material related-party transactions are reviewed by the Board's Related Party Transactions Committee.

The Company further supports local economic development by prioritizing local suppliers, with 100% of procurement spending allocated to suppliers located in areas where the Company operates. Through this approach, EELHI helps strengthen local supply chains while supporting community livelihoods and business growth.

Proportion of Spending on Local Suppliers

[204-1]

in percentage

Disclosure	2022	2023	2024	2025
% of procurement budget used for significant locations of operations that is spent on local suppliers	100	100	100	**100**

Supplier Management

[3-3]

EELHI maintains a structured supplier management system to ensure that partners meet the Company's environmental, social, and regulatory standards. Through responsible supplier engagement, the Company promotes transparency, accountability, and sustainable practices across its supply chain.

The Purchasing Department (PD) manages supplier transactions and requires vendors to secure the necessary government permits prior to engagement. Suppliers are required to register and access the Company's accreditation platform, where procurement policies and requirements are communicated. The General Administrative Services Department (GAS) also requires suppliers to submit relevant permits and licenses, including Business Sanitary Permits from local government units and Philippine Contractors Accreditation Board (PCAB) licenses, to verify legal compliance.

To assess social and operational capability, the Pre-Construction Group (PrCG) conducts technical competence evaluations as part of the supplier pre-qualification process. This review includes training certifications, background checks, and reference assessments from previous projects to confirm suppliers' reliability and professional performance. PrCG also facilitates supplier presentations and training sessions, helping strengthen collaboration while improving both internal understanding of supplier capabilities and vendor technical capacity.

EELHI continues to strengthen its due diligence processes through structured environmental and social compliance assessments supported by digital data-collection tools. Contractors and suppliers are monitored for compliance with relevant regulations across project design, construction, and operational phases, with coordination across internal teams and external partners.

In 2025, EELHI recorded zero environmental violations, reflecting the collaborative efforts of teams across the Design, Pre-Construction, and Construction Management Groups, together with contractors and technical consultants, in upholding environmental and social standards across the Company's projects.

Compliance with Laws and Regulations

[2-27]

Disclosure	2022	2023	2024	2025
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0	0	**0**
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0	**0**
No. of cases resolved through dispute resolution mechanism	0	0	0	**0**

Financial Performance

P&A Grant Thornton

Consolidated Financial Statements and
Independent Auditors' Report

Empire East Land Holdings, Inc. and Subsidiaries

December 31, 2025, 2024 and 2023
(With Corresponding Figures as of January 1, 2024)

P&A Grant Thornton

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Report of Independent Auditors

The Board of Directors and Stockholders
Empire East Land Holdings, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
2nd Floor, The Paddington Place
632 Shaw Boulevard, Barangay Highway Hills
Mandaluyong City, Metro Manila

Opinion

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

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

Basis for Opinion

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

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Emphasis of Matter

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

Key Audit Matters

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

(a) Revenue Recognition on Real Estate Sales and Determination of Related Costs of Real Estate Sales

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because of the volume of transactions, the complexity in applying PFRS 15, and involvement of significant judgment and estimate. Moreover, real estate sales amounting to P3.3 billion and cost of real estate sales amounting to P2.1 billion account for 61.6% of consolidated Revenues and Income and 45.5% of consolidated Costs and Expenses, respectively, for the year ended December 31, 2025. The areas affected by revenue recognition and determination of related costs, which require significant judgments and estimates, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects that defines the amount of revenue to be recognized, and determining the amount of actual costs incurred as cost of real estate sales.

The Group's policy for revenue recognition on real estate sales are more fully described in Note 2 to the consolidated financial statements. The significant judgments applied and estimates used by management related to revenue recognition are more fully described in Note 3 to the consolidated financial statements. The breakdown of real estate sales and costs of real estate sales are also disclosed in Notes 19 and 20, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

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

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

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

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Relative to the Group's measurement of progress towards complete satisfaction of performance obligation using the input method, we have tested the progress reported for the year in reference to the actual costs incurred relative to the total budgeted project development costs. Our procedures include test of controls over recognition and allocation of costs per project and direct examination of supporting documents. We have also performed physical inspection of selected projects under development to assess if the completion based on costs is not consistent with the physical completion of the project. In testing the reasonableness of budgetary estimates, we have ascertained the qualification of projects engineers who prepared the budgets and reviewed the actual performance of completed projects with reference to their budgeted costs.

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

(b) Net Realizable Value of Real Estate Inventories

Description of the Matter

Real estate inventories consist of raw land and residential real estate projects under development or construction. As of December 31, 2025, real estate inventories amounted to P21.4 billion, representing 42.9% of total consolidated assets of the Group. Inventory is measured at the lower of cost and net realizable value. The cost of inventory includes, among others, land, engineering and construction fees, professional fees directly attributable to the project, construction overheads and other directly related costs.

The Group assesses internally the net realizable value of the inventory and reduces the carrying amount when the net realizable value is lower than the cost. The net realizable value calculation is highly dependent on significant estimates, including the estimated sales prices per square meter, the estimated remaining construction costs and the expected timing of sale of the units. The Group's management performs the valuation and evaluates possible write-downs on an individual project basis.

The net realizable value of real estate inventories was considered as a key audit matter due to the significance of the balance of inventories over the total consolidated assets of the Group and the involvement of significant estimates and management judgments in determining the net realizable value of inventories.

The Group's policy on accounting for real estate inventories is disclosed in Notes 2 and 3 to the consolidated financial statements and an analysis of the asset's components is presented in Note 7.

How the Matter was Addressed in the Audit

We have obtained an understanding of and evaluated, the Group's processes for assessing the net realizable value of real estate inventories. We also assessed whether real estate inventories are periodically evaluated by the Group's management and whether estimated net realizable values are based on accurate and complete underlying data. Our procedures included performing substantive testing over the net realizable value method applied by the management and evaluating the key assumptions used in the calculations. Moreover, we performed test of reasonableness on the assumption used and obtained supporting documents on the samples selected for the data inputs.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

P&A Grant Thornton

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

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

PUNONGBAYAN & ARAULLO

By: **Edcel U. Costales**
Partner

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

February 23, 2026

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(With Corresponding Figures as of January 1, 2024)
(Amounts in Philippine Pesos)

	Notes	December 31, 2025	December 31, 2024 (As Restated - see Note 2)	January 1, 2024 (As Restated - see Note 2)
CURRENT ASSETS				
Cash and cash equivalents	5	**P 2,282,600,494**	P 2,863,878,581	P 3,717,469,500
Trade and other receivables - net	6	**9,643,608,050**	9,254,431,239	9,697,626,445
Contract assets	19	**1,936,196,524**	2,498,252,566	2,534,011,730
Advances to related parties	25	**5,856,815,689**	5,965,760,162	5,467,534,052
Real estate inventories	7	**21,397,204,626**	20,922,248,973	20,625,100,501
Prepayments and other current assets	17, 19	**1,343,271,159**	1,059,149,844	1,001,425,543
Total Current Assets		**42,459,696,542**	42,563,721,365	43,043,167,771
NON-CURRENT ASSETS				
Trade and other receivables	6	**4,417,534,675**	3,516,695,723	3,411,569,342
Contract assets	19	**535,063,250**	768,746,952	207,184,338
Financial asset at fair value through other comprehensive income (FVOCI)	8	**922,194,000**	1,013,400,000	1,270,128,000
Advances to landowners and joint ventures	9	**258,051,592**	237,504,599	242,894,346
Investment in an associate	10	**281,162,021**	280,274,248	279,875,774
Property and equipment - net	11	**204,230,382**	146,640,719	160,858,357
Intangible assets - net	12	**21,837,719**	28,050,013	34,262,307
Investment properties - net	13	**552,825,110**	559,063,862	587,082,411
Other non-current assets		**277,066,140**	311,088,436	262,111,649
Total Non-current Assets		**7,469,964,889**	6,861,464,552	6,455,966,524
TOTAL ASSETS		**P 49,929,661,431**	P 49,425,185,917	P 49,499,134,295

	Notes	December 31, 2025	December 31, 2024 (As Restated - see Note 2)	January 1, 2024 (As Restated - see Note 2)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14, 33	**P 200,000,000**	P 200,000,000	P 200,000,000
Trade and other payables	15	**2,348,398,452**	2,512,630,683	2,558,733,723
Customers' deposits	16	**4,605,930,366**	4,743,665,793	5,140,775,975
Advances from related parties	25	**6,421,831,110**	6,394,850,556	6,061,736,667
Contract liabilities	19	**164,617,092**	170,000,828	96,357,478
Other current liabilities	18	**1,646,637,403**	1,208,620,531	1,042,240,285
Total Current Liabilities		**15,387,414,423**	15,229,768,391	15,099,844,128
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	14, 33	**250,000,000**	450,000,000	650,000,000
Contract liabilities	19	**35,217,618**	112,633,789	160,409,459
Retirement benefit obligation	23	**233,179,174**	238,098,964	153,998,592
Deferred tax liabilities - net	24	**1,990,399,061**	2,062,813,578	2,071,285,858
Total Non-current Liabilities		**2,508,795,853**	2,863,546,331	3,035,693,909
Total Liabilities		**17,896,210,276**	18,093,314,722	18,135,538,037
EQUITY				
Attributable to the Parent Company's stockholders				
Capital stock	26	**14,803,455,238**	14,803,455,238	14,803,455,238
Additional paid-in capital	26	**4,307,887,996**	4,307,887,996	4,307,887,996
Treasury stock - at cost	26	**(102,106,658)**	(102,106,658)	(102,106,658)
Revaluation reserves	26	**164,529,788**	259,448,994	547,624,726
Other reserves	26	**(292,118,243)**	(292,118,243)	(292,118,243)
Retained earnings	26	**10,381,674,478**	9,577,871,830	9,314,581,026
Total equity attributable to the Parent Company's stockholders		**29,263,322,599**	28,554,439,157	28,579,324,085
Non-controlling interests	10	**2,770,128,556**	2,777,432,038	2,784,272,173
Total Equity		**32,033,451,155**	31,331,871,195	31,363,596,258
TOTAL LIABILITIES AND EQUITY		**P 49,929,661,431**	P 49,425,185,917	P 49,499,134,295

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
REVENUES AND INCOME				
Real estate sales	19	**P 3,323,820,889**	P 3,242,642,998	P 3,997,538,269
Finance income	22	**821,760,943**	913,658,775	587,439,873
Rental income	13, 28	**124,307,663**	134,162,268	107,466,532
Commission income	25	**38,771,246**	35,514,891	37,121,681
Equity share in net earnings of an associate	10	**887,773**	398,474	125,202
Other income	21	**1,087,275,065**	624,416,332	473,439,890
		5,396,823,579	4,950,793,738	5,203,131,447
COSTS AND EXPENSES				
Cost of real estate sales	20	**2,092,994,484**	2,053,715,778	2,497,388,384
Salaries and employee benefits	23	**494,378,069**	468,163,427	431,102,206
Finance costs	22	**380,628,493**	491,862,711	391,092,973
Commissions	19	**310,471,546**	240,443,765	224,455,776
Association dues		**307,462,481**	159,961,688	141,761,997
Taxes and licenses	13	**151,556,682**	150,401,638	89,199,114
Advertising and promotion		**109,714,254**	75,205,029	71,299,910
Travel and transportation		**64,381,954**	61,114,262	82,738,992
Depreciation and amortization	11, 12, 13	**37,056,912**	54,216,921	61,679,519
Other expenses	21	**532,046,670**	307,622,515	234,472,848
Tax expense	24	**119,632,868**	207,804,930	219,999,156
		4,600,324,413	4,270,512,664	4,445,190,875
NET PROFIT		**796,499,166**	680,281,074	757,940,572
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently through profit or loss:				
Fair value losses on financial assets at FVOCI	8	**(91,206,000)**	(256,728,000)	(69,812,000)
Remeasurements on retirement benefit obligation	23	**(4,950,942)**	(41,930,310)	(112,290,070)
Tax income	24	**1,237,736**	10,482,578	28,072,519
		(94,919,206)	(288,175,732)	(154,029,551)
TOTAL COMPREHENSIVE INCOME		**P 701,579,960**	P 392,105,342	P 603,911,021
Net profit (loss) attributable to:				
Parent Company's shareholders		**P 803,802,648**	P 687,121,209	P 765,784,371
Non-controlling interest	10	**(7,303,482)**	(6,840,135)	(7,843,799)
		P 796,499,166	P 680,281,074	P 757,940,572
Total comprehensive income (loss) attributable to:				
Parent Company's shareholders		**P 708,883,442**	P 398,945,477	P 611,754,820
Non-controlling interest	10	**(7,303,482)**	(6,840,135)	(7,843,799)
		P 701,579,960	P 392,105,342	P 603,911,021
EARNINGS PER SHARE - Basic and Diluted	27	**P 0.055**	P 0.047	P 0.052

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023
(Amounts in Philippine Pesos)

	Attributable to Parent Company's Shareholders								
	Capital Stock (see Note 26)	Additional Paid-in Capital (see Note 26)	Treasury Stock (see Note 26)	Revaluation Reserves (see Notes 8, 23 and 26)	Other Reserves (see Note 26)	Retained Earnings (see Note 26)	Total	Non-controlling Interests	Total
Balance at January 1, 2025	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 259,448,994	(P 292,118,243)	P 9,577,871,830	P 28,554,439,157	P 2,777,432,038	P 31,331,871,195
Total comprehensive income (loss) for the year	-	-	-	(94,919,206)	-	803,802,648	708,883,442	(7,303,482)	701,579,960
Balance at December 31, 2025	**P 14,803,455,238**	**P 4,307,887,996**	**(P 102,106,658)**	**P 164,529,788**	**(P 292,118,243)**	**P 10,381,674,478**	**P 29,263,322,599**	**P 2,770,128,556**	**P 32,033,451,155**
Balance at January 1, 2024	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 547,624,726	(P 292,118,243)	P 9,314,581,026	P 28,579,324,085	P 2,784,272,173	P 31,363,596,258
Effect of adoption of PFRS 15 and other related interpretations	-	-	-	-	-	(423,830,405)	(423,830,405)	-	(423,830,405)
Balance at January 1, 2024, as adjusted	14,803,455,238	4,307,887,996	(102,106,658)	547,624,726	(292,118,243)	8,890,750,621	28,155,493,680	2,784,272,173	30,939,765,853
Total comprehensive income (loss) for the year	-	-	-	(288,175,732)	-	687,121,209	398,945,477	(6,840,135)	392,105,342
Balance at December 31, 2024	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 259,448,994	(P 292,118,243)	P 9,577,871,830	P 28,554,439,157	P 2,777,432,038	P 31,331,871,195
Balance at January 1, 2023	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 701,654,277	(P 292,118,243)	P 8,548,796,655	P 27,967,569,265	P 2,792,115,972	P 30,759,685,237
Total comprehensive income (loss) for the year	-	-	-	(154,029,551)	-	765,784,371	611,754,820	(7,843,799)	603,911,021
Balance at December 31, 2023	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 547,624,726	(P 292,118,243)	P 9,314,581,026	P 28,579,324,085	P 2,784,272,173	P 31,363,596,258

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 916,132,034**	P 888,086,004	P 977,939,728
Adjustments for:				
Finance income	22	**(821,760,943)**	(913,658,775)	(587,439,873)
Finance costs	22	**380,628,493**	491,862,711	391,092,973
Gain on sale of investment properties	13	**(67,982,696)**	-	-
Depreciation and amortization	11, 12, 13	**37,056,912**	54,216,921	61,679,519
Impairment loss on related party advances	25	**25,000,000**	-	-
Equity share in net income of an associate	10	**(887,773)**	(398,474)	(125,202)
Gain on sale of property and equipment	11	**(620,394)**	(132,890)	-
Gain on lease credits	17, 25	-	-	(106,091,000)
Impairment loss on goodwill	12	-	-	77,347,634
Operating profit before working capital changes		**467,565,633**	519,975,497	814,403,779
Decrease (increase) in trade and other receivables		**(1,041,570,995)**	527,919,505	(1,572,900,204)
Decrease (increase) in contract assets		**1,082,535,934**	(572,668,404)	(158,082,689)
Decrease (increase) in real estate inventories		**(474,955,653)**	(553,518,846)	543,476,571
Increase in prepayments and other assets		**(232,599,160)**	(92,473,228)	(250,484,915)
Decrease (increase) in advances to landowners and joint ventures		**(20,546,993)**	5,389,747	(1,238,456)
Increase (decrease) in trade and other payables		**(160,677,553)**	(42,779,051)	544,026,857
Increase (decrease) in contract liabilities		**(95,141,991)**	526,987	(52,088,508)
Increase (decrease) in customers' deposits		**(137,735,427)**	(397,110,182)	655,071,477
Increase (decrease) in retirement benefit obligation		**(23,577,604)**	29,589,653	(29,411,976)
Increase in other current liabilities		**438,016,872**	166,380,246	150,516,990
Cash generated from (used in) operations		**(198,686,937)**	(408,768,076)	643,288,926
Interest received from receivables		**39,431,911**	30,387,934	22,589,169
Cash paid for income taxes		**(190,809,648)**	(153,191,036)	(108,892,140)
Net Cash From (Used in) Operating Activities		**(350,064,674)**	(531,571,178)	556,985,955
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections of advances to related parties	25	**166,470,658**	3,480,018	-
Acquisitions of property and equipment	11	**(89,079,868)**	(6,065,687)	(13,732,576)
Interest received from cash and cash equivalents	22	**67,065,723**	91,440,493	80,949,550
Cash advances granted to related parties	25	**(42,760,352)**	(69,804,896)	(41,858,557)
Acquisitions of investment properties	13	**(15,140,394)**	-	-
Proceeds from the sale of property and equipment	11	**890,592**	430,137	-
Net Cash From Investing Activities		**87,446,359**	19,480,065	25,358,417
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of interest-bearing loans and borrowings	14, 33	**(200,000,000)**	(200,000,000)	(150,000,000)
Repayments of advances from related parties	25, 33	**(74,457,713)**	(72,427,181)	(73,278,886)
Interest paid	14, 33	**(46,016,125)**	(69,072,625)	(79,388,749)
Proceeds from additional advances from related parties	25, 33	**1,814,066**	-	5,759
Net Cash Used in Financing Activities		**(318,659,772)**	(341,499,806)	(302,661,876)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(581,278,087)**	(853,590,919)	279,682,496
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,863,878,581**	3,717,469,500	3,437,787,004
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 2,282,600,494**	P 2,863,878,581	P 3,717,469,500

**See Note 34 for the Supplementary Information on Non-cash Investing Activities.*

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Empire East Land Holdings, Inc. (the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on July 15, 1994, primarily to engage in the business of real estate development, mass community housing, townhouses, and row houses development. The Company is presently engaged in the development and marketing of mid-cost housing projects in the form of condominium communities, subdivision lots and house and lot packages, and commercial units to a limited extent. The Company also leases out commercial and industrial properties.

The shares of common stock of the Company are listed at the Philippine Stock Exchange (PSE).

1.1 Composition of the Group

As of December 31, 2025 and 2024, the Company holds ownership interests in the following entities:

Subsidiaries/ Associates	Explanatory Notes	Percentage of Ownership
Subsidiaries:		
Eastwood Property Holdings, Inc. (EPHI)	(a)	100.00%
Valle Verde Properties, Inc. (VVPI)	(b)	100.00%
Sherman Oak Holdings, Inc. (SOHI)	(b)	100.00%
Empire East Communities, Inc. (EECI)	(c)	100.00%
20th Century Nylon Shirt Co., Inc. (20th Century)	(d)	100.00%
Laguna BelAir Science School, Inc. (LBASSI)	(e)	72.50%
Sonoma Premier Land, Inc. (SPLI)	(b)	60.00%
Pacific Coast Megacity, Inc. (PCMI)	(f)	40.00%
Associate –		
Gilmore Property Marketing Associate, Inc. (GPMAI)	(b)	47.37%

Explanatory Notes:

(a) Subsidiary incorporated to market real estate properties of the Group and other related parties.
(b) Subsidiaries/associate incorporated in prior years but have not yet started commercial operations as of December 31, 2025.
(c) Subsidiary incorporated in 2008 but ceased its operations as a marketing arm of real estate properties in 2014.
(d) Subsidiary acquired in 2015 which is yet to resume its operations, which is primarily to manufacture, distribute, and buy and sell wearing apparel and its accessories such as zipper, buttons, etc.
(e) Subsidiary primarily engaged in operating a school for primary and secondary education. In 2022, the subsidiary ceased its operations.
(f) Subsidiary of the Company starting 2018 when the Company obtained de facto control over the entity and was accounted for under the pooling-of-interest method [see Note 3.1(j)].

On April 28, 2025, the Board of Directors (BOD) approved the change of the Company's registered office address and principal place of business from 2nd Floor, Kasara Urban Resort Residences Tower 2, P. Antonio St., Brgy. Ugong, Pasig City to 2nd Floor, The Paddington Place, 632 Shaw Boulevard, Barangay Highway Hills, Mandaluyong City. The amendment was approved by the SEC and Bureau of Internal Revenue (BIR) on July 28, 2025, and September 11, 2025, respectively. The registered office address, which is also the principal place of the Company and its subsidiaries and associates, except for EPHI, LBASSI, and PCMI, is the Company's current registered office address.

Below is the summary of the registered office address of the other subsidiaries, which is also the principal place of business.

(a) EPHI – #188 EC Information Center, E. Rodriguez Jr. Ave., Eastwood CyberPark City, Bagumbayan, Quezon City
(b) LBASSI – Laguna Bel-Air Subdivision, Brgy. Don Jose, Sta. Rosa, Laguna
(c) PCMI – 7th Floor, 1880 Building Eastwood City Cyberpark, 188 E. Rodriguez Jr. Ave. Bagumbayan, Quezon City

In prior years, the Company increased its ownership interest in VVPI and LBASSI, resulting in 100.00% and 72.50% ownership interest, respectively, over the respective subsidiaries. This resulted in the recognition of goodwill which amounted to P78.3 million. In 2023, the Group has recognized an impairment loss on goodwill related to LBASSI amounting to P77.3 million [see Note 3.2(h)]. The remaining goodwill which arose from the acquisition of VVPI amounted to P1.0 million as of both December 31, 2025 and 2024, is shown as part of Intangible Assets – net account in the consolidated statements of financial position (see Note 12).

Megaworld Corporation (Megaworld or Parent Company) is the parent company of Empire East Land Holdings, Inc. and subsidiaries (the Group). Megaworld is presently engaged in property-related activities, such as, project design, construction and property management. Megaworld is 54.02% owned by Alliance Global Group, Inc. (AGI), the Company's Ultimate Parent Company. AGI is a holding company with diversified investments in food and beverage, real estate, tourism-entertainment and gaming and quick service restaurant businesses. The shares of common stock of both Megaworld and AGI are also listed at the PSE.

Megaworld's registered office address is located on 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City. AGI's registered office is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriquez Jr. Avenue, Bagumbayan, Quezon City. These entities' registered office addresses are also their respective principal places of business.

1.2 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2025 (including the comparative consolidated financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023) were authorized for issue by the Group's BOD on February 23, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group as of and for the years ended December 31, 2025 and 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). In 2023, the Group's consolidated financial statements were prepared in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 Pandemic [see Note 2.1(b)]. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

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

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

In 2023 and prior years, the Group has availed of several financial reporting reliefs granted by the SEC relating to the number of implementation issues of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry. In 2024, the Group adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee (PIC), and International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) using modified retrospective approach as allowed by SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 to clarify transitory provision*.

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

Discussed in the succeeding page is the relevant information about these standards and interpretations, and the resulting adjustments to the relevant consolidated financial statements accounts as at January 1, 2024.

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

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

As a result of the adoption of the IFRIC Agenda Decision, Real estate inventories decreased by P256.4 million and Deferred tax liabilities – net decreased by P52.6 million as of January 1, 2024.

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

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

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

As a result of the adoption of this interpretation, Contract assets as of January 1, 2024 decreased by P202.7 million, while Contract liabilities as at the said date increased by P17.3 million.

(c) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income, expenses, and other comprehensive income or loss in a single consolidated statement of comprehensive income.

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

In 2025, the Group reclassified deferred commission amounting to P305.9 million and P256.9 million, previously presented under Prepayments and Other Current Assets, to Other Non-current Assets in the 2024 and 2023 consolidated statements of financial position, respectively, to properly reflect the expected reversal of deferred commissions based on the percentage of completion (see Note 19.3). Accordingly, the Group presented a third consolidated statement of financial position as of January 1, 2024 in accordance with the requirement under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

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

(d) Functional and Presentation Currency

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

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

2.2 Adoption of New and Amended PFRS Accounting Standards

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

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

(b) Effective Subsequent to 2025 but not Adopted Early

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

(i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(iii) PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027). The new standard reduces the disclosure requirements prescribed by other standards for subsidiaries without public accountability. It changes disclosure requirements prescribed by other standards as the reporting entity will instead refer to PFRS 19 for required disclosures.

(iv) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries as enumerated in Note 1, after the elimination of material intercompany transactions.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

(a) Business acquisitions of entities not under common control of a principal stockholder are accounted for using the acquisition method of accounting.

(b) Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities are reflected in the consolidated financial statements at carrying values and no adjustments are made to reflect fair values or recognize any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method.

Acquired investment in associate is subject to the purchase method.

2.4 Financial Instruments

(a) Financial Assets

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

(i) Classification, Measurement and Reclassification of Financial Assets

The Group's financial assets include financial assets at amortized cost and financial assets at fair value through other comprehensive income (FVOCI).

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with basic lending arrangements, i.e., interest includes only consideration for the time value of money, credit risk, or other basic lending risks and a profit margin. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic lending arrangements, the related financial asset is classified and measured at fair value through profit or loss (FVTPL).

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost.

Financial Assets at FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated certain equity instrument at FVOCI on initial recognition.

(ii) Impairment of Financial Assets

The expected credit losses (ECL) on trade and other receivables and contract assets are estimated by applying the simplified approach using a provision matrix developed based on the Group's historical credit loss experience and credit information that are specific to the debtors, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

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

However, if the credit risk on a financial asset has not increased significantly since initial recognition, for debt instruments measured at amortized cost (except trade and other receivables where simplified approach is used) and at FVOCI, the Group measures and provides for credit losses that are expected to result from default events that are possible within 12 months after the end of the reporting period, except when there has been a significant increase in credit risk on the financial asset since initial recognition.

(b) Financial Liabilities

Financial liabilities include Interest-bearing Loans and Borrowings, Trade and Other Payables (except tax-related liabilities), Advances from Related Parties and Other Current Liabilities (excluding Miscellaneous). Refund liability is measured using the probability-weighted average amount approach similar to the expected value method under PFRS 15.

2.5 Prepayments and Other Assets

Prepayments and other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Advances to suppliers and contractors represents advance payments made by the Group for construction services and materials. The classification is based on the nature and intended use of the underlying project to which the advances relate, consistent with the requirements of PFRS Accounting Standards. Advances related to the development of real estate inventories are presented as current assets, as they are expected to be utilized within the Group's normal operating cycle. Advances associated with the construction or improvement of investment properties and other long-term assets are presented as non-current assets (see Note 6).

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.13).

2.6 Real Estate Inventories

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

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

Repossessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized and the cost of the repossessed property is recognized in the consolidated statement of comprehensive income.

2.7 Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation, amortization and any impairment losses. As the land has no finite useful life, it's related carrying amount is not depreciated.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as presented below.

Building and other improvements	5 to 50 years
Office furniture and equipment	3 to 5 years
Transportation equipment	5 years

Leasehold improvements are amortized over the lease term or the estimated useful lives of the improvements, whichever is shorter.

2.8 Intangible Assets

Intangible assets include goodwill and acquired computer software license, which is capitalized on the basis of the costs incurred to acquire, install and service the specific software. Costs associated with maintaining computer software are expensed as incurred.

Capitalized costs of intangible assets are amortized on a straight-line basis over the estimated useful life (10 years) as the lives of these intangible assets are considered finite.

Goodwill is classified as intangible asset with infinite life; thus, not subject to amortization but requires an annual test for impairment. Goodwill is subsequently carried at cost less accumulated impairment losses.

2.9 Investment Properties

Properties held for lease under operating lease agreements, which comprise mainly of building, office and commercial units held for lease and a parcel of land held for capital appreciation, are classified as Investment Properties and carried at cost, net of accumulated depreciation and any impairment in value, except land for which is not subject to depreciation. Depreciation for building, office and commercial units classified as investment property is computed on a straight-line basis over the estimated useful life of 20 to 50 years.

2.10 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties, leasing activities and rendering of services.

The Group develops real properties such as house and lot and condominium units. The Group often enters into contracts to sell real properties as they are being developed. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell pre-completed real properties is disclosed in Note 3.1(c). Sales cancellations, which are accounted for as modification of contracts, are charged to profit or loss on the year of forfeiture.

The specific recognition criteria of various revenue streams of the Group are as follows:

(a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales is presented as part of Real Estate Sales account in the consolidated statement of comprehensive income.

(b) *Real estate sales on completed real estate properties* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales is presented as part of Real Estate Sales account in the consolidated statement of comprehensive income.

(c) *Marketing and management fees* – Revenue is recognized over time in the same amount to which the entity has the right of invoice to the customer. Any amounts remaining unbilled at the end of the reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

(d) *Commission* – Revenue is recognized by the amount in which the Group has a right to invoice that corresponds directly with the value of services rendered to customers that are completed over time (i.e., end of each month).

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from real estate sales is used by the Group.

Incremental costs of obtaining a contract to sell real property to customers are recognized as part of Prepayments and Other Current Assets, and Other Non-current Assets and is subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. Other costs and expenses are recognized in profit or loss upon utilization of services or receipt of goods or at the date they are incurred. Finance costs are reported on an accrual basis except capitalized borrowing costs.

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

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

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

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities in the consolidated statement of financial position.

2.11 Direct Contract Cost

Commissions represent a certain percentage of contract price given to the real estate brokers and/or agents who handle the sales and marketing of the Group's residential and high-rise projects. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Current Assets, and Other Non-current Assets in the consolidated statement of financial position (see Note 19.3).

Commissions are charged to profit or loss proportionate to the progress of the project development and are presented as Commissions under Costs and Expenses section in the consolidated statement of comprehensive income.

2.12 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

Subsequent to initial recognition, the Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is 3 to 5 years.

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

(b) *Group as Lessor*

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

2.13 Impairment of Non-financial Assets

The Group's Advances to Landowners and Joint Ventures, Investment in an Associate, Property and Equipment, Intangible Assets, Investment Properties, goodwill and other non-financial assets are tested for impairment. Goodwill is tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.14 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by trustees.

The defined benefit obligation (DBO) is calculated annually by an independent actuary using the projected unit credit method.

2.15 Earnings Per Share

The Group does not have potentially dilutive shares outstanding; hence, the diluted earnings per share is equal to the basic earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Critical Judgments in Applying Accounting Policies

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

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

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.
The renewal and termination option for the lease of office space was not included as part of the lease term due to the provisions in its contract that require mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

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

(b) Determining Existence of a Contract with Customer

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

Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

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

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

(c) Evaluation of Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

The Group exercises significant judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the factors enumerated below.

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

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

(ii) Marketing, Management Fees and Commission

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

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

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

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

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

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

The Group uses a provision matrix to calculate ECL for Trade Receivables, Contract Assets and other receivables. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns (i.e., projects and customer type).

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

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

Details about the ECL on the Group's Trade and Other Receivables, Contract Assets and Advances to Related Parties are disclosed in Note 29.2.

(g) *Distinction Among Investment Property and Owner-managed Properties*

The Group determines whether a property qualifies as investment property or property and equipment. 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 other assets used in the production or supply process while land held for future development are properties intended solely for future development and sale.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment 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.

Based on management's assessment, properties held for lease and for capital appreciation qualifies as investment property.

(h) *Distinction Between Real Estate Inventories and Investment Property*

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

(i) *Distinction Between Operating and Finance Leases*

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

Based on management's assessment, all of the Group's lease agreements are classified as operating leases.

Distinction between operating and finance leases is applicable only to lease agreements as a lessor. All leases entered into as a lessee, except for those qualified under the optional exemptions as provided by the standard, are required to be recognized on-balance sheet.

(j) *Consolidation of Entities in which the Group Holds 50% or Less*

Management considers that the Group has de facto control over PCMI even though it holds less than 50% of the ordinary shares and voting rights in that subsidiary. The Group considers its ability to exercise control over these entities through voting rights held by its subsidiaries or through interlocking directors.

(k) *Recognition of Provisions and Contingencies*

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

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

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

3.2 Key Sources of Estimation Uncertainty

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

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

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) Revenue Recognition for Performance Obligation Satisfied Over Time

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

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

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

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

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

(d) Estimation of Allowance for ECL

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

(e) Determination of Net Realizable Value of Real Estate Inventories

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

Considering the Group's pricing policy, the net realizable value of the Real Estate Inventories is higher than their related carrying values as of the end of the reporting periods.

(f) Estimation of Useful Lives of Property and Equipment, Intangible Assets, and Investment Properties

The Group estimates the useful lives of Property and Equipment, Intangible Assets, and Investment Properties based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of Property and Equipment, Intangible Assets, and Investment Properties are analysed in Notes 11, 12 and 13, respectively. Based on management's assessment as at December 31, 2025 and 2024, there is no change in estimated useful lives of Property and Equipment, Intangible Assets and Investment Properties during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(g) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the balance of deferred tax assets recognized as at December 31, 2025 and 2024 will be utilized in the succeeding years.

The carrying values of the Group's deferred tax assets as of December 31, 2025 and 2024 are disclosed in Note 24.

(h) Impairment of Goodwill and Other Non-financial Assets

Goodwill is reviewed annually for impairment while other non-financial assets are tested whenever certain impairment indicators become present. In assessing impairment, the management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

On March 17, 2021, the Group submitted a letter to the Department of Education Sta. Rosa City Division Office regarding the cessation of the operations of LBASSI taking effect after school year 2021-2022. On October 20, 2022, LBASSI filed for the certificate of clearance with the BIR Revenue District Office No. 057, Biñan, West Laguna.

In 2023, LBASSI retracted its filed application for the certificate of clearance with BIR. LBASSI will remain as a non-operating entity until such time that it ventures again into business.

Based on management's assessment, impairment loss amounting to P77.3 million on goodwill has been recognized since the recoverable amount of the cash generating units is less than their carrying amount in 2023 (see Note 12). There was no similar impairment in 2025 and 2024.

No impairment losses were recognized on Advances to Landowners and Joint Ventures, Investment in an Associate, Property and Equipment, Investment Properties, and other non-financial assets in 2025, 2024 and 2023 (see Notes 9, 10, 11 and 13).

(i) *Valuation of Post-employment Defined Benefit*

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

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

(j) *Determination of Fair Value of Investment Properties*

Investment properties are measured using the cost model. The Group determines the fair values of building and building improvements using either thru the discounted cash flows valuation technique (income approach) or market-based valuation technique (market approach). The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

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

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Note 31.4.

4. SEGMENT INFORMATION

4.1 Business Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group is engaged in the development and marketing of mid-cost housing projects in the form of condominium communities, subdivision lots and house and lot packages, and commercial units to a limited extent. It classifies and monitors its projects into high-rise and horizontal. High-rise projects refer to condominiums and other medium scale properties while the horizontal projects refer to house and lot packages, and subdivision lots. Both are intended for middle income market.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments,* are the same as those used in its consolidated financial statements, except that post-employment benefit expense is not included in arriving at the operating profit of the operating segments.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

4.2 Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating receivables, Contract Assets and Real Estate Inventories. Excluded from segment assets are Cash and Cash Equivalents, Advances to Related Parties, Prepayments, Advances to Landowners and Joint Ventures, Investments in an Associate, Property and Equipment, Intangible Assets, Investment Properties and other assets which are considered corporate assets and are not allocated to any segment's assets.

Segment liabilities include all operating liabilities incurred by management in each particular segment and consist principally of Contract Liabilities and Customers' Deposits. Excluded from segment liabilities are Interest-bearing Loans and Borrowings, Trade and Other Payables, Advances from Related Parties, Deferred Tax Liabilities and Retirement Benefit Obligation as the Group's management determined that these accounts are not directly related to the Group's segment.

4.3 Intersegment Transactions

There are no intersegment transactions. In case of inter-segment sales and transfers, the Group generally accounts for them as if the sales or transfers were made to third parties at current market prices. Intersegment sales and transfers, if any, are eliminated in the preparation of the consolidated financial statements.

4.4 Analysis of Segment Information

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

(Amounts in PHP)	High Rise Projects			Horizontal Projects			Total		
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023
REVENUES									
Real estate sales	**3,280,794,104**	3,136,454,171	3,651,882,437	**43,026,785**	106,188,827	345,655,832	**3,323,820,889**	3,242,642,998	3,997,538,269
Finance income	**471,719,480**	353,968,172	136,631,933	**18,740,958**	3,587,572	11,635,045	**490,460,438**	357,555,744	148,266,978
Rental income	**13,921,350**	12,495,355	14,677,006	**-**	-	-	**13,921,350**	12,495,355	14,677,006
Other income	**955,264,048**	541,813,821	277,426,111	**20,506,259**	27,673,152	9,399,769	**975,770,307**	569,486,973	286,825,880
	4,721,698,982	4,044,731,519	4,080,617,487	**82,274,002**	137,449,551	366,690,646	**4,803,972,984**	4,182,181,070	4,447,308,133
COSTS AND OTHER OPERATING EXPENSES									
Cost of real estate sales	**2,078,294,859**	1,991,192,143	2,310,566,542	**14,699,625**	62,523,635	186,821,842	**2,092,994,484**	2,053,715,778	2,497,388,384
Commissions	**289,347,792**	207,456,664	199,293,899	**7,050,590**	8,585,499	11,848,142	**296,398,382**	216,042,163	211,142,041
Association dues	**271,705,362**	146,717,756	131,765,698	**30,903,561**	8,622,422	6,237,793	**302,608,923**	155,340,178	138,003,491
Advertising and promotion	**98,912,968**	57,073,323	49,276,760	**169,696**	9,901,501	14,325,457	**99,082,664**	66,974,824	63,602,217
Taxes and licenses	**98,403,436**	89,206,859	49,575,127	**8,800,489**	9,890,989	8,940,581	**107,203,925**	99,097,848	58,515,708
Finance costs	**12,342,084**	7,992,596	-	**-**	-	-	**12,342,084**	7,992,596	-
Rentals	**7,631,785**	9,424,912	3,814,336	**-**	-	-	**7,631,785**	9,424,912	3,814,336
Salaries and employee benefits	**440,614**	607,416	799,383	**-**	37,347	113,256	**440,614**	644,763	912,639
Travel and transportation	**33,959**	134,509	105,978	**10,471**	14,116	28,118	**44,430**	148,625	134,096
Other expenses	**137,676,150**	149,803,793	63,000,076	**13,063,283**	10,004,394	5,163,020	**150,739,433**	159,808,187	68,163,096
	2,994,789,009	2,659,609,971	2,808,197,799	**74,697,715**	109,579,903	233,478,209	**3,069,486,724**	2,769,189,874	3,041,676,008
SEGMENT OPERATING PROFIT	**1,726,909,973**	1,385,121,548	1,272,419,688	**7,576,287**	27,869,648	133,212,437	**1,734,486,260**	1,412,991,196	1,405,632,125
SEGMENT ASSETS AND LIABILITIES									
Segment assets	**26,503,316,795**	25,439,444,587		**6,594,977,070**	6,807,674,065		**33,098,293,865**	32,247,118,652	
Segment liabilities	**4,675,451,346**	4,688,829,079		**365,201,361**	317,272,561		**5,040,652,707**	5,006,101,640	

There was no segment interest expense allocated in 2023.

4.5 Reconciliations

Presented below and in the succeeding page is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

(Amounts in PHP)	**2025**	2024	2023
Revenues			
Total segment revenues	**4,803,972,984**	4,182,181,070	4,447,308,133
Unallocated revenues:			
Finance income	**331,300,505**	556,103,031	439,172,895
Rental income from investment property	**110,386,313**	121,666,913	92,789,526
Commission income	**38,771,246**	35,514,891	37,121,681
Other income	**112,392,531**	55,327,833	186,739,212
	592,850,595	768,612,668	755,823,314
Revenues as reported in the consolidated statements of comprehensive income	**5,396,823,579**	4,950,793,738	5,203,131,447
Profit or loss			
Segment operating profit	**1,734,486,260**	1,412,991,196	1,405,632,125
Other unallocated income	**592,850,595**	768,612,668	755,823,314
Other unallocated expenses	**(1,530,837,689)**	(1,501,322,790)	(1,403,514,867)
Net profit as reported in the consolidated statements of comprehensive income	**796,499,166**	680,281,074	757,940,572

	2025	2024
Assets		
Segment assets	**33,098,293,865**	32,247,118,652
Unallocated assets:		
Cash and cash equivalents	**2,282,600,494**	2,863,878,581
Trade and other receivables - net	**4,831,313,260**	4,713,256,801
Advances to related parties	**5,856,815,689**	5,965,760,162
Prepayments and other current assets	**1,343,271,159**	1,059,149,844
Financial asset at FVOCI	**922,194,000**	1,013,400,000
Advances to landowners and joint ventures	**258,051,592**	237,504,599
Investment in an associate	**281,162,021**	280,274,248
Property and equipment - net	**204,230,382**	146,640,719
Investment properties - net	**552,825,110**	559,063,862
Intangible assets - net	**21,837,719**	28,050,013
Other non-current assets	**277,066,140**	311,088,436
	16,831,367,566	17,178,067,265
Total assets as reported in the consolidated statements of financial position	**49,929,661,431**	49,425,185,917

	2025	2024
Liabilities		
Segment liabilities	**5,040,652,707**	5,006,101,640
Unallocated liabilities:		
Interest-bearing loans and borrowings	**450,000,000**	650,000,000
Trade and other payables	**2,348,398,452**	2,512,630,683
Customers' deposits	**400,502,845**	416,417,484
Advances from related parties	**6,421,831,110**	6,394,850,556
Other current liabilities	**1,011,246,927**	812,401,817
Retirement benefit obligation	**233,179,174**	238,098,964
Deferred tax liabilities - net	**1,990,399,061**	2,062,813,578
	12,855,557,569	13,087,213,082
Total liabilities as reported in the consolidated statements of financial position	**17,896,210,276**	18,093,314,722

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of December 31:

(Amounts in PHP)	2025	2024
Cash on hand and in banks	**1,056,711,428**	1,510,537,269
Short-term placements	**1,225,889,066**	1,353,341,312
	2,282,600,494	2,863,878,581

Cash in banks generally earns interest based on the daily bank deposit rates.

Peso-denominated short-term placements are made for varying periods of up to 90 days in 2025, 72 days in 2024 and 76 days in 2023 and earn annual effective interest ranging from 3.60% to 5.95% in 2025, 4.50% to 6.25% in 2024, and 3.13% to 6.25% in 2023. Dollar-denominated short-term placements are made for varying periods of up to 90 days in 2025, 2024 and 2023 and earn annual effective interest ranging from 3.13% to 4.88% in 2025, 1.50% to 5.25% in 2024, and 1.50% to 5.00% in 2023 (see Note 22.1).

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

(Amounts in PHP)	Notes	2025	2024
Current:			
Trade receivables	25.2	**5,589,088,979**	5,305,013,429
Advances to suppliers and contractors		**2,630,732,726**	2,591,659,737
Rent receivable	25.2	**400,503,041**	395,271,465
Advances to condominium associations		**303,001,734**	403,803,520
Interest receivable		**65,471,967**	94,773,830
Management fee receivable	25.2	**44,119**	44,119
Others	13	**654,899,190**	463,998,845
		9,643,741,756	9,254,564,945
Allowance for impairment		**(133,706)**	(133,706)
		9,643,608,050	9,254,431,239
Non-current:			
Trade receivables		**4,269,311,056**	3,377,226,648
Refundable security deposits		**148,223,619**	139,469,075
		4,417,534,675	3,516,695,723
		14,061,142,725	12,771,126,962

The Group's trade and other receivables (excluding advances to suppliers and contractors and advances to condominium associations) are subjected to credit risk. These receivables are evaluated by the Group for impairment and assessed that no ECL should be provided for the periods presented.

Trade receivables of the Group are either interest-bearing or noninterest-bearing. The installment period of interest-bearing sales contracts ranges from 2 to 10 years while interest ranges from 10% to 22%. The related interest earned on these sales contracts amounting to P10.1 million, P28.8 million, and P27.0 million in 2025, 2024 and 2023, respectively, are reported as part of Finance Income account in the consolidated statements of comprehensive income (see Note 22.1).

The installment period of noninterest-bearing sales contracts ranges from one to five years with imputed interest of 7.66% in 2025, 9.01% in 2024 and 7.33% in 2023. Noninterest-bearing trade receivables are measured at amortized cost using the effective interest method based on the interest rate of similar financial instruments in the market. Day-one loss amounting to P151.4 million, P193.5 million and P172.9 million in 2025, 2024 and 2023, respectively, are presented as a deduction against the Real Estate Sales account in the consolidated statements of comprehensive income. Amortization of day one loss amounting to P193.5 million, P172.9 million and P121.3 million in 2025, 2024 and 2023, respectively, are presented as Amortization of day-one loss on noninterest-bearing financial instruments under Finance Income account in the consolidated statements of comprehensive income (see Note 22.1).

Advances to suppliers and contractors represent down payments made by the Group to suppliers and contractors based on a certain percentage of the contract price, including construction materials purchased by the Group that are used by contractors, and utility charges that are attributable to contractors. These advances are primarily related to the Group's property development costs, which form part of its real estate inventories under development. A minimal portion pertains to operating expenses, which are recognized as expense when the related services are performed.

The initial advances are subsequently recouped or deducted from amounts payable to the suppliers and contractors, either on a pro-rated basis or in full, once progress billings or supplier invoices are received. Any unutilized advances are either refunded to the Group or offset against future billings.

Advances to condominium associations represent the Group's payment for the initial operations of the start-up association of a completed project. The purpose of these advances is mainly for the charges of utilities, real property taxes, licenses, and management fee.

Refundable security deposits include various deposits to third parties for electrical, internet subscription, exhibits and other utilities, and equipment needed in the development of the projects. All deposits, except for deposits to an electric Group, do not earn interest. Such deposits are only refundable upon completion of the projects or upon return of the equipment used. However, the exact date or period of completion of projects or return of equipment is indeterminable. Accordingly, refundable deposits are accounted for at cost.

Other receivables include advances to joint ventures for processing of business permits and licenses, and unliquidated advances to employees and real estate consultants.

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade receivables from real estate sales as the amounts recognized consist of a large number of receivables from various customers. The Group considers the market value of properties sold held as collateral in assessing the expected credit loss on trade receivables and contract assets from real estate sales [see Note 29.2(b)].

In 2024, the Group wrote off certain receivables that are fully provided with allowance amounting to P52,496 as the management assessed that those receivables are no longer collectible. There was no similar transaction in 2025.

A reconciliation of the allowance for impairment at the beginning and end of the year is shown below.

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**133,706**	186,202
Write off	**-**	(52,496)
Balance at end of year	**133,706**	133,706

7. REAL ESTATE INVENTORIES

The Group's real estate inventories at the end of 2025 and 2024 were stated at cost. The composition of this account as at December 31 is shown below (see Note 20).

(Amounts in PHP)	**2025**	2024
Residential and condominium units for sale	**15,079,686,411**	14,605,650,957
Raw land inventory	**4,424,215,132**	4,424,215,132
Property development costs	**1,893,303,083**	1,892,382,884
	21,397,204,626	20,922,248,973

The summary of the movements in real estate inventories is presented below:

(Amounts in PHP)	Notes	**2025**	2024
Balance at beginning of year		**20,922,248,973**	20,625,100,501
Effect of adoption of PFRS 15	2.1(b)(i)	**-**	(256,370,374)
		20,922,248,973	20,368,730,127
Development costs incurred		**2,567,950,137**	2,607,234,624
Amount charged to cost of sales	20	**(2,092,994,484)**	(2,053,715,778)
		21,397,204,626	20,922,248,973

7.1 Residential and Condominium Units for Sale

This account represents the accumulated costs incurred, net of recognized Cost of Real Estate Sales in the consolidated statements of comprehensive income (see Note 20), on house and lots and condominium units available for sale. The subdivision houses include houses that are ready for occupancy, house models and units under construction.

No property is used as a security for the Group's interest-bearing loans and borrowings for the years ended December 31, 2025 and 2024.

7.2 Property Development Costs

This account pertains to accumulated costs incurred on projects which are not yet offered for sale as of the end of the reporting periods.

7.3 Net Realizable Value

Based on management assessment the net carrying amounts of these assets are lower than their net realizable values considering the present market rates; hence, no provisions for write-down of Real Estate Inventories have been recognized in the consolidated financial statements.

8. FINANCIAL ASSETS AT FVOCI

The movements in the carrying amounts of financial assets at FVOCI as of December 31 are as follows:

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**1,013,400,000**	1,270,128,000
Fair value losses	**(91,206,000)**	(256,728,000)
Balance at end of year	**922,194,000**	1,013,400,000
Cost	**832,950,000**	832,950,000
Accumulated fair value gains:		
Balance at beginning of year	**180,450,000**	437,178,000
Fair value losses for the year	**(91,206,000)**	(256,728,000)
	89,244,000	180,450,000
Balance at end of year	**922,194,000**	1,013,400,000

Financial assets at FVOCI pertain to investments held by EPHI in equity securities of the Ultimate Parent Company, whose shares are listed in the PSE. The fair value of these securities has been determined directly by reference to published prices in an active market. The fair value of these investments as of December 31, 2025 and 2024, is categorized as Level 1 in the fair value hierarchy (see Note 31.2).

The net accumulated fair value gains or losses in financial assets at FVOCI are shown as part of Revaluation Reserves account in the equity section of the consolidated statements of financial position (see Note 26.4).

Dividend income earned amounted to P11.3 million in 2025 and 2024, and P16.9 million in 2023, respectively, and is presented as Dividend income under Finance Income in the consolidated statements of comprehensive income (see Note 22.1).

9. ADVANCES TO LANDOWNERS AND JOINT VENTURES

The cash advances made by the Group relate to a number of joint venture agreements entered into with landowners covering the development of certain parcels of land. The joint venture agreements stipulate that the Group's joint venture partners shall contribute parcels of land and the Group shall be responsible for the planning, conceptualization, design, demolition of existing improvements, construction, financing and marketing of condominium units to be constructed on the properties. Costs incurred by the Group for these projects are recognized as part of Real Estate Inventories account in the consolidated statements of financial position (see Note 7).

In addition to providing specified portion of the total project development costs, the Group also commits to advance mutually agreed-upon amounts to the landowners which will then be used for purposes such as reconsolidation/separation/subdivision of mother titles and relocation of existing occupants. Repayments of these advances may be made upon completion of the project development either in the form of residential condominium, commercial units or developed lots corresponding to the landowners' share in the projects or in the form of cash to be derived from the sales of the landowners' share in the saleable lots and residential condominium units.

The reconciliation of this account as of December 31 are as follows:

(Amounts in PHP)	**2025**	2024
Advances to landowners:		
Balance at beginning of year	**132,064,585**	137,457,632
Additional advances	**379,125**	387,833
Reclassification	**-**	(5,780,880)
Balance at end of year	**132,443,710**	132,064,585
Advances to joint ventures:		
Balance at beginning of year	**105,440,014**	105,436,714
Additional advances	**20,167,868**	13,200
Collections	**-**	(9,900)
Balance at end of year	**125,607,882**	105,440,014
	258,051,592	237,504,599

The Group commits to developing the properties based on the terms agreed with the joint venture partners. The Group has no existing commitment for cash advances under the joint venture agreements as this commitment has been fully complied with by the Group as of December 31, 2025 and 2024.

The net commitment for construction expenditures amounts to:

(Amounts in PHP)	**2025**	2024
Total commitment for construction expenditures	**11,205,054,936**	11,205,054,936
Total expenditures incurred	**(9,782,831,422)**	(9,436,413,353)
Net commitment	**1,422,223,514**	1,768,641,583

The Group's interest in jointly controlled operations and projects ranges from 55% to 82% in 2025 and 2024. The Group's jointly controlled projects are as follows:

- Pioneer Woodlands
- San Lorenzo Place
- Various Metro Manila and CALABARZON projects

The Group accounts for its 82% interest in Pioneer Woodlands as jointly controlled operations since the property where the project is situated is fully owned by the co-joint operator and the Group was engaged in the agreement for the purposes of providing financing, planning, designing, marketing, construction, monitoring, and supervision of all facets of the work on the project. Administrative and operational functions of the project are provided by the Group and bills the co-joint operator for related fees. Decisions related to the operations of the project are defined under an agreement between the Group and the co-joint operator. The Group recognizes in its consolidated financial statements its share of the related assets, liabilities, revenues and expenses arising from the arrangement.

As of December 31, 2025 and 2024, the Group has no other material contingent liabilities with regard to these joint ventures.

10. INVESTMENT IN AN ASSOCIATE AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The components of investment in an associate as of December 31 are as follows:

(Amounts in PHP)	**2025**	2024
Investments in associate at equity	**293,960,618**	293,960,618
Accumulated equity in net losses	**(13,686,370)**	(14,084,844)
Equity shares in net income for the year	**887,773**	398,474
Balance at end of year	**(12,798,597)**	(13,686,370)
	281,162,021	280,274,248

10.1 Summarized Financial Information

The aggregated amounts of assets, liabilities, revenues, and net profit of GPMAI as of December 31 are as follows:

(Amounts in PHP)	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Profit
2025	**576,938,958**	**18,310,651**	**12,270,312**	**-**	**10,078,402**	**2,598,002**
2024	573,829,498	18,669,885	12,118,088	-	10,319,433	3,878,617
2023					9,758,990	792,367

The associate has no non-controlling interests.

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

(Amounts in PHP)	**2025**	2024
Net assets at end of year	**582,979,297**	580,381,295
Share of GPMAI in net asset of MCPI	**(56,939,375)**	(56,215,498)
	526,039,922	524,165,797
Equity ownership interest	**47.37%**	47.37%
	249,185,111	248,297,338
Nominal goodwill	**31,976,910**	31,976,910
Balance at end of year	**281,162,021**	280,274,248

As of December 31, 2025 and 2024, there are no available fair values for this investment in an associate as this is not listed in stock markets.

Based on the assessment of the management, the investment in an associate is not impaired due to the active efforts of the Group to raise funds to push through with the associate's projects.

10.2 Subsidiaries with Non-controlling Interest

The subsidiaries with non-controlling interest (NCI) are shown below.

(Amounts in PHP)	Proportion of Ownership Interest and Voting Rights Held by NCI		Subsidiary's Consolidated Loss Allocated to NCI		Accumulated Equity of NCI	
Name	**2025**	2024	**2025**	2024	**December 31, 2025**	December 31, 2024
LBASSI	**27.50%**	27.50%	**(1,113,169)**	(1,317,861)	**74,056,577**	75,169,746
SPLI	**40.00%**	40.00%	**(78,171)**	(76,946)	**542,065,735**	542,143,906
PCMI	**60.00%**	60.00%	**(6,112,142)**	(5,445,328)	**2,154,006,244**	2,160,118,386

The summarized financial information of LBASSI, SPLI, and PCMI before intragroup eliminations is shown below.

(Amounts in PHP)	LBASSI		SPLI		PCMI	
	2025	2024	**2025**	2024	**2025**	2024
Current assets	**1,358,255**	1,358,255	**512,124,942**	512,198,117	**2,782,259,776**	2,792,331,992
Non-current assets	**109,079,819**	111,957,079	**-**	-	**816,261,150**	816,261,150
Total assets	**110,438,074**	113,315,334	**512,124,942**	512,198,117	**3,598,520,926**	3,608,593,142
Current liabilities	**7,660,250**	5,973,065	**23,658,815**	23,536,563	**8,510,528**	8,395,840
Non-current liabilities	**5,739,497**	5,739,497	**-**	-	**-**	-
Total liabilities	**13,399,747**	11,712,562	**23,658,815**	23,536,563	**8,510,528**	8,395,840
Equity	**97,038,327**	101,602,772	**488,466,127**	488,661,554	**3,590,010,398**	3,600,197,302

(Amounts in PHP)	LBASSI			SPLI			PCMI		
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023
Revenues	**-**	-	-	**-**	-	-	**674**	921	891
Net loss	**(4,564,445)**	(5,310,194)	(3,934,720)	**(195,427)**	(192,366)	(194,946)	**(10,186,904)**	(9,075,547)	(10,575,921)
Other Comprehensive Loss	-	-	-	**-**	-	-	**-**	-	-
Total Comprehensive Loss	**(4,564,445)**	**(5,310,194)**	**(3,934,720)**	**(195,427)**	**(192,366)**	**(194,946)**	**(10,186,904)**	**(9,075,547)**	**(10,575,921)**
Net cash used in operating activities	**-**	-	-	**(109,724)**	(202,234)	(299,740)	**(107,310)**	(195,084)	(263,551)
Net cash from investing activities	**-**	-	-	**-**	-	-	**-**	-	-
Net cash from financing activities	**-**	-	-	**3,756**	205,411	376,996	**-**	-	-
Net cash inflow (outflow)	**-**	-	-	**(105,968)**	3,177	77,256	**(107,310)**	(195,084)	(263,551)

In 2025, 2024 and 2023, LBASSI, SPLI and PCMI have not declared nor paid any dividends.

10.3 Contingent Liabilities

As of December 31, 2025 and 2024, the Group has no contingent liabilities for subsidiaries with significant non-controlling interest and associate which were incurred jointly with other investors and the Group is not severally liable for all or part of the contingent liabilities of the subsidiaries and associate.

11. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of items of property and equipment at the beginning and end of 2025 and 2024 are shown below.

(Amounts in PHP)	**Land**	**Building and Other Improvements**	**Leasehold Improvements**	**Transportation Equipment**	**Office Furniture and Equipment**	**Right-of-use Assets**	**Total**
December 31, 2025							
Cost	81,095,000	172,122,782	97,269,393	59,997,698	136,372,108	-	546,856,981
Accumulated depreciation and amortization	-	(65,897,029)	(94,431,274)	(51,954,394)	(130,343,902)	-	(342,626,599)
Net carrying amount	**81,095,000**	**106,225,753**	**2,838,119**	**8,043,304**	**6,028,206**	**-**	**204,230,382**
December 31, 2024							
Cost	81,095,000	92,376,453	97,269,393	56,290,358	134,461,386	42,663,054	504,155,644
Accumulated depreciation and amortization	-	(61,862,822)	(91,360,395)	(50,649,121)	(129,493,574)	(24,149,013)	(357,514,925)
Net carrying amount	81,095,000	30,513,631	5,908,998	5,641,237	4,967,812	18,514,041	146,640,719
January 1, 2024							
Cost	81,095,000	92,376,453	96,912,251	56,926,304	131,770,269	42,663,054	501,743,331
Accumulated depreciation and amortization	-	(59,024,808)	(88,110,105)	(52,516,699)	(126,832,381)	(14,400,981)	(340,884,974)
Net carrying amount	81,095,000	33,351,645	8,802,146	4,409,605	4,937,888	28,262,073	160,858,357

A reconciliation of the carrying amounts at the beginning and end of 2025, 2024 and 2023 is shown as follows:

(Amounts in PHP)	**Land**	**Building and Other Improvements**	**Leasehold Improvements**	**Transportation Equipment**	**Office Furniture and Equipment**	**Right-of-use Assets**	**Total**
Balance at January 1, 2025, net of accumulated depreciation, amortization, and impairment	81,095,000	30,513,631	5,908,998	5,641,237	4,967,812	18,514,041	146,640,719
Additions	-	79,746,329	-	4,664,268	4,669,271	-	89,079,868
Disposal	-	-	-	(252,381)	(17,817)	-	(270,198)
Derecognition	-	-	-	-	-	(17,499,860)	(17,499,860)
Depreciation and amortization charges for the year	-	(4,034,207)	(3,070,879)	(2,009,820)	(3,591,060)	(1,014,181)	(13,720,147)
Net carrying amount at December 31, 2025	**81,095,000**	**106,225,753**	**2,838,119**	**8,043,304**	**6,028,206**	**-**	**204,230,382**
Balance at January 1, 2024, net of accumulated depreciation, amortization, and impairment	81,095,000	33,351,645	8,802,146	4,409,605	4,937,888	28,262,073	160,858,357
Additions	-	-	357,142	2,983,518	2,725,027	-	6,065,687
Disposal	-	-	-	(297,247)	-	-	(297,247)
Depreciation and amortization charges for the year	-	(2,838,014)	(3,250,290)	(1,454,639)	(2,695,103)	(9,748,032)	(19,986,078)
Net carrying amount at December 31, 2024	81,095,000	30,513,631	5,908,998	5,641,237	4,967,812	18,514,041	146,640,719
Balance at January 1, 2023, net of accumulated depreciation, amortization, and impairment	81,095,000	37,316,082	9,770,824	1,743,214	2,219,049	-	132,144,169
Additions	-	-	4,770,951	4,173,679	4,787,946	42,663,054	56,395,630
Write-off	-	-	-	-	(232,766)	-	(232,766)
Depreciation and amortization charges for the year	-	(3,964,437)	(5,739,629)	(1,507,288)	(1,836,341)	(14,400,981)	(27,448,676)
Net carrying amount at December 31, 2023	81,095,000	33,351,645	8,802,146	4,409,605	4,937,888	28,262,073	160,858,357

The amount of depreciation and amortization of property and equipment is presented as part of Depreciation and Amortization account under Costs and Expenses section of the consolidated statements of comprehensive income.

The Group derecognized certain fully depreciated transportation equipment with a cost of P3.2 million in 2024 and P2.1 million in 2023 and certain furniture and fixtures with a carrying value of P0.2 million in 2023. There were no similar transactions in 2025.

In 2021, certain leasehold improvements amounting to P78.5 million were derecognized due to termination of related lease. In 2023, such cost of leasehold improvements were considered as part of lease credits in the Group's new lease agreement with Megaworld (see Note 17). There were no similar transactions in 2025 and 2024.

In 2025, the Group derecognized right-of-use assets arising from (a) the end of a lease contract, resulting in the derecognition of a right-of-use asset with a cost of P14.2 million, and (b) the pre-termination of another lease contract, which resulted in the derecognition of a right-of-use asset with a cost of P28.5 million and a carrying amount of P17.5 and was reclassified to lease credits to be applied to future lease arrangements (see Note 17). There were no similar transactions in 2024 and 2023.

The Group sold fully depreciated transportation equipment for P0.2 million and various fixed assets with a net carrying value of P0.3 million for P0.7 million in 2025. In 2024, the Group disposed of fixed assets with a net carrying value of P0.3 million for P0.4 million. The resulting gains of P0.6 million in 2025 and P0.1 million in 2024 were recognized as part of Gain on asset disposal under Other Income in the consolidated statements of comprehensive (see Note 21.1).

Property and equipment are subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was recognized in 2025, 2024 and 2023 as the recoverable amount of these assets determined by management is higher than its carrying value.

The cost of fully depreciated assets still used in business amounted to P265.6 million and P254.6 million as of December 31, 2025 and 2024, respectively.

12. INTANGIBLE ASSETS

This account is composed of the following:

(Amounts in PHP)	**2025**	2024
Software licenses	**20,858,596**	27,070,890
Goodwill	**979,123**	979,123
	21,837,719	28,050,013

In 2023, the Group has recognized an impairment loss on goodwill related to LBASSI amounting to P77.3 million (see Note 3.2). There were no similar transactions in both 2025 and 2024. The remaining goodwill arose from the acquisition of VVPI.

Goodwill arising from the acquisition of subsidiaries mentioned above were recognized based on management's expected future economic benefit and synergies that will result from combining the operation of the acquired subsidiaries.

The gross carrying amounts and allowance for impairment of goodwill at the beginning and end of 2025 and 2024 are shown below. *(Amounts in PHP)*

Cost	78,326,757
Allowance for impairment	(77,347,634)
Net carrying amount	**979,123**

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

(Amounts in PHP)	**2025**	2024
Cost	**62,122,935**	62,122,935
Accumulated amortization	**(41,264,339)**	(35,052,045)
Net carrying amount	**20,858,596**	27,070,890

A reconciliation of the carrying amounts of intangible assets for the beginning and end of 2025, 2024 and 2023 is shown below.

(Amounts in PHP)	**2025**	2024	2023
Balance at beginning of year	**28,050,013**	34,262,307	117,822,235
Amortization expense for the year	**(6,212,294)**	(6,212,294)	(6,212,294)
Impairment loss on goodwill	**-**	-	(77,347,634)
Balance at end of year	**21,837,719**	28,050,013	34,262,307

The impairment loss on goodwill is presented as part of Other Expenses account, while the amount of amortization charges is presented as part of Depreciation and Amortization account under Costs and Expenses section of the consolidated statements of comprehensive income.

Intangible assets are subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was required to be recognized in 2025 and 2024 as the recoverable amount of intangible assets determined by management is higher than its carrying value.

13. INVESTMENT PROPERTIES

The Group's investment properties pertain to building and office and commercial units held for lease and a parcel of land held for capital appreciation. Rental income arising from the Group's operating leases recognized for the years ended December 31, 2025, 2024 and 2023 amounted to P110.4 million, P121.7 million, and P92.8 million, respectively, and are presented as part of Rental Income in the consolidated statements of comprehensive income. There is no rental income arising from finance lease in 2025, 2024 and 2023. Real estate taxes and depreciation substantially represent direct costs incurred related to these properties. Since all recorded investment properties earned rental income during the year, there were no direct operating expenses pertaining to investment properties not generating rental income. Real estate tax amounting to P2.5 million in 2025, P2.3 million in 2024, and P1.5 million in 2023 and repairs and maintenance amounting to P1.3 million, P1.8 million, and P2.6 million, in 2025, 2024 and 2023, respectively, were recognized as related expense in those years, and were presented as part of Taxes and Licenses, and Repairs and maintenance under Other Expenses account in the consolidated statements of comprehensive income (see Note 21.2).

The rental income from the operating leases of the Group is composed of the following:

(Amounts in PHP)	**2025**	2024	2023
Fixed	**75,325,585**	82,709,280	81,021,234
Variable	**35,060,728**	38,957,633	11,768,292
	110,386,313	121,666,913	92,789,526

The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of 2025 and 2024 are shown below.

(Amounts in PHP)		**Held for Lease**		
	Land	**Building**	**Other Properties**	**Total**
December 31, 2025				
Cost	1,040,000	-	940,600,790	941,640,790
Accumulated depreciation	-	-	(388,815,680)	(388,815,680)
Net carrying value	**1,040,000**	**-**	**551,785,110**	**552,825,110**
December 31, 2024				
Cost	1,040,000	47,274,140	925,460,396	973,774,536
Accumulated depreciation	-	(40,892,129)	(373,818,545)	(414,710,674)
Net carrying value	1,040,000	6,382,011	551,641,851	559,063,862
January 1, 2024				
Cost	1,040,000	47,274,140	925,460,396	973,774,536
Accumulated depreciation	-	(38,764,793)	(347,927,332)	(386,692,125)
Net carrying value	1,040,000	8,509,347	577,533,064	587,082,411

A reconciliation of the carrying amount of investment properties at the beginning and end of 2025, 2024, and 2023 is shown below.

		Held for Lease		
(Amounts in PHP)	Land	Building	Other Properties	Total
Balance at January 1, 2025, net of accumulated depreciation	1,040,000	6,382,011	551,641,851	559,063,862
Additions	-	-	15,140,394	15,140,394
Disposal	-	(4,254,675)	-	(4,254,675)
Depreciation charges for the year	-	(2,127,336)	(14,997,135)	(17,124,471)
Balance at December 31, 2025, net of accumulated depreciation	**1,040,000**	**-**	**551,785,110**	**552,825,110**
Balance at January 1, 2024, net of accumulated depreciation	1,040,000	8,509,347	577,533,064	587,082,411
Depreciation charges for the year	-	(2,127,336)	(25,891,213)	(28,018,549)
Balance at December 31, 2024, net of accumulated depreciation	1,040,000	6,382,011	551,641,851	559,063,862
Balance at January 1, 2023, net of accumulated depreciation	1,040,000	10,636,683	603,424,277	615,100,960
Depreciation charges for the year	-	(2,127,336)	(25,891,213)	(28,018,549)
Balance at December 31, 2023, net of accumulated depreciation	1,040,000	8,509,347	577,533,064	587,082,411

In 2025, the Group sold certain investment property with a carrying value of P4.3 million. The Group recognized a gain of P68.0 million, which is presented as part of Gain on asset disposal under Other Income in the 2025 consolidated statement of comprehensive income (see Note 20.1). The P72.2 million proceeds from the sale is still receivable as of December 31, 2025 and is presented as part of Others under Trade and Other Receivables in the 2025 consolidated statement of financial position (see Note 6). There were no similar transactions in 2024 and 2023.

The amount of depreciation on investment properties is presented as part of Depreciation and Amortization account under Costs and Expenses section in the consolidated statements of comprehensive income.

Investment properties are subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was recognized in 2025, 2024 and 2023 as the recoverable amount of these assets determined by management is higher than its carrying value.

Other information relating to fair value measurements and disclosures of investment properties are disclosed in Note 31.4.

14. INTEREST-BEARING LOANS AND BORROWINGS

The details of interest-bearing loans and borrowings from local bank is discussed below.

(Amounts in PHP)				
2025	2024	Interest Rate	Interest Rate	Maturity
450,000,000	650,000,000	Floating rate at 7.2% subject to quarterly repricing	Unsecured	Up to 2028

In 2021, the Group obtained an interest-bearing, unsecured seven-year P1.0 billion loan from a local bank. The loan was released in full in February 2021 and bears a floating interest rate per annum. The proceeds were used to fund the development of the Group's various real estate projects and its working capital requirements. The principal of the loan is payable in 20 equal quarterly payments starting on May 5, 2023, with two-year grace period and interest is payable quarterly in arrears.

The bank loan requires the Group to maintain a debt-to-equity ratio of not more than 1:1, a debt service coverage ratio of not less than 1.25:1, and a current ratio of not less than 2:1. As of December 31, 2025 and 2024, the Group is in compliance with such financial covenant obligations.

The total interest on these interest-bearing loans and borrowings in 2025, 2024, and 2023 amounted to P42.5 million, P65.7 million, and P80.4 million, respectively (see Note 22.2). The related interest amounting to P63.0 million in 2023 is capitalized as part of Real Estate Inventories account in the 2023 consolidated statement of financial position. Unpaid interest as of December 31, 2025 and 2024 amounted to P5.1 million, and P8.6 million, respectively, and is presented as Interest payable under the Trade and Other Payables account in the consolidated statements of financial position (see Note 15).

There were no loan issuance costs incurred as all loans are directly availed from banks.

Interest-bearing loans and borrowings are presented in the consolidated statements of financial position as follows:

(Amounts in PHP)	2025	2024
Current	**200,000,000**	200,000,000
Non-current	**250,000,000**	450,000,000
	450,000,000	650,000,000

15. TRADE AND OTHER PAYABLES

This account consists of:

(Amounts in PHP)	Note	2025	2024
Trade payable		**2,018,080,276**	2,158,166,886
Accrued expenses		**199,824,492**	179,767,902
Taxes payable		**125,232,684**	165,880,217
Interest payable	14	**5,061,000**	8,615,678
Miscellaneous		**200,000**	200,000
		2,348,398,452	2,512,630,683

Accrued expenses include the Group's obligations to its suppliers that are expected to be settled within 12 months from the end of the reporting period. These liabilities arise mainly from accrual of construction expenditures incurred during the year.

Taxes payable pertains to withholding taxes payable and other statutory payables such as Social Security System, Philippine Health Insurance Corporation and Home Development Mutual Fund contribution.

16. CUSTOMERS' DEPOSITS

Presented below are the details of this account.

(Amounts in PHP)	**2025**	2024
Advances from customers	**3,412,273,750**	3,567,815,251
Other deposits	**1,193,656,616**	1,175,850,542
	4,605,930,366	4,743,665,793

Advances from customers represent cash received from customers for real estate property purchases which have not yet complied with the sales recognition criteria of the Group. The advances are deducted from the contract price once the related real estate sales are recognized by the Group.

Other deposits mainly pertain to cash received from customers for miscellaneous fees and other related expenses to process the transfer of title to customers.

17. LEASES

In 2023, the Group entered into a lease agreement for its office spaces with remaining lease terms of three years. No lease liabilities were recognized due to lease credits granted to the Group amounting to P106.1 million, which is presented as part of Income from lease credits under Other Income in the 2023 consolidated statement of comprehensive income (see Note 21.1). These lease credits represent the cost of leasehold improvements and expenses incurred by the Group in its previously pre-terminated lease agreement with Megaworld, which was later reimbursed by way of application to the Group's future lease payments to Megaworld (see Note 11).

In 2025 and 2024, portions of the lease credits amounting to P15.3 million and P51.4 million, respectively, were applied as payment for the lease agreement with Megaworld. The remaining lease credits amounting to P14.3 million and P12.0 million in 2025 and 2024, respectively, were presented as part of Prepayments and Other Current Assets in the consolidated statements of financial position.

In 2025, the Group derecognized two right-of-use assets related to lease arrangements with Megaworld. A right-of-use asset with a cost of P14.2 million was derecognized following the end of a lease contract. In addition, a right-of-use asset with a cost of P28.5 million and a carrying amount of P17.5 million was derecognized due to pre-termination of another lease agreement. No actual lease payments were made during the term since the expected lease payments had already been fully applied against the lease credit balance. As a result, the excess arising from the early termination, representing the net carrying amount of P17.5 million, was reclassified back to lease credits as this amount will be applied to future lease arrangements with Megaworld and is presented as part of Prepayments and Other Current Assets in the 2025 consolidated statement of financial position (see Note 11). There were no similar transactions in 2024.

The lease does not have variable lease payments which depend on an index or a rate. The lease is non-cancellable and does not contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term without mutual agreement on both parties. The Group is prohibited from selling or pledging the underlying leased assets as security. The Group must also keep the property in a good state of repair and return the property in its original condition at the end of the lease. Further, the Group must incur maintenance fees on such items in accordance with the lease contracts.

The Group has elected not to recognize lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis. The expenses relating short-term leases amounted to P19.8 million for both 2025 and 2024, and P13.0 million for 2023 are presented as Rentals under Other Expenses account in the consolidated statements of comprehensive income (see Notes 21.2).

18. OTHER CURRENT LIABILITIES

As of December 31, other current liabilities include the following:

(Amounts in PHP)	Notes	**2025**	2024
Retention payable		**942,487,071**	749,941,703
Refund liability	21.2	**635,390,476**	396,218,713
Refundable deposits	28.1	**56,998,338**	50,913,269
Miscellaneous		**11,761,518**	11,546,846
		1,646,637,403	1,208,620,531

Retention payable pertains to amounts withheld from payments made to contractors to ensure compliance and completion of contracted projects, which ranges from 5% to 10% of every billing made by the contractor. Upon completion of the contracted projects, submission of required bonds and final acceptance of works, the amounts are returned to contractors.

Refund liability pertains to the amount due to buyers of real estate properties which is the cash surrender value of the payments made by them on the cancelled real estate contracts as required by Republic Act (R.A.) 6552, *Realty Installment Buyer Act*. The amount of provision for the years ended 2025, 2024, and 2023 amounted to P253.1 million, P111.7 million, and P57.8 million, respectively, and is presented as Provision for refund liability under Other Expenses account in the consolidated statement of comprehensive income (see Note 21.2).

A reconciliation of the refund liability at beginning and end of the year is shown below.

(Amounts in PHP)	Note	**2025**	2024
Balance at beginning of year		**396,218,713**	287,636,550
Provision during the year	21.2	**253,140,939**	111,670,352
Refunds during the year		**(13,969,176)**	(3,088,189)
Balance at end of year		**635,390,476**	396,218,713

19. REAL ESTATE SALES

19.1 Disaggregation of Revenues

The Group derives revenues from sale of real properties and other income. An analysis of the Group's real estate sales is presented below.

(Amounts in PHP)	**2025**	2024	2023
Geographical areas			
Within Metro Manila	**3,313,305,519**	3,004,498,017	3,439,460,043
Outside Metro Manila	**10,515,370**	238,144,981	558,078,226
	3,323,820,889	3,242,642,998	3,997,538,269
Types of product or services			
Residential condominium	**3,280,794,104**	3,136,454,171	3,651,882,437
Residential lots and house and lots	**43,026,785**	106,188,827	345,655,832
	3,323,820,889	3,242,642,998	3,997,538,269

19.2 Contract Accounts

a. Contract Assets

The Group's contract assets as of December 31 are classified as follows:

(Amounts in PHP)	**2025**	2024
Current	**1,936,196,524**	2,498,252,566
Non-current	**535,063,250**	768,746,952
	2,471,259,774	3,266,999,518

The significant changes in the contract assets balances as of December 31 are as follows:

(Amounts in PHP)	Notes	**2025**	2024
Balance at beginning of year		**3,266,999,518**	2,741,196,068
Effect of adoption of PFRS 15	2.1(b)(ii)	**-**	(202,715,531)
		3,266,999,518	2,538,480,537
Increase as a result of changes in measurement of progress		**1,518,603,001**	572,668,405
Accretion of interest income from significant financing component	22.1	**286,796,190**	155,850,576
Transfers from contract assets recognized at the beginning of year to trade receivables		**(2,601,138,935)**	-
Balance at end of year		**2,471,259,774**	3,266,999,518

b. Contract Liabilities

The Group's contract liabilities as of December 31 are classified as follows:

(Amounts in PHP)	**2025**	2024
Current	**164,617,092**	170,000,828
Non-current	**35,217,618**	112,633,789
	199,834,710	282,634,617

The significant changes in the contract liabilities balances as of December 31 are as follows:

(Amounts in PHP)	Notes	**2025**	2024
Balance at beginning of year		**282,634,617**	256,766,937
Effect of adoption of PFRS 15	2.1(b)(ii)	**-**	17,348,096
		282,634,617	274,115,033
Net change arising from timing differences between cash receipts and performance obligations		**(80,574,527)**	23,177,108
Revenue recognized that was included in contract liabilities at the beginning of year		**(14,567,464)**	(22,650,120)
Accretion of interest expense from significant financing component	22.2	**12,342,084**	7,992,596
Balance at end of year		**199,834,710**	282,634,617

19.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its revenue contracts. The total amount of amortization for 2025, 2024, and 2023 is presented as part of Commissions account under Cost and Expenses section of the consolidated statements of comprehensive income.

The movements in balances of deferred commission in 2025 and 2024 are presented below.

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**469,205,382**	353,313,187
Additional capitalized cost	**132,495,993**	156,217,463
Amortization for the year	**(90,118,216)**	(40,325,268)
Balance at end of year	**511,583,159**	469,205,382

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

(Amounts in PHP)	**2025**	2024 (As restated - see Note 2)
Current	**239,707,912**	163,307,839
Non-current	**271,875,247**	305,897,543
	511,583,159	469,205,382

19.4 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2025 and 2024 is P8.5 billion and P6.1 billion, respectively. As of December 31, 2025 and 2024, the Group expects to recognize revenue from unsatisfied contracts as presented below.

(Amounts in PHP)	**2025**	2024
Within a year	**5,718,542,331**	2,913,019,941
More than one year to three years	**2,741,868,283**	3,008,620,097
More than three years to five years	-	228,062,716
	8,460,410,614	6,149,702,754

20. COST OF REAL ESTATE SALES

The breakdown of the cost of real estate sales are as follows (see Note 7):

(Amounts in PHP)	**2025**	2024	2023
Contracted services	**1,849,120,576**	1,800,065,159	2,097,483,149
Land cost	**196,916,123**	224,542,314	286,217,315
Borrowing cost	**-**	-	75,798,696
Other costs	**46,957,785**	29,108,305	37,889,224
	2,092,994,484	2,053,715,778	2,497,388,384

21. OTHER INCOME AND EXPENSES

21.1 Other Income

The details of this account are shown below.

(Amounts in PHP)	Notes	**2025**	2024	2023
Forfeited collections and deposits		**936,503,543**	522,563,375	247,937,294
Marketing and management fees	25.2	**80,801,806**	91,611,260	115,119,420
Gain on asset disposal	11, 13	**68,603,090**	132,890	-
Income from lease credits	17	**-**	-	106,091,000
Miscellaneous		**1,366,626**	10,108,807	4,292,176
		1,087,275,065	624,416,332	473,439,890

Forfeited collections and deposits include reservation fees and all payments made by delinquent buyers, net of any loss on cancellations. This also includes portion of payments received by the Group upon approval of buyer's request to transfer to other units.

Miscellaneous fees include manning charges.

21.2 Other Expenses

The breakdown of this account is shown below.

(Amounts in PHP)	Notes	**2025**	2024	2023
Provision for refund liability	18	**253,140,939**	111,670,352	57,795,155
Repairs and maintenance	13	**52,886,778**	35,036,943	10,152,921
Utilities		**30,958,774**	16,911,713	15,360,839
Computer license subscription		**26,386,127**	13,333,781	4,413,127
Impairment loss on related party advances	25.1	**25,000,000**	-	-
Rentals	17	**19,763,607**	19,782,740	12,955,227
Professional fees	25.3	**17,319,685**	26,769,046	12,093,101
Outside services		**17,110,424**	12,558,756	1,256,786
Security services		**15,836,958**	18,943,242	11,099,402
Janitorial services		**14,947,913**	12,144,154	5,525,555
Insurance		**13,497,947**	11,413,934	6,674,259
Office supplies		**11,684,909**	8,416,762	2,189,651
Training, seminars and other benefits		**8,227,611**	5,637,172	6,915,628
Marketing events and awards		**6,518,594**	3,938,543	4,827,844
Documentation		**3,592,382**	2,346,785	1,620,282
Representation		**933,644**	446,082	208,212
Impairment loss on goodwill	12	**-**	-	77,347,634
Miscellaneous		**14,240,378**	8,272,510	4,037,225
		532,046,670	307,622,515	234,472,848

Miscellaneous expenses include bank charges, motor vehicle registration and others.

22. FINANCE INCOME AND FINANCE COSTS

22.1 Finance Income

The breakdown of this account is shown below.

(Amounts in PHP)	Notes	2025	2024	2023
Interest income:				
Significant financing component	19.2(a)	**286,796,190**	155,850,576	-
Advances to related parties	25.1	**252,259,722**	446,129,092	341,017,636
Amortization of day-one loss on noninterest-bearing financial instruments	6	**193,534,198**	172,877,182	121,259,226
Cash and cash equivalents	5	**67,065,723**	91,440,493	80,949,550
Trade and other receivables	6	**10,130,050**	28,827,986	27,007,752
Dividend income	8	**11,260,000**	11,260,000	16,890,000
Foreign currency gain - net		**715,060**	7,273,446	315,709
		821,760,943	913,658,775	587,439,873

22.2 Finance Costs

The breakdown of finance costs is shown below.

(Amounts in PHP)	Notes	2025	2024	2023
Interest expense on advances from related parties	25.1	**312,118,090**	405,541,070	370,332,612
Bank loans	14	**42,461,447**	65,748,636	17,360,365
Net interest expense on post-employment defined benefit obligation	23.2	**13,706,872**	12,580,409	3,399,996
Significant financing component	19.2(b)	**12,342,084**	7,992,596	-
		380,628,493	491,862,711	391,092,973

23. SALARIES AND EMPLOYEE BENEFITS

23.1 Salaries and Employee Benefits Expense

Expenses recognized for salaries and employee benefits are presented below.

(Amounts in PHP)	Note	2025	2024	2023
Short-term benefits		**464,955,673**	435,323,774	407,014,182
Post-employment benefits	23.2	**29,422,396**	32,839,653	24,088,024
		494,378,069	468,163,427	431,102,206

23.2 Post-employment Benefits

(a) Characteristics of the Defined Benefit Plan

The Group maintains a partially funded, tax qualified, non-contributory, post-employment defined benefit plan that is being administered by a trustee bank that is legally separated from the Group. The post-employment defined benefit plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The post-employment defined benefit plan provides for retirement ranging from 60% to 200% of final monthly salary for every year of credited service but shall not be less than the regulatory benefit under the R.A. 7641, *The Retirement Pay Law*, or the applicable retirement law at the time of the member's retirement.

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

Actuarial valuations are made regularly to update the retirement benefit costs and the amount of contributions. All amounts are presented below and in the succeeding pages are based on the latest actuarial valuation reports obtained from independent actuaries.

The amounts of post-employment benefit recognized in the consolidated statements of financial position are determined as follow:

(Amounts in PHP)	2025	2024
Present value of the obligation	**635,897,119**	602,557,070
Fair value of the assets	**(402,717,945)**	(364,458,106)
	233,179,174	238,098,964

The movements in the present value of the post-employment DBO recognized in the books are as follows:

(Amounts in PHP)	2025	2024
Balance at beginning of year	**602,557,070**	577,559,995
Interest expense	**37,018,243**	37,402,074
Current service cost	**29,422,396**	32,839,653
Remeasurements —		
Actuarial losses (gains) arising from:		
Experience adjustments	**26,657,572**	18,437,581
Changes in financial assumptions	**(12,526,654)**	13,305,192
Changes in demographic assumptions	**(11,158,308)**	8,309,751
Benefits paid	**(36,073,200)**	(85,297,176)
Balance at end of year	**635,897,119**	602,557,070

The movements in the fair value of plan assets are presented below.

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**364,458,106**	423,561,403
Benefits paid	**(36,073,200)**	(85,297,176)
Interest income	**23,311,371**	24,821,665
Actual contribution	**53,000,000**	3,250,000
Loss on plan assets (excluding amounts included in net interest)	**(1,978,332)**	(1,877,786)
Balance at end of year	**402,717,945**	364,458,106

The fair value of plan assets is composed of the following (in millions):

(Amounts in PHP)	**2025**	2024
Cash and cash equivalents	**231.9**	231.4
Investment in government issued debt securities	**170.8**	133.1
	402.7	364.5

The plan assets earned a return of P21.3 million, P22.9 million and P18.4 million in 2025, 2024 and 2023, respectively.

As of December 31, 2025 and 2024, the Group's retirement fund does not include any investments in any equity securities issued by the Group or any of its related parties.

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

(Amounts in PHP)	Notes	**2025**	2024	2023
Reported in profit or loss:				
Current service cost	23.1	**29,422,396**	32,839,653	24,088,024
Net interest expense	22.2	**13,706,872**	12,580,409	3,399,996
		43,129,268	45,420,062	27,488,020
Reported in other comprehensive income (loss):				
Actuarial gains (losses) arising from:				
- experience adjustments		**(26,657,572)**	(18,437,581)	1,680,455
- changes in financial assumptions		**12,526,654**	(13,305,192)	(99,593,708)
- demographic assumptions		**11,158,308**	(8,309,751)	(4,141,883)
Loss on plan assets (excluding amounts included in net interest)		**(1,978,332)**	(1,877,786)	(10,234,934)
		(4,950,942)	(41,930,310)	(112,290,070)

Current service cost is presented as part of Salaries and Employee Benefits under Costs and Expenses section in the consolidated statements of comprehensive income (see Note 23.1) while the amounts of net interest expense are included under Finance Costs under Costs and Expenses section in the consolidated statements of comprehensive income (see Note 22.2).

The amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

	2025	2024	2023
EELHI:			
Discount rates	**6.39%**	6.11%	6.56%
Expected rate of salary increases	**6.00%**	6.00%	6.00%
EPHI:			
Discount rates	**6.21%**	6.15%	6.04%
Expected rate of salary increases	**5.53%**	6.32%	6.81%

The other subsidiaries currently do not have employees and their accounting and other administrative functions are being handled by the Company; hence, there was no cost of retirement benefits recognized.

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working life of an individual retiring at the age of 60 for both males and females is shown below.

	Retirement Age	Average Remaining Working Life
EELHI	60	27
EPHI	60	16

These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating the terms of the retirement obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

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

(i) Investment and Interest Rate Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents and debt securities. Due to the long-term nature of the plan obligation, a level of continuing debt investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

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

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the DBO as of December 31:

(Amounts in PHP)	**Impact on Post-employment Benefit Obligation**		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2025			
EELHI			
Discount rate	**+7.5%/-8.7%**	**(40,899,583)**	**47,176,200**
Salary increase rate	**+8.6%/-7.6%**	**46,887,183**	**(41,403,803)**
EPHI			
Discount rate	**+/-0.5%**	**(2,656,367)**	**2,868,607**
Salary increase rate	**+/-1.0%**	**5,672,172**	**(4,919,330)**
2024			
EELHI			
Discount rate	+7.3%/-8.3%	(36,603,911)	41,895,892
Salary increase rate	+8.3%/-7.4%	41,522,960	(36,965,740)
EPHI			
Discount rate	+/-0.5%	(2,991,909)	3,272,690
Salary increase rate	+/-1.0%	6,377,735	(5,490,264)

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

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

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Group through its BOD, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve those long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in debt securities and maintaining cash and cash equivalents that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

There has been no change in the Group's strategies to manage its risks from previous periods.

(iii) Funding Arrangements and Expected Contributions

The plans are currently underfunded by P233.2 million based on the latest actuarial valuation. While there are no minimum funding requirements in the country, the size of the underfunding may pose a cash flow risk in about 10 to 20 years' time when a significant number of employees is expected to retire.

The Group expects to make a contribution of at least P53.3 million to the plan during the next reporting period.

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

(Amounts in PHP)	**2025**	2024
Within one year	**210,107,059**	202,205,422
More than one year to five years	**61,262,307**	65,488,416
More than five years to 10 years	**361,517,846**	389,468,040
More than 10 years to 15 years	**67,818,227**	45,425,892
More than 15 years to 20 years	**54,915,543**	89,200,000
More than 20 years	**140,956,061**	133,162,434
	896,577,043	924,950,204

The weighted average duration of the DBO at the end of the reporting period is 8.10 to 14 years.

24. TAX EXPENSE

The components of tax expense reported in the consolidated statements of comprehensive income for the years ended December 31 are presented below.

(Amounts in PHP)	**2025**	2024	2023
Reported in profit or loss:			
Current tax expense:			
Regular corporate income tax (RCIT) at 25% and 20%	**176,171,587**	133,993,061	92,737,922
Final tax at 20%, 15% and 7.5%	**13,327,985**	18,185,780	16,154,222
Minimum corporate income tax (MCIT) at 2%	**1,310,077**	1,012,195	-
	190,809,649	153,191,036	108,892,144
Deferred tax expense (income) relating to origination and reversal of temporary differences	**(71,176,781)**	54,613,894	111,107,012
	119,632,868	207,804,930	219,999,156
Reported in other comprehensive income or loss			
Deferred tax income relating relating to –			
Origination and reversal of temporary differences	**(1,237,736)**	(10,482,578)	(28,072,519)

The reconciliation of tax on pre-tax profit computed at the applicable statutory rates to tax expense as reported in the profit or loss section of the consolidated statements of comprehensive income is as follows:

(Amounts in PHP)	**2025**	2024	2023
Tax on pre-tax profit at 25%	**229,033,009**	222,021,501	244,484,932
Adjustment for income subjected to lower income tax rates	**(2,904,025)**	(3,936,944)	(3,879,132)
Tax effects of:			
Non-taxable income on forfeited collections	**(36,015,249)**	(32,186,712)	(48,230,566)
Non-deductible interest expense	**6,431,941**	6,569,144	4,046,398
Non-deductible taxes and licenses	**4,920,506**	7,996,056	3,292,722
Others – net	**(81,833,314)**	7,341,885	20,284,802
	119,632,868	207,804,930	219,999,156

The net deferred tax liabilities as of December 31 relate to the following:

	Consolidated Statements of Financial Position		**Consolidated Statement of Profit or Loss**		
(Amounts in PHP)	**2025**	2024	**2025**	2024	2023
Deferred tax assets:					
Provision for refund liability	**158,847,618**	99,054,677	**(59,792,941)**	(27,145,540)	(13,983,010)
Retirement benefit obligation	**58,442,153**	59,524,741	**2,320,324**	(10,542,515)	6,502,996
Allowance for impairment	**6,250,000**	-	**(6,250,000)**	-	-
	223,539,771	158,579,418	**(63,722,617)**	(37,688,055)	(7,480,014)
Deferred tax liabilities:					
Uncollected realized gross profit	**(2,084,429,077)**	(2,096,466,090)	**(12,037,013)**	62,847,789	127,381,806
Deferred commission	**(127,895,791)**	(117,301,347)	**10,594,444**	28,973,048	16,643,766
Rental income recognized based on PFRS 16	**(1,435,198)**	(1,178,685)	**256,512**	1,178,685	-
Unrealized foreign exchange loss - net	**(178,766)**	(1,818,363)	**(1,639,596)**	1,739,435	36,675
Right of use assets – net	**-**	(4,628,511)	**(4,628,511)**	(2,437,008)	7,065,519
Capitalized borrowing cost	**-**	-	**-**	-	(32,540,740)
	(2,213,938,832)	(2,221,392,996)	**(7,454,164)**	92,301,949	118,587,026
Deferred tax expense (income)			**(71,176,781)**	54,613,894	111,107,012
Net deferred tax liabilities	**(1,990,399,061)**	(2,062,813,578)			

The deferred tax income presented in Other Comprehensive Income (Loss) section in the consolidated statements of comprehensive income pertains to the tax effect of remeasurements of retirement benefit obligation which resulted to a tax income amounting to P1.2 million in 2025, P10.5 million in 2024, and P28.1 million in 2023.

In 2025 and 2024, the Group is subject to the MCIT, which is computed at 2% of gross income net of allowable deductions, as defined under the tax regulations, or RCIT, whichever is higher.

Presented below are the details of the Group's remaining net operating loss carry over (NOLCO), which can be claimed as deductions from future taxable profit within three to five years from the year the tax loss was incurred. NOLCO incurred for the taxable year can be claimed as a deduction from the future taxable income until 2026, in accordance with R.A. 11494, *Bayanihan to Recover as One Act*.

(Amounts in PHP)

Year	Original Amount	Expired Amount	Remaining Balance	Valid Until
2025	15,765,258	-	15,765,258	2028
2024	15,093,219	-	15,093,219	2027
2023	15,512,903	-	15,512,903	2026
2022	9,319,501	(9,319,501)	-	
2021	28,708,937	-	28,708,937	2026
2020	11,885,277	(11,885,277)	-	
	96,285,095	**(21,204,778)**	**75,080,317**	

PCMI, LBASSI, EECI, SPLI, SOHI, VVPI and 20th Century did not recognize deferred tax assets on their respective NOLCO as management believes that the related deferred tax assets may not be recovered within the prescriptive period. The amount of NOLCO for the year ended 2025 for which the related deferred tax asset has not been recognized amounted to a total of P15.8 million with a total tax effect of P3.2 million.

In 2025, 2024 and 2023, the Group opted to claim itemized deductions in computing for its income tax due.

25. RELATED PARTY TRANSACTIONS

The Group's related parties include the Ultimate Parent Company, the Parent Company, related parties under common ownership, associate, key management personnel, and the Group's retirement plan as described in the succeeding pages.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the Parent Company's board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

The summary of the Group's significant transactions and outstanding balances with its related parties are as follows:

(Amounts in PHP)		Amount of Transactions			Outstanding Balance	
Related Party Category	Notes	**2025**	2024	2023	**2025**	2024
Ultimate Parent:						
Financial assets at FVOCI	8	**(91,206,000)**	(256,728,000)	(69,812,000)	**922,194,000**	1,013,400,000
Dividend income	8, 22.1	**11,260,000**	11,260,000	16,890,000	**11,260,000**	11,260,000
Parent:						
Right-of-use assets	11	**18,514,041**	9,748,032	14,400,981	**-**	18,514,041
Lease credits	17	**2,235,140**	(51,385,426)	106,091,000	**14,277,660**	12,042,520
Repayment of advances - net	25.1, 25.4	**221,713,034**	4,891,885	4,513,635	**(5,812,936,324)**	(5,737,525,504)
Interest expense	22.2, 25.1	**(297,123,854)**	(387,523,611)	(349,390,876)	**-**	-
Commission income	25.2	**38,771,246**	35,514,891	37,121,681	**704,853,180**	685,207,769
Obtaining of services	25.3	**1,244,880**	1,141,140	1,244,880	**-**	-
Associate –						
Repayment of advances	25.1	**5,244,332**	4,517,837	2,817,756	**(369,099,030)**	(374,343,362)
Under common ownership:						
Granting (collection) of advances	25.1	**(336,204,195)**	52,097,018	41,858,557	**5,856,815,689**	5,965,760,162
Interest income	22.1, 25.1	**252,259,722**	446,129,092	341,017,636	**-**	-
Repayment of advances	25.1	**58,180,170**	63,017,459	65,941,736	**(239,795,756)**	(282,981,690)
Interest expense	22.2, 25.1	**(14,994,236)**	(18,017,459)	(20,941,736)	**-**	-
Management services	25.2	**42,699,368**	47,344,889	80,287,703	**44,119**	44,119
Lease of property	25.2	**39,267,361**	41,135,041	34,201,327	**9,233,804**	4,714,741
Obtaining of services	25.3	**10,523,694**	21,569,706	-	**-**	-
Key management personnel						
Compensation	25.5	**77,256,335**	76,595,422	84,889,579	**-**	-

Unless otherwise stated, the Group's outstanding receivables from and payables to related parties arising from interest-bearing and noninterest-bearing advances, joint venture agreements, lease of property and cash advances to related party are unsecured, collectible, or payable on demand, and are generally settled in cash or through offsetting arrangements with the related parties (see Note 30.2).

In 2025, the Group offset a total of P212.5 million of outstanding balances between its receivables from and payables to related parties. The offsetting represents reciprocal advances and other intercompany charges between Group. The offsetting reduced both the Advances to Related Parties and Advances from Related Parties by P212.5 million, as shown in the related rollforward schedules. There were no similar transactions in 2024 and 2023.

25.1 Advances to and from Related Parties

The Group grants to and obtains unsecured advances from its Parent Company, associate and other related parties for working capital purposes.

The Advances to Related Parties account represents the outstanding balances arising from cash advances granted by the Group to certain related parties under common ownership. Some of the advances to related parties with outstanding balance of P4.1 billion are interest-bearing with interest rates ranging from 7.13% to 15.00% in 2025 and from 12.00% to 15.00% in 2024. The interest income arising from these interest-bearing advances is presented as part of Finance Income in the consolidated statements of comprehensive income (see Note 22.1). The change in the Advances to Related Parties account are shown below.

(Amounts in PHP)	Notes	**2025**	2024
Balance at beginning of year		**5,965,760,162**	5,467,534,052
Interest income	22.1	**252,259,722**	446,129,092
Offsetting		**(212,493,889)**	-
Reclassification		**-**	(14,227,860)
Additional advances		**42,760,352**	69,804,896
Collection		**(166,470,658)**	(3,480,018)
		5,881,815,689	5,965,760,162
Allowance for impairment	21.2	**(25,000,000)**	-
Balance at end of year		**5,856,815,689**	5,965,760,162

In 2025, the Group recognized impairment loss in relation to the Advances to Related Parties, amounting to P25.0 million, presented under Other Expenses in the 2025 consolidated statement of comprehensive income (see Note 21.2). There were no impairment losses recognized on the outstanding receivables from related parties in 2024 and 2023 based on management's ECL assessment.

The Advances from Related Parties account represents the outstanding balances arising from cash advances obtained by the Group from its Parent Company, associate, and certain related parties under common ownership. Some of the advances from related parties are interest-bearing with interest rates ranging from 7.00% to 7.13% in 2025 and 7.00% to 12.00% in 2024 and 2023. Interest expense related to these advances is presented as part of Finance Costs account in the consolidated statements of comprehensive income (see Note 22.2). The details as of December 31 are as follows:

(Amounts in PHP)	**2025**	2024
Parent	**5,812,936,324**	5,737,525,504
Associate	**369,099,030**	374,343,362
Related parties under common ownership	**239,795,756**	282,981,690
	6,421,831,110	6,394,850,556

The movements in the Advances from Related Parties account is shown below.

(Amounts in PHP)	Note	**2025**	2024
Parent:			
Balance at beginning of year		**5,737,525,504**	5,354,893,778
Accrued interests	22.2	**297,123,854**	387,523,611
Offsetting		**(212,493,889)**	-
Repayments		**(9,219,145)**	(4,891,885)
Balance at end of year		**5,812,936,324**	5,737,525,504
Associate:			
Balance at beginning of year		**374,343,362**	378,861,199
Repayments		**(5,244,332)**	(4,517,837)
Balance at end of year		**369,099,030**	374,343,362
Other related parties under common ownership:			
Balance at beginning of year		**282,981,690**	327,981,690
Repayments		**(59,994,236)**	(63,017,459)
Accrued interests	22.2	**14,994,236**	18,017,459
Additional advances		**1,814,066**	-
Balance at end of year		**239,795,756**	282,981,690

25.2 Rendering of Services

The summary of services offered by the Group is presented below.

	Amount of Transactions		
(Amounts in PHP)	**2025**	2024	2023
Parent –			
Commission income	**38,771,246**	35,514,891	37,121,681
Other related parties under common ownership:			
Management services	**42,699,368**	47,344,889	80,287,703
Lease of property	**39,267,361**	41,135,041	34,201,327
	81,966,729	88,479,930	114,489,030
	120,737,975	123,994,821	151,610,711

The Group handled the administrative functions of certain related parties under common ownership for the latter's ongoing construction and development activities. The amount of revenue earned from such transaction is recognized as part of Marketing and management fees under Other Income account in the consolidated statements of comprehensive income (see Note 21.1) while the outstanding balances are presented as Management fee receivable under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

The Group earns marketing fees from the sale of Megaworld's real estate properties. The marketing fee recognized is presented as Commission Income under Revenues and Income section in the consolidated statements of comprehensive income. The outstanding receivables related to these transactions are presented as part of Trade receivables under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

The Group leases certain investment property to a related party under common ownership in 2025, 2024, and 2023. The revenues earned from the lease are included as part of Rental Income account under Revenues and Income section in the consolidated statements of comprehensive income (see Note 28.1). The related outstanding receivables from these transactions are presented as part of Rent receivable under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

25.3 Obtaining of Services

The Group incurred management fees for accounting and marketing services obtained from its Parent Company and a related party under common ownership amounting to P11.8 million, P22.7 million and P1.2 million in 2025, 2024, and 2023, respectively, and is presented as part of Professional Fees under Other Expenses in the consolidated statements of comprehensive income (see Note 21.2). There was no outstanding payable from this transaction as of December 31, 2025 and 2024.

25.4 Joint Development Agreement with Parent Company

The Group, together with Megaworld, executed a joint development agreement for the development of a mixed-use condominium project; whereby the Group shall contribute land and the Parent Company shall develop and sell the property. The entities shall be entitled to a certain percentage of the total saleable area based on the agreed sharing. The land contributed to the joint venture is presented as part of the Real Estate Inventories under Property development cost in the consolidated statements of financial position (see Note 7). As of the end of the reporting period, the property is still being developed and there are no profits received yet from this agreement.

25.5 Key Management Personnel Compensation

The compensation of the Group's key management personnel are as follows:

(Amounts in PHP)	**2025**	2024	2023
Short-term benefits	**66,443,424**	64,642,439	64,860,294
Post-employment benefits	**10,812,911**	11,952,983	20,029,285
	77,256,335	76,595,422	84,889,579

These are presented as part of Salaries and Employee Benefits account under Cost and Expenses section in the consolidated statements of comprehensive income for the years ended December 31, 2025, 2024, and 2023 (see Note 23.1).

25.6 Retirement Plan

The Group has a formal retirement plan established separately for EELHI and EPHI. The Group's retirement fund for its post-employment defined benefit plan is administered and managed by trustee banks. The fair value and the composition of the plan assets as of December 31, 2025 and 2024 are presented in Note 23.2. As of December 31, 2025 and 2024, the Group's retirement fund does not include any investments in any equity securities issued by the Group or any of its related parties.

The Group's transactions with the fund mainly pertain to contributions, benefit payments and interest income.

The retirement fund neither provides any guarantees or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

26. EQUITY

26.1 Capital Stock

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

	No. of Shares	Amounts in PHP
Common shares – P1 par value		
Authorized	31,495,200,000	31,495,200,000
Issued	14,803,455,238	14,803,455,238
Treasury shares – at cost	(127,256,071)	(102,106,658)
Total outstanding	14,676,199,167	14,701,348,580
Preferred shares – P1 par value		
Authorized	2,000,000,000	2,000,000,000

Megaworld has 81.73% ownership interest in the Group as of December 31, 2025 and 2024, respectively.

The Series B preferred shares are nonredeemable, convertible into common shares and are nonvoting. The shares have zero coupon rates and shall not be entitled to dividends. The Series B preferred shares shall be convertible to common shares any time after the end of the 18 months from the implementation date, May 29, 1998, as defined in the subscription agreements. There are no subscribed and issued preferred shares as of December 31, 2025 and 2024.

On April 24, 1996, the SEC approved the listing of the Group's shares totaling 425,000,000. The shares were issued at an offer price of P12.90 per share. As of December 31, 2025, 2024, and 2023, there are 12,228, 12,252 and 12,297 shareholders of the listed shares, respectively. The shares were listed and closed at a price of P0.10, P0.12 and P0.13 per share as of December 29, 2025, and December 27, 2024 and 2023, respectively.

26.2 Additional Paid-in Capital

The additional paid-in capital (APIC) pertains to the excess of the total proceeds received from the Group's shareholders over the total par value of the common shares. There were no movements in the Group's APIC accounts in 2025 and 2024.

26.3 Treasury Stock

On March 23, 2006, the Group's BOD authorized the buy-back of up to P1.0 billion worth of Group's shares of common stock within a 24-month period under certain terms and conditions as the Group's senior management may deem beneficial to the Group and its stockholders.

As of December 31, 2025 and 2024, the Group's treasury shares amounted to P102.1 million, representing the cost of 127,256,071 shares reacquired by the Group.

26.4 Revaluation Reserves

Revaluation reserves of the Group are composed of re-measurements on its retirement benefit obligation and fair value movements of the Group's financial assets at FVOCI (see Notes 8 and 23.2).

The components and reconciliation of items of other comprehensive income presented in the consolidated statement of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below.

(Amounts in PHP)	Financial Assets at FVOCI (see Note 8)	Retirement Benefit Obligation (see Note 23.2)	Total
Balance as of January 1, 2025	180,450,000	78,998,994	259,448,994
Remeasurement of retirement benefit obligation	-	(4,950,942)	(4,950,942)
Fair value losses on FVOCI	(91,206,000)	-	(91,206,000)
Other comprehensive loss before tax for the year	(91,206,000)	(4,950,942)	(96,156,942)
Tax income	-	1,237,736	1,237,736
Other comprehensive loss after tax for the year	(91,206,000)	(3,713,206)	(94,919,206)
Balance as of December 31, 2025	**89,244,000**	**75,285,788**	**164,529,788**

(Amounts in PHP)	Financial Assets at FVOCI (see Note 8)	Retirement Benefit Obligation (see Note 23.2)	Total
Balance as of January 1, 2024	437,178,000	110,446,726	547,624,726
Remeasurement of retirement benefit obligation	-	(41,930,310)	(41,930,310)
Fair value losses on FVOCI	(256,728,000)	-	(256,728,000)
Other comprehensive loss before tax for the year	(256,728,000)	(41,930,310)	(298,658,310)
Tax income	-	10,482,578	10,482,578
Other comprehensive loss after tax for the year	(256,728,000)	(31,447,732)	(288,175,732)
Balance as of December 31, 2024	180,450,000	78,998,994	259,448,994
Balance as of January 1, 2023	506,990,000	194,664,277	701,654,277
Remeasurement of retirement benefit obligation	-	(112,290,070)	(112,290,070)
Fair value losses on FVOCI	(69,812,000)	-	(69,812,000)
Other comprehensive loss before tax for the year	(69,812,000)	(112,290,070)	(182,102,070)
Tax income	-	28,072,519	28,072,519
Other comprehensive loss after tax for the year	(69,812,000)	(84,217,551)	(154,029,551)
Balance as of December 31, 2023	437,178,000	110,446,726	547,624,726

26.5 Other Reserves

Other reserves of the Group pertains to the difference between the fair value of consideration paid and the relevant share in the carrying value of the net assets of PCMI as a result of obtaining de facto control over PCMI in 2018 and any subsequent change in ownership interest in the subsidiary (see Note 1.1).

26.6 Retained Earnings

Retained earnings are restricted in the amount of P102.1 million representing the cost of 127,256,071 shares held in treasury as of the end of the reporting periods.

27. EARNINGS PER SHARE

Basic and diluted earnings per share amounts were computed as follows:

(Amounts in PHP, except shares data)	**2025**	2024	2023
Net profit attributable to parent Group's shareholders	**803,802,648**	687,121,209	765,784,371
Number of issued and outstanding common shares	**14,676,199,167**	14,676,199,167	14,676,199,167
Basic and diluted earnings per share	**0.055**	0.047	0.052

Diluted earnings per share equal the basic earnings per share since the Group does not have dilutive shares as of December 31, 2025, 2024 and 2023.

28. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

28.1 Operating Lease Commitments – Group as Lessor

The Group is subject to risk incidental to the operation of its office and commercial properties, which include, among others, changes in market rental rates, inability to renew leases upon lease expiration, and inability to collect rent from tenants due to bankruptcy or insolvency of tenants. Majority of the Group's revenue from rental properties are derived from commercial and parking spaces.

To mitigate these risks, tenants pay security deposits and advance rent equal to three to six months' rent, which are forfeited in case a tenant pre-terminates without prior notice or before the expiry of lease term without cause. In addition, tenants are usually required to pay the monthly rent in advance on a monthly basis, without need of further demand. Security deposits and advance rent are presented as part of Refundable deposits under Other Current Liabilities in the consolidated statements of financial position (see Note 18).

The Group is a lessor under various non-cancellable operating lease agreements covering real estate properties for commercial use. This consists of fixed lease payments with terms ranging from one to 10 years, with renewal options, and include annual escalation rates of 3% to 10%.

The future minimum rental receivable under these non-cancellable operating leases are as follows as of December 31:

(Amounts in PHP)	**2025**	2024	2023
Within one year	**107,633,586**	92,465,532	87,091,504
After one year but not more than two years	**73,513,463**	77,502,033	66,419,329
After two years but not more than three years	**26,142,118**	56,244,394	57,583,883
After three years but not more than four years	**-**	22,599,392	48,775,972
After four years but not more than five years	**-**	-	22,599,392
	207,289,167	248,811,351	282,470,080

The total rentals from these operating leases amounted to about P124.3 million, P134.2 million, and P107.5 million in 2025, 2024, and 2023, respectively, which are recognized as Rental Income account under Revenues and Income section in the consolidated statements of comprehensive income.

28.2 Legal Claims

As of December 31, 2025, and 2024, the Group does not have any litigations within and outside the normal course of its business.

28.3 Credit Lines

The Group has existing credit lines with local banks for a maximum amount of P1,520.0 million as of December 31, 2025 and 2024. The Group has unused lines of credit amounting to P520.0 million as of December 31, 2025 and 2024.

28.4 Capital Commitments

As of December 31, 2025, and 2024, the Group has commitments amounting to P1.4 billion and P1.8 billion for the construction expenditures in relation to the Group's joint venture (see Note 9).

28.5 Others

There are other commitments and contingent liabilities that may arise in the normal course of operations of the Group which is not reflected in the consolidated financial statements. The management of the Group is of the opinion that losses, if any, from these items will not have any material effect on its consolidated financial statements, taken as a whole.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from its operating, investing, and financing activities. Risk management is carried out by a central treasury department under policies approved by the BOD and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not engage in the trading of financial assets for speculative purposes, nor does it write options. The financial risks to which the Group is exposed to are described below and in the succeeding pages.

29.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, and interest rate risk which results from both its operating, investing and financing activities.

(a) Foreign Currency Risk

There is no significant exposure to foreign currency risks since most of the Group's transactions are denominated in Philippine peso, which is its functional currency. The Group's financial asset denominated in foreign currency only pertains to cash and cash equivalents. However, the amount is insignificant to the consolidated financial statements as of December 31, 2025 and 2024 (see Note 22.1). The Group has no financial liabilities denominated in foreign currency.

(b) Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually obtained and negotiated at fixed rates. However, as of December 31, 2025 and 2024, the Group has an outstanding long-term loan with a variable interest rate (see Note 14).

There is no fixed rate debt in 2025, 2024 and 2023.

As of December 31, 2025 and 2024, the Group is exposed to other changes in market interest through its cash and cash equivalents and other fixed rate long-term borrowings, which are deemed by management to be not significant.

All other financial assets and liabilities have either short-term maturity, noninterest-bearing or are subject to fixed rates (e.g., related party advances).

(c) Other Price Risk

The Group's market price risk arises from its investments carried at fair value (classified as financial assets at FVOCI). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, the observed volatility rates of the fair values of the Group's investment held at fair value is determined based on the average market volatility in quoted prices, using standard deviation, in the previous 12 months, estimated at 99% level of confidence. An average volatility 8.14% and 4.8% has been observed during 2025 and 2024, respectively. The impact on the Group's consolidated other comprehensive income and consolidated equity would have increased or decreased by P56.3 million and P36.7 million in 2025 and 2024, respectively.

The investments in quoted equity securities are considered long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity instruments are utilized in the Group's favor. The Group is not subject to commodity price risk.

29.2 Credit Risk

The maximum credit risk exposure of the Group is the carrying amount of the financial assets and contract assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements), as summarized below.

(Amounts in PHP)	Notes	**2025**	2024
Cash and cash equivalents	5	**2,282,600,494**	2,863,878,581
Trade and other receivables - net (excluding advances to suppliers and contractors, and advances to condominium associations)	6	**11,127,408,265**	9,775,663,705
Contract assets	19.2	**2,471,259,774**	3,266,999,518
Advances to related parties	25.1	**5,856,815,689**	5,965,760,162
		21,738,084,222	21,872,301,966

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents, and trade receivables, as described below and in the succeeding pages.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P1.0 million for every depositor per banking institution.

(b) Trade and Other Receivables and Contract Assets

Trade and other receivables (excluding advances to suppliers and contractors and advances to condominium associations) and contract assets are subject to credit risk exposure. The Group, however, does not identify specific concentrations of credit risk with regard to trade receivables and contract assets, as the amounts recognized resemble a large number of receivables from various customers. The Group also retains the titles to the property until such time that the trade receivables are fully collected. Repossessed properties are offered for sale to other customers.

Credit risk of receivables from sale of real estate properties is managed primarily through credit reviews and analyses of receivables on a regular basis. The Group undertakes credit review procedures for all installment payment terms. Customer payments are facilitated through the use of post-dated checks. Exposure to doubtful accounts is not substantial as title to real estate properties are not transferred to the buyers until full payment of the amortization has been made and the requirement for remedial procedures is negligible considering the Group's buyers' profile.

The Group has used the simplified approach in measuring ECL and has calculated ECL based on lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rate is based on days past due of all customers as they have similar loss patterns. The credit enhancements such as advance payment and value of the real estate for sale are considered in the calculation of impairment as recoveries.

The Group considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. Furthermore, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The management determined that there is no required ECL to be recognized since the real estate sold is collateralized to the related receivable arising from real estate sales. Therefore, expected loss given default is nil as the recoverable amount from subsequent resale of the real estate is sufficient.

The estimated fair value of the security enhancements held against contract receivables and contract assets arising from real estate sales are presented below.

(Amounts in PHP)	**Gross Maximum Exposure**	**Fair Value of Collaterals**	**Net Exposure**	**Financial Effect of Collaterals**
2025				
Contract assets	2,471,259,774	12,297,496,910	-	2,471,259,774
Contract receivables	9,157,722,233	26,128,121,722	-	9,157,722,233
	11,628,982,007	38,425,618,632	**-**	**11,628,982,007**
2024				
Contract assets	3,266,999,518	17,357,759,211	-	3,266,999,518
Contract receivables	7,966,247,858	27,721,663,399	-	7,966,247,858
	11,233,247,376	45,079,422,610	-	11,233,247,376

Other components of receivables such as rental receivables and others are also evaluated by the Group for impairment and assessed that no ECL should be provided. A significant portion of the Group's rental receivables are from Megaworld, wherein the impairment of receivables is assessed using the latter's ability to pay [see Note 29.2(c)]. The remaining rental receivables are secured to the extent of advance rental and rental deposit received from the lessees, which are on average equivalent to six months.

Some of the unimpaired trade receivables and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period. The trade receivables that are past due but not impaired are as follows:

(Amounts in PHP)	**2025**	2024
Not more than three months	**407,112,189**	267,859,203
More than three months but not more than six months	**522,837,348**	381,995,646
More than six months but not more than one year	**751,324,807**	458,683,713
More than one year	**290,480,861**	195,219,873
	1,971,755,205	1,303,758,435

(c) *Advances to Related Parties and Rent Receivable and Management Fee Receivable from Related Parties*

ECL for receivables from related parties, including advances, rent and management fee receivables, are measured and recognized using the liquidity approach. Management determines possible impairment based on the related parties' ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

The Group does not consider any significant risks in the advances to other related parties with financial difficulty since Megaworld, whose credit risk for liquid funds is considered negligible, have committed to financially support these related parties as part of AGI and its long-term corporate strategy. As of December 31, 2025 and 2024, the aggregate impairment allowance on balances from Megaworld and other related parties is identified to be not material.

The table below shows the credit quality by class of financial assets and contract assets as of December 31, 2025 and 2024.

(Amounts in PHP)	Neither Past Due nor Specifically Impaired			Past Due	
	High Grade	Standard Grade	Substandard Grade	but Not Impaired	Total
2025					
Cash and cash equivalents	2,282,600,494	-	-	-	2,282,600,494
Trade and other receivables	-	9,155,653,060	-	1,971,755,205	11,127,408,265
Contract assets	-	2,471,259,774	-	-	2,471,259,774
Advances to related parties	-	5,856,815,689	-	-	5,856,815,689
	2,282,600,494	**17,483,728,523**	**-**	**1,971,755,205**	**21,738,084,222**
2024					
Cash and cash equivalents	2,863,878,581	-	-	-	2,863,878,581
Trade and other receivables	-	8,471,905,270	-	1,303,758,435	9,775,663,705
Contract assets	-	3,266,999,518	-	-	3,266,999,518
Advances to related parties	-	5,965,760,162	-	-	5,965,760,162
	2,863,878,581	17,704,664,950	-	1,303,758,435	21,872,301,966

The Group uses an internal credit rating concept based on the counterparties' overall credit worthiness as follows:

High Grade – Rating given to counterparties who have very strong capacity to meet their obligations.

Standard Grade – Rating given to counterparties whose outstanding obligation is within the acceptable age of group.

Substandard Grade – Rating given counterparties whose outstanding obligation is nearing to be past due or impaired.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired for each of the reporting dates are of good credit quality, including those that are past due.

29.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for 6-month and one-year periods are identified monthly.

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

As at December 31, 2025 and 2024, the Group's financial liabilities have contractual maturities which are presented below.

(Amounts in PHP)	Within One Year	One to Five Year	More than Five Years	Total
2025				
Interest-bearing loans and borrowings	227,112,500	263,556,250	-	490,668,750
Trade and other payables	2,223,165,768	-	-	2,223,165,768
Advances from related parties	6,575,514,789	-	-	6,575,514,789
Other current liabilities	1,634,875,885	-	-	1,634,875,885
	10,660,668,942	**263,556,250**	**-**	**10,924,225,192**
2024				
Interest-bearing loans and borrowings	252,191,125	494,735,250	-	746,926,375
Trade and other payables	2,346,750,466	-	-	2,346,750,466
Advances from related parties	6,591,745,091	-	-	6,591,745,091
Other current liabilities	1,197,073,685	-	-	1,197,073,685
	10,387,760,367	494,735,250	-	10,882,495,617

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of each reporting period.

30. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

(Amounts in PHP)	Notes	2025 Carrying Amounts	2025 Fair Values	2024 Carrying Amounts	2024 Fair Values
Financial asset					
Financial assets at amortized cost					
Cash and cash equivalents	5	**2,282,600,494**	**2,282,600,494**	2,863,878,581	2,863,878,581
Trade and other receivables - net	6	**11,127,408,265**	**11,278,803,218**	9,775,663,705	9,969,197,903
Contract assets	19.2	**2,471,259,774**	**2,471,259,774**	3,266,999,518	3,266,999,518
Advances to related parties	25.1	**5,856,815,689**	**5,856,815,689**	5,965,760,162	5,965,760,162
		21,738,084,222	**21,889,479,175**	21,872,301,966	22,065,836,164
Financial assets at FVOCI	8	**922,194,000**	**922,194,000**	1,013,400,000	1,013,400,000
		22,660,278,222	**22,811,673,175**	22,885,701,966	23,079,236,164
Financial Liabilities at amortized cost					
Interest-bearing loans and borrowings	14	**450,000,000**	**363,266,867**	650,000,000	559,048,102
Trade and other payables	15	**2,223,165,768**	**2,223,165,768**	2,346,750,466	2,346,750,466
Advances from related parties	25.1	**6,421,831,110**	**6,421,831,110**	6,394,850,556	6,394,850,556
Other current liabilities	18	**1,634,875,885**	**1,634,875,885**	1,197,073,685	1,197,073,685
		10,729,872,763	**10,643,139,630**	10,588,674,707	10,497,722,809

Management considers that the fair values of the above enumerated financial assets and financial liabilities measured at amortized costs approximate their carrying values either because these instruments are short-term in nature or the effect of discounting for those with maturities of more than one year is not material (except for interest-bearing loans and borrowings).

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts Recognized in the consolidated statement of financial position		Net amount presented in the consolidated statement of financial position	Related amounts not set-off in the consolidated statement of financial position		
(Amounts in PHP)	Financial assets	Financial liabilities set-off		Financial instruments	Collateral received	Net amount
December 31, 2025						
Advances to related parties	**6,069,309,578**	**(212,493,889)**	**5,856,815,689**	**-**	**-**	**5,856,815,689**
December 31, 2024						
Advances to related parties	5,965,760,162	-	5,965,760,162	-	-	5,965,760,162

The following financial liabilities with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts recognized in the consolidated statement of financial position		Net amount presented in the consolidated statement of financial position	Related amounts not set-off in the consolidated statement of financial position		
(Amounts in PHP)	Financial liabilities	Financial assets set-off		Financial instruments	Collateral provided	Net amount
December 31, 2025						
Interest-bearing loans and borrowings	**450,000,000**	**-**	**450,000,000**	**(121,671,238)**	**-**	**328,328,762**
Advances from related parties	**6,634,324,999**	**(212,493,889)**	**6,421,831,110**	**-**	**-**	**6,421,831,110**
	7,084,324,999	**(212,493,889)**	**6,871,831,110**	**(121,671,238)**	**-**	**6,750,159,872**
December 31, 2024						
Interest-bearing loans and borrowings	650,000,000	-	650,000,000	(215,741,362)	-	434,258,638
Advances from related parties	6,394,850,556	-	6,394,850,556	-	(15,045)	6,394,835,511
	7,044,850,556	-	7,044,850,556	(215,741,362)	(15,045)	6,829,094,149

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between the Group and counterparties (i.e., related parties including subsidiaries and associates) allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

The Group has cash in a local bank to which it has an outstanding loan (see Note 14). In case of the Group's default on loan amortization, cash in bank amounting to P121.7 million and P215.7 million can be applied against its outstanding loans from the bank amounting to P450.0 million and P650.0 million as of December 31, 2025 and 2024, respectively.

31. FAIR VALUE MEASUREMENT AND DISCLOSURES

31.1 Fair Value Hierarchy

In accordance with PFRS 13*, Fair Value Measurement,* the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy is shown below.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

31.2 Financial Instruments Measured at Fair Value

As of December 31, 2025 and 2024, only the equity securities classified as financial assets at FVOCI in the consolidated statements of financial position is classified as Level 1. These securities were valued based on their market prices quoted in the PSE at the end of each reporting period (see Note 8). There were no other financial assets measured at fair value on these dates. Further, the Group has no financial liabilities measured at fair value as of December 31, 2025 and 2024. There were no transfers between Levels 1 and 2 in both years.

31.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

Management considers that due to the short duration of these financial assets (except long-term receivables) and financial liabilities (except long-term interest-bearing loans) measured at amortized cost, their carrying amounts as of December 31, 2025 and 2024 approximate their fair value. Except for cash and cash equivalents which are classified under Level 1, all other financial instruments are classified under Level 3 wherein inputs are not based on observable data.

The fair values of the financial assets and financial liabilities included in Level 3 which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

31.4 Fair Value Measurement of Non-Financial Assets

The table below shows the Levels within the hierarchy of investment properties for which fair value is disclosed as of December 31, 2025 and 2024.

(Amounts in PHP)	**Level 1**	**Level 2**	**Level 3**	**Total**
December 31, 2025				
Land	-	-	40,828,184	40,828,184
Buildings and office/commercial units	-	-	4,049,963,019	4,049,963,019
	-	**-**	**4,090,791,203**	**4,090,791,203**
December 31, 2024				
Land	-	-	40,828,184	40,828,184
Buildings and office/commercial units	-	-	4,110,981,492	4,110,981,492
	-	-	4,151,809,676	4,151,809,676

The fair value of the Group's investment properties earning rental income was determined through discounted cash flows valuation technique done by a professionally qualified independent appraiser for one of the properties, and by management for the rest of the other investment properties. The Group uses assumptions that are mainly based on market conditions existing at each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are based on current market rentals for similar properties in the same location and condition.

As at December 31, 2025 and 2024, the fair values of the Group's investment properties are classified within Level 3 of the fair value hierarchy. The Group determines the fair values using market-based approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property. On the other hand, if the observable recent prices of the reference properties were not adjusted, the fair value is included in Level 2. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value. Also, there were no transfers into or out of Level 3 fair value hierarchy in 2025 and 2024.

32. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital components for cost of capital purposes include loans and borrowings, preferred stock, common equity and retained earnings. The Group may issue new shares and may prepay some of its interest-bearing loans. Further, it intends to allocate its earnings and available cash in the acquisition and development of new/existing properties to ensure continuous business activities.

The Group monitors its capital gearing by measuring the ratio of interest-bearing loans and borrowings to total capital. As of December 31, the Group's ratio of interest-bearing loans and borrowings to equity is as follows:

(Amounts in PHP)	**2025**	2024
Interest-bearing loans and borrowings	**450,000,000**	650,000,000
Total equity	**32,033,451,155**	31,331,871,195
	0.01 : 1.00	0.02 : 1.00

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio for both years (see Note 14).

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

(Amounts in PHP)	**Interest-bearing Loans and Borrowings** (See Note 14)	**Advances from Related Parties** (See Note 25.1)	**Interest Payable** (See Note 15)	**Total**
Balance as of January 1, 2025	650,000,000	6,394,850,556	8,615,678	7,053,466,234
Cash flows from financing activities:				
Repayment of loans and borrowings	(200,000,000)	(74,457,713)	(46,016,125)	(320,473,838)
Additional advances from related parties	-	1,814,066	-	1,814,066
Non-cash financing activities:				
Offsetting	-	(212,493,889)	-	(212,493,889)
Accrual of interest	-	312,118,090	42,461,447	354,579,537
Balance as of December 31, 2025	**450,000,000**	**6,421,831,110**	**5,061,000**	**6,876,892,110**
Balance as of January 1, 2024	850,000,000	6,061,736,667	11,939,667	6,923,676,334
Cash flows from financing activity –				
Repayment of loans and borrowings	(200,000,000)	(72,427,181)	(69,072,625)	(341,499,806)
Non-cash financing activity –				
Accrual of interest	-	405,541,070	65,748,636	471,289,706
Balance as of December 31, 2024	650,000,000	6,394,850,556	8,615,678	7,053,466,234
Balance as of January 1, 2023	1,000,000,000	5,764,677,182	10,948,000	6,775,625,182
Cash flows from financing activities:				
Repayment of loans and borrowings	(150,000,000)	(73,278,886)	(79,388,750)	(302,667,636)
Additional advances from related parties	-	5,759	-	5,759
Non-cash financing activity –				
Accrual of interest	-	370,332,612	80,380,417	450,713,029
Balance as of December 31, 2023	850,000,000	6,061,736,667	11,939,667	6,923,676,334

34. SUPPLEMENTAL INFORMATION ON NON-CASH INVESTING ACTIVITIES

In 2025, the Group sold certain investment property with a carrying amount of P4.3 million. The Group recognized a gain of P68.0 million, which was presented as part of Gain on asset disposal under Other Income in the 2025 consolidated statement of comprehensive income. The P72.2 million proceeds from the sale is still receivable as of December 31, 2025 and is presented as part of Others under Trade and Other Receivables in the 2025 consolidated statement of financial position (see Notes 6 and 13). There were no similar transactions in 2024 and 2023.

In 2023, additional right-of-use assets amounting to P42.7 million was recognized (see Note 11). No lease liabilities were recognized since the Group has been granted with lease credits amounting to P106.1 million, which was presented as part of Other Income in the 2023 consolidated statement of comprehensive income (see Notes 21 and 25). The outstanding balance of lease credits amounting to P63.4 million is presented as part of Prepayments and Other Current Assets in the 2023 consolidated statement of financial position.

GRI Content Index

Statement of use	**Empire East Land Holdings Inc.** has reported in accordance with the GRI Standards for the period **January 1, 2025** to **December 31, 2025.**
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	5, 12-17				
	2-2 Entities included in the organization's sustainability reporting	5				
	2-3 Reporting period, frequency and contact point	5				
	2-4 Restatements of information	Located throughout the report				
	2-5 External assurance	External assurance not conducted in 2025 ASR				
	2-6 Activities, value chain and other business relationships	12-17				
	2-7 Employees	70				
	2-8 Workers who are not employees	72				
	2-9 Governance structure and composition	See Organizational Chart on Empire East Land Holdings Inc Website				
	2-10 Nomination and selection of the highest governance body	See Board Committees on Empire East Land Holdings Inc Website				
	2-11 Chair of the highest governance body	29				
	2-12 Role of the highest governance body in overseeing the management of impacts	29				
	2-13 Delegation of responsibility for managing impacts	26				
	2-14 Role of the highest governance body in sustainability reporting	29				

A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
	2-15 Conflicts of interest	123				
	2-16 Communication of critical concerns	123				
	2-17 Collective knowledge of the highest governance body	27				
	2-18 Evaluation of the performance of the highest governance body	120-122				
	2-19 Remuneration policies	All departments are mandated to prepare a Manpower Plan, which undergoes annual review, revision, and approval as an integral part of the Budget Preparation Process. This plan adheres to the Salary Structure, which outlines salary grades and levels per rank, prepared by the HR & Finance Department. The Manpower Plan is submitted to the Human Resource Department at the outset of the Budgeting Process each year, detailing the projected salaries of employees for the upcoming year. Performance-based pay and other bonuses are contingent upon Management approval.				
	2-20 Process to determine remuneration	67-68				
	2-21 Annual total compensation ratio	None	2-21 a, b, c	Confidentiality constraints	No disclosure due to Data Privacy	
	2-22 Statement on sustainable development strategy	6-8, 44				
	2-23 Policy commitments	123				
	2-24 Embedding policy commitments	120-122				
	2-25 Processes to remediate negative impacts	56-63				
	2-26 Mechanisms for seeking advice and raising concerns	56-63				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
	2-27 Compliance with laws and regulations	126-127				
	2-28 Membership associations	None	2-28 a	Information unavailable/ incomplete	Challenges in consolidating data	
	2-29 Approach to stakeholder engagement	50-51				
	2-30 Collective bargaining agreements	None	2-30 a, b	Not applicable	The Company is not unionized	
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	52	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available*			
	3-2 List of material topics	53				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss		101-1 a, b, c			
	101-2 Management of biodiversity impacts		101-2 a, b, c, d, e, f			
	101-3 Access and benefit-sharing		101-3 a, b			
	101-4 Identification of biodiversity impacts		101-4 a			
	101-5 Locations with biodiversity impacts		101-5 a, b, c, d			
	101-6 Direct drivers of biodiversity loss		101-6 a, b, c, d, e, f			
	101-7 Changes to the state of biodiversity		101-7 a, b			
	101-8 Ecosystem services		101-8 a, b			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	304-1 a	Not applicable	Not a material topic	
	304-2 Significant impacts of activities, products and services on biodiversity		304-2 a, b			
	304-3 Habitats protected or restored		304-3 a, b, c, d			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		304-4 a			
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	117				
	201-2 Financial implications and other risks and opportunities due to climate change	118-119				
	201-3 Defined benefit plan obligations and other retirement plans	117-118				
	201-4 Financial assistance received from government	None	201-4 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	115				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	None	202-1 a, b, c, d	Information unavailable/ incomplete	Challenges in consolidating data	
	202-2 Proportion of senior management hired from the local community	None	202-2 a, b, c, d	Information unavailable/ incomplete	Challenges in consolidating data	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	89				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	89				
	203-2 Significant indirect economic impacts	89				
Procurement practice						
GRI 3: Material Topics 2021	3-3 Management of material topics	126				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	126				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	124				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	124				
	205-2 Communication and training about anti-corruption policies and procedures	125				
	205-3 Confirmed incidents of corruption and actions taken	125				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	123				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	123				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 207: Tax 2019	207-1 Approach to tax		207-1 a			
	207-2 Tax governance, control, and risk management		207-2 a, b, c			
	207-3 Stakeholder engagement and management of concerns related to tax		207-3 a			
	207-4 Country-by-country reporting		207-4 a, b, c			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	106				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	107				
	301-2 Recycled input materials used	107				
	301-3 Reclaimed products and their packaging materials	None	301-3 a, b	Information unavailable/ incomplete	Challenges in consolidating data	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	104				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	104				
	302-2 Energy consumption outside of the organization	105				
	302-3 Energy intensity	106				
	302-4 Reduction of energy consumption	106				
	302-5 Reductions in energy requirements of products and services	None	302-5 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	106				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	106				
	303-2 Management of water discharge-related impacts	107				
	303-3 Water withdrawal	107				
	303-4 Water discharge	107				
	303-5 Water consumption	107				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	100				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	98				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	305-2 Energy indirect (Scope 2) GHG emissions	98				
	305-3 Other indirect (Scope 3) GHG emissions	98				
	305-4 GHG emissions intensity	98				
	305-5 Reduction of GHG emissions	99				
	305-6 Emissions of ozone-depleting substances (ODS)	EELHI does not produce, import, and/or export ODS.				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None	305-7 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
Spills						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 306: Effluents and Waste 2016	306-3 Significant spills		306-3 a, b, c			
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	102				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	102				
	306-2 Management of significant waste-related impacts	102				
	306-3 Waste generated	103				
	306-4 Waste diverted from disposal	103				
	306-5 Waste directed to disposal	103				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	126-127				
GRI 401: Employment 2016	308-1 New suppliers that were screened using environmental criteria	None	308-1 a	Information unavailable/ incomplete	Challenges in consolidating data	
	308-2 Negative environmental impacts in the supply chain and actions taken		308-2 a, b, c, d, e	Information unavailable/ incomplete	Challenges in consolidating data	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	67				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	71-72				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	73-74				
	401-3 Parental leave	74-75				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	78				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	4 weeks				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	85-86				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	85-86				
	403-2 Hazard identification, risk assessment, and incident investigation					
	403-3 Occupational health services					
	403-4 Worker participation, consultation, and communication on occupational health and safety					
	403-5 Worker training on occupational health and safety					
	403-6 Promotion of worker health					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships					
	403-8 Workers covered by an occupational health and safety management system					
	403-9 Work-related injuries	87				
	403-10 Work-related ill health	87				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	86				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	86				
	404-2 Programs for upgrading employee skills and transition assistance programs	87				
	404-3 Percentage of employees receiving regular performance and career development reviews	88				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	67-68				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	69				
	405-2 Ratio of basic salary and remuneration of women to men	None	405-2 a, b	Confidentiality constraints	Confidential information.	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		406-1 a, b	Not applicable	Not a material topic	
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		407-1 a, b	Not applicable	Not a material topic	
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	79				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	79				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	79				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	79				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	79				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	79				
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	None	411-1 a, b	Not applicable	Not a material topic	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	89-90				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	100% of significant product and service categories were assessed for health and safety impacts and improvement				
	413-2 Operations with significant actual and potential negative impacts on local communities	89-90				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	126-127				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	127				
	414-2 Negative social impacts in the supply chain and actions taken	127				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 415: Public Policy 2016	415-1 Political contributions	None	415- a, b	Not applicable	Not a material topic	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	91				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	91-92				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	92				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	100% of significant product or service categories were assessed for compliance				
	417-2 Incidents of non-compliance concerning product and service information and labeling	93				
	417-3 Incidents of non-compliance concerning marketing communications	93				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	93				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	93				

Empire East