ALLIANCE GLOBAL

Leading the Future of Premium Lifestyles

2025 Annual and Sustainability Report



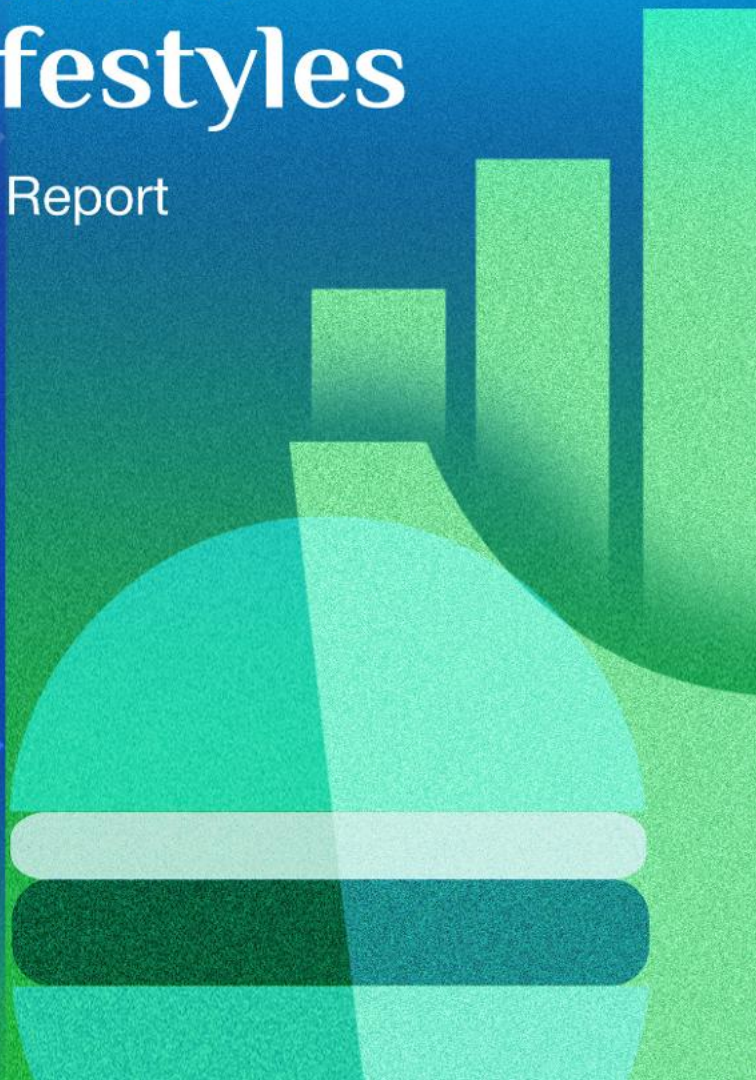


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About the Report

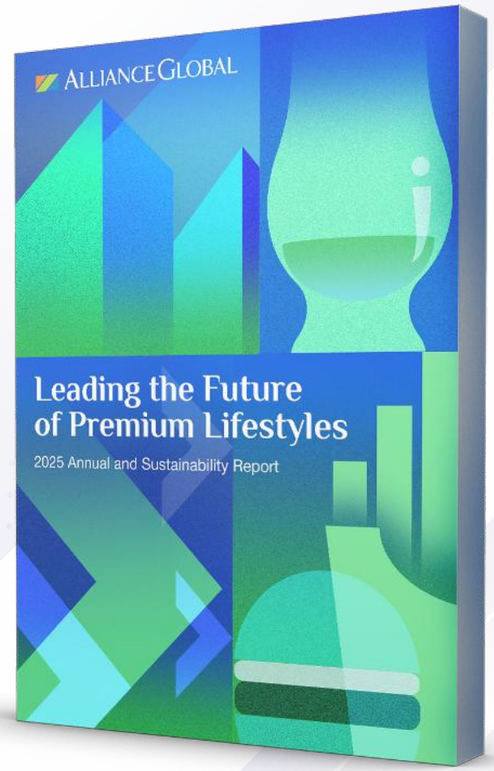
ABOUT THE COVER AND THEME

The cover design for the 2025 Annual and Sustainability Report of Alliance Global Group, Inc. (AGI) revolves around the theme of "Leading the Future of Premium Lifestyles."

It highlights how the Group raises standards in real estate, spirits, hospitality, leisure, and food service through innovation, sustainability, and ingenuity, presenting AGI as a forward-moving conglomerate that shapes the future of the Filipino lifestyle.

The cover employs a modern, contemporary, and sophisticated aesthetic that depicts depth and stability. Vibrant shades of green and blue impart a dynamic and professional look. The four-panel grid symbolizes AGI's multi-faceted approach to sustainability as seen through its subsidiaries, represented by distinct abstract shapes: facades for Megaworld Corporation, a whiskey glass for Emperador, Inc., arrows for Travellers International Hotel Group, Inc., and a meal for Golden Arches Development Corporation.

The overall design harmonizes corporate professionalism with abstract concepts of positive progress, making it an engaging and meaningful introduction to the report.



ABOUT THIS REPORT

2-1, 2-2, 2-3, 2-14

Alliance Global Group, Inc. (AGI) is a publicly listed holding company incorporated in the Philippines that brings together a portfolio of market-leading subsidiaries across real estate, hospitality, spirits manufacturing, and food service. The Group's operations are anchored in the Philippines, with a growing international footprint extending across the United Kingdom, Spain, and Mexico, a presence that speaks to AGI's ambition and its ability to compete on a global stage.

REPORTING SCOPE AND BOUNDARY

The AGI Annual Sustainability Report 2025 provides a comprehensive account of the Group's environmental, social, and governance (ESG) practices from January 1 to December 31, 2025. Published in 2026, this annual report offers stakeholders a timely and transparent view of how sustainability is embedded across the Group's strategy, operations, and governance.

The scope of this report covers AGI and the following subsidiaries, each integral to the Group's overall ESG performance and disclosure:

Megaworld Corporation (MEG) | Philippines
Emperador Inc. (EMI) | Philippines • United Kingdom • Spain • Mexico
Travellers International Hotel Group, Inc. (TIHGI) | Philippines

In 2025, Golden Arches Development Corporation (GADC) was deconsolidated following the renewal of its 20-year franchise agreement with McDonald's Corporation, which introduced restrictive provisions affecting AGI's control. As a result, despite retaining a 49% ownership interest, AGI reclassified GADC from a subsidiary to an associate and has excluded its operational data from consolidation moving forward. The reporting boundary reflects operational control, ensuring disclosures are meaningful, verifiable, and connected to AGI's management decisions.

The Board has general oversight over the sustainability-related risks and opportunities of the company. On May 15, 2026, the Board of Directors reviewed and approved the release of the company's Sustainability Report. This review underscores AGI's dedication to transparency, accountability, and sustainable business practices, reaffirming its commitment to stakeholders and the broader community.

REPORTING FRAMEWORKS AND STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards and is aligned with the SEC Sustainability Reporting Guidelines for Publicly Listed Companies in the Philippines. These frameworks were chosen for their international credibility, their alignment with investor expectations, and their ability to ensure that AGI's disclosures remain consistent, comparable, and decision-useful across reporting periods.

Where applicable, disclosures are harmonized with AGI's consolidated financial reporting period, reinforcing the principle that sustainability performance is not a separate consideration. It is integral to the Group's ability to create and sustain long-term value.

AGI acknowledges that certain disclosures may vary across subsidiaries, reflecting legitimate differences in business models, regulatory environments, and the material sustainability topics most relevant to each entity.

In this report, the term "Company" refers to AGI, while the term "Group" refers to AGI and its subsidiaries collectively.

For feedback or queries regarding the content of this report, stakeholders may contact:

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Message from Leadership

2-22

CHAIRMAN'S MESSAGE

Dear Stakeholders,

Our perspective in 2025 was fully defined by the journey of continuing to build Alliance Global Group, Inc. into the country's premium lifestyle conglomerate and shaping it into what the future asks of us.

This year reminds us that growth is rarely a straight line. The global economy presented its share of headwinds, consumer behaviors continued to evolve, and the Philippine market navigated its own complexities. Yet through it all, the Group holds firm to what matters most: the discipline, governance, and shared purpose that have always defined how we build.

Across real estate, spirits, hospitality, leisure, and food service, our work has always been guided by a singular conviction: that premium experiences, delivered with Filipino character and global craft, can lift industries and communities at the same time. This is what it means to lead the future of premium lifestyles, and it is this standard that the Group continues to set, year after year, for ourselves and for the markets we serve.

We continue to redefine premium living in the Philippines through flagship developments such as Embassy Hills in New Manila, our entry into the ultra-high-end residential segment. More than a community, it is a symbol of how AGI evolves with the times-creating spaces that nurture well-being, embrace sustainability, and elevate Filipino lifestyles to global standards while remaining authentically Filipino.

Our tourism and hospitality ecosystem also grows stronger. The launch of the Mactan Expo at The Mactan Newtown enhances our offerings for Meetings, Incentives, Conferences, and Exhibitions (MICE), while preparations advance for luxury properties such as Narra Palm Hotel at Newport World Resorts, which is set to showcase the best of Filipino hospitality to the world. These initiatives reinforce our long-term vision of positioning the Philippines as a premier destination for lifestyle and tourism.

Beyond our shores, Emperador Inc. advances its growth strategy through deliberate investment in capacity, craft, and global reach. The expansion of The Dalmore Distillery and the entry into Mexico's premium mezcal market broaden our footprint, while new releases such as the Dalmore Cask Curation Series Red Wine Cask Edition and the Dalmore Luminary No. 3 2025 Edition affirm the artistry and prestige that distinguish our portfolio at the highest end of the market. These efforts strengthen our global presence in premium spirits, ensuring that our brands remain competitive, future-ready, and emblematic of the craftsmanship the world has come to expect from us.

Our commitments to the future are clear. By 2035, we have set our sights on achieving carbon neutrality and generating at least five million direct and indirect jobs across the country. Across the Group, we continue to advance programs that support lower emissions, greater resource efficiency, and wider economic participation. Consistency over time matters more than singular progress in any year, and on that measure, AGI is moving in the right direction.

Looking ahead, we envision a Group that is well-positioned for what comes next. Our subsidiaries continue to invest where it matters most: in homegrown brands ready for the world stage, in destinations that celebrate the best of the Philippines, in offerings that bring premium living within reach of more Filipinos than ever before, and in bespoke products that can compete in the international market. The opportunities ahead are real, and the Board is confident that AGI is prepared to meet them with the same care and ambition that have brought us this far.

AGI moves forward with purpose. We aim to balance ambition with responsibility, resilience with agility, and progress with sustainability. We remain committed to shaping communities and experiences that uplift lives, protect the environment, and earn global respect.

To our shareholders, partners, employees, and the communities who walk this journey with us, thank you. Your trust is the foundation of everything we build. Together, we are Leading the Future of Premium Lifestyles, building a future that is bolder, more sustainable, and distinctly Filipino.

Dr. Andrew L. Tan
Chairman



PRESIDENT & CEO'S MESSAGE

Dear Stakeholders,

Alliance Global Group, Inc. (AGI) reflects on 2025 with a clear sense of progress, purpose, and momentum. This is a year of disciplined execution across every business in the Group, strategic investments that strengthen our foundation, and operational gains that position AGI for what comes next.

Leading with Discipline

AGI reported consolidated revenues of Php 189.6 billion, with Group EBITDA reaching Php 59.3 billion and pre-minority profit advancing 10% to Php 30.6 billion. Margins expanded across the board, bringing attributable profit 19% higher to post a new record level of Php 20.7 billion. Behind these numbers is a Group that has grown more efficient, more focused, and more deliberate in how capital is deployed.



Our confidence in the long term is also reflected in how we invest, with capital expenditure for 2025 reaching Php 81 billion. Through our share buyback program, now 92% utilized, and the listing of AGI warrants in December, we continue to deepen value for shareholders even as macro conditions remain challenging.

Leading with Boldness

Megaworld delivered the strongest year among our subsidiaries, growing revenues 5% to Php 85.9 billion on the back of double-digit growth in office rentals, robust expansion across malls and hotels, and steady residential demand. Attributable profit rose 12% to Php 21.0 billion, supported by improved margins and continued growth in recurring segments.

The year also marked the meaningful expansion of Megaworld's footprint. The company launched its 36th township, Nascala Coast in Nasugbu, Batangas, bringing its total township development to 5,670 hectares, anchoring AGI's position as the country's largest integrated lifestyle developer. Reservation sales during the year reached Php 116.5 billion, with projects outside of Metro Manila contributing 42% of total.

This momentum was matched by external recognition. Milestone alliances with Accor, JLL, and Gordon Ramsay deepened Megaworld's premium hospitality and lifestyle ecosystem, while Iloilo Business Park was named Iloilo City's Center of Arts and Culture. The company was also named one of Time Magazine's Best Companies in Asia-Pacific and earned its first-ever Great Place to Work Certification with a 98% employee approval rating, the highest among major Philippine real estate companies.

Sustainability progress was equally tangible. Megaworld continued to build on its initial Scope 1 and 2 carbon neutrality claim in 2023 by expanding its scope to cover all commercial assets in 2025. Decarbonization achievements are supported by 79% emissions avoidance from renewable energy and carbon sequestration through Project Tree Point Five Million Trees, the Group's reforestation initiative now collectively targeting more than 1,500 hectares.

Leading with Vision

Travellers International had a year of solid operational gains, with net revenue growing by 2% to Php 31.9 billion, EBITDA improving by 7% to Php 9.0 billion, and attributable profit rising by 21% to Php 1.5 billion, outperforming integrated resort peers. Mass gaming revenue grew 12%, hotel occupancy held strong at 90%, and average daily visitors at Newport World Resorts climbed to 45,000, highlighting a destination that continues to build mass-market depth even as global gaming dynamics shift.

The year was strategically defined by progress on the Westside Resorts Manila Project, envisioned as the Broadway of Asia, which will add 500 hotel rooms, 282 gaming tables, and 2,000 electronic gaming machines upon completion. The ongoing development of the Narra Palm Resort and Villas, our homegrown Filipino luxury hospitality brand, is also intended to extend our portfolio into a distinctive premium tier that places Filipino craft on the world stage.

Operationally, Travellers advanced sustainability and systems in equal measure. The full transition to renewable energy in the first quarter of 2025, alongside solar installations across Newport World Resorts facilities, the successful completion of the EarthCheck audit, and full Extended Producer Responsibility compliance, defined a year of substantial environmental progress.

Travellers continued to strengthen its people and leadership culture, with the ONE NWR Leadership Summit receiving a Gold Stevie Award at the 2025 Asia-Pacific Stevie Awards in recognition of the company's commitment to leadership development.

Leading with Excellence

Emperador Inc. moved through a year of strategic transition. Revenues reached Php 57.0 billion against softer global spirits demand, particularly in whisky, while the brandy segment showed clear resilience, with gross margins expanding from 21% to 24% and gross profit growing 10% on the back of recent product introductions that gained strong market traction.

Even amid near-term headwinds, Emperador continued to invest behind the long view. The expansion of Invergordon Distillery, which will double the site to 92 hectares and add aging capacity for 1.5 million casks, strengthens our long-term capability in premium single malt whisky. With six vineyards in Spain, five distilleries in Scotland, and a presence in more than 100 countries, Emperador remains well-positioned across both established and emerging premium spirits markets.

Leading the Future of Premium Lifestyles

Across the Group, sustainability is part of how we operate. Sixty-six buildings now run on renewable energy through our combined Retail Competition and Open Access, Green Energy Option Program, and rooftop solar initiatives, supported by a 100 MW renewable energy commitment by 2027. Our social impact is equally tangible as AGI sustains 16,699 direct employees and supports an estimated 535,000 indirect jobs across our value chain, contributing meaningfully to economic participation across the regions where we operate.

Our long-term strategy remains clear and consistent. We will continue to strengthen our core businesses, expand our hospitality and tourism ecosystem, scale our premium spirits portfolio, and accelerate our sustainability commitments, supported by a 2026 capital expenditure budget of Php 62 billion that will fund the next phase of growth.

In the year ahead, Megaworld will pursue bespoke project launches in high-opportunity markets, Travellers will reinforce its presence in the leisure and tourism segment with the expansion of its integrated resort operations, and Emperador will continue its brandy repositioning strategy alongside premium spirits expansion under The Dalmore brand. By 2035, we aim to achieve carbon neutrality and to generate at least five million direct and indirect jobs, two ambitious goals that will guide capital allocation, operational priorities, and partnerships in the years ahead.

To our employees, partners, regulators, and communities, thank you. Your trust gives our work its purpose, and your collaboration sharpens everything we build.

AGI's 2025 progress, anchored by disciplined execution and bold long-term commitments, solidifies our role in shaping the future of premium lifestyles, while advancing environmental stewardship, economic inclusion, and Filipino excellence on the global stage.

Kevin Andrew L. Tan
President & CEO

About AGI and Its Subsidiaries

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A PREMIUM LIFESTYLE CONGLOMERATE

Alliance Global Group, Inc. (AGI) is one of the Philippines' leading conglomerates, recognized for its broad and diverse business portfolio.

AGI was incorporated on October 12, 1993, and commenced commercial operations in 1994 as a glass container manufacturer. Following its listing on the Philippine Stock Exchange (PSE) in 1999, the Securities and Exchange Commission (SEC) approved the expansion of AGI's primary purpose, allowing it to operate as a holding company.

Today, AGI focuses its diversified investments mainly on the real estate and consumer sectors. Through its subsidiaries, the Group operates across property development, food and beverage manufacturing and distribution, quick service restaurants, tourism development, and infrastructure projects.

Driven by innovation and commitment to excellence, AGI continually aims to set new industry benchmarks while delivering high-quality products and services to an expanding global market.

OUR MISSION AND VISION

2-23

We are priming ourselves for international competitiveness in the new century by consistently delivering products and services that meet the quality standards of markets both here and abroad. Through continuing research and innovation, we will enhance the company's ability to gain customer satisfaction and goodwill and build on our market franchise.

As a world-class Filipino conglomerate, we will be an active partner in national economic development through the pursuit of excellence in our core businesses and investment in industries that offer more room for profitability and growth. As a matter of policy, we will always adapt to the dynamics of the market. Through export development and competitive pricing, we will enhance our competitiveness in an ever-expanding marketplace.

We will constantly strive to enhance shareholder value by making our products and services desirable, accessible, and affordable to the target consumers in the Philippines and abroad. Through a continuing rewards program, our stockholders will be entitled to an immediate share in the company's gains in the form of stock or cash dividends.



COMPANY OVERVIEW AND HISTORY

2-1, 2-2, 2-6

1981

Incorporation of Golden Arches Development Corp.

1989

Incorporation of Megaworld Corporation

1990

Launch of Emperador Brandy, our first brandy label

1993

Incorporation of Alliance Global Group, Inc.

1994

AGI began operations as a glass container manufacturer after acquiring a glass manufacturing plant in Canlubang, Laguna

Megaworld was publicly listed in the PSE

1999

AGI broadened its primary business and became a holding company

AGI was publicly listed in the PSE

Eastwood City became the first PEZA-Accredited cyber park in the Philippines

2001

Incorporation of Emperador Inc.

2003

Incorporation of Travellers International Hotel Group, Inc.

2005

AGI acquisition of a 49% stake in Golden Arches

2007

AGI acquisition of 100% of Emperador Inc.

2009

Launch of Resorts World Manila, now known as Newport World Resorts

2011

AGI acquisition of Global-Estate Resorts, Inc. (GERI)

Emperador was publicly listed in the PSE

2013

Travellers International was publicly listed in the PSE

2014

Emperador acquisition of the Whyte and Mackay Group (WMG)

Megaworld acquisition of GERI

2016

Emperador acquisition of Bodegas Fundador (BF)

2017

Incorporation of Infracorp Development Inc.

2019

Launch of SustainAGIlity, AGI's sustainability framework

2020

Incorporation of MREIT, Inc. (MREIT), the real estate investment trust arm of Megaworld

2021

MREIT was publicly listed in the PSE

2022

Emperador secondary listing in the Singapore Exchange

2025

Emperador acquires Mexico's luxury mezcal brand, Los Danzantes

2025 AT A GLANCE

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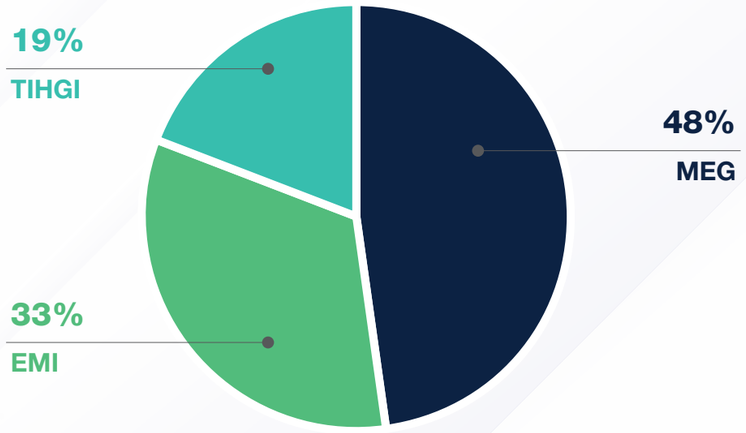
FINANCIAL AND OPERATIONAL HIGHLIGHTS

AGI Revenue, EBITDA, and Attributable Income

(in Php Billion)

189.6	59.3	20.7
Revenue	EBITDA	Net Income

Revenue Share per Key Subsidiary



EMPERADOR

6	5	25	>100
Vineyard estates in Spain	Distilleries in Scotland	Domestic sales offices	Countries under global distribution system

MEGAWORLD

36	4,436	1,520	517	6,943
Township and integrated lifestyle communities	Landbank (has)	Office GLA ('000 sqm)	Lifestyle malls GLA ('000 sqm)	Hotel room keys

TRAVELLERS

5	2,241	90	473	2,471
International hotel brands	Hotel room keys	Hotel occupancy (%)	VIP and mass gaming tables	Slots



SUSTAINABILITY HIGHLIGHTS

PEOPLE

ECONOMIC AND WORKFORCE IMPACT

16,699
Direct jobs created (excluding GADC)

535,000
Indirect jobs created

46%
Women in workforce

0.17
Attrition rate

LEARNING AND SAFETY

13.48
Average training hours per employee

288
Safety drills conducted

COMMUNITY INVESTMENT

PHP 74 M
Invested in communities

1000
Scholars supported annually (Walk Into the Future)

107
Scholars employed through Pathways to Success

32,834
Beneficiaries reached on food redistribution and community kitchens

300+
Families reached through fire and disaster response

243
Students served on Eye Care Mission

465
Cumulative blood donations (Bleed for LOVE)

14.37%
Livelihood program sales increase (Hands in Harmony)

PROSPERITY

ECONOMIC PERFORMANCE AND GOVERNANCE

PHP 189.6 B
Revenue generated

PHP 9.4 B
Taxes paid

PHP 17.9 B
Employee wages and benefits

100%
Anti-corruption training coverage

99%
Customer satisfaction score

ESG DATA MANAGEMENT PLATFORM

PLANET

ENERGY AND EMISSIONS

4,775,512
Total energy consumption (GJ)

782,293
Scope 1, 2, 3 emissions (tCO_2e)

41
Green building certifications (LEED, IMMUNE, Good Travel Scan)

162
Buildings transitioned to renewable energy suppliers (RCOA, GEOP, RAP)

100% FOR MEG COMMERCIAL ASSETS
Carbon neutrality for Scopes 1 & 2

4TH CONSECUTIVE YEAR
EarthCheck Silver Certification (NWR)

EFFICIENCY AND CIRCULARITY

120
Clean energy PPA capacity (MW)

100%
Compliance with EPR law

30,565
Total recycled materials (MT)

NATURE AND WATER

372,313
Cumulative native/ endemic trees planted (MEG)

68
Number of IUCN Red List species protected

16,500
New trees and seedlings planted (MEG and NWR LOVE Tanim)

PORTFOLIO AND BUSINESS REVIEW

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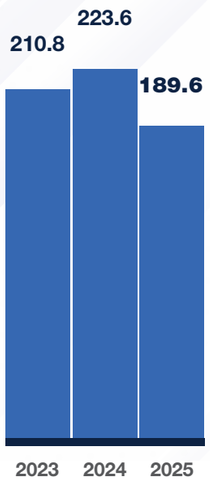
AGI is a diversified holding company with established interests across food and beverage, real estate, and tourism-entertainment and gaming. Through its subsidiaries and associates, the Group develops and delivers products and services attuned to the evolving needs, demands, and aspirations of its target markets, with particular focus on the expanding middle-income sector, which the Group is well positioned to serve as consumer demand continues to grow.

AGI posted revenues of Php 189.6 billion and attributable profit of Php 20.7 billion in 2025. EBITDA came in at Php 59.3 billion with a margin of 31.0%, reflecting the Group's continued focus on cost efficiencies across its portfolio. Performance was buoyed by higher contributions from real estate and tourism-related segments, with MEG as the Group's largest revenue contributor.

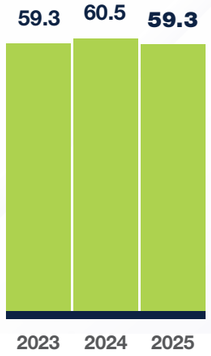
The Group's financial performance reflects a business that has grown consistently and with purpose.

Financial Highlights *(in Php Billion)*

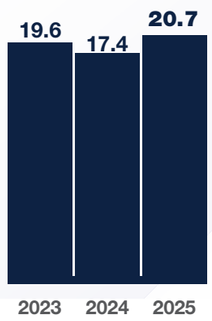
REVENUE



EBITDA



ATTRIBUTABLE INCOME

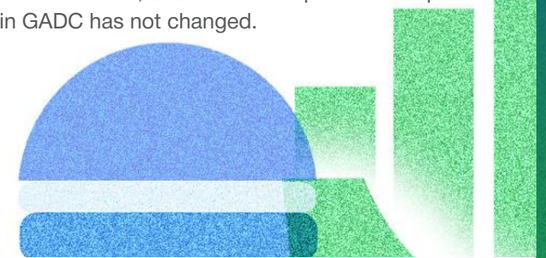


QUICK SERVICE RESTAURANT

Golden Arches Development Corporation

GADC holds the master franchise of McDonald's in the Philippines, and operates one of the country's most widely recognized and trusted quick-service restaurant networks. GADC delivers consistent, accessible dining experiences to millions of Filipinos across its nationwide store footprint, anchored on the global McDonald's brand and adapted to local consumer preferences.

GADC is now considered a Group associate following its deconsolidation and cessation as a business segment on March 17, 2025. The Group's ownership interest in GADC has not changed.



REAL ESTATE

Megaworld Corporation

MEG is the Philippines' leading real estate developer and the pioneer of the Live, Work, Play, Learn township concept, building integrated, mixed-use communities that bring together high-quality residences, office spaces, commercial establishments, and educational and leisure facilities under one cohesive environment. To date, MEG has launched over 800 residential developments, more than 1.5 million square meters of gross leasable office space, over 500,000 square meters of mall retail space, and more than 5,000 hotel room keys across 14 homegrown hotels, all anchored across 36 townships nationwide. MEG's strategy is deliberate: lease all commercial and retail properties, sell all residential units.

MEG grew revenues by 5% to Php 85.9 billion and attributable profit by 12% to Php 21.0 billion in 2025. All four segments contributed to this growth. The residential business, at Php 51.8 billion, was supported by sustained demand, increased construction activity across various developments, and better margins.

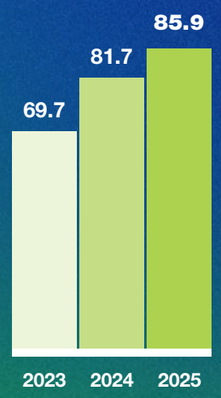
The recurring income business continued to build. Office rentals grew 11% to Php 14.9 billion on improved occupancy, a high renewal rate, and sustained leasing demand. Mall revenues rose 9% to Php 6.9 billion on higher tenant occupancy and improved retail activity. Hotel revenues grew 9% to Php 5.6 billion, driven by expanded room keys, higher average daily rates, and new hospitality partnerships with Accor Group, JLL, and Gordon Ramsay. The Accor partnership marked a significant step in elevating MEG's hospitality offering.

MEG's township footprint now spans 36 townships across 5,670 hectares nationwide. Reservation sales reached Php 116.5 billion against a Php 120 billion target, and capital spending came in at Php 48.7 billion against a Php 50 billion budget. Iloilo Business Park was recognized as Iloilo City's Center of Arts and Culture, affirming MEG's contribution to community development.

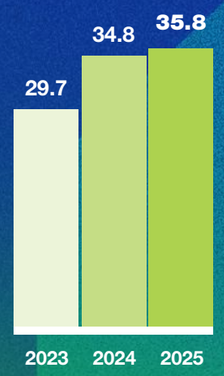
For 2026, MEG is targeting Php 125 billion in reservation sales, Php 50 billion in project launches, and a Php 55 billion capex budget.

Financial Highlights *(in Php Billion)*

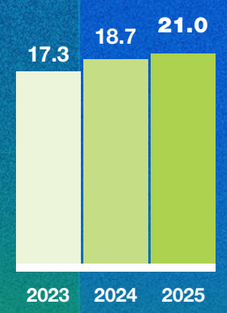
REVENUE



EBITDA



ATTRIBUTABLE INCOME



SPIRITS

Emperador Inc.

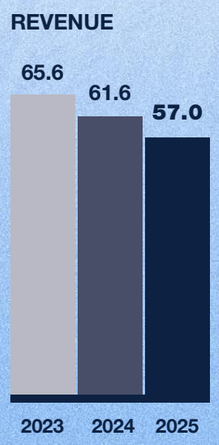
EMI is one of the largest liquor companies in the Philippines, as well as the largest brandy producer and sixth largest Scotch whisky producer in the world. Its portfolio spans multiple price segments, from accessible to luxury, with an international reach across over 100 countries, over 6 continents, and in 400 airport retail stores worldwide. EMI's brandy and Scotch whisky portfolios feature some of the oldest and most recognized names in the spirits industry, including brands with centuries-old legacies rooted in Spain, Scotland, and Mexico.

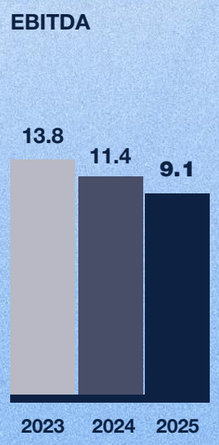
EMI's identity was built on Emperador Brandy, which has grown through a disciplined series of offshore acquisitions into a global player with heritage brands across brandy and Scotch whisky. Today, EMI operates two core business segments: Brandy and Scotch Whisky.

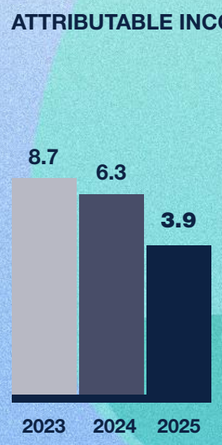
Global spirits demand was challenging in 2025. Revenues declined 7% to Php 57.0 billion, with Scotch whisky falling 16% to Php 21.3 billion and weighing down most margin metrics. Brandy held up comparatively better, declining just 2% to Php 35.8 billion. Importantly, brandy gross profit margin improved to 24% from 21%, supported by new product introductions, which gained good market traction.

The year was also marked by meaningful progress on the investment side. EMI advanced initiatives to strengthen operational capacity and broaden its product portfolio. The Dalmore distillery expansion in Scotland was completed, and mezcal producer Los Danzantes was added to the portfolio. The warehousing complex in Invergordon Distillery is also being expanded to 92 hectares, with additional warehouses planned to house up to 1.5 million more casks. These moves reflect EMI's continued effort to position itself for a larger global footprint in the years ahead.

Financial Highlights *(in Php Billion)*







INTEGRATED TOURISM

Travellers International Hotel Group, Inc.

TIHGI owns and operates Newport World Resorts (NWR), the Philippines' first integrated tourism resort. NWR combines hospitality, entertainment, leisure, retail, and gaming into a single, seamlessly-connected destination, offering world-class shows, exclusive events, and a wide range of lifestyle attractions for both local and international visitors.

NWR's gaming facilities span 63,251 square meters across the Garden Wing, the Grand Wing, and Holiday Inn Express Manila Newport City, and host 473 casino tables and 2,471 slots/electronic gaming machines. The destination is further complemented by Newport Mall with 84 retail and food and beverage outlets, Newport Cinemas, the 1,710-seat Newport Performing Arts Theater, the Marriott Grand Ballroom, a world-class MICE venue with a 3,000-square-meter pillarless ballroom and 20 individual meeting rooms, and the Horizon Center commercial and office building.

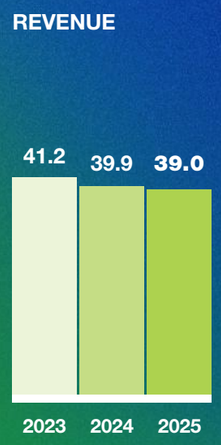
TIHGI currently operates five hotels within and adjacent to NWR: the five-star Marriott Hotel Manila (570 rooms), Hilton Manila (357 rooms), Sheraton Manila Hotel (386 rooms), Hotel Okura Manila (190 rooms), and the mid-range Holiday Inn Express Manila Newport City (737 rooms).

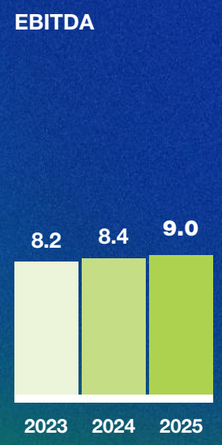
In 2025, TIHGI reported total net revenues of Php 31.9 billion, reflecting a 2% year-on-year improvement, helped by strategic promotional spending which cushioned the 2% decline in gross revenues. While the topline was slightly lower, EBITDA grew 7% to Php 9.0 billion and attributable profit rose 21% to Php 1.5 billion, supported by ongoing cost management efforts.

The mass gaming segment was the key growth driver, with gaming revenue rising 12% to Php 19.4 billion, while VIP gaming revenue declined 18% to Php 12.0 billion. Non-gaming revenue also weakened by 4% to Php 7.6 billion, weighed by lower food and beverage sales. However, hotel occupancy held at 90%, and average daily visitors grew to 45,000 from 43,000 in the prior year.

TIHGI is advancing two major developments. Westside Resorts Manila in Parañaque City will feature 500 hotel rooms, 282 gaming tables, and 2,000 electronic gaming machines. The Narra Palm Hotel and Villa, a luxury boutique property within NWR with 157 suites and villas and 5 private gaming lounges, is set for launch in 2026. Together with MEG's hotel portfolio, AGI is targeting 12,000 hotel room keys by 2029.

Financial Highlights *(in Php Billion)*







GLOBAL PRESENCE AND LOCAL REACH

2-6

AGI maintains a strong domestic and global presence, with headquarters strategically located within Eastwood City CyberPark in Quezon City.

AGI has extensive local reach through Megaworld's 36 townships and integrated lifestyle communities across Luzon, Visayas, and Mindanao, as well as Golden Arches' extensive network of 851 McDonald's stores in the Philippines.

Internationally, AGI operates manufacturing and bottling facilities in key global markets, including Scotland, Spain, and Mexico, through Emperador's portfolio of internationally recognized brands. The Group's international reach further extends with Megaworld's presence in more than 60 countries.





Over 100 Countries

Under the Global Distribution Network of Emperador Inc.

Over 60 Countries

Megaworld International Offices

Leading the Future of Premium Lifestyles

Certifications, Awards, and Recognitions

2-6

ALLIANCE GLOBAL GROUP, INC.

TIME MAGAZINE AND STATISTA

Best Companies in Asia-Pacific

LISTED
- Alliance Global Group, Inc.

FORTUNE SOUTHEAST ASIA 500

Top 100 Largest Companies 2025

RANKED
- Alliance Global Group, Inc.

AIM

Honorary Degree of Doctorate Management

RECIPIENT
- Dr. Andrew L. Tan

MANILA BULLETIN

Newsmakers of the Year Award 2025

AWARDEE
- Alliance Global Group, Inc.

10TH GLOBAL GOOD GOVERNANCE AWARDS 2025

RECIPIENT
- 3G Award for Community Development & Philanthropy
- 3G Excellence in Corporate Governance Disclosure Award

GOLDEN ARROWS AWARD

TWO GOLDEN ARROWS
- AGI



MEGAWORLD CORPORATION

FORBES ASIA

'50 Over 50' Global List

WINNER
- Lourdes Gutierrez-Alfonso - only Filipino on the Global List

TIME MAGAZINE

Best Companies in Asia-Pacific

WINNER
- Megaworld Corporation

S&P GLOBAL

Most Resilient Companies

RECOGNITION
- Megaworld hailed as one of PH's 'most resilient companies'

KANTAR

Most Meaningfully Different Brands

RECIPIENT
- Megaworld Corporation

EMPLOYEE BRAND AWARDS 2025

Best Employer Brand Award

WINNER
- Megaworld Corporation

BRAND FINANCE 2025

Top 50 Most Valuable Brands - Philippines

WINNER
- Megaworld Corporation

PH TECHNOLOGY EXCELLENCE AWARDS

Smart City – Real Estate

WINNER
- Megaworld Corporation

FORTUNE 100

Best Companies to Work For in Southeast Asia

WINNER
- Megaworld Corporation
- Megaworld Hotels & Resorts

GOLDEN ARROWS AWARD

THREE GOLDEN ARROWS
- Megaworld

TWO GOLDEN ARROWS
- MREIT

ONE GOLDEN ARROW
- Empire East Land Holdings, Inc.

2025 RETAIL ASIA AWARDS

Mall Awards – Philippines

WINNER
- Integrated Mixed-Use Mall of the Year: Eastwood City
- Themed Mall of the Year: Lucky Chinatown
- Mall of the Year: Uptown Bonifacio

HUBEXO AWARDS

RECIPIENT
- Megaworld Corporation

ICCPI LEADERSHIP AWARDS 2025

Architecture Design & Urban Development Category

WINNER
- Megaworld Corporation

FORTUNE MAGAZINE

100 Most Powerful Women in Asia

RECIPIENT
- Lourdes T. Gutierrez-Alfonso

DOT

Tourism Industry Excellence Award

RECIPIENT
Megaworld Hotels & Resorts

CRESCENT RATING HALAL IN TRAVEL AWARDS 2025

Muslim Chain of the Year - Philippines

RECIPIENT
Megaworld Hotels & Resorts

2025 HALAL IN TRAVEL AWARDS

PH's First Muslim-Friendly Hotel Chain

RECIPIENT
Megaworld Hotels & Resorts

ASIAN EXPERIENCE AWARD

Brand & Customer Experience

WINNER
- Brand Experience of the Year – Dining & Entertainment: Taste a World of Flavors (Megaworld Lifestyle Malls)
- Customer Experience of the Year – Retail: Pet-friendly retail (Megaworld Lifestyle Malls)

GOLDEN ARROWS AWARD

RECIPIENT
- Megaworld Corporation

2025 VIRTUS AWARDS

Marketing Campaign of the Year

WINNER
- MHR's Muslim-Friendly Hotel Campaign

CX ASIA AWARDS

Best Customer Experience Team

SILVER
- MEG CESG

2025 MABUHAY AWARDS

Hospitality HR Awards

WINNER
- Heart of the House Award: Maria Bianca Villanueva, Twin Lakes Hotel
- HR Leader of the Year: Hanna Tiongson, Savoy Hotel Mactan Newtown

INTERNATIONAL CSR EXCELLENCE AWARDS

CSR Excellence

GOLD
- Eskwela ng Bayan (Community Commitment)
- Happy Feet Project (Charitable Giving)

SILVER
- Our Journey: Success Stories of Hope and Resilience (Initiatives for Communities)
- Future Forward: Turning Visions Into Reality (Innovation)

BRONZE
- Of Purpose and Success: Serving Inspiration Through Messages of Gratitude (Philanthropy)

MANILA BULLETIN

Sustainability Forum

RECIPIENT
- Megaworld Corporation

ESG AWARDS

Renewable Energy Adoption
Smart City Award

RECIPIENT
- Megaworld Lifestyle Malls – Bold Shift to 100% Renewable Energy
- Biodiversity Conservation – Iloilo Business Park
- Reforestation – Project TREE Point Five Million Trees
- Waste Management – Goal Zero Waste

COMMUNITAS AWARDS

Community Service & CSR

WINNER
- Of Purpose and Success (Community Service and CSR)
- Pathways to Success: Career Talk 2025 (Excellence in CSR)
- One Mega for Brigada 2025 (Excellence in Community Service)
- Eskwela ng Bayan (Excellence in Community Service)
- Vista Vibrant: Mega Summer Ventures Wave 5

STEVIE AWARDS FOR WOMEN IN BUSINESS

Women in Business

WINNER
- Reuse and Recycle: Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag
- Digital Media Relations: HER LIFE, Filipina Leadership at Megaworld Lifestyle Malls
- Digital Media Relations: Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag
- Influencer Management: Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag

2025 GOLD QUILL AWARDS

Publications & Video

MERIT
- Gratitude Video to ALT
- 'Our Journey' coffee table book

IBA STEVIE AWARDS

Brand, Events & Marketing

GOLD
- McKinley Hill Grand Parade (Interactive Outdoor Event)
- Launch of REP Eastwood Theater (Launch Event)
- Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag (PR Campaign of the Year)
- Eastwood City's Paw Club Access (Marketing Campaign of the Year)
- Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag (Campaign for a Cause)
- Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag (Influencer & Celebrity Video)

SILVER
- Dinagyang Festival 2025 (Art, Entertainment & Public Festival)
- REP Eastwood Theater Launch (PR Campaign – Art & Entertainment)
- Uptown Bonifacio: Redefining Retail Marketing (PR Campaign – Real Estate)
- 2025 Chinese New Year at Lucky Chinatown (Art, Entertainment & Public Cultural Event)
- Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag (Cause Marketing)

BRONZE
- REP Eastwood Theater (Marketing Campaign – Culture & Arts)
- Megaworld Lifestyle Malls x Catriona Enviro-Chic Bag (PR Campaign – ESG)
- Company of the Year – Future Forward: Turning Visions into Reality (Non-Profit)
- Publication, Non-profit organizations – Future Forward: Turning Visions into Reality

IABC SILVER QUILL AWARDS

Excellence Award

- One Mega for Brigada (Employee Engagement)
- Mega Summer Ventures 4 All (Social Media Initiative)

8TH TOURISM STAR AWARDS

RECIPIENT
- Capital Town

GOLD QUILL AWARDS

CSR Communications

MERIT
- Of Purpose and Success: Serving Inspiration through Messages of Gratitude
- Our Journey: Success Stories of Hope and Resilience

ANVIL AWARDS

PR Tools – Coffee Table Books

SILVER ANVIL
- Our Journey: Success Stories of Hope and Resilience

COMMUNICATOR AWARDS

Non-Profit Communications

HONOREE
- Of Purpose and Success: Serving Inspiration Through Messages of Gratitude (Non-Profit)

PLATINUM AWARDS

Strategy, Creativity & Events

WINNER
- Our Journey: Success Stories of Hope and Resilience

GOLDEN WORLD AWARDS

Internal Communications

RECIPIENT
- Of Purpose and Success: Serving Inspiration through Messages of Gratitude

QUILL AWARDS 2025

Media Relations, Marketing & Events

EXCELLENCE
- SuperPark Philippines Takes the Spotlight (Media Relations)
- SuperPark Philippine Launch (Marketing, Advertising & Brand Communication)
- 'Tara, Pasyal Na': Exploring the Philippines at Megaworld Lifestyle Malls (Gov't Relations & Public Affairs)

MERIT
- Eastwood City Walk of Fame 2024 (Media Relations)
- Filipino Weaving Takes Center Stage at A Festive Filipino Christmas at Uptown Bonifacio (Community Relations)
- Celebrating Women and the Arts at Megaworld Lifestyle Malls (Non-profit campaigns)
- Eastwood Paw of Fame (Sustainability Communications & Innovations)
- Megaworld x Catriona Enviro-Chic Bag (Marketing, Advertising & Brand Communication)
- Chinese New Year 2025 at Lucky Chinatown Mall (Media Relations)
- Dinagyang 2025 at Festive Walk Iloilo (Special & Experiential Events)
- Asian Fest at Megaworld Lifestyle Malls (Special & Experiential Events)
- Eastwood City Walk of Fame 2024 (Special & Experiential Events)
- Taste The World with Megaworld Lifestyle Malls (Social Media)
- Eastwood Holiday Lightscapades (Special & Experiential Events)

CSR AND DIVERSITY AWARDS

CSR Recognition

HONORABLE MENTION
- Vista Vibrant: Mega Summer Ventures Wave 5 (Engagement and Comms)
- Future Forward: Turning Visions Into Reality (Social Impact, Education or Scholarship Program)

PHILIPPINE QUILL AWARDS

Communications Excellence

EXCELLENCE
- Of Purpose and Success: Serving Inspiration Through Messages of Gratitude (Communications Management)
- Of Purpose and Success: Serving Inspiration Through Messages of Gratitude (Comms Skills)

MERIT
- Our Journey: Success Stories of Hope and Resilience (Communication Skills)

MANILA TIMES

Sustainability Award

RECIPIENT
- Megaworld Corporation

SILVER AND BRONZE ANVIL AWARDS

Bronze Tactical Awards

AWARD OF COMMENDATION
- Our Journey: Success Stories of Hope and Resilience

2025 ASIA-PACIFIC STEVIE AWARDS

Innovation Awards

GOLD
- Innovation in Cause-related Videos: Enviro-Chic Bags with Catriona Gray
- MEG Foundation ALT Gratitude Video
- MEG Foundation Scholarship Program
- Future Forward: Turning Visions into Reality (Excellence in Innovation for NGOs)
- Of Purpose and Success: Serving Inspiration through Messages of Gratitude (Innovation in CSR)

SILVER
- Innovation in Entertainment Events: Enviro-Chic Bags with Catriona Gray
- Innovation in the Use of Events: Grand Opening of REP Eastwood Theater

BRONZE
- Innovation in Reuse & Recycle: Enviro-Chic Bags with Catriona Gray
- Innovation in Entertainment Events: Grand Opening of REP Eastwood Theater
- Innovation in Business Information & Websites: Paw Club Access

WINNER
- People's Choice Award – NGOs



EMPERADOR INC.

WHISKY CATEGORY

INTERNATIONAL WINE & SPIRIT COMPETITION

GOLD 95
- Tamnavulin Port Cask
- Dalmore 30YO
- W&M Blend Special/Triple Matured Blended Scotch

INTERNATIONAL SPIRIT CHALLENGE

GOLD
- Dalmore Portfolio Series No.3



BRANDY & SHERRY CATEGORY

INTERNATIONAL WINE & SPIRIT COMPETITION

GOLD
- Harveys V.O.R.S. Oloroso
- Harveys V.O.R.S. Pedro Ximenez
- Harveys V.O.R.S. Palo Cortado

SAN FRANCISCO WORLD SPIRITS COMPETITION

GOLD
- Fundador Sherry Cask Triple Madera
- Fundador Supremo 18
- Terry Centenario

CHINA WINE & SPIRITS AWARDS

DOUBLE GOLD
- Fundador Supremo 15

GOLD
- Fundador Supremo 12
- Fundador Supremo 18
- Fundador Sherry Cask Double Madera
- Fundador Sherry Cask Triple Madera

BACCHUS INTERNATIONAL WINE COMPETITION

GREAT GOLD
- Harveys V.O.R.S. Palo Cortado
- Harveys V.O.R.S. Pedro Ximenez
- Harveys V.O.R.S. Amontillado
- Harveys V.O.R.S. Oloroso
- Harveys Premium Amontillado
- Fundador Supremo 12
- Fundador Supremo 18

GOLD
- Harveys Premium Fino
- Harveys Premium Palo Cortado
- Harveys Premium Oloroso
- Fundador Sherry Cask Solera
- Fundador Sherry Cask Double Madera
- Fundador Sherry Cask Triple Madera

TRAVELLERS INTERNATIONAL HOTEL GROUP

EARTHCHECK

EarthCheck Silver Certification

SILVER – 4TH CONSECUTIVE YEAR

4th consecutive certification following independent audit, July 2025. Covers energy & water use, carbon emissions, chemicals, waste, paper consumption, and community and employee impact across Newport World Resorts.

IHG GREEN ENGAGE

Green Engage Enrollment

ONGOING

Holiday Inn Express Manila–Newport City continued enrollment supporting structured monitoring and improvement of energy, water, and waste performance in alignment with IHG brand sustainability requirements.

HILTON LIGHTSTAY

LightStay Sustainability Platform

ONGOING

Hilton-affiliated properties under Newport World Resorts continued use of the LightStay platform in 2025, reinforcing data-driven sustainability management aligned with international best practices.

SINAGTALA PHILIPPINE CULINARY CUP

CHAMPION

Manila Marriott Hotel won the inaugural Sinagtala Philippine Culinary Cup, hosted at the property. Chefs from Marriott properties nationwide competed on elevated interpretations of Filipino dishes judged on technical execution and cultural integrity.

ASIA-PACIFIC STEVIE® AWARDS

REGIONAL RECOGNITION

NWR received regional recognition at the 2025 Asia-Pacific Stevie Awards for achievements in hospitality, entertainment, and brand engagement. The Asia-Pacific Stevie Awards honors organizations across 29 countries for innovation and excellence in the workplace and business operations.

INTERNAL SCORECARD (GROUP-WIDE)

Sustainability Scorecard Performance

IMPROVED – GROUP-WIDE

Manila Marriott Hotel: Energy Use Intensity declined 5.0% (Sep 2024 - Aug 2025), exceeding the 3.0% reduction target. Sustainability scorecard rating rose to 96% in 2025.



Governance Structure and Oversight

2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18, 2-19, 2-20

The Board of Directors serves as the cornerstone of the Group's corporate governance framework, bearing ultimate responsibility for the Corporation's long-term success, competitive position, sustainable profitability, and fulfillment of fiduciary obligations to stockholders and all stakeholders. The Board operates with informed judgment, integrity, diligence, and care, ensuring that its actions remain aligned with corporate objectives and the sustained best interests of those it serves.

Transparency and Disclosure

At the heart of AGI's governance philosophy is a firm commitment to transparency. The Board recognizes that the more visible the Corporation's internal workings are to its stakeholders, the stronger the foundation of trust and accountability it builds. To this end, AGI maintains comprehensive corporate disclosure policies and procedures designed to ensure accurate, reliable, and timely reporting on all material matters, including earnings results, asset acquisitions and disposals, off-balance-sheet transactions, and the remuneration of directors and key officers.

All directors and officers are required to disclose any dealings in AGI's shares within three business days. The Board fully discloses relevant information on individual board members and key executives to enable stakeholders to evaluate their qualifications, experience, and any potential conflicts of interest. Material and reportable non-financial and sustainability matters are likewise disclosed, reflecting AGI's view that governance and sustainability reporting are inseparable from the Corporation's broader accountability to its investors and the public.

Board Integrity and Performance

The Board is composed of seven directors, three of whom are Independent Directors, elected annually by stockholders at the annual stockholders' meeting. The Corporate Governance Committee oversees the nomination and election process, and pre-screens and shortlists all candidates to ensure they possess the requisite knowledge, skills, experience, integrity, and independence of mind appropriate to their responsibilities. Candidates are further assessed for their ability to contribute constructively to Board dynamics and carry out their duties effectively, given the Corporation's business and risk profile.

The Board conducts an annual self-assessment covering the performance of the Chairman, individual members, and its committees, ensuring continuous improvement in board effectiveness. All directors and key officers are likewise mandated to attend at least four hours of continuing corporate governance training annually, with programs that may include topics on economic, environmental, and social sustainability.

On remuneration, AGI maintains formal and transparent procedures for determining compensation at the board and executive levels. Remuneration is set at levels sufficient to attract and retain qualified, competent directors and officers, and is structured to align with the long-term interests of the Corporation. A portion of executive directors' remuneration may be tied to corporate and individual performance. No director participates in decisions regarding his or her own remuneration. Full disclosure of all fixed and variable compensation paid to directors and the top four management officers is included in AGI's annual reports and proxy statements, in accordance with the Securities Regulation Code.

BOARD COMPOSITION AND SUSTAINABILITY LEADERSHIP

The Board delegates specific functions to its Board Committees, with decisions and policies cascaded through management and business units across the organization, including subsidiaries and affiliates. This structure ensures consistent compliance with applicable laws and governance requirements, and extends equally to strategies designed to produce sustainable economic, environmental, and social impact.

The Board is constituted with a deliberate mix of competence, experience, and independence, collectively holding knowledge relevant to the Corporation's industry. Executive and non-executive directors sit alongside Independent Directors, ensuring no single director or group dominates decision-making. Non-executive directors may serve on up to five publicly listed company boards, preserving the time and focus needed for meaningful engagement. The Chairman is not an executive officer, reinforcing the clear separation between leadership and management that underpins AGI's governance.



BOARD OF DIRECTORS



DR. ANDREW L. TAN
Chairman of the Board
76, Male, Filipino

Date of First Appointment:
September 2006

Length of Service: 19 years
(as of December 31, 2025)

Committee Membership
Audit, Related Party Transaction

Other Key Roles
- Chairman - Megaworld Corporation
- Chairman - Emperador Inc.
- Chairman - Empire East Land Holdings Inc.
- Chairman & CEO - Global-Estate Resorts Inc.
- Director - Travellers International Hotel Group, Inc.
- Vice-Chairman & Treasurer - Golden Arches Development Corporation
- Chairman & Treasurer - The Andresons Group, Inc

Academic Background
- Bachelor of Science in Business Administration (magna cum laude), University of the East
- Doctor of Philosophy in Humanities (honoris causa), University of the East



KEVIN ANDREW L. TAN
Vice Chairman of the Board
46, Male, Filipino

Date of First Appointment:
April 20, 2012

Length of Service: 13 years
(as of December 31, 2025)

Committee Membership
Board Risk Oversight

Other Key Roles
- Chairman – Travellers International Hotel Group, Inc.
- Chairman - Megaworld Real Estate Investment Trust Inc.
- President & CEO - Alliance Global Group, Inc.
- Executive Director, Executive Vice President, and Chief Strategy Officer - Megaworld Corporation
- Director - Emperador Inc.
- Director - Empire East Land Holdings Inc.
- Director - Global-Estate Resorts Inc.
- Chairman – Megaworld Foundation

Academic Background
- Bachelor of Arts in Humanities, University of Asia and the Pacific
- Professional Certificate in Management, University of Asia and the Pacific



KATHERINE L. TAN
Director
74, Female, Filipino

Date of First Appointment:
February 2007

Length of Service: 18 years
(as of December 31, 2025)

Committee Membership
None

Other Key Roles
- Director & Treasurer - Emperador Inc.
- Treasurer - Alliance Global Group, Inc.
- Chair and President - Andresons Global Inc.

Academic Background
- Bachelor of Science in Nutrition, St. Scholastica's College



LOURDES T. GUTIERREZ-ALFONSO
Director
62, Female, Filipino

Date of First Appointment:
June 2024

Length of Service: 1 year
(as of December 31, 2025)

Committee Membership
None

Other Key Roles
- Director, President, & CEO - Megaworld Corp.
- Director - Megaworld Real Estate Investment Trust Inc.
- Managing Director - Global-Estate Resorts Inc.
- Trustee & Corporate Secretary - Megaworld Foundation, Inc.

Academic Background
- Bachelor of Science in Accounting (cum laude), Far Eastern University



DR. JESLI A. LAPUS
Independent Director
75, Male, Filipino

Date of First Appointment:
June 2021

Length of Service: 4 years
(as of December 31, 2025)

Committee Membership
Corporate Governance, Related Party Transaction

Other Key Roles
- Director - Emperador Inc.
- Chairman - STI Education Services Group, Inc.
- Chairman - LSERV Corporation
- Director - Information and Technology Academy (iAcademy)
- Director - Philippine Life Financial Assurance Corporation
- Director - STI Education Systems Holdings Inc.

Academic Background
- Master in Business Management, Asian Institute of Management
- Doctor of Public Administration (honoris causa), Polytechnic University of the Philippines



ANTHONY T. ROBLES
Independent Director
71, Male, Filipino

Date of First Appointment:
June 2022

Length of Service: 3 years
(as of December 31, 2025)

Committee Membership
Audit, Board Risk Oversight, Corporate Governance, Related Party Transaction

Other Key Roles
- Director - MREIT Fund Manager Inc.
- Consultant - PBCOM
- Faculty Member - Graduate School of Business (Finance Cluster), Ateneo de Manila University

Academic Background
- Bachelor of Arts in Commerce, University of Santo Tomas
- Master in Finance, Ateneo de Manila University



ENRIQUE M. SORIANO III
Independent Director
58, Male, Filipino

Date of First Appointment:
June 2022

Length of Service: 3 years
(as of December 31, 2025)

Committee Membership
Audit, Corporate Governance, Board Risk Oversight

Other Key Roles
- Director - Emperador Inc.
- Director - MREIT Fund Managers, Inc.
- Director - Travellers International Hotel Group Inc.
- Executive Director - Wong + Bernstein Group

Academic Background
- Bachelor of Arts in History, minor in Economics, University of the Philippines
- Master of Business Administration, De La Salle University
- Executive Diploma in Directorships, Singapore Management University



KEY OFFICERS



DINA D.R. INTING
Chief Financial Officer
66, Female, Filipino

Date of First Appointment:
January 1995

Length of Service: 30 years
(as of December 31, 2025)

Other Key Roles
- Chief Audit Executive, Compliance and Corporate Information Officer - Alliance Global Group, Inc.
- Compliance and Corporate Information Officer - Emperador Inc.

Academic Background
- Bachelor of Science in Commerce, major in Accounting (cum laude), from the Honors Program at the Philippine College of Commerce (Polytechnic University of the Philippines)
- Certificate in Organization Development, Ateneo de Manila University



ALAN B. QUINTANA
Corporate Secretary
57, Male, Filipino

Date of First Appointment:
April 2019

Length of Service: 6 years
(as of December 31, 2025)

Other Key Roles
- Vice President for Legal, Landbank Management and Titling Department - Global-Estate Resorts Inc.
- Corporate Secretary - Infracorp Development, Inc.

Academic Background
- Bachelor of Science in Commerce, major in Accounting, University of San Carlos
- Bachelor of Laws, San Beda College of Law



NELILEEN S. BAXA
Assistant Corporate Secretary
47, Female, Filipino

Date of First Appointment:
October 2020

Length of Service: 5 years
(as of December 31, 2025)

Other Key Roles
- Chief Risk Officer - Alliance Global Group, Inc.
- Corporate Secretary and Corporate Information Officer - Suntrust Resort Holdings, Inc.
- Assistant Corporate Secretary - Megaworld Corporation
- Assistant Corporate Secretary - Global-Estate Resorts, Inc.
- Senior Accounting Manager - Megaworld Corp.

Academic Background
- Bachelor of Science in Accountancy, major in Accounting, University of Santo Tomas



BOARD COMMITTEES

Corporate Governance Committee

The Corporate Governance Committee assists the Board in fulfilling its governance responsibilities across four core areas: overseeing the implementation and periodic review of the corporate governance framework, evaluating Board performance, guiding director succession and continuing education, and determining the nomination and election process for board members.

The Committee also recommends remuneration packages aligned with corporate and individual performance, assigns tasks and projects to Board committees, and ensures that nomination and election policies are carried out properly. It is composed of at least three members, two of whom are Independent Directors, including the Chairman.

Chairman:

Dr. Jesli A. Lapus

Members:

Anthony T. Robles
Enrique M. Soriano III

Board Risk Oversight Committee

The Board Risk Oversight Committee oversees AGI's Enterprise Risk Management system, ensuring its functionality and effectiveness. It develops and evaluates a formal risk management plan, advises the Board on risk appetite and tolerance levels, and monitors Management's handling of credit, market, liquidity, operational, legal, and other risk exposures. The Committee is composed of at least three Board members, the majority of whom are Independent Directors, including the Chairman, who does not concurrently serve as Chairman of the Board or any other committee.

Chairman:

Enrique M. Soriano III

Members:

Kevin Andrew L. Tan
Anthony T. Robles

Audit Committee

The Audit Committee oversees AGI's financial reporting, internal control system, and internal and external audit processes, while monitoring compliance with applicable laws and regulations. It evaluates the integrity and independence of external auditors and reviews the adequacy and effectiveness of internal controls, including financial reporting and information technology security. The Committee is composed of at least three Board members with preferred backgrounds in accounting, auditing, or finance, the majority of whom are Independent Directors, including the Chairman, who must hold audit experience.

Chairman:

Anthony T. Robles

Members:

Dr. Andrew L. Tan
Enrique M. Soriano III

Related Party Transactions Committee

The Related Party Transactions (RPT) Committee reviews all material related party transactions, evaluates ongoing relationships with counterparties, and ensures proper disclosure to relevant regulatory authorities. It oversees the system for identifying, monitoring, and reporting RPT exposures, subjects transactions to periodic independent review, and maintains policies on conflicts of interest. The Committee is composed of at least three directors, two of whom are Independent Directors, including the Chairman.

Chairman:

Dr. Jesli A. Lapus

Members:

Dr. Andrew L. Tan
Anthony T. Robles

SUSTAINABILITY GOVERNANCE

The Board has general oversight over the sustainability-related risks and opportunities of the company. It approves business objectives and strategies with long-term viability in mind, provides sound strategic policies and guidance on major capital expenditures, and regularly reviews the implementation of policies, business plans, and operating budgets.

Management's overall performance is assessed against standards consistent with the Corporation's strategic objectives, ensuring that sustainability considerations are embedded in how the Corporation is run and evaluated.

AGI recognizes the interdependence between business and society as it holds itself accountable to the communities in which it operates. The Corporation's interactions with its environment and stakeholders are guided by a commitment to positive, progressive, and balanced impact, one that allows the business to grow while contributing meaningfully to the advancement of the communities it serves.

Oversight of sustainability reporting is principally assigned to the Board, ensuring that the Corporation's ESG disclosures are subject to the same rigor and accountability applied across all governance functions.

SUSTAINABILITY STRATEGY

2-22, 2-23

Sustainability remains a core part of AGI's operations in 2025, shaping growth, innovation, and long-term direction. The Group continues to strengthen efforts to embed sustainable practices across its businesses, guided by the SustainAGIlity framework and its sustainability statement. In alignment with the United Nations Sustainable Development Goals, AGI promotes responsible business practices, environmental stewardship, and social development across subsidiaries, ensuring that sustainability stays central to strategy and future growth.

SUSTAINABILITY STATEMENT

As a world-class Filipino conglomerate, AGI is committed to growing its businesses responsibly, contributing to the well-being of society over the long term, and helping sustain the environment for future generations.

SUSTAINAGILITY FRAMEWORK

In 2025, AGI continued to strengthen its sustainability efforts, ensuring its commitments align with both business priorities and stakeholder expectations. As in the preceding year, the Company's approach is to group key sustainability topics under the SustainAGIlity pillars of People, Planet, and Prosperity. This structure helps AGI manage environmental, social, and governance risks more effectively while maintaining a clear and consistent strategy.

The SustainAGIlity framework continues to guide all subsidiaries, ensuring transparency in tracking its progress. With its focus on People, Planet, and Prosperity, AGI supports programs and initiatives that build stronger communities, advance toward carbon neutrality, and promote responsible growth. Sustainability is part of everyday operations-from tourism estates to lifestyle communities—helping AGI stay resilient and ready for future challenges.



PILLAR 1: PEOPLE

AGI's people are the foundation of its ability to grow, adapt, and deliver value over the long term. This reflects the Group's commitment to building an inclusive, capable, and well-supported workforce while maintaining genuine, lasting relationships with the communities surrounding its operations. An empowered workforce and engaged communities reinforce each other, and both are essential to how AGI defines sustainable growth.

EMPLOYEE WELLNESS AND EMPOWERMENT

Safe, inclusive, and empowering workplaces are supported by continuous learning, career development, and well-being programs that strengthen workforce resilience and build long-term engagement.

COMMUNITY TRANSFORMATION

Meaningful partnerships with host communities ensure that AGI's developments contribute positively to local economies and social well-being, with programs that address community needs and create pathways to sustainable progress.

CUSTOMER CARE

Rigorous safety standards and continuous service improvements ensure products and facilities meet or exceed regulatory requirements, while transparent customer engagement builds trust and long-term confidence in AGI's brands.

PILLAR 2: PLANET

Responsible environmental stewardship is built into how AGI operates, invests, and plans. The Group's approach goes beyond reducing its own footprint, it extends to how developments are designed, how resources are managed, and how infrastructure is built to serve communities well into the future. AGI views environmental responsibility not as a constraint on growth but as a condition for it.

CARBON NEUTRALITY

Renewable energy integration, energy-efficient solutions, and systematic carbon footprint monitoring drive the Group's path toward carbon neutrality by 2035, supported by climate resilience strategies that protect operational continuity.

RESOURCE EFFICIENCY

Minimizing waste, optimizing energy and water use, and promoting responsible material consumption reduce environmental impact while improving the efficiency and cost structure of operations across all subsidiaries.

SUSTAINABLE BUILDING OPERATIONS

Developments are designed with eco-friendly solutions that integrate with natural ecosystems. Smart urban planning and climate-resilient infrastructure enhance the quality of life for communities and improve the long-term performance of assets.

PILLAR 3: PROSPERITY

For AGI, prosperity means more than financial performance. It means creating durable value for shareholders, employees, partners, and communities through responsible business practices. This brings together economic growth, innovation, and governance as dimensions of a business that intends to remain competitive, trusted, and beneficial to the broader economy over the long term.

IMPACTFUL GROWTH

Expanding market presence, adopting digital solutions, and pursuing product and service innovation enhance operational efficiency and open new avenues for sustainable growth, creating value that extends beyond the Group's own balance sheet.

GOOD GOVERNANCE

Transparent financial management, ethical sourcing, regulatory compliance, and strong oversight structures safeguard AGI's integrity and ensure that its growth is accountable, sustainable, and aligned with the interests of all stakeholders.

AGI'S COMMITMENT TO SUSTAINABILITY

2-24

AGI's sustainability vision is built on two long-term goals that guide how the Group embeds responsibility into its operations, creates value for stakeholders, and supports the well-being of the communities it serves.

1 To be carbon neutral by 2035 by adopting more water and energy-efficient homes, facilities, and buildings, implementing nature-based programs, and utilizing renewable energy, as well as more sustainable transportation alternatives for the communities we serve.

2 To generate at least five million direct and indirect jobs by 2035 by bringing economic development to all regions and key growth areas across the country.

16,699
Direct Employees
AGI Group, as of reporting period

535,000
Indirect Jobs Created
Across AGI's value chain nationwide

162
Buildings transitioned to renewable energy suppliers
RCOA, GEOP, RAP

In pursuit of these goals, AGI continued to advance and refine programs and initiatives that support lower emissions, improved resource efficiency, and wider economic participation.

Across the Group, new developments incorporated energy and water-efficient features, while several estates explored renewable energy options, nature-based solutions, and low-carbon transport alternatives. The renewable energy transition is pursued through three programs: a power purchase agreement under the Retail Competition and Open Access (RCOA) mechanism for MEG and TIHGI properties, the Green Energy Option Program (GEOP) covering EMI and MEG sites across Luzon and Cebu, and on-site rooftop solar installations at EMI and TIHGI facilities.

Complementing these efforts, MEG's Project Tree Point Five Million Trees was expanded to include EMI and TIHGI, with the Group collectively targeting the reforestation of over 1,500 hectares of land. This initiative supports ecosystem restoration and emissions offsetting as part of AGI's broader nature-based approach to carbon neutrality.

Progress on job generation is driven by expansion activities across subsidiaries, particularly in emerging growth areas outside Metro Manila, where construction, operations, and supply chain activities created employment opportunities. Community programs further supported local skills development and livelihoods, reinforcing AGI's role as an engine of inclusive economic growth across the country.

EMI/TIHGI

ROOFTOP SOLAR INSTALLATIONS

On-site systems support direct renewable generation, with EMI installing 576 kW and 640 kWp facilities, alongside 2 MWp capacity from its subsidiary AWGI. TIHGI's solar installations reached 2.83 MW in total capacity.

MEG/TIHGI

RCOA POWER PURCHASE AGREEMENT

100 MW committed to renewable energy by 2027, with 56 MEG buildings transitioned. TIHGI achieved 100% renewable energy supply across its properties under RCOA.

MEG/EMI

GREEN ENERGY OPTION PROGRAM

20 MW of clean electricity supplied to 39 sites across Luzon and Cebu, with 96 MEG buildings covered under GEOP and RAP, expanding renewable energy access beyond RCOA.

Sustainability Team

AGI's sustainability program operates through a structured leadership model. The overall program is led by a Sustainability Head, with each business unit assigning a Sustainability Lead to oversee initiatives within their respective areas. Sustainability champions are embedded within teams to support specific programs and assist with on-the-ground implementation.



STAKEHOLDER ENGAGEMENT

2-29

Meaningful engagement is central to AGI's mission of creating long-term value. Through structured communication channels, AGI seeks feedback, identifies material concerns, and aligns its sustainability initiatives with the evolving expectations of the communities, partners, and institutions it works with. These insights are embedded into the Group's SustainAGIlity pillars, strengthening the foundation of trust that responsible business demands.

AGI identifies its stakeholders based on their material connection to the Group's operations, whether through economic dependency, environmental exposure, regulatory authority, or social proximity. Engagement across each group is conducted through channels tailored to the nature of the relationship, with responses designed to close the loop and demonstrate that concerns are heard and acted upon.

Business partners and suppliers are engaged through a clear and consistent procurement process built on fairness and shared accountability. Digital bidding platforms, structured accreditation procedures, and supplier training ensure that partners meet AGI's ethical, environmental, and labor standards. The Operations Sustainability Department under Audit and Procurement leads sustainability integration across the partner network.

Employees are supported through initiatives that address development, well-being, and a sense of purpose. Internal communication is strengthened through platforms such as DZHR and Kamustahan sessions, while leadership programs like TEN Talks and MEGreen campaigns build capability and sustainability awareness. Engagement surveys, wellness programs, and recognition activities reinforce a workplace culture of collaboration and growth.

Within the **community and broader society**, AGI partners with nonprofit organizations, local governments, and schools to support education, livelihood, and social inclusion. Internship programs, labor insertion agreements, and volunteerism expand access for marginalized sectors. Partnerships with Caritas and the Red Cross support poverty reduction and disaster response, while community events promote heritage conservation near AGI's operating sites.

Customers are engaged through open feedback channels, after-sales support, and alignment meetings. Township-wide coordination through the Township Alignment Group ensures that events and services meet evolving expectations. Responsible Gaming programs, KYC and AMLA training, and ongoing engagement activities reflect AGI's commitment to service quality and consumer protection.

Government and regulatory bodies are engaged through continuous coordination, regular reporting, and active participation in consultations. AGI maintains transparent relationships with local and national agencies, ensuring full compliance with laws, permits, and certifications while contributing to national development goals.

Shareholders and investors receive consistent communication through Annual Stockholders Meetings, investor briefings, and press releases. Climate-related disclosures, emissions accounting, and carbon neutrality progress are addressed through verified audits and strategic initiatives, including renewable energy transitions and reforestation programs. Investors also have direct access to senior management through structured engagements and industry forums.



See Annex for the Stakeholder Engagement table.

MATERIALITY

3-1, 3-2

Sustainability at AGI goes beyond compliance. It is a strategic commitment to identifying, assessing, and managing the Company's most significant economic, environmental, and social impacts.

To remain at the forefront of evolving sustainability standards, AGI reviewed and realigned its material topics in 2025, embedding them within the SustainAGIlity pillars to ensure stronger alignment with its long-term vision. The materiality process provides a structured approach for ensuring that AGI's sustainability initiatives reflect both business priorities and stakeholder expectations. Integration with internationally recognized frameworks such as the GRI Standards supports transparency, accountability, and continuous improvement across operations.

AGI's materiality assessment recognizes actual impacts and potential risks alike, enabling proactive management across the business. Direct engagement with employees, customers, investors, suppliers, and communities ensures that the most relevant sustainability topics are identified and addressed.



AGI'S MATERIALITY PROCESS

Identification and Impact Assessment

Topics that influence the economy, environment, and society across AGI's subsidiaries are thoroughly reviewed. Positive impacts are recognized as current achievements, while potential risks and adverse impacts are flagged for proactive management, informed by previous assessments, peer benchmarks, and industry trends.

Subsidiary-Level Stakeholder Engagement

Sustainability team representatives from each subsidiary assess and verify the significance of identified impacts. Material topics are approved by top management within each subsidiary, ensuring alignment with strategic objectives. Though primarily internal, this process ensures each topic reflects the operational context and sustainability priorities of the business unit it represents.

Benchmarking and Prioritization

Validated topics are consolidated and benchmarked against industry standards and internal sustainability goals. The Green Council and senior leadership identify common themes and cross-cutting issues, producing a final materiality matrix that prioritizes topics by their significance to the Group and relevance to stakeholders. These are categorized under AGI's SustainAGIlity Pillars to guide sustainability reporting and performance monitoring across the organization.

AGI's 2025 materiality review reflects the Group's continued commitment to staying relevant and responsive. Drawing on local peer benchmarking, the review resulted in two new material topics:

- **Responsible Marketing and Product Information** under the People Pillar
- **Product and Service Lifecycle Management** under the Prosperity Pillar

Three further topics were identified and subsumed under existing material topics: **MSME Development and Engagement, and Strategic Community and Development Partnerships** under Community Relations; and **Climate and Sustainability Risks** under Climate Action and Resilience.



PEOPLE

Employee Wellness and Empowerment

- Employee Experience
- Human Rights and Labor Practices
- Diversity, Equal Opportunity, and Non-Discrimination
- Employees Training and Development
- Workforce Health and Safety

Community Transformation

- Community Impact of New Developments
- Community Relations

Customer Care

- Customer Health and Safety
- Data Privacy and Security
- Responsible Marketing and Product Information*



PLANET

Carbon Neutrality

- Climate Actions and Resilience
- GHG Emissions Management

Resource Efficiency

- Waste Management and Circular Economy
- Water and Wastewater Management
- Energy Efficiency
- Materials Management

Sustainable Building Operations

- Land Use and Green Infrastructure



PROSPERITY

Impactful Growth

- Economic Performance
- Market Presence
- Business Model and Product Innovation
- Product Quality and Safety
- Digitalization
- Product and Service Lifecycle Management*

Good Governance

- Enterprise Risk Management
- Business Ethics and Integrity
- Regulatory and Economic Compliance
- Sustainable Procurement and Supplier Management

Disclosure: Asterisks denote new material topics for 2025.

UN SDG CONTRIBUTIONS

2-24

The AGI Group commits to sustainable business as it seeks to contribute to economic prosperity, environmental responsibility, and social development through its various subsidiaries. As a real estate developer, MEG embeds green infrastructure into its townships and mixed-use communities to create sustainable living spaces. EMI implements sustainable value chains and uses responsible packaging as it provides access to premium brandy and whisky products. Meanwhile, TIHGI provides memorable, world-class experiences supported by sustainable operations as it contributes to Philippine tourism development.

Sustainable development is embedded in how AGI operates, invests, and grows. The Group's material topics reflect a clear understanding of where the business creates value and where it carries responsibility. These topics consider AGI's contribution to society, the risks associated with that contribution, and how these risks are managed, aligning the Group's sustainability commitments with the broader context of the United Nations Sustainable Development Goals.



See Annex for the UN SDG Contributions table.

PEOPLE

EMPOWERING STAKEHOLDERS AND SOCIETY





EMPLOYEE WELLNESS AND EMPOWERMENT

People are at the core of AGI's long-term value creation strategy. The Group understands that a workforce that is supported, empowered, and well cared for is one that drives consistent performance and sustains the business through change.

AGI cultivates a workplace built on safety, inclusiveness, and genuine respect for human rights and equity. Its benefit programs are designed not just to retain talent but to enrich lives, keeping AGI competitive and its people future-ready in an ever-changing domestic and global landscape.

EMPLOYEE EXPERIENCE

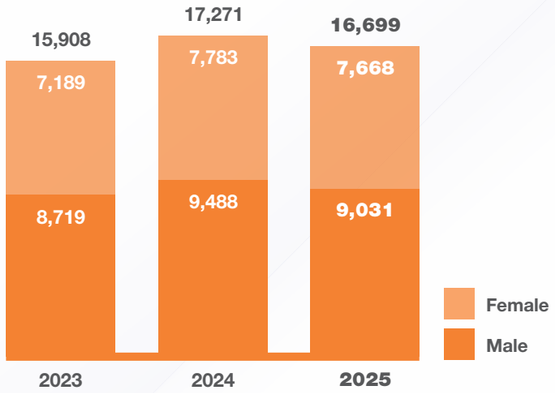
3-3, 2-7, 2-8, 401-1, 401-2, 401-3

Human capital is one of the most consequential drivers of business performance. The quality of the employee experience, from recruitment and compensation to growth opportunities and workplace culture, shapes both individual well-being and organizational resilience, influencing engagement, retention, and productivity internally while strengthening AGI's reputation as an employer of choice externally.

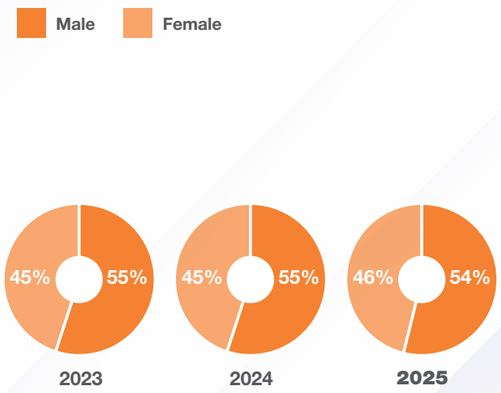
The Group reported a total workforce of 16,699 employees in 2025, with 7,668 female and 9,031 male employees. This reflects a broadly balanced workforce, alongside a continued improvement in employee retention, with attrition declining to 0.17. The hiring rate similarly declined to 0.14, further reflecting a stabilizing workforce and growing employee tenure.

Employee Count *[2-7, 405-1]*

Total Employee Count



Percentage (%)

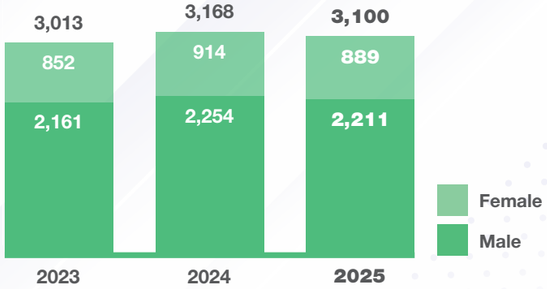


Employee breakdown per subsidiary

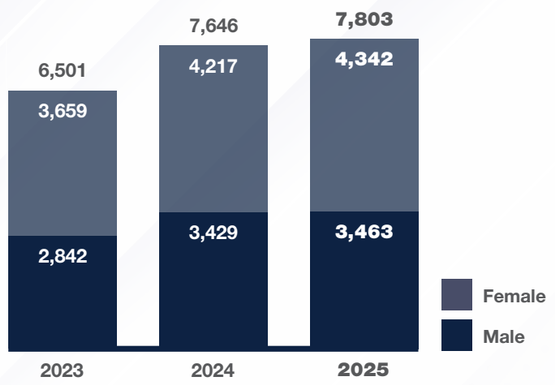
Employees receive a comprehensive set of benefits spanning government-mandated coverage, medical support, leave entitlements, and flexible work arrangements, designed to support well-being, financial security, and work-life balance. The Group's parental leave program reflects this commitment, with a return to work rate of 93% and a 12-month retention rate of 91% among employees who took parental leave in 2024, underscoring the effectiveness of the Group's reintegration support and the strength of employee commitment.

The Group's approach to hiring and benefits remains anchored on fairness, compliance, and capability-based selection, ensuring that opportunities and compensation are aligned with performance while supporting an inclusive and resilient workforce.

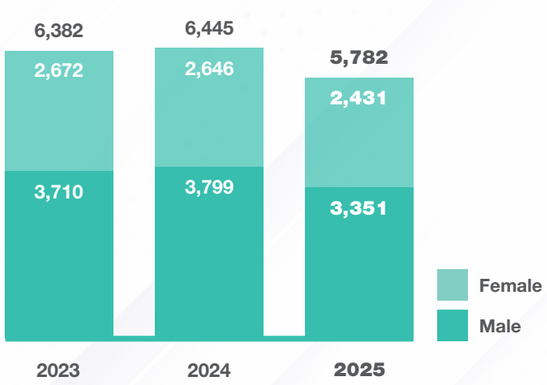
EMI



MEG



TIHGI



Disclosure: Employee count for 2024 have been restated following data validation and corresponding adjustments by MEG and its subsidiaries.
The data presented herein exclude GADC from the reporting scope. Operational social data tables are presented in the Annex.

2025 Performance

98%
Employee Approval Rating
Great Place to Work Certification
MEG - highest in PH real estate

4.94
SONA Feedback Rating
MEG - out of 5.00

95%
Engagement Response Rate
Employee Engagement Results
NWR - highest to date

80
eNPS
Employee Engagement Survey
NWR

Across the Group, subsidiaries continued to deepen their people commitments. Whyte and Mackay Group (WMG)'s Great Place to Work accreditation translated into tangible site improvements, including new rest areas, upgraded personal protective equipment, and professional equipment at distilling and warehouse locations. EMI maintained fair and competitive compensation across a diverse and inclusive workforce, while Casa Pedro Domecq (CPD) advanced efforts toward gender-fair compensation. TIHGI sustained a compensation strategy designed to attract and retain high-performing talent, with referral-based hiring reflecting strong employee confidence in the organization.

Key Initiatives

MEG

SONA: Session on Notable Achievements - full employee attendance across all business units with a 4.94 overall feedback rating, delivered in under two weeks through cross-team collaboration.

EMI

Bangon Cebu - a company-wide donation initiative mobilizing financial and in-kind support for colleagues affected by Typhoon Tino, reflecting a workplace culture of genuine care for people.

TIHGI

Rollout of updated Vision, Mission, and Values supported by the Executive Leadership Development Program with the Asian Institute of Management. Reinstatement of the five-day workweek to strengthen work-life balance.

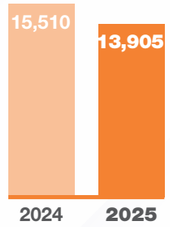
International Housekeeping Week celebrations at Holiday Inn Express Manila NWR. Hotel Okura Manila's quarterly employee wellness sessions covering nutrition, physical activity, and mental health. Manila Marriott Hotel's sixth Overall Championship at the Philippine Culinary Cup with 29 medals and Best Chef recognition.

Looking ahead, AGI remains committed to continuously evolving its people programs in step with the changing needs of its workforce. Its sustained investment in employee well-being, professional development, and inclusive workplace practices positions the Group and its subsidiaries to attract and retain the talent necessary for long-term, responsible growth.

FORTUNE 100 BEST COMPANIES TO WORK FOR IN SOUTHEAST ASIA
MEG ranked 90th - the only Philippine real estate company on the list

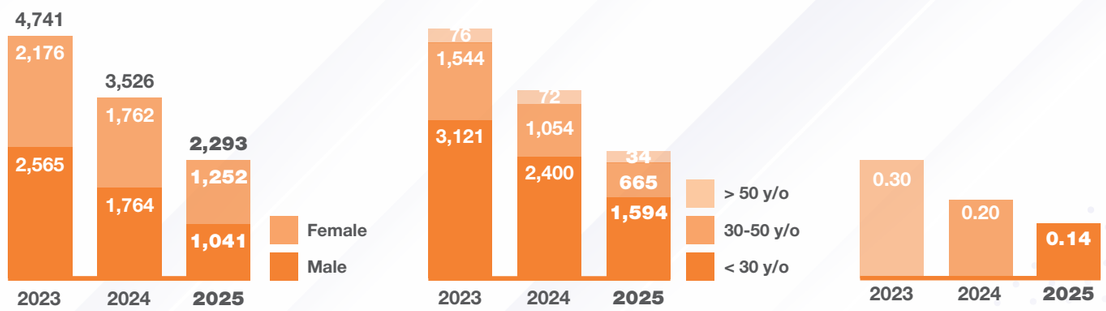
TIME MAGAZINE BEST COMPANIES IN ASIA-PACIFIC 2025
MEG - one of only 29 Philippine companies recognized

Workers who are not employees *[2-8]*

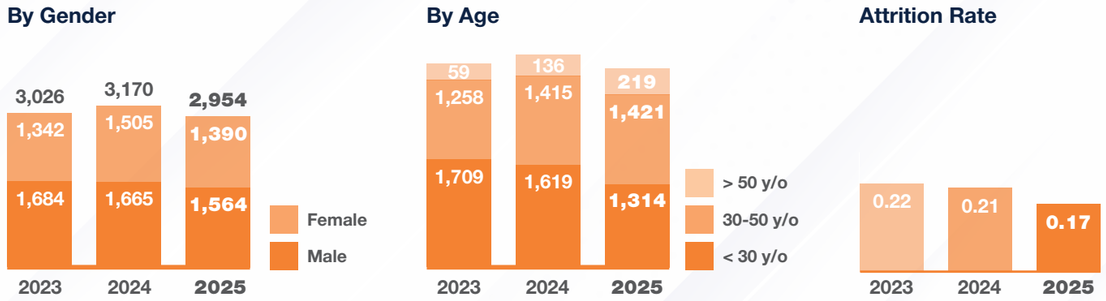


Disclosure: Data for 2024 has been restated to incorporate MEG and EMI consolidation.

New Employee Hires *[401-1]*



Employee Turnover *[401-1]*



Disclosure: Data for 2024 has been restated to incorporate MEG consolidation.

Parental Leave for 2025 *[401-3]*

Disclosure	Male	Female
Employees eligible for parental leave	1,395	768
Employees who took parental leave	106	325
Employees who resumed work after parental leave	106	296
Employees who returned after parental leave and remained for 12 months	83	263
Employees who returned from parental leave in the previous reporting period	128	336



RETURN TO WORK RATE



RETENTION RATE

Employees who availed benefits (in %) *[401-2]*

BENEFITS	2023		2024		2025	
	Female who availed	Male who availed	Female who availed	Male who availed	Female who availed	Male who availed
Life insurance	17.56	18.86	8.97	7.55	1.98	3.21
Health care (Aside from PhilHealth)	18.50	22.54	13.76	13.78	40.31	46.43
Disability and invalidity coverage	15.33	16.78	8.54	6.70	0.00	0.02
Parental leaves	0.83	0.31	1.34	0.51	3.57	0.93
Retirement provision (Aside from SSS)	0.13	0.08	0.03	0.06	0.44	0.95
Stock ownership	0.60	0.00	0.00	0.00	0.00	0.00
SSS	0.00	22.78	14.07	10.12	8.57	9.00
PhilHealth	19.56	21.50	10.57	8.17	3.47	5.14
Pag-IBIG	20.27	11.98	14.38	12.25	14.57	17.89
Vacation leaves	13.35	21.24	20.54	21.96	38.03	40.87
Sick leaves	20.40	15.38	16.98	15.82	27.67	26.94
Housing assistance (Aside from Pag-IBIG)	15.85	0.02	0.03	0.15	0.16	0.50
Further education support	1.38	10.64	0.01	0.02	0.00	0.00
Telecommuting	1.50	1.36	0.36	0.32	1.16	0.94
Flexible working hours	7.91	7.93	10.11	7.61	1.03	1.02

HUMAN RIGHTS AND LABOR PRACTICES

3-3, 2-30, 402-1, 406-1, 407-1, 408-1, 409-1, 410-1

AGI's commitment to human rights is embedded in how the Group operates, not only as a policy obligation but as a foundational principle that supports stable, productive, and empowered workplaces across all its subsidiaries. The Group maintains a zero-tolerance stance on all forms of human rights abuse, including human trafficking, forced or compulsory labor, child labor, discrimination, harassment, and corruption, across its operations and business relationships.

The Group adheres to applicable local and international labor laws and standards, ensuring equitable compensation, reasonable working hours, and safe working conditions, while encouraging employee participation through open dialogue and representation mechanisms that foster trust and inclusivity. AGI's subsidiaries observe formal minimum notice periods for operational changes, ensuring employees and their representatives are informed ahead of implementation. Notice periods range from 3 days to 12 weeks depending on the entity, reflecting each subsidiary's labor agreements and local requirements.

Fair, transparent, and collaborative labor-management relations are central to how AGI manages its people. The Group places strong emphasis on employee well-being through accessible grievance channels, mental health resources, and programs that promote work-life balance.

Human rights considerations extend beyond the workforce to how AGI secures its operations. Security personnel, whether in-house or third-party, are required to be trained in the Group's human rights policies and procedures. In 2025, EMI achieved 100% training coverage among its security personnel, while 90% of TIHGI's security force completed formal human rights training, with the same requirement applied to third-party providers.

In 2025, 45% of employees within EMI were covered by collective bargaining agreements (CBA), reflecting the subsidiary's continued commitment to structured labor representation. No formal consultations on employee-related policies were recorded during the year as existing engagement mechanisms remained in place to support ongoing dialogue.

Across its subsidiaries, AGI translates its human rights commitments into concrete, entity-level practices.

Collective bargaining and human rights/labor law incidents *[2-30, 408-1, 409-1]*

Disclosure	2023	2024	2025
Employees covered with collective bargaining agreements	50%	49%	45%
No. of legal actions or employee grievances involving forced or child labor	0	0	0

Disclosure: Data includes EMI only.

EMI upholds fair treatment and ethical practices across all subsidiaries, prohibiting child labor and any form of labor exploitation, and aligning employee policies with local and international labor laws. Each subsidiary conducts regular human rights assessments and holds training sessions to keep employees informed of their rights. At WMG, four operational sites maintain trade unions and CBAs, with employee forums at other sites ensuring that employees are consulted ahead of changes that may affect them.

AGI remains committed to continuously strengthening its human rights and labor practices across the Group, ensuring that every employee works in an environment where rights are protected and contributions are valued.

Key Initiatives

MEG

Regular vendor assessments and compliance checks ensure alignment with MEG's labor and ethical standards. Employment policies provide access to competitive benefits, personal leaves, social security, and retirement across all positions, in full compliance with applicable labor laws.

Human rights principles are embedded into recruitment, operations, and external partnerships, cultivating a workplace culture defined by integrity, inclusion, and accountability.

TIHGI

Conducted Engagement and Inclusion Surveys through the HR Department to assess employee satisfaction and policy effectiveness. Monitored labor cases actively and addressed workplace concerns promptly to preserve healthy labor relations.

Human rights commitments are reinforced through its Code of Conduct, which guides employee behavior and is enforced with due process and fairness.

EMI

EDI - Ensures its policies adhere to Philippine labor laws and empowers employees to know and exercise their rights. At its Santa Rosa plant, EDI has worked to strengthen employees' understanding of their rights, particularly for women.

In February 2025, the Department of Labor and Employment (DOLE) – Laguna Provincial Office conducted lectures covering RA 9262 (Anti-Violence Against Women and Their Children Act), RA 9710 (Magna Carta for Women), RA 8972 (Solo Parent's Welfare Act), and RA 11313 (Safe Spaces Act).

WMG - Aligns with UK Government guidelines, with WMG's employee rights policies emphasizing regulated employment and proper treatment. Employees aged 18 and below are engaged only through approved training schemes such as apprenticeships. Supplier agreements require right-to-work checks and a Modern Slavery declaration to prevent labor exploitation, and all employees are educated on modern slavery with access to a confidential whistleblowing line. WMG has also reviewed and updated its Modern Slavery Statement, benchmarked practices with a peer organization, and is exploring additional supplier auditing.

Managers negotiating without unions received training in 2025. Communication structures were strengthened through improved notice boards, interactive screens, and enhanced training. Work continues on refining the Collective Grievance Resolution process.

GES/CPD - CPD sets its minimum working age at 18, above the federal minimum of 15. Suppliers are required to comply with company policies and legal standards. GES and its subsidiaries explicitly prohibit child and forced labor.

BF - Negotiated a new collective agreement for the grapevine industry, with union elections recently concluded.

DIVERSITY, EQUAL OPPORTUNITY, AND NON-DISCRIMINATION

3-3, 405-1, 406-1

A diverse, equitable, and inclusive workforce is the right foundation for a responsible business as well as a strategic asset. AGI recognizes that bringing together individuals of different backgrounds, perspectives, and experiences strengthens learning, drives innovation, and keeps the Group agile in a business environment that demands constant adaptation. As AGI's workforce expands toward its goal of generating at least five million direct and indirect jobs by 2035, inclusive hiring practices that broaden opportunities for students, senior citizens, and underrepresented groups remain central to how that growth is pursued.

The Group's commitment to diversity, equity, and inclusion spans recruitment, labor relations, training, promotion, and compensation. Its impact extends beyond employees to the communities AGI serves, reinforcing its role as an engine of inclusive economic development. This commitment is further upheld through a workplace culture where discrimination in any form is not tolerated. In 2025, no incidents of unlawful discrimination were recorded across the Group's operations, a testament to the strength of AGI's policies and the integrity of its people practices.

The Group maintained a balanced workforce in 2025, with women representing 46% and men 54% of total employees, reflecting a slight shift toward increased female representation across the workforce.



Board diversity for 2025

By Gender	AGI	EMI	MEG	TIHGI
Male	5	3	5	4
Female	2	-	2	1

By Age	AGI	EMI	MEG	TIHGI
Below 30 years old	-	-	-	-
30-50 years old	1	1	1	1
Above 50 years old	6	2	6	4

Diversity by gender across organizational levels *[405-1]*



Disclosure: Data for 2024 have been restated following data validation and corresponding adjustments by MEG and its subsidiaries.

Diversity by age across organizational levels *[405-1]*



The data presented herein exclude GADC from the reporting scope. Operational social data tables are presented in the Annex.

These figures reflect the Group's continued commitment to diversity, equal opportunity, and meritocracy in its employment practices. Hiring, development, and advancement are guided by fair and performance-based criteria, ensuring equal access to opportunities while fostering a workplace that values diverse perspectives and capabilities.

2025 Performance

FIRST MUSLIM-FRIENDLY HOTEL CHAIN

Megaworld Hotels & Resorts recognized by CrescentRating

FIRST INTEGRATED RESORT

NWR joins the Philippine Financial Inter-Industry Pride

FIRST PARTICIPATION

ONE NWR joins the Philippine Pride March, demonstrating visible LGBTQIA+ allyship

MEG embeds diversity and inclusion across every stage of employment from recruitment and onboarding to training and career advancement. Leadership development programs reinforce a culture where everyone is empowered to contribute and where diversity is treated as a source of organizational strength.

Across other subsidiaries, AGI translates its DEI commitments into structured, entity-level practices. Each subsidiary applies controls suited to its jurisdiction and workforce profile, with initiatives spanning non-discrimination governance, pay equity, recruitment fairness, and LGBTQIA+ inclusion.

Key Initiatives

MEG

Zero-tolerance anti-discrimination policy applied at all organizational levels. Advancement based solely on merit with assessment systems designed to eliminate systemic bias. Leadership development programs foster a culture that empowers diverse contributions.

TIHGI

Expanded university partnerships for on-the-job training, including placements for students with special needs and opportunities for transgender and LGBTQ+ individuals. Women's Day forum organized in partnership with external groups. HR developing a comprehensive Diversity, Inclusivity, and Equity policy.

NWR — First integrated resort to join the Philippine Financial Inter-Industry Pride. Participated in the Philippine Pride March as ONE NWR for the first time, reinforcing visible and meaningful LGBTQIA+ allyship.

EMI

Non-discrimination policies and equality and inclusion charters in place across subsidiaries, governing recruitment, labor relations, training, and promotion. Complaint mechanisms and diversity monitoring are embedded in operations.

GES - Developing a standardized framework for selection and recruitment to ensure consistent, fair, and objective processes across all hiring activities.

CPD - Annual salary analyses conducted with performance-based adjustment recommendations. Minimum working age set at 18, above Mexico's federal minimum, with fair compensation standards applied to all engaged individuals.

WMG - Annual gender pay gap reporting under the Equality and Inclusivity Charter. Action plans being prepared following insights from the Sexual Harassment Risk Assessment.

These efforts collectively enhance employee engagement, reinforce ethical conduct, and contribute to a workplace culture grounded in fairness, respect, and accountability. AGI remains committed to advancing diversity, equity, and inclusion as a core dimension of its sustainability strategy. With a 2035 jobs target that demands inclusive, broad-based growth, the Group will continue to build workplaces where every individual, regardless of background, has the opportunity to contribute, grow, and thrive.

EMPLOYEE TRAINING AND DEVELOPMENT

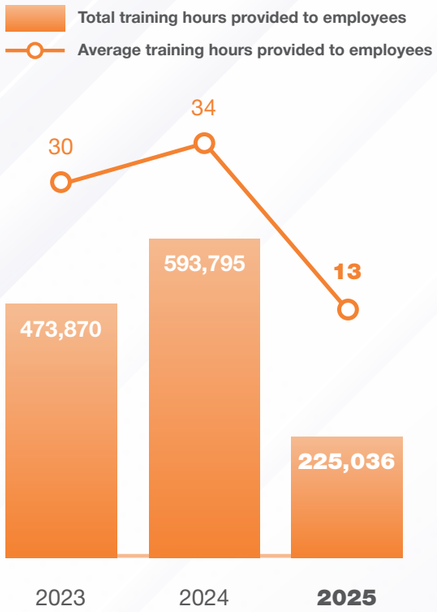
3-3, 404-1, 404-2, 404-3

The ability to develop talent from within is one of the clearest indicators of an organization's long-term health. AGI approaches training and development as a strategic investment, one that strengthens individual capability, supports career progression, and builds the internal pipeline of leaders the Group needs to sustain growth across its diverse businesses.

Across its subsidiaries, structured learning opportunities improve employee retention, reduce reliance on external recruitment, and keep the workforce aligned with the evolving demands of each industry. The positive impact extends beyond the organization as a more skilled and confident workforce contributes to stronger communities and more resilient operations.

The Group recorded an average of 13 training hours per employee in 2025. Female employees averaged 15 hours and male employees averaged 12 hours, reflecting continued access to learning opportunities across the workforce. The change reflects a more focused approach to training, with programs becoming more targeted and aligned to specific roles and operational needs.

Employee training hours *[404-1]*



Disclosure: The data presented herein exclude GADC from the reporting scope. Operational social data tables are presented in the Annex.



Performance reviews (in %) *[404-3]*

By Employee Category	2023	2024	2025
Senior Management	100	98	92
Middle Management	100	99	98
Rank and File	100	99	99
TOTAL	**100**	**99**	**98**

Training effectiveness across the Group is assessed through employee feedback, performance monitoring, and completion tracking, with programs continuously refined based on these insights. Performance appraisals complement this approach — Emperador Distillers Inc. (EDI) conducts annual evaluations, while TIHGI assesses both agency and company staff monthly and yearly. Nominees for career advancement undergo a standardized process to ensure fairness and consistency in progression decisions.

Structured learning is how AGI builds the leadership bench that will carry the Group forward. This philosophy is reflected in the breadth of programs delivered across the Group in 2025. From operations-focused training to flagship leadership development, each subsidiary invested in learning that was designed for its specific context while contributing to AGI's shared commitment to talent excellence.

Key Initiatives

EMI

A Labor and Employment Education session led by DOLE in February 2025 covered employee rights with a focus on women's protections. Emergency Preparedness and Response session delivered by the City DRRMO in March 2025. Across subsidiaries, structured onboarding, capacity-building, and technical assistance programs support employees at every stage of their careers. CPD's GBKnowIt platform promotes self-directed learning, while BF and WMG deliver blended learning programs combining on-site sessions, digital modules, and on-the-job coaching, including in-house leadership and management development tracks.

MEG

Branded as "The Most Comprehensive Management Development Program in the Real Estate Industry," the High Rise Management Development Program is an intensive seven-month leadership track that trains high-potential supervisors, managers, and assistant vice presidents for senior leadership roles. Anchored on the 4C Framework (Your Company, Your Competencies and Character, Your Careers, and Your Capstone), the program is Megaworld's long-term commitment to shaping leaders in navigating complex situations and driving transformation within the company.

TIHGI

Culinary teams participated in expert-led sessions and competitions. Food and beverage staff completed Wine & Spirit Education Trust certifications, barista, and cocktail programs. Reorientation sessions reinforced brand values, sustainability practices, and the omotenashi philosophy of wholehearted hospitality.

Partnership with AIM's School of Executive Education enrolled 30 ONE NWR leaders in a structured curriculum on financial acumen, communication, and presentation. Leadership 101 and Essential Supervisory Skills programs support emerging leaders across the organization.

AGI will continue to invest in the learning and development infrastructure that prepares its people for greater responsibility. As the Group expands across its markets, the depth of its internal talent pipeline will be central to sustaining the performance and purpose that define AGI's long-term ambition.

WORKFORCE HEALTH AND SAFETY

3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

A safe workplace is the foundation on which everything else is built. For AGI, workforce health and safety goes beyond regulatory obligations as it is a direct enabler of operational continuity, employee trust, and long-term business performance. Injuries, illnesses, and unsafe conditions carry real costs: lost productivity, increased healthcare expenditure, reputational exposure, and most importantly, harm to the people who make the Group's operations possible.

AGI follows strict occupational health and safety (OHS) policies that comply with local and international standards, supported by systems for hazard identification, risk assessment, incident investigation, and continuous improvement. Routine safety audits, mandatory safety training, and proactive health programs are embedded across all subsidiaries, ensuring that safety is structural. This approach equips employees with the knowledge and support they need to work with confidence.

The Group recorded approximately 64 million safe man-hours in 2025, reflecting continued efforts to maintain a safe working environment across its operations. Workplace safety performance improved significantly with work-related injuries decreasing to 36 cases, while no fatalities were recorded during the year. Reported cases of work-related ill health also declined compared to the previous year, indicating better health management and preventive measures across subsidiaries.

OHS Performance *[403-9, 403-10]*

Disclosure	2023	2024	2025
Safe Man-Hours	135,216,872	231,389,410	63,873,114
No. of work-related injuries	439	785	36
No. of work-related fatalities	1	0	0
No. of work-related ill-health	7,910	13,069	8,529
No. of safety drills	175	373	288

Disclosure: Safe man-hours and work-related injuries for 2024 have been restated by MEG subsidiary.

Among the Group's most significant safety achievements in 2025, EDI was recognized by the Department of Labor and Employment for achieving one million safe manhours without a lost-time accident from 2023 to 2025, making it the only company in Laguna to reach this milestone. This recognition affirms the strength of AGI's Group-wide OHS framework and the collective discipline of the people behind it.

Across the Group, OHS governance assigns clear accountability at every level. Safety officers, OHS committees, and dedicated health personnel ensure that policies are implemented consistently, hazards are identified early, and employees are equipped to protect themselves and their colleagues. AGI draws on both local regulatory frameworks and global best practices, including ISO 45001-aligned prevention plans and the Free From Harm approach used in high-risk industries, to continuously raise its safety standards.

Safety at AGI is a shared responsibility. It is embedded in daily operations, reinforced through training, and measured through outcomes that reflect the well-being of every person who works across the Group. This governance foundation is translated into concrete, entity-level action across the Group. Each subsidiary brings its own context to OHS implementation while remaining anchored to AGI's overarching commitment to zero harm.

Key Initiatives

MEG

Safety Officers stationed at each property lead daily toolbox meetings, conduct regular inspections, and manage incident reporting and investigation. Policies restrict the handling of specialized equipment outside an employee's designated scope. Evacuation drills, first-aid training, and OSH seminars are conducted regularly in partnership with condominium corporations and service partners. An in-house occupational health nurse oversees wellness initiatives under the People Culture Management team, with all health information kept strictly confidential. ESHential promotes environmental, safety, and health awareness in day-to-day operations, while the First Friday Mass supports employee well-being through reflection and values formation.

EMI

A Health in the Workplace lecture series was delivered in partnership with Santa Rosa City Health Office II from March to July 2025, covering STIs, HIV and AIDS, cancer prevention, musculoskeletal disorders, and seasonal illnesses. Fire safety and emergency response training conducted by the Bureau of Fire Protection. Two-day industrial first aid and basic life support training facilitated by the Philippine Red Cross Laguna Chapter. Annual bloodletting activity yielded 17 successful donations, with employees and families eligible to request free blood during emergencies. The Department of Health recognized EDI's participation at the Kabalikat Summit 2025. DOLE awarded EDI for achieving one million safe manhours without a lost-time accident, the only company in Laguna to reach this milestone.

TIHGI

Management approved the new NWR Incident and Crisis Manual with updated escalation and response procedures. Selected leaders completed the Incident Command System Executive Course. The OSH Committee, chaired by the NWR President, convened monthly to review concerns and set safety priorities. The Fire Brigade was reorganized into 17 interdepartmental zones, with refresher training completed by 191 members. Seven drills were conducted, including mandatory, earthquake, and night drills, exceeding regulatory requirements. Fire detection systems were upgraded, safety signages installed, and the fire response team transferred to SEPCU for integrated emergency response. Performance is monitored through safety observations, accident databases, and safe man-hours tracking, with compliance certificates received from BFP, PEZA, and DOLE.

As the Group's operations grow in scale and complexity, its investment in safety infrastructure, training, and culture will keep pace, ensuring that every employee across every subsidiary is protected, prepared, and empowered.



COMMUNITY TRANSFORMATION

AGI implements a range of corporate social responsibility and community development programs that respond to local needs and support long-term social well-being. These initiatives include health and wellness activities, education and skills development, cultural and tourism-related efforts, and programs that promote safety, preparedness, and community participation. Through these activities, the Group contributes positively to the communities where it operates and helps create environments that enable both individual and collective growth.

COMMUNITY IMPACT OF NEW DEVELOPMENTS

3-3, 203-1, 203-2, 413-1, 413-2

Every new development the Group undertakes carries with it a responsibility to the communities that host it, the environments that surround it, and the people whose livelihoods depend on it. AGI considers the broader social, economic, and environmental effects of its projects, ensuring that new developments contribute positively to host communities while supporting long-term resilience.

TIHGI's new developments are designed from the outset to deliver measurable benefits to host communities. Master-planned projects integrate climate-adaptive and resilience-focused features, including flood-adaptive layouts, typhoon-resistant and earthquake-resistant structures, and expanded green spaces, reducing community exposure to climate risks while supporting healthier living environments. Beyond physical design, TIHGI generates local economic activity through employment creation, support for community-level enterprises, and targeted infrastructure investment in its host areas. Strategic initiatives in digital transformation, market expansion, and financial management further reinforce economic resilience at both the local and national level. Through these efforts, TIHGI aims to create shared value by delivering high-quality services, enabling community involvement, and ensuring that new developments contribute positively to social and economic outcomes.

EMI implements a broad set of community programs across its host areas, addressing health, education, youth development, livelihood, and disaster response. These programs reflect EMI's recognition that its presence in a community carries obligations that go beyond the workplace, grounded in a commitment to the well-being of the people it operates alongside.



EMI Community Programs

Health Missions and Medical Access

Medical missions, community donations, and bloodletting drives conducted regularly. Free medical services extended to unsheltered and underserved groups in host communities. Annual bloodletting activity with the Philippine Blood Center yielded 17 successful donations in 2025, with employees and families eligible to request free blood during emergencies.

Maternal and Child Health

Buntis Congress organized in 2025 to provide women, particularly first-time mothers, with guidance on maternal care. Supplemental immunization programs conducted in partnership with Progreen and the City Health Office to support child health in surrounding communities.

AGI and its subsidiaries continue to embed community well-being into the fabric of their operations, ensuring that the Group's growth translates into tangible, lasting benefit for the people and places it serves.

COMMUNITY RELATIONS

3-3, 203-1, 203-2, 413-1, 413-2

AGI and its subsidiaries build strong relationships with host communities through programs that address health, education, livelihood development, disaster response, environmental protection, and employee volunteerism. These initiatives are implemented through partnerships with government agencies, schools, non-government organizations, and community groups, with active employee participation across the Group.

In 2025, community programs implemented by the AGI Group supported vulnerable sectors, strengthened local engagement, and contributed to long-term social sustainability in communities where the Group operates.

Community Health, Food Security, and Well-Being

Access to health services and food security are among the most direct ways a company can support community resilience. Across its subsidiaries, AGI extended health programs, free medical services, and food redistribution efforts to underserved populations in its host communities.

243
Students Served
Free vision screening and eyeglasses, MEG Eye Care Mission

32,684
Beneficiaries Reached
Plate It Forward food redistribution, Marriott Manila

465
Cumulative blood donations
Bleed for LOVE, NWR

300
Families reached
IHG x Project PEARLS, NWR

150
Community food packs distributed
Community Kitchen with SOS Philippines, NWR

MEG / TIHGI

BLOOD DONATION DRIVES

Across the Group, blood donation initiatives helped strengthen community health while fostering a culture of volunteerism and care among employees. GERI partnered with the Philippine Red Cross for its annual blood donation drive, encouraging employee volunteers to contribute to life-saving efforts and promote wellness across MEG's subsidiary network. Meanwhile, NWR continued its Bleed for LOVE program through blood donation drives conducted in partnership with the Philippine Blood Center and the Pasay City Health Office. In 2025, the initiative mobilized 465 donations, contributing to a cumulative total of 2,070 blood bags collected since its launch in 2022.

EMI

BUNTIS CONGRESS

Participated in the Family Planning and Breastfeeding Awareness Month Celebration in partnership with the City Health Office II of Santa Rosa, Laguna. Focused on maternal care, breastfeeding awareness, and child development from pregnancy to birth.

TIHGI

PLATE IT FORWARD

Marriott Manila redistributed safe surplus food to 32,684 beneficiaries including children, elderly, pregnant women, and families in crisis, in partnership with the Philippine Red Cross. Also contributed to food waste reduction through responsible food handling.

MEG

EYE CARE MISSION: A GIFT OF VISION

Free vision screening and prescription eyeglasses provided to 243 students across schools in Taguig and Capas, Tarlac, including the Aeta community in Capas — the Foundation's first eye care mission in an indigenous community. Supported by Executive Optical, McDonald's, and the Philippine Air Force.

TIHGI

LOVE KITCHEN

NWR's LOVE Kitchen program provided nutritious meals, activities, and gift packs to Grade 2 students from Maricaban Elementary School. In 2025, the program served a total of 150 students with the participation of Manila Marriott Hotel, Sheraton Manila Hotel, and Hotel Okura Manila, supported by 97 ONE NWR volunteers across the year.

TIHGI

SUSTAINED SUPPORT FOR THE REHABILITATION CLINIC OF COTTOLENGO

TIHGI continued its partnership with the Rehabilitation Clinic of Cottolengo, which provides long-term residential care for individuals with mental disabilities. Support included donations of essential care items and facility improvement through the repainting of the rehabilitation center.

TIHGI

COMMUNITY KITCHEN WITH SOS PHILIPPINES

In partnership with Hilton Manila and Scholars of Sustenance Philippines, NWR conducted community kitchen operations in Sta. Ana, Manila, distributing 150 grocery packs and 150 food packs to local residents at the National Shrine of Our Lady of the Abandoned.

Education Access, Youth Development, and Inclusion

Investing in education and youth development is investing in the long-term capacity of communities to grow and thrive. AGI's subsidiaries supported learning access, youth empowerment, and inclusive education, from scholarship programs and remedial learning sessions to industry-led youth engagement and LGBTQ+ inclusive spaces.

138
New Scholars
Walk Into Your Future Scholarship Caravan, MEG

75
Learners Supported
Eskwela ng Bayan summer remedial program, MEG

56
Schools Supported
MEG Eskwela ng Bayan

MEG

SCHOLARSHIP PROGRAMS

The Megaworld Foundation sustains support for 1,000 scholars annually, with continued expansion through partnerships with educational institutions nationwide. In 2025, the Walk Into Your Future Scholarship Application Caravan added 138 new scholars from senior high school to college level, all residing within five kilometers of MEG townships, selected through academic and financial screening aligned with MEGreen distance requirements

TIHGI

LOVE EVERYDEI: SOP BADMINTON CHAMPIONSHIP

NWR supported the Special Olympics Pilipinas Badminton Championship for children with intellectual disabilities as part of its DEI commitment. Held in recognition of World Down Syndrome Day, the event brought together 60 NWR volunteers alongside 70 SOP athletes and 25 coaches, fostering inclusion and equal participation through sport.

MEG

ESKWELA NG BAYAN: A MEGACOMMUNITY SUMMER CLASSROOM

75 learners supported through remedial math and English sessions facilitated by 66 employee volunteers. Four top-performing students were awarded scholarship grants.

TIHGI

RAINBOW YOUTH ACADEMY

Supported the Rainbow Youth Academy in collaboration with the Philippine Financial and Inter-Industry Pride, promoting inclusive learning environments for LGBTQ+ youth.

EMI

INTERNATIONAL YOUTH DAY

EMI observed International Youth Day 2025 in partnership with DOLE, highlighting youth empowerment and sustainable development.

BRIGADA ESKWELA

Subsidiaries across the Group participated in Brigada Eskwela 2025, preparing learning spaces and supporting students ahead of the school year. MEG volunteer employees supported 56 schools nationwide, including classroom rehabilitation at Maybunga Elementary School Annex in Pasig City and tutoring assistance at Mandurriao Elementary School in Iloilo. EMI employees supported classroom preparation at Bagumbayan Elementary School in Quezon City and Pulong Santa Cruz Elementary School in Santa Rosa, Laguna. NWR mobilized 98 ONE NWR and school volunteers for clean-up and improvement activities at Maricaban Elementary School, including the repainting of 270 chairs. Outreach extended to the Aeta community in Barangay Banoyo, San Luis, Batangas, where 60 NWR volunteers in partnership with Hotel Okura Manila provided school supplies and engagement activities for approximately 100 students from daycare to college level.



Youth Employability and Inclusive Livelihoods

Sustainable community development requires pathways from learning to earning. AGI's subsidiaries invested in programs that connect education to employment, strengthen the business capabilities of vulnerable groups, and build the next generation of industry professionals.

100
Students employed
Placed within AGI companies and partner organizations, MEG

14.37%
Sales increase
Hands in Harmony program participants

123
Internship graduates
TIHGI Internship Program

TIHGI

ACADEMY FOR LEISURE AND TOURISM (ALT)

Foundational courses designed to elevate the competencies of Filipino hospitality professionals, with direct access to industry experts from TIHGI's international hotel brands.

MEG

PATHWAYS TO SUCCESS AND FUTURE FORWARD

Career development initiatives enhanced job readiness and led to the employment of 100 scholars within AGI companies and partner organizations.

MEG

HANDS IN HARMONY

Livelihood program for women and persons with disabilities, providing guidance on marketing and sales strategies. Recorded a 14.37% increase in sales as of October 2025, supported by engagement with MEG divisions and supplier participation within MEG offices.

TIHGI

INTERNSHIP PROGRAM

Implemented with partner schools and universities, the program gave aspiring hospitality professionals hands-on exposure to international service standards and hotel operations. In 2025, 123 students graduated from the program, with several transitioning into full-time or outsourced roles within hotel operations.



Disaster Response, Volunteerism, and Social Care

When communities face a crisis, AGI's subsidiaries respond. From typhoon relief to fire response and animal welfare, the Group's community care extends to the moments when it is needed most, guided by a culture of malasakit embedded across its people and operations.

EMI

BANGON CEBU AND COMMUNITY RELIEF

Employee-led donation drive mobilized essential goods for families affected by Typhoon Tino. EMI also repurposes production byproducts for community use, including converting wood pallets into school chairs and donating containers to local farmers. Quarterly food distribution and community clean-ups support local living conditions.

TIHGI

DISASTER RELIEF OPERATIONS

TIHGI subsidiaries responded to multiple calamities in 2025. Holiday Inn Express Manila NWR, through IHG x Project PEARLS, provided meals, hygiene kits, and essential supplies to more than 300 families displaced by a fire in Tondo, Manila, combining logistical capacity with Project PEARLS' community networks for rapid, locally-led relief. Newport World Resorts, through LOVE to the Rescue, partnered with the Philippine Air Force to reach communities affected by Typhoon Kristine, Typhoon Emong, the Southwest Monsoon, and the Cebu earthquake. A total of 40 ONE NWR volunteers distributed 527 relief packs, 163 food packs, and 118 pieces of bedding, and turned over 1,000 relief bags to the Philippine Air Force for earthquake-affected communities in Cebu, with support from Gordon Ramsay Bar and Grill PH and Gordon Ramsay Fish and Chips PH.

TIHGI

LOVE GRANTS PROGRAM

The LOVE Grants Program extended support to underserved communities through targeted initiatives covering healthcare access, child welfare, disaster preparedness, and volunteer engagement. Key activities included medical care and volunteerism, safety awareness, assistance to children battling cancer, support for rescued animals, and community inclusion programs. Implemented with local organizations, government partners, and employee volunteers, the program combined direct assistance with educational and recreational activities.

TIHGI

HOTEL OKURA ANIMAL WELFARE OUTREACH

Hotel Okura Manila conducted its first animal welfare outreach at a shelter in Bulacan, with additional volunteer engagements planned.

MEG

OPERATIONS MALASAKIT

Encourages community involvement and volunteerism across MEG's workforce, reinforcing a culture of empathy and social responsibility as part of daily operations.

Environmental Stewardship and Community Protection

Environmental care is an extension of community care. Across the Group, subsidiaries contributed to cleaner waterways, healthier ecosystems, and long-term biodiversity protection through active participation in environmental programs alongside host communities.

MEG / EMI / TIHGI

COASTAL CLEAN-UP

Subsidiaries participated in coastal and waterway cleanup activities throughout 2025. EMI joined the International Coastal Clean-Up Day on September 21 with the City Environment and Natural Resources Office of Santa Rosa, Laguna, focusing on river areas in Barangays Aplaya and Caingin. NWR participated in two cleanup drives: a March activity at Dolomite Beach as part of MEG's Cause for a New Coast collected over 200 kilograms of waste ahead of Earth Hour, and an October cleanup at Las Piñas and Parañaque Wetland Park, where 104 volunteers collected approximately 624 kilograms of waste in partnership with Hilton Manila, the Philippine Air Force, and the Newport City Employees Association.

MEG / TIHGI

REFORESTATION

Reforestation efforts across the Group expanded in 2025. MEG planted 13,500 trees, bringing its cumulative total to 228,619, and in cooperation with the Armed Forces of the Philippines, planted 143,694 Narra and cacao seedlings for the Alimodias Upland Farmers Association. A Tree Growing Activity was also held at Camp Palico in Nasugbu, Batangas. MEG targets 2 million native and endemic trees across 4,000 hectares of carbon forests, with a long-term goal of 3.5 million trees by 2035. NWR, through LOVE Tanim, planted 1,000 kupang seedlings during Earth Day and an additional 2,000 cacao seedlings in October in the protected watershed areas of Norzagaray, Bulacan, in partnership with Hilton Manila, Manila Marriott Hotel, Conrad Manila, the Briquetors Association of the Philippines, and the Dumagat Tribe. The cacao cultivation component also supports livelihood opportunities for local communities.



MSME Development and Engagement

LOCAL SOURCING

Prioritizing local producers, farmers, and service providers across AGI's supply chain. In 2025, MEG maintained its record of spending 100% of its procurement budget on local suppliers.

TOWNSHIP INTEGRATION

MSMEs are embedded in MEG township master plans through bazaars, events, and festivals. The MLM Run Club organized by the Lifestyle Malls department engaged over eight tenant participants in 2025.

MARKET ACCESS

Township markets connect rural producers to urban shoppers for fair pricing and sustainable livelihoods, extending economic opportunity to communities surrounding MEG developments.



AGI understands how important micro, small, and medium enterprises (MSMEs) are to the communities it serves. Many of the products and services that support AGI's businesses come from small local producers, farmers, and service providers, and the Company's procurement practices are designed to help these enterprises grow alongside it.

By prioritizing local sourcing, keeping engagement fair and transparent, and working closely with partners to meet environmental and social standards, AGI creates real opportunities for MSMEs to strengthen their capabilities and participate more meaningfully in its supply chain. Through this approach, AGI supports local livelihoods while ensuring its own operations remain inclusive, resilient, and rooted in the communities that sustain them.

Building on this commitment, MEG integrates MSMEs directly into the life of its townships. Guided by its Inclusive Development and Community Transformation pillars, MEG ensures that MSMEs are part of the township master plan—so growth within its real estate spaces is shared by all. Homegrown and grassroots brands thrive in MEG's lifestyle malls and mixed-use communities, benefiting from high foot traffic and exposure to diverse markets.

In this way, MEG remains committed to building townships that are not only centers of commerce and lifestyle, but also engines of inclusive growth—where businesses of every size can flourish and long-term economic progress is achieved together.

Strategic Community and Development Partnerships

As one of the largest conglomerates in the Philippines, AGI works closely with both private and public sector partners to advance sustainable development and drive meaningful change across the country. Through collaborative programs, policy engagement, and shared investments, the Group helps strengthen industries, expand economic opportunities, and support initiatives that promote long-term resilience and inclusive national growth.

PUBLIC SECTOR
Government and Regulatory Coordination

Coordination with local government units, national agencies, and regulatory bodies to align developments with land use plans, infrastructure priorities, and compliance requirements. Projects such as Uptown Bonifacio are structured as public-private partnerships. MEG coordinates closely with the DENR, LLDA, AFP, and local LGUs across its environmental, cultural, and community programs.

PRIVATE SECTOR
Industry and Commercial Partnerships

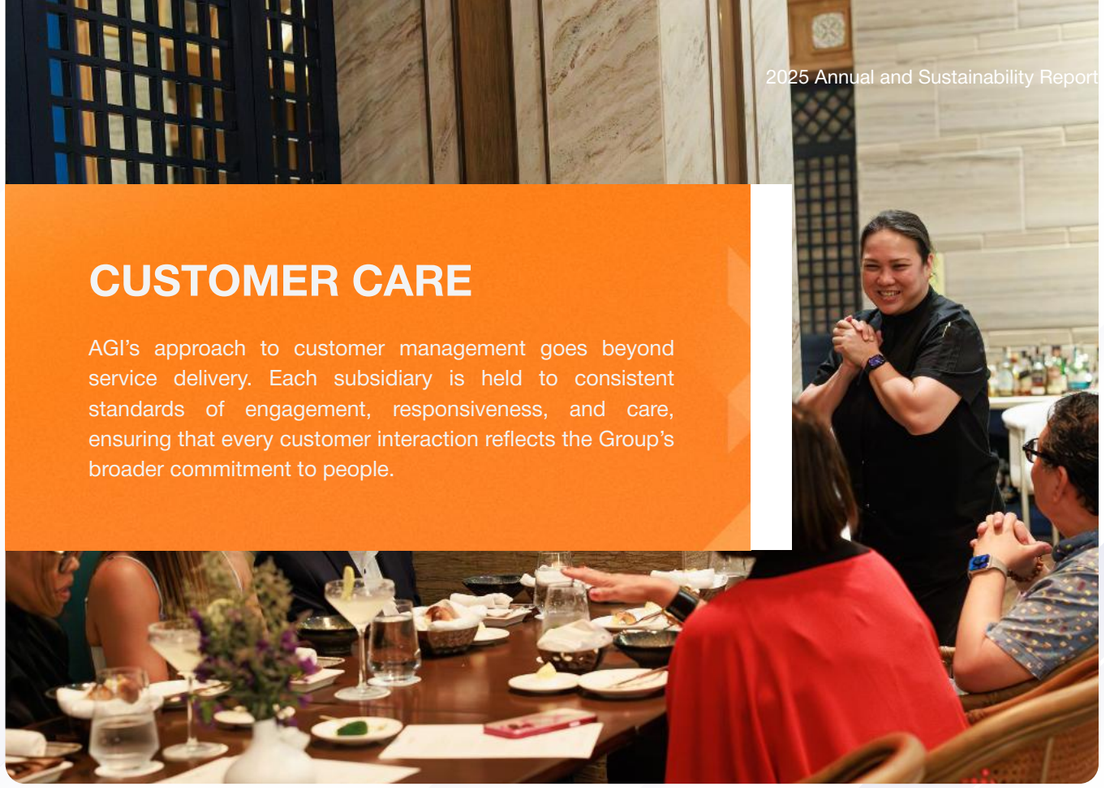
Collaborations with industry leaders, global brands, and institutional locators across residential, office, retail, and hospitality segments, resulting in leasing agreements and strategic alliances that reinforce MEG's position in the real estate sector.

SUSTAINABILITY INITIATIVES
Community and Environmental Programs

Stakeholders engaged in programs promoting economic empowerment, environmental stewardship, and community well-being. Initiatives in 2025 included cooperation with public and private organizations, complemented by MEG employee volunteers across all operational sites nationwide.



Through these partnerships, MEG demonstrates that sustainable urban growth depends on shared vision and coordinated action, ensuring that its townships can continue to thrive for generations.



CUSTOMER CARE

AGI's approach to customer management goes beyond service delivery. Each subsidiary is held to consistent standards of engagement, responsiveness, and care, ensuring that every customer interaction reflects the Group's broader commitment to people.

CUSTOMER HEALTH AND SAFETY

3-3, 416-2

AGI promotes a culture of safety and quality to drive operational excellence across its business units. Rigorous benchmarks and strict health and safety protocols ensure that the highest standards are uniformly met from production facilities to hospitality floors. These systems are designed to safeguard the well-being of all stakeholders, including both the Group's workforce, the customers it serves, and the communities its operations impact.

Across EMI and TIHGI, this commitment takes shape through daily quality monitoring, third-party audits, structured training, and continuous improvement systems that are both proactive and responsive. Safety is not managed in isolation; it is embedded in operations, reinforced through governance, and verified through consistent measurement.

MEG's approach to customer health and safety is anchored in its Customer Care philosophy, where quality, safety, and responsiveness are built into how properties are designed, built, and maintained. All health and safety standards are followed across the portfolio, with trained personnel and structured feedback systems supporting continuous service improvement. Every establishment maintains accessible customer support channels to ensure that concerns are addressed promptly.

In 2025, while the volume of substantiated customer complaints and complaints addressed both increased, MEG maintained a 99% complaint resolution rate, reflecting the strength of its customer care systems and its enduring commitment to delivering quality experiences across its portfolio.

Disclosure	2023	2024	2025
Customer Satisfaction Score	68%	96%	99%

Disclosure: Data includes MEG only.

MEG is also investing in digital tools to elevate the customer experience. AI-powered chat automation, real-time feedback kiosks, and targeted market research are among the initiatives driving more responsive and informed service across its Lifestyle Malls portfolio.

MEG Customer Engagement

Megan AI Chatbot

MEG's generative AI chatbot automated 100% of incoming customer chats with human-like responses. Achieved a 42% year-on-year reduction in live chat tickets and up to 90% deflection rate. Serious issues are escalated to human agents as needed.

Happy-or-Not Customer Survey Kiosks

Kiosks were deployed across 6 malls to collect feedback from 127,000 customers within 3 months. Enables real-time operational responses, including swift resolution of parking payment queueing issues.

Project Garnet

Market research initiative by the Lifestyle Malls division to understand customer needs, preferences, and aspirations. Findings will inform future strategies at Forbes Town, Festival Walk Mall Iloilo, Lucky Chinatown Mall, Eastwood City Walk, and Uptown Mall BGC.

Christmas Receipt Campaigns

High-quality marketing campaigns launched across Megaworld Lifestyle Malls to drive customer engagement through cost-effective, seasonally relevant activations.

EMI maintains customer health and safety through consistent application of food safety standards, quality controls, and regulatory compliance across its global production facilities. Quality assurance teams oversee daily monitoring, ensure adherence to internal protocols, and support the maintenance of Good Manufacturing Practice certifications at key plants. Products are registered with the Food and Drug Administration, and established channels allow customers to report concerns that are addressed promptly to support continuous improvement.

Subsidiaries apply additional controls tailored to their operations. Each entity brings its own rigor to quality management, whether through standards alignment, structured audit cycles, or complaint monitoring systems, ensuring that the Group's safety commitment is consistently upheld across geographies and product types.

EMI Subsidiary Highlights

EMI

CUSTOMER FEEDBACK-DRIVEN QUALITY REVIEW

WMG regularly reviews quality procedures and incorporates customer feedback to refine product safety measures, ensuring standards keep pace with evolving expectations and operational realities.

GES

GFSI-ALIGNED SAFETY STANDARDS

GES follows both legislative requirements and Global Food Safety Initiative standards. Management and the Quality Manager set annual improvement targets and monitor sanitation, pest control, water management, and traceability across operations.

GES

MULTI-LAYER AUDIT AND PERFORMANCE TRACKING

BF conducts multiple internal and external audits each year. Daily performance indicators are tracked through the Quality and Laboratory Departments, providing a continuous view of product safety across operations.

GES

NONCONFORMING PRODUCT MONITORING

CPD monitors nonconforming products for up to one year and maintains strict thresholds for allowable complaints. Anonymous reporting channels are available for any issues related to compliance.

At TIHGI, NWR integrates food safety and occupational safety practices into daily operations to protect employees, guests, and customers. These measures support smooth operations, reduce disruptions, and ensure consistent service delivery across its hospitality and gaming facilities. In 2025, NWR formalized its food safety commitment through the release of the first NWR Food Safety Guidebook, a reference tool for all food handlers and Food and Beverage staff that guides proper hygiene and handling procedures in training, inspections, and daily kitchen routines.

Performance is monitored through a layered system of audits, laboratory sampling, pest control checks, and monthly customer feedback reviews, with annual management reviews presenting results to leadership for timely action. Key indicators include supplier compliance, kitchen and restaurant audit scores, training completion rates, and laboratory and swab test results. These efforts have supported the achievement of targets including zero foodborne illness incidents and the absence of food safety-related reputational issues.

Food Safety and Guest Protection

NWR Food Safety Guidebook

Released in 2025 as the first of its kind for NWR, the guidebook supports all food handlers and Food and Beverage staff in applying proper hygiene and handling procedures. It is used during training, inspections, and daily kitchen routines to ensure food preparation and service standards are consistently met.

Food Safety Day and Global Handwashing Day

Property-wide activities were conducted during World Food Safety Day and Global Handwashing Day to reinforce correct hygiene practices among employees and guests, building safe habits into the fabric of everyday operations.

OSHE Governance and Regulatory Compliance

The OSHE Committee and dedicated teams oversee compliance with DOLE requirements, PAGCOR scorecards, and environmental reporting obligations. Annual sanitary permit renewals are coordinated with local government units, including the Sanitary Health Office, for all NWR restaurants.

OSH Onboarding and Routine Safety Reinforcement

All newly hired employees complete mandatory 8-hour OSH training before deployment. Compliance with required OSH and health personnel numbers is actively monitored, supported by routine inspections, information campaigns, and employee engagement activities.

DATA PRIVACY AND SECURITY

3-3, 418-1

The trust of clients, partners, and vendors is among AGI's most valuable assets. Protecting that trust means handling personal information with care, maintaining robust data security systems, and ensuring that privacy is treated as a standard of conduct. In an environment where data threats are growing in frequency and sophistication, the Group's approach to data privacy and security is both a governance priority and a direct expression of its commitment to the people it serves.

In compliance with the Data Privacy Act of 2012, AGI and its subsidiaries have established a comprehensive Data Privacy Manual and related security policies to safeguard personal information. These are further supported by subsidiary-specific guidelines that strengthen overall compliance and protection measures across different operating contexts and jurisdictions.

Even with no reported data breaches or substantiated complaints on customer privacy, AGI subsidiaries continued to refine their data handling and safety practices to ensure responsible management of customer information.

Data Security	2023	2024	2025
No. of data breaches, including leaks, thefts, and losses of data	0	0	0

Customer Privacy	2023	2024	2025
No. of substantiated complaints on customer privacy	0	0	0
No. of complaints addressed	0	0	0
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0



MEG's Privacy Safeguards

MEG recognizes the importance of protecting customer data and adheres to the National Privacy Commission regulations and the Data Privacy Act of 2012. Data access is strictly controlled and limited to mission-critical employees, who operate under data privacy training requirements and cybersecurity directives.

MEG takes a transparent approach to communicating its data handling policies, ensuring customers understand how their information is used and that they retain full rights over their personal data. Privacy considerations are also embedded directly into digital service design, including MEG's AI-powered customer engagement tools.

Multi-Layer Data Protection

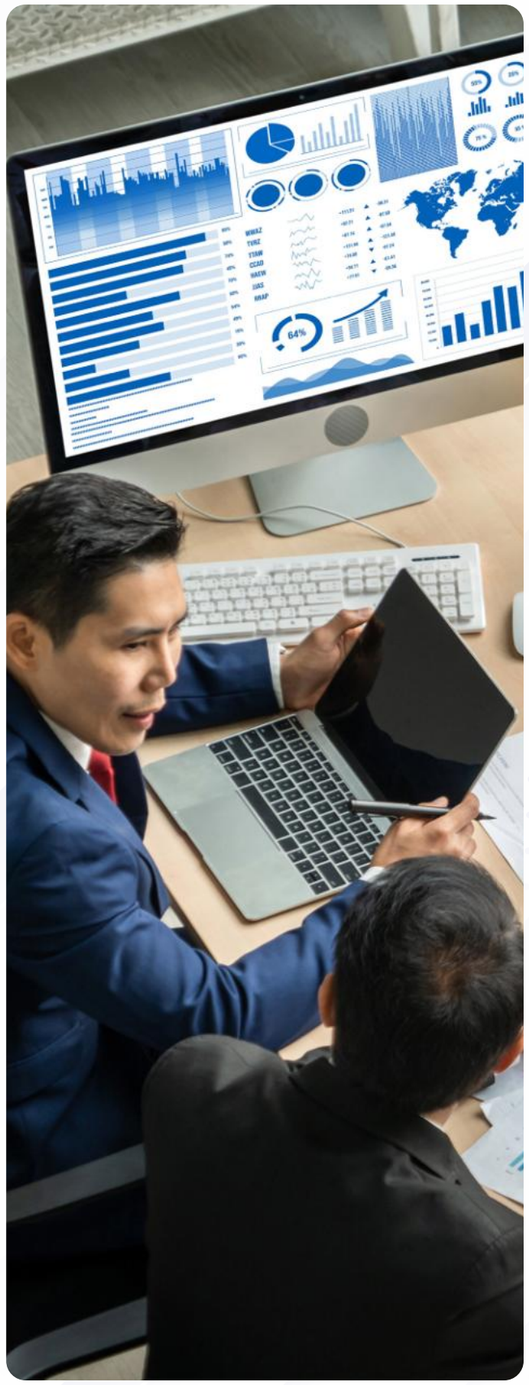
Customer data is protected through encryption, controlled access, and security audits. Access limited to mission-critical employees who receive data privacy training and operate under strict cybersecurity directives.

Privacy-First AI Design

The Megan AI chatbot removes the need for customer email for live agent requests and is fully compliant with Meta's data privacy policies, embedding privacy considerations directly into digital customer service.

Customer Transparency and Data Rights

Customers are informed of how their data is stored and used. They retain the right to access, amend, or request deletion of their personal information, prioritizing customer agency and long-term trust.





EMI's Multi-Jurisdictional Privacy Controls

WMG

GDPR COMPLIANCE AND PAYROLL SECURITY

WMG follows the European Union's General Data Protection Regulation for data use and retention. The Chief Financial Officer oversees secure handling of payroll and client information and ensures that relevant staff complete GDPR training. External auditors periodically review WMG's data management plan.

GES

DESIGNATED DATA PROTECTION OFFICER

GES maintains strict protocols for managing personal information, including restricted system access, individual user accounts, password controls, backup procedures, and defined data breach response processes. A designated Data Protection Officer oversees compliance with Spain's data protection laws, the National Security Scheme, the GDPR, and ISO 27001. Regular system reviews and procedure testing support continuous improvement, with updated privacy policies published on official websites.

EMI's global operations require data privacy practices that meet multiple regulatory frameworks across different jurisdictions. Each subsidiary applies controls suited to its local legal environment while maintaining alignment with EMI's Group-wide standards. This multi-layered approach ensures that personal data is protected consistently, regardless of where in the world it is processed.

TIHGI's Cybersecurity and Digital Resilience

TIHGI strengthened its cybersecurity posture in 2025 through a series of targeted investments in infrastructure, threat monitoring, and employee awareness. These efforts reflect the company's recognition that data security is not a static achievement but a continuous discipline that must keep pace with an evolving threat landscape.

On the infrastructure side, core firewalls and network switches across all critical assets were upgraded as part of a targeted infrastructure refresh. Server environments received comprehensive security patch updates to maintain system integrity and operational resilience. Legacy operating systems were retired and replaced with current versions, significantly reducing the organization's cybersecurity risk exposure and strengthening its long-term security posture.



Dark Web and Brand Protection Monitoring

TIHGI onboarded digital brand protection and dark web monitoring services that continuously track external threat surfaces, including brand misuse, compromised credentials, and dark web activity. These tools help safeguard corporate reputation, customer trust, and sensitive information.

Infrastructure Hardening

Core firewalls and network switches were refreshed and replaced across critical assets. Server environments updated with current security patches. Operating system upgrades completed to replace legacy limitations and reduce cybersecurity risk exposure.

Cybersecurity Awareness and Employee Training

Cybersecurity awareness was integrated into the New Employee Orientation program and reinforced through phishing simulation exercises. Mandatory data privacy and security courses were implemented, and compliance officers across departments monitored adherence to privacy regulations.

Privacy Impact Assessments

Privacy Impact Assessments were conducted for activities and systems involving personal data, providing a structured basis for identifying and mitigating privacy risks before they materialize.

Data privacy and security at AGI is built on consistent governance, reinforced by subsidiary-level controls, and sustained through a culture where every employee understands their role in protecting the information entrusted to the Group.

RESPONSIBLE MARKETING AND PRODUCT INFORMATION

3-3, 417-1, 417-2, 417-3



Responsible marketing at AGI means communicating with integrity, protecting vulnerable consumers, and ensuring that every product label and campaign meets the standards that customers, regulators, and partners expect. Across EMI and TIHGI, this commitment is embedded in brand strategy, product development, and day-to-day marketing practice.

Both entities closed the year with zero incidents of non-compliance related to product and service labeling as well as marketing communications, reflecting a strong culture of responsible and ethical marketing practice.

EMI Marketing Highlights

EDI

FDA AND AD STANDARDS COUNCIL COMPLIANCE

Marketing and labeling practices comply with FDA standards and Ad Standards Council regulations. Customers and stakeholders can raise concerns through EDI's official website. Marketing activities protect women, children, and other vulnerable groups.

WMG

MARKETING CODE AND LEGISLATIVE MONITORING

Internal Marketing Code defines campaign scope and themes. Marketing and labeling aligned with local legislation and Scotch Whisky Association standards. Legislative developments are monitored to ensure timely updates to labeling and brand design.

EMI places strong emphasis on ethical conduct and the protection of consumer health and safety across all its markets. The Group advocates for responsible drinking awareness, supported by responsible marketing and labeling practices that provide adequate information on product composition, proper use, and disposal. These practices are guided by policies aligned with relevant government requirements and industry standards, reviewed by legal, technical, and logistics teams as well as the General Manager before approval.

At EDI, all marketing and labeling practices comply with applicable laws governing alcoholic beverages, and customers are encouraged to raise concerns through official channels. Marketing activities are designed to protect vulnerable groups, including women and children, from exploitation. WMG applies equivalent rigor to its Scotch Whisky portfolio, guided by an internal Marketing Code and ongoing monitoring of legislative developments to keep labeling and brand designs current.

TIHGI Marketing Highlights

TIHGI's Marketing Department ensures that its sustainability strategy and commitments are integrated into brand identity through targeted communications and reputation management.

Marketing amplifies this narrative by weaving sustainability into brand storytelling across channels, embedding it not as a standalone theme but as an integral part of the NWR experience. This approach supports broader stakeholder engagement around community initiatives, cultural programming, and entertainment. NWR and HIEX maintained full compliance across all product and service information and labeling requirements in 2025, with all significant product and service categories assessed against established procedures.

SUSTAINABILITY-INTEGRATED BRAND STORYTELLING

Sustainability is integrated into brand narratives across channels, highlighting ILE milestones, Academy for Leisure and Tourism outcomes, and the EarthCheck Silver Certification. Sustainability progress is communicated as part of the NWR experience, not as a standalone theme.

LEADING BY DESIGN CAMPAIGN

Corporate Communications positions the ONE NWR narrative through targeted campaigns marking the shift from transformation to Leading by Design, reinforcing strategic direction and execution across internal and external audiences.



PLANET

PROTECTING THE ENVIRONMENT AND RESOURCES

CARBON NEUTRALITY

AGI manages its environmental impact by focusing on emissions reduction, climate resilience, and responsible resource use. The Group continues to support its carbon neutrality goals while improving how it tracks emissions and manages waste, integrating sustainability into daily operations.

CLIMATE ACTION AND RESILIENCE

3-3, 201-2

Climate change presents material risks and responsibilities for every industry AGI operates in. From the energy footprint of large-scale real estate and hospitality facilities to the emissions profile of global spirits production and distribution, the Group's businesses are both contributors to and potential targets of climate-related disruption. Addressing this reality with seriousness and strategic intent is essential to the long-term viability of the Group's operations and the communities they serve.

AGI's climate commitments are anchored to a clear long-term goal: carbon neutrality by 2035. Progress toward this target is driven by initiatives spanning energy efficiency, renewable energy, nature-based solutions, and low-carbon design, embedded across subsidiaries and reinforced through global partnerships and independent certification. In 2025, the Group continued to build on this foundation, introducing new initiatives alongside sustained efforts already underway.

At the subsidiary level, climate action in 2025 took shape through community engagement, independent certification, and carbon reporting programs. EMI participated in Earth Hour in March 2025 under the global theme Biggest Hour for Earth, in partnership with the City Environment and Natural Resources Office (CENRO) of Santa Rosa, Laguna. Non-essential lighting at the Santa Rosa plant was switched off for at least one hour, reducing energy use and reinforcing the role organizations play in driving collective climate action.

TIHGI's climate commitments are anchored in independently verified performance. NWR completed its NWR-wide EarthCheck Audit in July 2025, a milestone that reflects consistent, measurable environmental progress benchmarked against a globally recognized standard for the travel and tourism sector. Sheraton Manila Hotel further contributed through Marriott International's Connect Responsibly program, which focuses on carbon footprint reporting and offsetting for the hotel's meetings and events operations.



Climate and Sustainability Risks

MEG applies a structured ERM approach to address climate-related and operational risks across its developments. The Company identifies specific risk drivers, assesses their financial implications, and puts in place targeted mitigation and adaptation measures, with the goal of minimizing negative impacts on operations, tenants, and communities.

Risk and Response Matrix

Identified Risks	Description	Response
Extreme Heat	Reduced customer patronage and day-to-day disruptions during the dry season.	Adjusted work hours; heat-tolerant landscaping (Bougainvillea, Conocarpus) to moderate estate microclimates.
Flooding and Excessive Rainfall	Property damage and disrupted tenant experience.	Hydrology studies in flood-prone townships; quarterly drainage cleaning, desilting, and pump testing.
Vehicle and Workforce Disruption	Stalled company vehicles and delayed employee deployment during extreme weather.	Strict adherence to preventive maintenance schedules.
Construction Delays	Weather-related interruptions to facade works and land development.	Weather contingency planning, prioritization of weather-sensitive activities, and proactive contractor coordination.
Supply Chain Disruption	Climate-related disasters interrupting supplier networks.	Supplier diversification, contingency plans, and investment in climate-resilient supply chain infrastructure.
Worker Heat Illness	Rising temperatures increasing health risk for outdoor and production workers.	Hydration protocols, shaded rest areas, scheduled breaks, and targeted training.

Service interruptions from climate-related infrastructure damage are addressed through regular maintenance, upgrades, and disaster recovery planning.

Beyond mitigation, MEG identifies opportunities to strengthen long-term resilience by investing in renewable energy, disaster-resilient buildings, and allocating at least 40% of developable land to green and open spaces. Continuous benchmarking, product research, and site selection in areas with lower climate-related exposure further support MEG's commitment to sustainable, climate-ready development.



GHG EMISSIONS MANAGEMENT

3-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7

Managing greenhouse gas (GHG) emissions is central to AGI's 2035 carbon neutrality commitment. Across its subsidiaries, the Group's emission sources span fuel combustion, electricity consumption, and indirect impacts across the value chain. Understanding where emissions originate is the foundation for managing and reducing them with precision.

AGI uses the Diligent ESG platform to calculate emissions using region-specific factors for the Philippines and Southeast Asia, ensuring that reporting is consistent, transparent, and comparable across all wholly owned and managed facilities. Emission sources are monitored continuously, and reduction measures are implemented in line with national regulations and global climate goals.

Emissions Boundary

SCOPE 1
Direct Emissions

Fuel burned in AGI facilities and vehicles: gasoline, LPG, diesel, natural gas, and biogas used in boilers, furnaces, turbines, generator sets, refrigeration systems, and company-owned transport. Also includes fugitive refrigerant emissions from cooling systems.

SCOPE 2
Indirect: Electricity

Emissions from the Company's electricity consumption sourced from the national grid. Reflects the emissions intensity of purchased power across all wholly owned and managed facilities.

SCOPE 3
Indirect: Value Chain

Emissions that occur outside AGI's direct operations, including those linked to purchased goods and services and other activities across the value chain that the Company does not directly control.

GHG emissions declined across all scopes in 2025, reflecting continued efforts to manage and reduce the Group's carbon footprint. Scope 1 emissions decreased by 26%, driven by lower fuel consumption and improved operational efficiency. Scope 2 emissions fell by 24%, supported by reduced electricity use and ongoing efficiency measures across facilities. Scope 3 emissions reported a slight increase by 2%, reflecting normal variations in value chain activity.

AGI's carbon neutrality pathway is anchored in its SustainAGIlity framework, with carbon neutrality by 2035 as one of the Group's two long-term sustainability goals. Across its subsidiaries, the Group pursues decarbonization through a strategic, segmented approach tailored to each business's emissions profile and operational context. The majority of AGI's operational emissions stem from electricity consumption, making increased energy efficiency and the transition to renewable energy the Group's most impactful decarbonization levers. All subsidiaries have strived to implement efficiency measures, including shifts to more efficient lighting and equipment as well as adopting more aggressive energy conservation behaviors. MEG, as AGI's largest operating subsidiary, leads the renewables effort by leveraging Philippine energy regulatory frameworks to secure competitive renewable power purchase agreements at scale.

In 2025, MEG procured 109 MW of renewables under the Competitive Retail Electricity Market and enrolled an additional 96 properties under the Retail Aggregation Program, bringing its total renewable energy capacity to 133 MW across over 133 buildings. A 14.10 MW solar rooftop project has also been awarded and is expected to reduce grid dependence by approximately 10% for covered establishments.

For harder-to-abate Scope 1 emissions from fuel combustion, MEG utilizes carbon forest removals generated from Project Tree Point Five Million, a reforestation initiative targeting 3.5 million trees nationwide. In 2025, the program deepened partnerships with employees, government agencies, and non-government organizations, while the volunteer-led Seed Quest program continued collecting native seeds for propagation and planting across MEG's carbon forest sites.

These decarbonization efforts have allowed AGI to significantly reduce its 2025 carbon footprint from its gross emissions of 353,235 tCO_2e to a net emissions figure of 162,581 tCO_2e, representing a 42% reduction in GHG emissions.

MEG Carbon Neutrality Pathway

eMOTION: ELECTRIC VEHICLE CHARGING PROGRAM

EV charging stations installed across MEG properties support a shift from internal combustion vehicles. Continued rollout in 2025 drove a steady rise in charging sessions, reducing transport-related emissions and reinforcing MEG's commitment to sustainable urban development and green hospitality.

Beyond its direct environmental impact, the eMOTION program strengthens Megaworld Hotels and Resorts' green brand positioning by integrating sustainable mobility into the guest experience. The initiative reflects MEG's broader commitment to climate action and forward-looking urban development as it continues to expand its township portfolio across the Philippines.

RENEWABLE ENERGY AVOIDANCE

In 2025, avoidance from renewable energy increased to 79%, with remaining emissions offset by the Project Tree Point Five Million initiative, enabling Scope 1 and 2 carbon neutrality for MEG's commercial assets.

Building on the Group's broader emissions management framework, EMI advanced a range of projects in 2025 that directly reduced carbon energy use and improved operational efficiency across its global subsidiaries. The energy-intensive nature of liquor production makes emissions management a particular priority for EMI, and the scale of its 2025 initiatives reflects the seriousness of that commitment.

EMI Emissions Reduction Initiatives

RENEWABLE ENERGY TRANSITIONS

AWGI has fully transitioned to renewable energy since 2024 through a partnership with Team Philippines Energy Corporation.

WMG continues to operate on carbon-neutral electricity following its shift in 2021. The Jura distillery is increasingly powered by a combined hydro and solar project, with an ongoing biomass boiler replacement for a heavy-fuel-oil unit expected to reduce emissions by 5,000 tonnes annually once completed.

GES contributes through operational improvements including replacing combustion-powered forklifts with electric units, increasing biogas recovery from wastewater treatment, and installing solar panels to support its renewable energy transition.

CPD uses the Greemko Platform to track energy consumption and identify reduction opportunities.

EDI SOLAR INSTALLATIONS

Binalong and Santa Rosa plants generate over 800,000 kWh of renewable energy annually, reducing emissions by 593.12 tCO_2e, equivalent to planting 27,242 trees or avoiding 2.36 million kilometers of vehicle travel each year.

A 2-MWp solar photovoltaic system at EDI's glass plant adds a further 2.5 million kWh annually, cutting emissions by an additional 1,929 tCO_2e.

Among EMI's most significant 2025 milestones was the completion of a fully operational carbon capture system at the Invergordon Distillery in Scotland. The site, which already receives renewable electricity from Balcas Energy, emits around 20,000 tonnes of biogenic CO_2 annually from fermentation. Although biogenic emissions are naturally absorbed in the carbon cycle, capturing them at source prevents the gas from re-entering the atmosphere.

The system pipes CO_2 directly from fermentation vessels to units where it is scrubbed, liquefied, and stored. Upgrades in 2025 expanded the system to 14 vessels, enabling capture of approximately 50% of biogenic emissions. The system captured 580 tonnes of CO_2 in 2025, with a target of 4,000 tonnes set for 2026. Additional capacity exists on-site to support full capture in the future.

INVERGORDON DISTILLERY

HIGHLY COMMENDED: SUSTAINABLE DISTILLERY OF THE YEAR

Icons of Whisky Scotland Awards, 2025. Recognized for the completion of a fully operational carbon capture system, capturing 580 tonnes of CO_2 in 2025 with a target of 4,000 tonnes in 2026.

EMI also promotes environmental stewardship beyond the boundaries of its facilities. EDI participates in community-based cleanup drives in Santa Rosa and Binalong, supporting river and coastal rehabilitation. Progreen continues its Adopt-a-River initiative and fabricates artificial reef structures to help protect marine sanctuaries in surrounding communities.

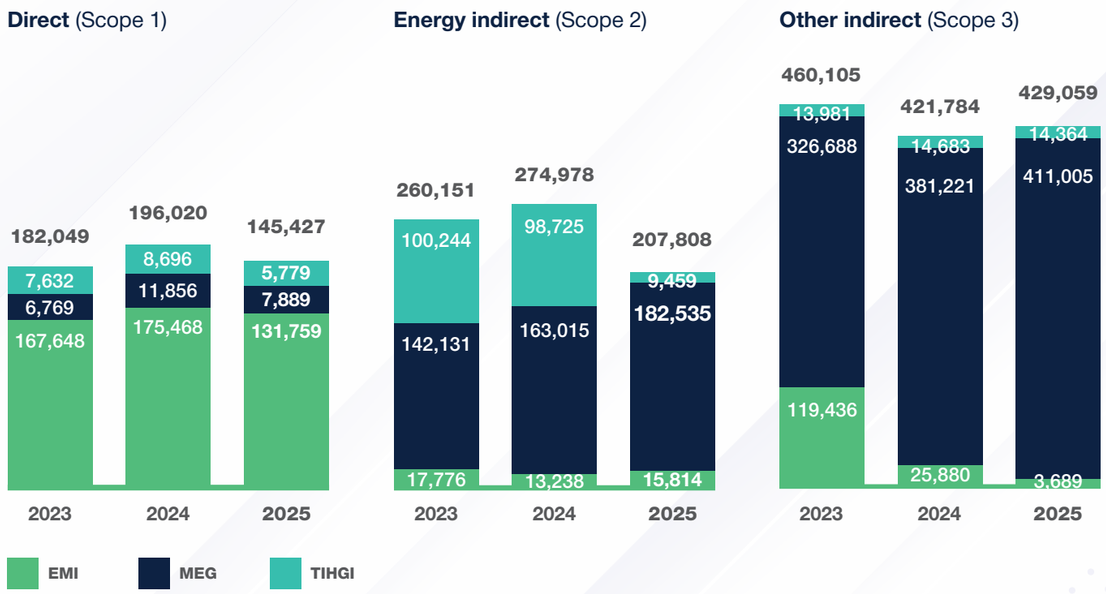
TIHGI progressed its emissions reduction efforts through the transition to renewable energy and expanded onsite solar capacity. These efforts support lower emissions while maintaining operational performance in a service-driven environment.

Reducing emissions across a diversified group requires sustained, coordinated action at every level. From renewable energy installations and carbon capture to low-carbon mobility and community stewardship, AGI's subsidiaries are advancing the Group's path to carbon neutrality through the depth and consistency of their efforts.



Total Gross Emissions by Scope (in tCO_2e) *[305-1, 305-2, 305-3, 305-4]*

Disclosure	2023	2024	2025
Emission intensity for Scopes 1 and 2 emissions (tCO_2e / MPhp)	2.10	2.11	1.86
Emission intensity for Scope 3 emissions (tCO_2e / MPhp)	2.18	1.89	2.26



Disclosure: Data for 2023-2024 have been restated following data validation and corresponding adjustments by MEG and EMI. TIHGI's 2025 Scope 3 data is estimated based on revenue changes as Scope 3 emissions may be proxied to business growth or contraction.

Carbon Neutrality Pathway for Scopes 1 & 2 (in tCO_2e)

Disclosure	2023	2024	2025
Gross Emissions (Scope 1 + Scope 2)	**442,199**	**470,998**	**353,235**
Emissions Reduction	**81,643**	**111,568**	**190,654**
Renewable energy use	60,335	74,764	149,857
Sequestration from carbon forests	21,308	36,804	40,797
Net Emissions	**360,556**	**359,430**	**162,581**
Avoidance from Renewable Energy Use	**14%**	**16%**	**42%**

Disclosure: Gross emissions data presented covers the AGI Group, excluding GADC data. Reported emissions reduction data covers MEG only. Reported net emissions represent an upper bound at the Group level, as emission reduction initiatives across EMI and TIHGI are not yet fully accounted.

Air pollutants (in kilograms per normal cubic meter, kg/Ncm) *[305-7]*

Disclosure	2023	2024	2025
NOx	0.0002546	0.00000086	0.0004617
SOx	0.0008068	0.000003	No data
Persistent Organic Pollutants (POPs)	No data	No data	No data
Volatile Organic Compounds (VOCs)	No data	No data	No data
Hazardous Air Pollutants (HAPs)	No data	No data	No data
Particulate Matter (PM)	0.0001946	0.00023	No data
Carbon Monoxide	No data	0.000649	0.0003697

The data presented herein exclude GADC from the reporting scope. Operational environmental data tables are presented in the Annex.



RESOURCE EFFICIENCY

AGI operates in sectors that are inherently resource-intensive, requiring significant amounts of energy, water, raw materials, and packaging inputs. Because these processes carry substantial environmental impacts, improving resource efficiency is essential to maintaining operational resilience and reducing the Group's ecological footprint.

WASTE MANAGEMENT

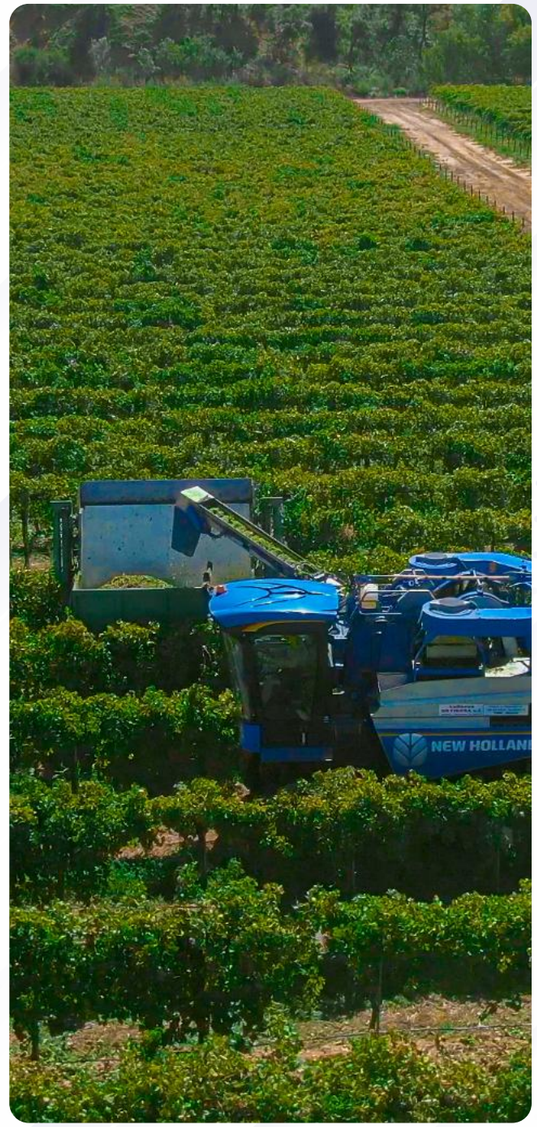
3-3, 306-1, 306-2, 306-3, 306-4, 306-5

AGI manages the waste generated across its diverse operations with a strong focus on responsibility and resource efficiency. In 2025, the Group further strengthened its adoption of circular economy practices by prioritizing waste reduction, expanding recycling programs, and increasing opportunities for material recovery and upcycling across its subsidiaries. Consistent waste segregation remains a core requirement, helping minimize residual waste and improve the quality of recyclable materials collected.

Solid waste is handled through a combination of composting, recycling, and partnerships with accredited waste processors, while hazardous waste continues to be managed in full compliance with RA 6969 or the Toxic Substances, Hazardous, and Nuclear Wastes Act. All hazardous materials are collected, transported, and disposed of through DENR-accredited service providers to ensure safe and responsible handling.

Total solid waste generated decreased by 24%, contributing to a 40% reduction in overall waste generated across the Group. Hazardous waste declined by 96%, reflecting tighter controls and reduced generation. These results reflect continued efforts to improve waste management while advancing circularity and responsible disposal practices.

MEG supported responsible waste handling through its HUMBLE e-waste program, which oversees the proper collection and disposal of electronic waste across participating hotels and departments. The program tracks volumes collected, participation levels, and diversion rates, and works with accredited partners to ensure safe and compliant e-waste processing.



EMI Waste Highlights

Below 1%
Residual Waste to Landfill
EDI Binalong plant

33,792
Cases of Second-Hand Bottles Used
EDI production process

1.8 MT
Paper Recycled
EMI Waste Reduction Program

9%
Reduction in Plastic Footprint
Compared to 2024 baseline

2
Community Clean-Ups Participated
In Lumban, Laguna and Santa Rosa

EMI strengthened its waste management and circularity practices across operations in 2025, anchored by the consistent implementation of solid and hazardous waste management programs in its production facilities.

At EDI's plants, these programs ensure proper segregation, collection, transport, storage, and disposal of waste throughout the production cycle. Recycling and reuse of production materials kept residual waste and plastic footprint well below prior-year levels.

Progreen converted solid waste from mill production into mudpress, a soil conditioner. Anglo Watsons Glass Inc. repurposed scrap wood pallets into armchairs for donation and continued collaborating with Megaworld Lifestyle Malls to reduce glass bottle waste from landfill. WMG applied the five Rs of the waste hierarchy across its operations through its Green Print Strategy, reinforcing responsible resource use through employee education and close collaboration with waste service providers. GES grounded its efforts in circular economy principles to enhance resource efficiency across its operations.

EMI also engaged employees and communities in environmental stewardship beyond its facilities, participating in a river clean-up in Lumban, Laguna with the Provincial Environment and Natural Resources Office in February 2025, and joining the International Coastal Clean-Up Day in Barangay Caingin, Santa Rosa with the City Environment and Natural Resources Office.

TIHGI improved resource efficiency and waste reduction across its operations through a combination of technology, behavioral programs, and strategic partnerships. The Winnow food waste management system was introduced at the Grand Production Kitchen in November 2025, establishing behavioral baselines for staff. At Hilton Manila, the Winnow AI System improved forecasting and menu planning.

Recycling and upcycling initiatives were expanded across the portfolio. A pilot project repurposed empty bottles into water glasses for the Whisky Library, with plans for broader implementation. Infused water stations were introduced in casino mass gaming areas to reduce single-use plastic bottle consumption. NWR maintained its partnership with ABS-CBN Foundation, Inc. for the proper disposal of hazardous waste, with used linen also donated to typhoon-affected families.



TIHGI Waste Highlights

63%
Food Waste Reduction
Winnow AI System, vs. 2024 baseline

Php 3.04 M
Tax Credits Generated
NWR hazardous waste disposal

Php 14.63 M
Cost Savings
NWR transportation and treatment costs

HILTON MANILA

WINNOW AI FOOD WASTE SYSTEM

AI-driven forecasting and menu planning tools reduced food waste by 63% year-to-date compared to 2024. Made waste visible and measurable, improving staff awareness and behavioral change.

MARRIOTT MANILA

GLASS UPCYCLING INITIATIVE

Used wine bottles converted into functional glassware meeting operational requirements. Reduced glass waste to landfill while delivering cost efficiencies and supporting more sustainable resource use.

NWR

ABS-CBN FOUNDATION PARTNERSHIP

Proper disposal of used oil, lead-acid batteries, waste electrical and electronic equipment, and used linen donated to typhoon-affected families. Generated Php 3.04M in tax credits and Php 14.63M in treatment and transportation cost savings.

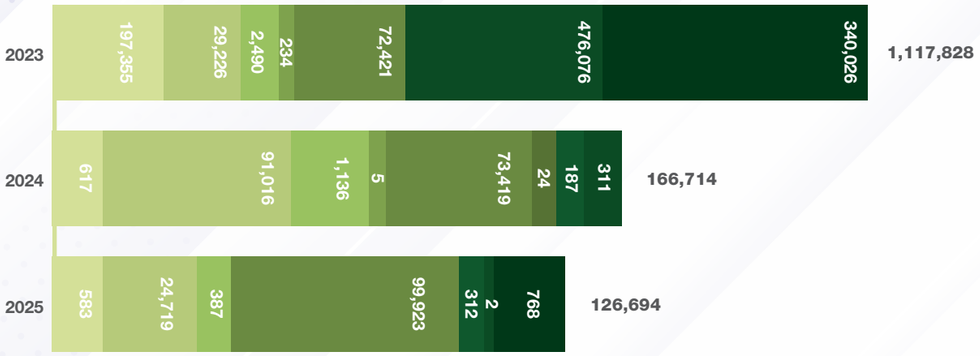
AGI's approach to waste management in 2025 reflects a Group that sees circularity as an operating principle embedded in the way its subsidiaries run their businesses.

Total waste generated (in metric tonnes, MT)



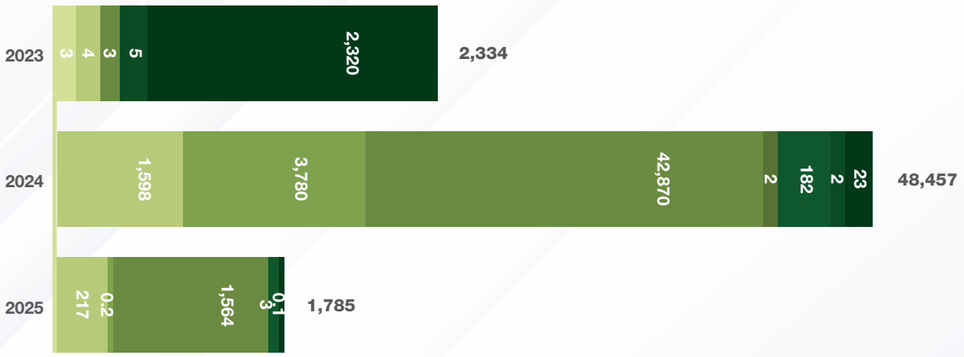
Disclosure: Waste data for 2023 reflects adjustments to diverted and directed waste figures, with no change to total waste generated. Meanwhile, data for 2024 have been restated following validation and corresponding adjustments.

Non-hazardous waste generated per disposal method (in MT)

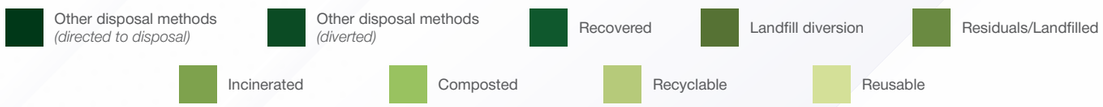


Disclosure: Data for 2024 have been restated following data validation and corresponding adjustments by MEG and TIHGI.

Hazardous waste generated per disposal method (in MT)



Disclosure: Data for 2023-2024 have been restated by MEG and its subsidiaries, with EMI and TIHGI adjustments included for 2024. GADC reported no hazardous waste transported.



Waste diverted from and directed to disposal per subsidiary (in MT)

Subsidiary	Waste diverted from disposal			Waste directed to disposal		
	2023	2024	2025	2023	2024	2025
EMI	684,295	12,850	**16,915**	338,474	47,895	**3,043**
MEG	20,024	81,081	**8,706**	74,109	70,785	**97,821**
TIHGI	840	1,143	**603**	2,421	1,417	**1,392**
AGI Group	**705,159**	**95,074**	**26,223**	**415,004**	**120,097**	**102,255**

Disclosure: Diverted waste includes reusable, recyclable, composted, recovered materials, and waste processed through anaerobic digesters, as well as other waste diverted from landfill. Directed waste refers to residuals that are landfilled, incinerated, or otherwise directed to disposal. Data for 2023-2024 have been restated following data validation and corresponding adjustments.

The data presented herein exclude GADC from the reporting scope. Operational environmental data tables are presented in the Annex.

WATER AND WASTEWATER MANAGEMENT

3-3, 303-1, 303-2, 303-3, 303-4, 303-5

Water is a shared resource, and the way a company manages its use reflects the seriousness of its environmental commitments. AGI operates facilities that rely on significant volumes of water for production, sanitation, and utility processes across its real estate, spirits, and hospitality businesses. In industries where water-intensive operations are the norm, responsible management requires not just monitoring but active, system-level effort to reduce withdrawal, improve efficiency, and treat wastewater to the standards that protect surrounding ecosystems and communities.

Water consumption decreased by 20%, reflecting more efficient use across operations. The decline was driven by improved water management practices and optimization of processes in key business units, while overall withdrawal and discharge levels remained aligned with operational requirements.

These results reflect the Group's continued focus on water stewardship through site-level programs, technology investments, and compliance with regulatory standards, ensuring responsible use while minimizing environmental impact.

MEG sources water from concessionaires and other providers, with storage facilities cleaned and disinfected annually to ensure safety. Low-flow fixtures are installed to reduce freshwater demand.



MEG Water Conservation

Rainwater Harvesting

Initiative was applied across townships to reduce reliance on concessionaires and external providers.

Greywater Reuse

Greywater recycling supports cooling and sanitation needs, easing reliance on potable water.

Wastewater Compliance

Monitored to meet DENR-EMB and LLDA standards; property-level Pollution Control Officers oversee compliance.

EMI approaches water management with particular discipline given the water-intensive nature of spirits production across its global subsidiaries. Each entity applies controls suited to its operating environment, from irrigation technology and cooling systems to advanced wastewater treatment.

EMI's Water Management

WMG

SITE-LEVEL WATER CHARTERS AND EFFICIENCY MONITORING

Water Conservation: Water use mapped across distilleries, with site-level water charters developed for each location. Shutdowns scheduled during potential water-stress months. Cooling towers used to reduce abstraction. Daily withdrawal and discharge tracked against annual budgets and Green Print Strategy targets, alongside compliance with government and Scotch Whisky Association requirements.

Wastewater Treatment: Regular monitoring of withdrawal and discharge volumes at distilleries evaluates performance against efficiency targets on an ongoing basis.

GES

OSMOSIS TECHNOLOGY AND TREATMENT INFRASTRUCTURE

Water Conservation: Newly installed osmosis equipment at the Jerez plant reduces overall water consumption by improving process efficiency.

Wastewater Treatment: Effluent from the Jerez plant is routed through improvement facilities before transfer to the public treatment plant. The Tomelloso distillery uses anaerobic and aerobic treatment systems for effluent management and has upgraded piping to increase water reuse within the facility.

EDI

RECYCLING AND LEAK MANAGEMENT

Water Conservation: Water conservation program focused on recycling processed water for perimeter plant irrigation and sanitation use, improving cleaning practices to reduce water demand, and promptly repairing leaks to prevent losses.

Wastewater Treatment: Recycled process water at the Binalong plant supports on-site sanitation systems, reducing the volume of fresh water required for daily operations.

GES

INTELLIGENT IRRIGATION AND ISO-ALIGNED ASSESSMENTS

Water Conservation: Vineyard water use is optimized through intelligent irrigation systems equipped with humidity and salinity sensors, enabling precision water delivery tailored to crop conditions. Annual ISO 14001 and CSR assessments strengthen water and wastewater management performance.

Wastewater Treatment: Wastewater is treated prior to discharge in compliance with applicable regulatory standards.

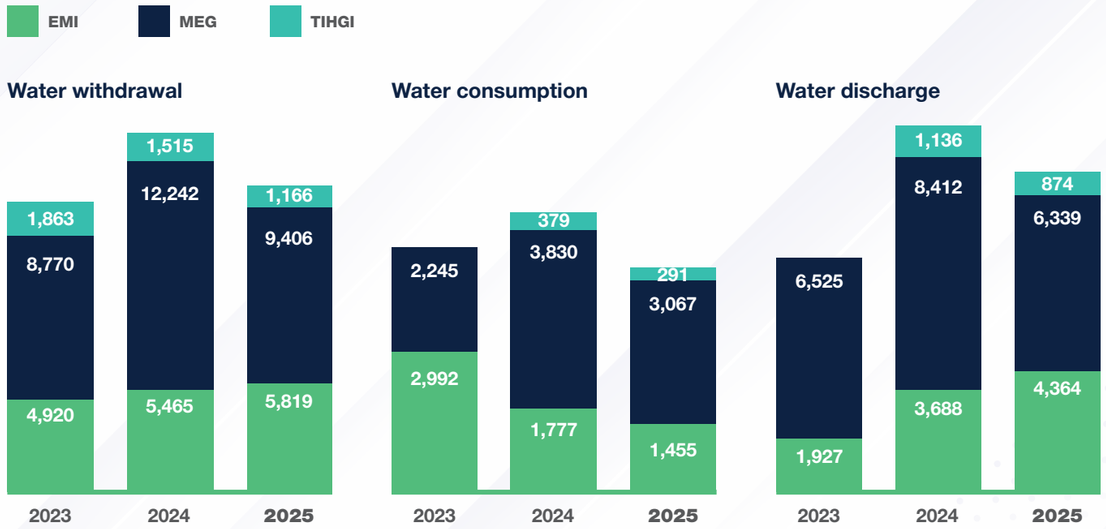
For TIHGI, water is essential across operations, from guest services and food preparation to cooling and landscaping. Management follows an integrated approach that reduces freshwater use, maximizes non-potable applications, and encourages responsible consumption. These initiatives embed reuse and efficiency into everyday operations.

Greywater and Reuse Systems

Greywater systems collect water from sinks, showers, and laundry for reuse in toilets and irrigation. Additional measures introduced in 2025 to limit single-use bottled water, including glass bottle repurposing as drinking glasses and infused water stations in casino areas.

Across its subsidiaries, the Group manages water as a finite resource that must be used efficiently, treated responsibly, and returned to the environment in a condition that protects the communities and ecosystems it sustains.

Total water use by the organization (in megaliters, ML) *[303-3, -4, -5]*



Disclosure	2023	2024	2025
Water withdrawal	15,552	19,222	16,391
Water consumption	5,237	5,985	4,813
Water discharge	8,453	13,236	11,578
Water recycled and reused	**346**	**383**	**365**

Disclosure: Data for 2024 has been restated following data validation and corresponding adjustments by MEG and TIHGI. Data on water reused and recycled pertain to EMI only.

The data presented herein exclude GADC from the reporting scope. Operational environmental data tables are presented in the Annex.

ENERGY EFFICIENCY

3-3, 302-1, 302-2, 302-3, 302-4

AGI operates in energy-intensive sectors where the volume and source of energy consumed carry both financial and environmental consequences. Across real estate, spirits production, hospitality, and gaming, energy costs are a significant operational variable and the environmental impact of non-renewable energy use is a material consideration for the Group's 2035 carbon neutrality commitment. Effective energy management means addressing both dimensions simultaneously: reducing consumption through efficiency and shifting supply toward renewable sources.

The Group monitors energy consumption across its facilities and implements a range of measures, from technology upgrades and process improvements to renewable energy switching and direct solar generation. In 2025, this work accelerated significantly, with the Group advancing major energy transitions that together represent a meaningful step toward the Group's long-term targets.

Total energy consumption decreased by 7%, with reductions across all major energy sources. Non-renewable energy use fell by 30% due to lower consumption of fuels such as LPG, diesel, and natural gas. Grid electricity also declined by 69%, reflecting improved efficiency and better-managed operations. Renewable energy use increased by 83%, driven by the Group's transition toward renewable energy sources to support their operations.

The reduction efforts in energy use continue to support the Group's strategy of managing energy consumption while advancing the gradual transition toward cleaner energy sources, in line with its long-term carbon neutrality commitment.

MEG delivered the Group's most substantial energy transition in 2025, advancing renewable energy adoption and efficiency programs across its property portfolio through a combination of retail energy switching, direct solar installations, and targeted system optimization. The scale of these efforts reflects MEG's position as one of the Group's largest energy consumers and its commitment to aligning its portfolio with AGI's 2035 carbon neutrality goal.

In the course of finalizing this Annual Sustainability Report, adjustments were made to energy data previously submitted to the SEC. Following a review of TIHGI's energy data, renewable electricity that had previously been classified under grid electricity was reclassified under renewable energy. Total energy consumption remains unchanged. The updated figures are reflected in this report.

Retail Aggregation: Renewable Energy Switching

Renewable energy switching was completed for 50 AGI properties totaling 20.56 MW under the Retail Aggregation Program. Projected to avoid about 69,000 tCO_2e annually with estimated savings of Php 169.12 million per year. Covered properties include MREIT, MLM, MHR, FOPM, AGI Affiliates, and TIHGI.

Chiller and AC Optimization

Chiller optimization was implemented at Uptown Mall, Iloilo Festive Walk Mall, Venice Grand Canal Mall, and Southwoods Mall. AC optimization at 1800 and 1880 and Two and Three World Square. Combined estimated savings of about Php 40 million for 2025.

Rooftop Solar Across 68 Properties

Solar installations totaling 13.32 MW were awarded to Skye Renewables across 68 properties. Projected to avoid 12,083 tCO_2e annually and generate Php 81.6 million in savings per year. Iloilo Festive Walk Mall project, awarded to Solar Philippines, targeted for December 2025 completion with projected monthly savings of Php 503,557.49.

GMBD Demand Reduction

Guaranteed Minimum Billing Demand was reduced across Meralco-franchised properties under the Megaworld Commercial Division, aligning actual electricity demand with billing thresholds to lower minimum monthly demand charges and improve cost efficiency.

EMI's energy management was driven by two parallel priorities: expanding renewable energy capacity at production facilities and deepening efficiency gains across its operations. The energy-intensive nature of spirits production makes both pursuits material to the Group's financial and environmental performance.

At EDI, solar photovoltaic systems were installed at the Binalong and Santa Rosa plants by MSpectrum, Inc., reducing dependence on grid electricity and easing local energy demand. EDI's energy conservation program covered variable speed drives, LED conversion of high-bay lighting, optimized blower scheduling at the wastewater treatment plant, and improved air-conditioning management in labeling rooms.

Across other EMI subsidiaries, WMG continued its transition under the Green Print Strategy toward cleaner biofuels; GES is assessing renewable options to reduce dependence on non-renewable gas; AWGI supports production and warehouse operations with a rooftop solar photovoltaic system; and CPD reduces fuel consumption through preventive vehicle and forklift maintenance, tracking performance through the Greemko environmental monitoring platform.

MEG Energy Highlights

23.57 MW
Renewable Energy Capacity
With 50 properties under transition

69,305
tCO_2e Avoided Annually
MEG renewable energy transition

84.86%
AGI Facilities on Renewable Energy
Under MPOWER as of reporting period

13.32 MW
Rooftop Solar Capacity
68 properties, awarded to Skye Renewables

12,083
tCO_2e Avoided Annually
MEG rooftop solar program

Php 39.76 M
Energy Efficiency Savings
Chiller and AC optimization, 2025 estimate

EMI Energy Highlights

Php 1.06 M
Electricity Savings
177% increase from 2024

Php 463 K
Fuel Savings
486% increase year on year

89%
Plant Lighting Converted to LED

576 kWp
Solar PV Installed
EDI Binalong plant, MSpectrum Inc.

640 kWp
Solar PV Installed
EDI Santa Rosa plant, MSpectrum Inc.

2 MWp
Rooftop Solar
AWGI production and warehouse facilities

At TIHGI, 2025 marked a significant step in the shift toward renewable energy and improved energy efficiency across Newport World Resorts. Solar installations and a transition to a renewable energy supplier through MPOWER reduced NWR's greenhouse gas footprint in alignment with AGI's Group-wide energy transition. Efficiency measures and chiller optimization complemented the supply-side shift.

TIHGI Energy Highlights

Renewable Energy Transition via MPOWER

NWR shifted from a conventional power provider to a renewable energy supplier through MPOWER, reducing its greenhouse gas footprint. Solar panel installations implemented across approximately two-thirds of NWR-managed facilities, expanding on-site renewable power generation.

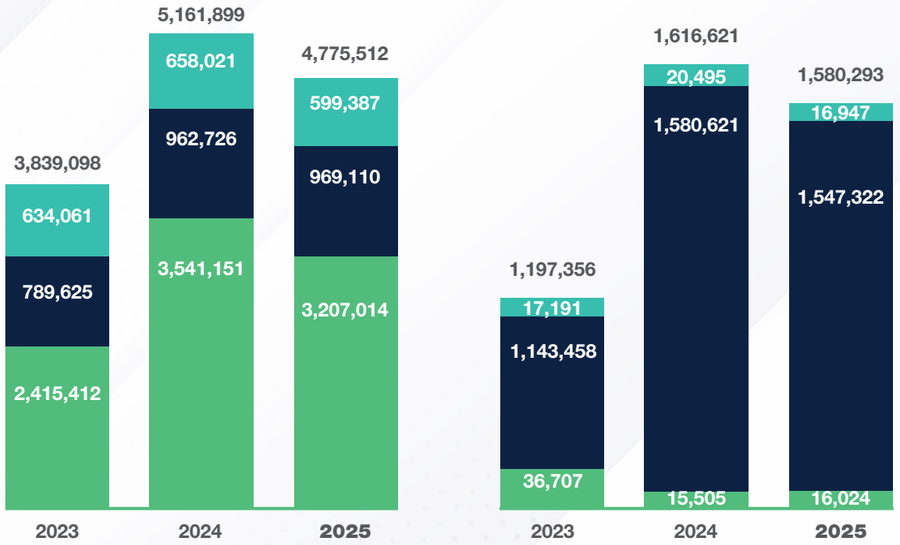
Chiller Optimization and Efficiency Measures

The Chiller Optimization Program was activated in August 2025. Sheraton achieved an estimated average savings of 30,000 kWh per month. Variable frequency drives, motion sensors, and automatic lighting timers installed across facilities to reduce overall energy consumption.

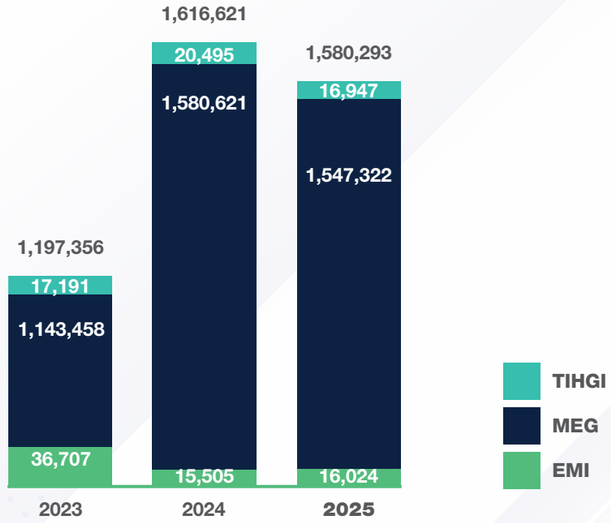
Energy management at AGI is both a financial discipline and a climate commitment. The investments made in 2025 across renewable energy, system optimization, and conservation programs demonstrate that the two are inseparable and that sustainable operations are also more efficient ones.

Total energy consumption (in gigajoules, GJ) *[302-1, 302-2, 302-3]*

Energy consumption within the organization

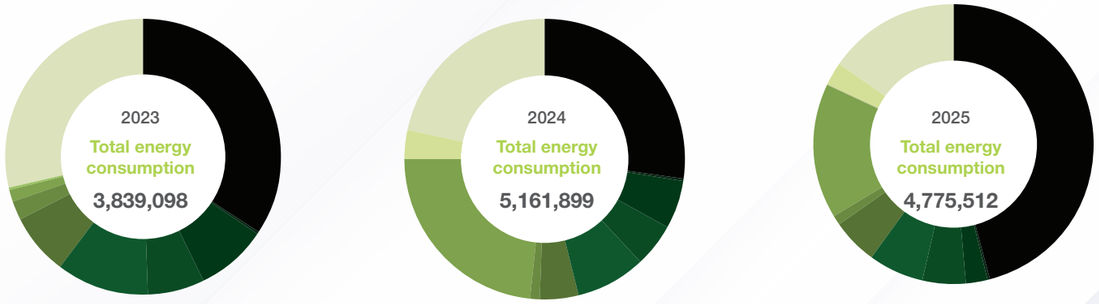


Energy consumption outside the organization



Disclosure	2023	2024	2025
Energy intensity (GJ / MPhp) within the organization	18.21	23.09	25.19
Energy intensity (GJ / MPhp) outside the organization	5.68	7.23	8.33

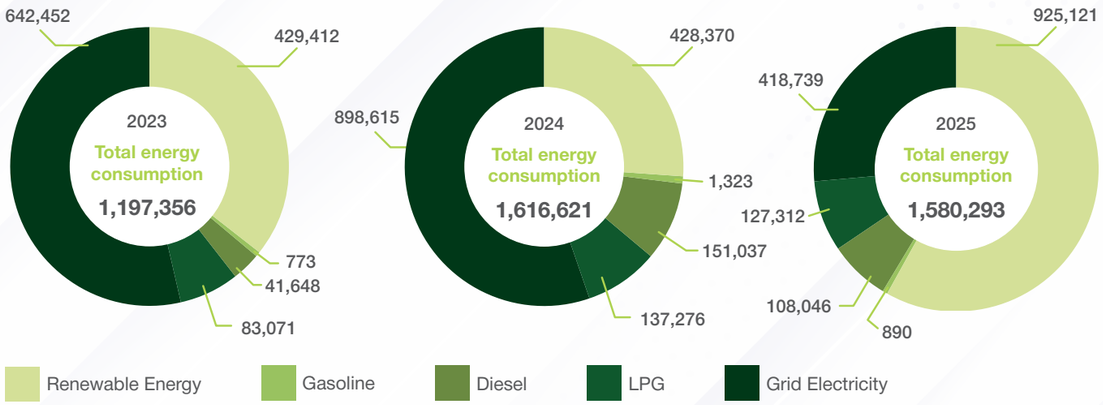
Energy consumption within the organization (in GJ)



Disclosure	2023	2024	2025
Renewable sources*	1,321,053	1,410,947	2,581,727
Gasoline	8,729	8,999	8,887
LPG*	319,894	297,360	120,647
Diesel*	254,969	254,832	237,486
Natural gas	415,717	419,907	300,395
Fuel oil	281,628	226,070	259,497
Gas oil	77,603	63,128	44,083
Coal	61,345	1,195,168	744,121
Petrol	2,110	624	1,035
Burning oil	No data available	93	262
Propane*	No data available	172,617	132,267
Electricity*	1,096,050	1,112,155	345,106

Disclosure: Asterisks (*) denote data have been restated due to the correction of previously reported figures and the inclusion of newly identified data following validation and reconciliation. Renewable resources encompass both renewable fuels and renewable electricity.

Energy consumption outside the organization (in GJ)



Disclosure: Data for 2023-2024 has been restated following data validation and corresponding adjustments by MEG and its subsidiaries.

The data presented herein exclude GADC from the reporting scope. Operational environmental data tables are presented in the Annex.

MATERIALS MANAGEMENT

3-3, 301-1, 301-2, 301-3

AGI relies on a diverse mix of renewable and non-renewable materials across its businesses, from production ingredients and packaging components to vineyard inputs and industrial supplies. Responsible sourcing and efficient use are central to how the Group manages these materials, reducing waste, minimizing environmental impact, and maintaining the product quality that its customers and markets expect. Material management practices are tailored to the needs of each subsidiary, ensuring that resources are handled effectively throughout the value chain.

The Group recorded a 54% increase in total materials used, driven largely by a 57% rise in non-renewable materials as construction and production activities expanded across its operations. This was further influenced by the expanded inclusion and improved availability of MEG offices data in the reporting scope, providing a more complete view of material consumption. Renewable materials also increased by 20%, reflecting continued integration of more sustainable inputs alongside overall expansion.

These trends reflect the Group's operational growth while maintaining its approach to responsible sourcing and material efficiency. Efforts to integrate recycled inputs, improve resource use, and align with circularity principles remain part of how the Group manages its material footprint.

MEG integrates materials efficiency into both its building projects and day-to-day property operations, working with a supply base held to clear environmental standards and prioritizing local procurement to reduce transportation-related impacts.

Responsible Sourcing and Supplier Standards

Contractors and vendors are required to hold ISO 14001 accreditation, ensuring effective environmental management across the supply base. Local suppliers, including SMEs, are given sourcing priority to reduce the environmental footprint of long-haul materials transportation and support domestic businesses. All suppliers are screened against social and environmental criteria.

Materials Tracking and Circularity in Construction

Project officers track working inventories to optimize materials utilization and monitor the volume of recycled materials incorporated into works. Rebars, plastics, and wood are repurposed wherever possible to reduce demand for new materials and limit waste generation on construction sites.

EMI treats materials management as a core dimension of its sustainability performance, applying controls that span sourcing, production, packaging, and employee behavior. The approach is consistent in principle across subsidiaries while remaining responsive to the regulatory and operational context of each.

EDI

RECYCLED INPUTS AND EPR COMPLIANCE

EDI incorporates recycled and recyclable materials into production processes and complies with the requirements of the Extended Producer Responsibility Act. Raw materials and related performance indicators are tracked monthly to support consistent quality and efficient use. EDI continues to explore renewable and reclaimable materials for potential integration. Employees receive regular training on responsible plastic use.

GES

ISO 14001-ALIGNED ENVIRONMENTAL MANAGEMENT

Materials are managed through an Environmental Management System aligned with ISO 14001 standards and annual operational targets. Quality indicators and regular KPI reviews guide continuous improvement. Drone technology supports more precise monitoring of vineyard material usage and resource efficiency. Recycling practices are integrated into daily operations through GES environmental policies.

WMG

PACKAGING RESPONSIBILITY AND REGULATORY ALIGNMENT

All new packaging is targeted to be reusable and recyclable. Packaging materials are reviewed annually to ensure alignment with evolving legislation, and WMG fulfills its reporting obligations under the EPR scheme. Material decisions are guided by both environmental standards and long-term regulatory compliance.



Sustainable Food Sourcing

Marriott Manila sources sustainably caught tuna directly from community-based fisheries in Occidental Mindoro, supporting responsible and traceable fishing practices, protecting marine biodiversity, and providing local fisherfolk with stable market access.

Glass Upcycling and Packaging

Glass upcycling initiatives divert selected material streams from disposal through controlled reuse processes, reducing reliance on virgin materials. Sustainable packaging is progressively adopted across food and beverage operations.

Cage-Free Egg Procurement

Approximately 668,000 cage-free eggs were sourced over the course of the year, reflecting a deliberate shift toward more ethical and humane agricultural practices embedded within procurement decisions.

Resource use is material to TIHGI given the scale and diversity of its operations, spanning guest services, food and beverage, housekeeping, and maintenance. Materials management supports both operational efficiency and the Group's broader environmental commitments.

~668,000

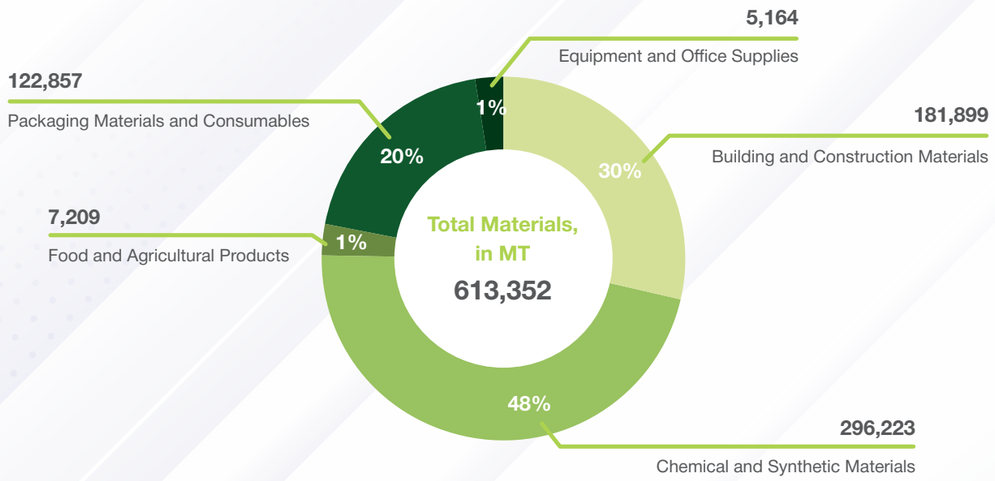
Cage-Free Eggs Sourced

Marriott Manila

Continued progress will depend on maintaining visibility over high-volume material flows and strengthening controls within daily operations. Consistent monitoring and disciplined reporting remain central to managing resource use as material demand fluctuates with business activity.

Responsible sourcing choices, controlled reuse processes, and supplier standards that reflect shared environmental values are how AGI manages its material footprint across a diversified and growing Group.

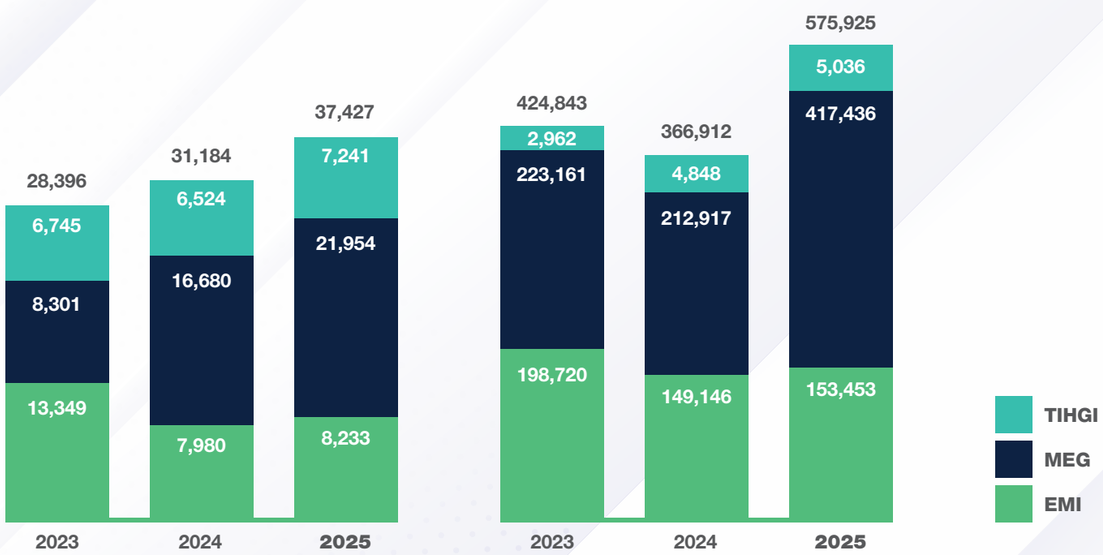
Material use breakdown for 2025



Materials used by the organization (in MT) *[301-1]*

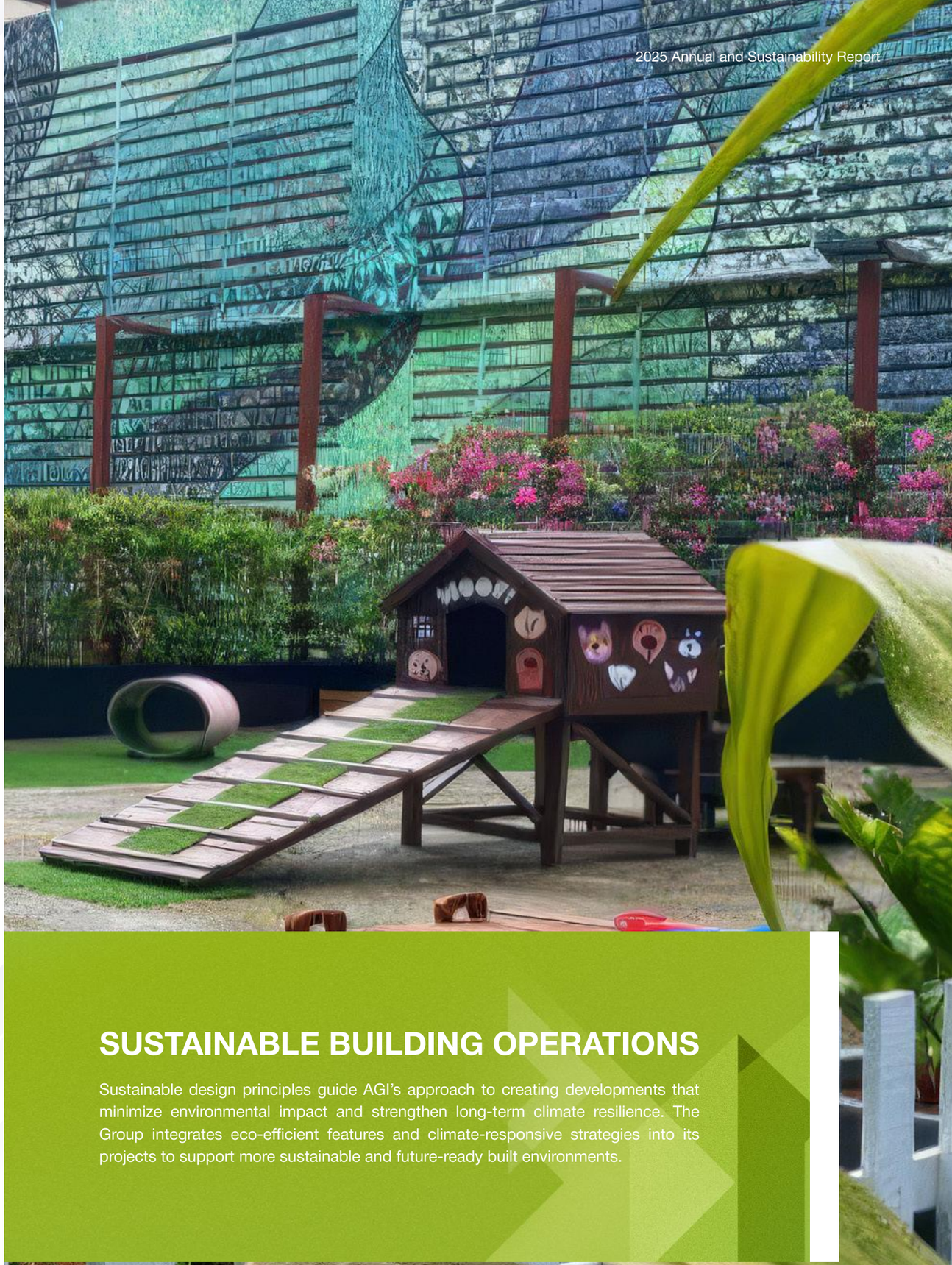
Renewable Materials

Non-Renewable Materials



Disclosure	2023	2024	2025
Percentage of recycled input materials used to manufacture the organization's primary products and services	0%	6%	5%

Disclosure: Data for 2023-2024 have been restated by MEG subsidiary, with EMI adjustments included for 2024. Data on recycled input pertain to EMI only.
The data presented herein exclude GADC from the reporting scope. Operational environmental data tables are presented in the Annex.



SUSTAINABLE BUILDING OPERATIONS

Sustainable design principles guide AGI's approach to creating developments that minimize environmental impact and strengthen long-term climate resilience. The Group integrates eco-efficient features and climate-responsive strategies into its projects to support more sustainable and future-ready built environments.

LAND USE AND GREEN INFRASTRUCTURE

3-3, 304-1, 304-2, 304-3

AGI and its subsidiaries continued to integrate sustainable practices across their operations in 2025, reinforcing the connection between business growth, environmental responsibility, and community well-being. This approach guides the Group's real estate, hospitality, food service, and tourism businesses in developing resilient, low-impact urban spaces.

MEG advanced its urban greening agenda on multiple fronts in 2025. The Sampaguita Parks program continued its expansion across townships, with planting activities at Southwoods Township as part of the program's second-year anniversary. The advocacy was further extended to Boracay Newcoast, Mactan Shrine in Lapu-Lapu City, and Quezon City Circle, carried out in collaboration with local government units, tourism offices, schools, community residents, and MEG affiliates. Beyond its environmental value, the program deepens community participation and employee volunteerism, embedding environmental stewardship into daily corporate life.

In coordination with the Department of Environment and Natural Resources and people's organizations, MEG planted additional trees across its townships and secured the necessary environmental permits and certificates of compliance. Internal guidelines were issued through Memo 2025-062 to standardize tree planting activities and strengthen governance consistency. Under the Adopt a Forest Program, MEG partnered with the Alimodias Upland Farmer's Association to plant Narra and cacao seedlings, linking reforestation with community livelihood. An expanded seed collection drive was also conducted in collaboration with the Armed Forces of the Philippines to support future planting efforts.

MEG Greening and Reforestation

196,514
trees planted in 2025
In partnership with DENR and AFP

143,694
Planted at Iloilo pilot site in 2025
Adopt a Forest Program, with Alimodias Upland Farmer's Association

4 Sites
Sampaguita Parks Locations
Southwoods, Boracay Newcoast, Mactan Shrine, Quezon City Circle

MEG's approach to sustainable land use extends to the built environment itself. Green building certifications and ongoing assessments reflect the company's commitment to embedding sustainability into every phase of development, from design to construction to occupancy. MEG's LEED-certified and green-building-ready developments are designed to reduce the energy demands placed on occupants and tenants, embedding efficiency into the built environment itself and extending the Group's impact beyond its own operations.

Sustainable construction practices are standardized across all MEG construction sites through the Standard Sustainable Construction Practices framework, covering housekeeping, erosion and sedimentation control, construction waste management, and indoor air quality management. These requirements are formalized through internal issuances, integrated into contracts and bidding documents, and supported by mandatory contractor training.

MEG Sustainable Construction

75%
Contractor Compliance Rate
SSCP audits across 42 projects

23
LEED-Certified Projects

34%
Reduction in Site Non-Conformances

Standard Sustainable Construction Practices (SSCP)

14 SSCP orientations conducted across 14 townships with active construction. 42 projects audited with a 75% contractor compliance rate, a significant improvement from 41.18% in the prior year. Site non-conformances reduced by 34% year-on-year, reflecting improved environmental performance across construction operations.

LEED and EDGE Green Building Certifications

23 LEED-certified projects as of the reporting period, including LEED Silver for Pasudeco Tower and LEED Gold for No. 1 Upper East. Eight projects are currently undergoing certification, including LEED Uptown Modern and EDGE certification for the ArcoVia Hotel.

EMI and TIHGI extended the Group's environmental commitment through targeted land stewardship and community-linked conservation programs. EMI's Arbor Day river clean-up in Laguna and TIHGI's ongoing watershed planting initiative near the Angat Ipo Dam represent the breadth of how AGI subsidiaries engage with the land beyond their own operational boundaries.

TIHGI

TREE PLANTING AT ANGAT IPO DAM WATERSHED

5,000 seedlings planted since 2022 around the Angat Ipo Dam, which supplies approximately 90% of Metro Manila's water. Cacao trees stabilize soil and support Dumagat community livelihoods. Kupang trees enhance biodiversity and aid watershed restoration.

EMI

ARBOR DAY RIVER CLEAN-UP

Partnership with PENRO-Laguna for a river clean-up in Mabitac on July 28, 2025. The activity improved local river conditions, contributed to air quality, and supported community-level flood risk reduction.



PROSPERITY

DRIVING ECONOMIC GROWTH AND INNOVATION

IMPACTFUL GROWTH

Across real estate, spirits, and integrated resorts, AGI sustained disciplined growth, channeling economic value into its operations, workforce, communities, and the broader national economy while advancing innovation across each of its businesses.

ECONOMIC PERFORMANCE AND MARKET PRESENCE

3-3, 201-1, 202-1

The Group enters 2025 with a resilient and growing economic foundation. Across its diversified portfolio, spanning real estate development, integrated resort operations, and distilled spirits, the organization has sustained a trajectory of disciplined value creation, channeling generated revenues into operational growth, employee welfare, tax obligations, community investment, and returns for its capital providers.

AGI's total economic value generated reached Php 190 billion. This value reflects a normalization in real estate reservation activity following peak post-pandemic demand, a moderation in EMI's spirits volumes amid global market headwinds, and continued investment in TIHGI's integrated resort infrastructure. Despite the revenue adjustment, the Group maintained disciplined distribution of value across all key stakeholder groups. All margin metrics moved upward, reflecting the strength of the Group's underlying operations.

Operating costs declined to Php 82 billion, reflecting the lower revenue base and active cost management across all subsidiaries. Employee wages and benefits of Php 18 billion are consistent with a total headcount of 16,699 employees at a hiring rate of 0.14, reflecting a stabilizing and more tenured workforce. Payments to suppliers reached Php 36 billion, aligned with the lower operational scale.

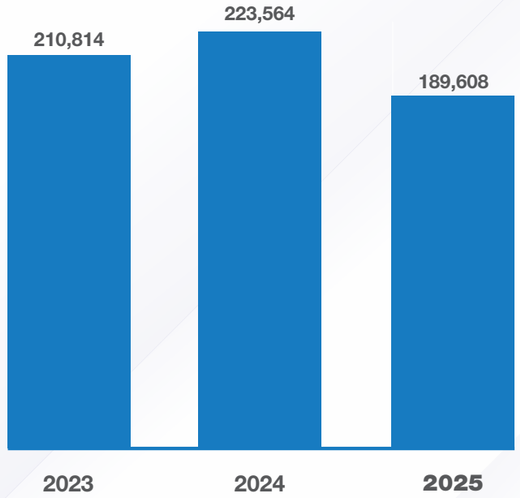
MEG was the biggest contributor to Group revenue and profit, driven by increases in rentals, hotels, and residential segments. EMI was weighed by overall weak global spirits demand, although the brandy segment remained resilient. Meanwhile, TIHGI's profitability was supported by efficient cost management measures and an improving share of the mass segment.

Dividends and interest payments to capital providers totaled Php 13 billion, reflecting continued commitment to shareholder returns within a prudent capital management framework. Taxes contributed to the government amounted to Php 9 billion, consistent with the taxable income base for the year. Community investments totaled Php 74 million, maintaining the Group's commitment to social investment programs through MEGreen and ILE initiatives even as costs were managed tightly.

Economic value retained stood at Php 31 billion, demonstrating AGI's capacity to preserve financial strength through a period of revenue moderation and providing the foundation for continued investment in growth, sustainability, and long-term stakeholder value creation.



Direct economic value generated and distributed (in Php million)



Disclosure: A detailed breakdown of economic value generated and distributed is provided in the Annex.



AGI ensures inclusive growth by maintaining gender pay equity and offering equal entry-level salaries for male and female employees, consistently set above the NCR minimum wage. This commitment to fair compensation reflects the Group's broader market presence strategy, prioritizing local hiring and ensuring that the economic value it generates translates into meaningful, community-level impact across the regions where it operates.

Megaworld Corporation

MEG reinforced its position as one of the Philippines' leading office landlords in 2025, supported by consistent leasing activity and stable demand across its portfolio. All of its core businesses deepened their market positions through disciplined leasing, portfolio expansion, and sustained tenant engagement.

~19%
Office Market Share
Lease transactions for the year, per CBRE data

87%
Office Portfolio Occupancy
Stable across ~1.52M sqm of gross leasable area

3.10 yrs
Weighted Average Lease Expiry
Supporting medium-term visibility

95%
Retail Occupancy
Lifestyle malls; 279K average daily foot traffic

~6,943
Hotel Room Keys
58% average occupancy across the portfolio

36
Townships Nationwide
~5,670 ha across Metro Manila, Luzon, Visayas, Mindanao

The office portfolio reached approximately 1.52 million square meters of gross leasable area, with occupancy holding at 87% and a weighted average lease expiry of roughly 3.10 years supporting medium-term income visibility. Outsourcing firms accounted for about 70% of leased space, with traditional corporates and shared services comprising the remainder. MEG broadened its tenant base to include flexible workspace and technology-driven enterprises, with Common Ground joining as a co-working operator and the Digital Park concept piloted at McKinley Hill.

2025 Notable Tenant Commitments

JPMorgan Chase
Relocated to LEED Gold-certified International Finance Center, bringing the building to full occupancy.

Axon
7,000-sqm commitment across multiple townships, reflecting demand from high-growth technology sectors.

Coca-Cola
Committed to Uptown Eastgate.

Teleperformance
Completed the full lease of 6 West

Lifestyle malls sustained strong momentum, with portfolio occupancy improving to approximately 95% and average daily foot traffic reaching 279,000. Tenant expansion remained active, with 63,890 square meters of new store openings contributing to a more diverse retail mix across food, services, and lifestyle categories.

Hotel operations benefited from improving travel activity, higher room rates, and increasing guest volumes. MICE activity further drove occupancy, particularly in properties with established convention facilities. The hotel network expanded to approximately 6,943 room keys, with township-integrated properties benefiting from built-in business activity and event-related foot traffic throughout the year.

MEG's 36-township footprint spanning approximately 5,670 hectares provides a diversified and self-reinforcing platform, where residential, office, retail, and hospitality components generate embedded cross-segment demand. In Batangas, Nascala Coast represented a strategic expansion into a leisure-oriented coastal destination designed to integrate residential communities with tourism-driven components. Capital structure remained conservative, with net repayments of borrowings supporting financial flexibility as market conditions evolve.

MEG's township strategy reflects a calibrated and forward-looking approach anchored on scale, integration, and disciplined capital deployment. By focusing on the development of existing landholdings while advancing projects in emerging growth corridors, the company remains well-positioned to capture long-term urbanization trends and deliver sustained value across its portfolio. Capital structure remained conservative, with net repayments of borrowings contributing to lower overall debt levels and supporting financial flexibility as market conditions evolve.



Emperador Inc.

In the spirits business, EMI pushed ahead with its premiumization strategy, building stronger brands while expanding its reach worldwide.

EMI also made key investments to secure long-term growth such as increasing production capacity at The Dalmore Distillery to meet rising demand for premium Scotch whisky, acquiring a mezcal producer in Mexico to tap into one of the fastest-growing global spirits categories, and driving operational improvements and new product innovations to stay competitive.

Together, these moves strengthen EMI's position in international markets and highlight its commitment to building a premium portfolio for the future.

Travellers International Hotel Group, Inc.

TIHGI advanced its performance in 2025 through deliberate leadership, disciplined cost management, and a sustained focus on long-term value creation. As the Philippines' first integrated resort, NWR continued to set industry benchmarks while growing its contribution to national tourism and local economic development.

Operational efficiency gains translated into measurable financial outcomes. Umbrella contract pricing standardized procurement complex-wide, improving consistency and generating cost savings across operations. Culinary cost initiatives led by Executive Chef Rajiv Tikania further improved kitchen productivity and reduced waste. Among the specific measures, the procurement of crownless pineapples delivered to Newport World Resorts yielded Php 170,029 in monthly savings since October 2025.

Entertainment and events reinforced NWR's position as a premier leisure destination. Headline concerts and acclaimed musicals drew audiences beyond traditional venue audiences, while large-scale event productions strengthened NWR's reputation as a preferred venue for major external clients and internal initiatives alike.

Culinary excellence earned international recognition. Manila Marriott Hotel secured a coveted spot in the MICHELIN Guide Hotel selection, a testament to its exceptional dining, personalized service, and thoughtfully designed stays. Hotel Okura Manila was also featured in the Guide's first-ever Philippine selection. These recognitions reflect the quality and consistency that TIHGI maintains across a portfolio of over 60 restaurants and more than 2,233 guest rooms across five internationally recognized hotels.

MICHELIN GUIDE PHILIPPINES

MANILA MARRIOTT HOTEL
MICHELIN Guide Hotel Selection

Marriott was recognized in the MICHELIN Guide Hotel selection for its outstanding culinary offerings across Man Ho and CRU Steakhouse, each celebrated for quality ingredients, expert technique, and warm service.

HOTEL OKURA MANILA
MICHELIN Guide Philippines Inclusion

Hotel Okura was featured in the Guide's first-ever Philippine selection, reflecting the hotel's commitment to culinary excellence and authentic omotenashi hospitality.

Looking ahead, the Board and Management approved a strategic working arrangement to accelerate completion of the Westside Integrated Resort Project in Entertainment City, Parañaque. The development will feature a five-star hotel, casino, mall, and theater complex, including the Artists Promenade, the Grand Opera House, and the Apollo, Bohemia, and Crown theaters. The working arrangement aligns execution responsibilities and capital management, ensuring that development risk and long-term financial exposure are managed in a coordinated and disciplined manner.

> These businesses reflect the Company's ability to balance growth with discipline. The combination of recurring income, diversified operations, and strategic investments strengthens AGI's capacity to deliver sustainable performance while creating value for stakeholders.



Safeguarding Creditors' Rights

AGI recognizes that maintaining strong, trustworthy relationships with its creditors is fundamental to sustainable financial management. The Group upholds the interests of its creditors through transparent communication, sound financial discipline, and disciplined debt management, ensuring a secure and mutually beneficial financial environment across all its business units.

Key measures include open disclosure on matters such as project progress, financial health, and potential industry challenges. Loan agreements are reviewed regularly, with provisions requiring subsidiaries to disclose material developments that could adversely affect their financial condition, as well as to submit financial statements and certifications confirming non-occurrence of events of default. Each member of the Group continuously monitors its loans and financial obligations to ensure compliance with payment schedules and loan covenants.

> The Group's commitment to financial integrity extends beyond the success of its principal subsidiaries. The role that creditors play in the Group's operations is constantly recognized and upheld to the highest standards.



BUSINESS MODEL AND PRODUCT INNOVATION

3-3, 203-1, 203-2

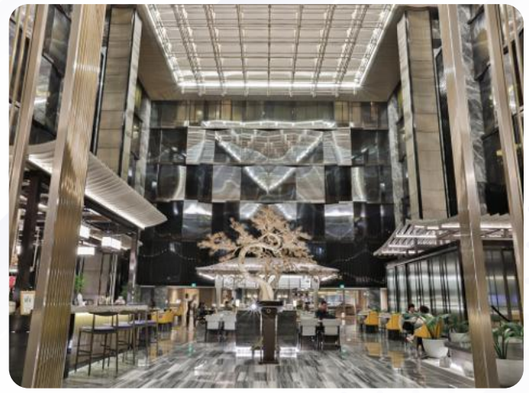
AGI's business model is regularly updated and refined to respond to both short-term and long-term market shifts and regulatory changes. By staying responsive to evolving consumer preferences, the Group ensures that its businesses in real estate, tourism, and food and beverage remain competitive, relevant, and resilient to external pressures.

Each subsidiary's value chain reflects the specific logic of its industry. MEG's is anchored on its pioneering township model, which has enabled the development of large-scale, self-sustaining communities across the Philippines. Each township integrates residential, office, commercial, educational, and leisure components, creating an ecosystem that generates recurring leasing income while sustaining demand for residential sales. This integrated approach delivers long-term value across the entire property lifecycle.

For TIHGI, the value chain is anchored on NWR's integrated model, which consolidates hospitality, gaming, entertainment, retail, and MICE operations into a single destination. This one-stop ecosystem reinforces NWR's competitive position as a destination of choice for leisure, business, and entertainment. The breadth and quality of NWR's offerings, from luxury five-star hotel accommodations to world-class live performances and exclusive gaming experiences, serve a diverse and growing visitor base, underpinning TIHGI's capacity for sustained, long-term value creation.

TIHGI advanced this direction in 2025 through the Meet with Purpose program, which supports more sustainable meetings and events at Newport World Resorts. The program is built on three pillars that span the full event lifecycle.

EMI's value chain is driven by the breadth of its portfolio and the depth of its global distribution. With brands spanning centuries-old heritage distilleries to dynamic emerging spirits, EMI captures demand across consumer segments and geographies. Its portfolio leadership in brandy, both in the Philippines and Spain, and its standing as the world's sixth-largest Scotch whisky producer, position EMI as a formidable force in the global spirits industry. Growth is pursued through strategic acquisitions, brand development, and expansion into new markets, building on a foundation of acclaimed heritage and proven consumer trust.



GATHER

SUSTAINABLE MEETINGS

Helps clients measure and reduce event emissions through the LightStay Meeting Impact Calculator. Offers low-waste planning tools and carbon-offset options through ClimeCo.

NOURISH

CLIMATE-CONSCIOUS MENUS

Promotes menus built on locally sourced and sustainably grown ingredients, reducing food waste and supporting responsible sourcing across events.

IMPACT

COMMUNITY ENGAGEMENT

Integrates volunteer activities into events, including packing hygiene kits, preparing meals, and organizing clothing drives for local communities.

DIGITALIZATION

3-3

AGI and its subsidiaries leverage digital innovation to strengthen sustainability, improve operational efficiency, and enhance the customer experience. Modern technologies are integrated into daily operations to minimize environmental impact, support compliance, and enable better decision-making across the Group.

MEG continued to strengthen its digital capabilities in 2025, focusing on technologies that improve efficiency and enhance customer experience. Within the Lifestyle Malls business, operations teams began using the Servedeck Facilities Management System to streamline workflows, automate tasks, and monitor asset performance more effectively. Customer convenience also improved through the Parking Online Booking System, which allows guests to pay parking fees digitally and avoid queues.

The company also expanded its use of artificial intelligence and machine learning to support faster, more responsive service. The Megan Chatbot, built on generative AI, now automates all incoming customer chats and escalates cases to live agents when needed. MEG is also developing a Tenant Recommendation System that uses AI/ML models to identify optimal tenant placements in malls, supporting better occupancy planning.

EMI operates fully automated production plants, with unmanned lines running for several years. Because its digital systems are already mature, current efforts are focused on improving efficiency and strengthening health and operational safety measures rather than introducing new digitalization initiatives.

As such, EMI continues to refine safety protocols, monitoring systems, and coordination between automated equipment and human oversight. These efforts help protect employees working alongside advanced machinery and ensure that production remains reliable and aligned with global standards.

In 2025, TIHGI advanced its digital systems across financial management and food safety operations. The SAP S/4HANA system upgrade enhanced cost management and supported operational efficiency across financial operations, while the digitization of food safety records through Safefood Pro enabled real-time monitoring. All food and beverage settlements transitioned to a fully paperless process under the ILE Digital First Program.



SAP S/4HANA System Upgrade

The system upgrade was implemented to enhance cost management initiatives and support operational efficiency and responsible growth across TIHGI's financial operations.

Safefood Pro and Digital F&B Settlement

All food safety due-diligence records were digitized using Safefood Pro for real-time monitoring. All food and beverage settlements were transitioned to a fully paperless process under the I Love Earth Digital First Program.

PRODUCT QUALITY AND SAFETY

3-3, 416-1, 416-2

Customer trust is earned through consistent quality and protected by rigorous safety systems. AGI and its subsidiaries maintain internal quality control frameworks aligned with regulatory requirements and global industry standards across its beverage, real estate, and tourism businesses. These systems are designed to prevent quality failures before they occur, address issues when they arise, and continually raise the standard of what the Group delivers to its customers and partners.

Health and safety impact assessments are applied across all product and service categories, ensuring that improvement opportunities are identified and acted upon at every level of the business. AGI's strong compliance record extended further across its operations in 2025, with zero incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products and services.

EMI's quality and safety controls are applied consistently across its global subsidiaries, with each entity operating within its local regulatory context while meeting Group-wide standards for product integrity. From FDA registration and GMP certification at EDI to GFSI-aligned standards at GES and multi-layered audit programs at BF and CPD, the approach is both structured and adaptive.

EDI

FDA REGISTRATION AND GMP CERTIFICATION

All products registered with the Food and Drug Administration. Biñan and Santa Rosa facilities hold Good Manufacturing Practice certifications. QA teams monitor plant compliance and customer complaint channels are maintained.

WMG/GES

CONTINUOUS REVIEW AND GFSI STANDARDS

WMG reviews quality procedures regularly using customer feedback. GES maintains GFSI certification with annual targets set by management and the Quality Manager across sanitation, pest control, water management, traceability, and maintenance.

BF/CPD

AUDITS AND NONCONFORMANCE MONITORING

BF conducts multiple internal and external audits annually with daily KPI tracking. CPD monitors nonconforming products for up to one year, applies strict complaint thresholds, and supports anonymous compliance reporting.



At TIHGI, food safety and brand quality performance advanced through two significant developments in 2025. Newport World Resorts formalized its food safety systems with the property-wide launch of the NWR Food Safety Digital Guidebook, while HIEX validated its operational standards through the IHG Brand Quality and Safety Audit.

Quality at AGI is built into the systems, certifications, and daily practices that define how every subsidiary operates and how every product reaches its customer.

35
Certified ServSafe Managers

NWR Food and Beverage operations

100%
Brand Safety Score

Holiday Inn Express NWR, IHG Audit

NWR

NWR FOOD SAFETY DIGITAL GUIDEBOOK

Property-wide launch in 2025 to standardize hygiene and food safety compliance across all food and beverage handling areas, supported by 35 certified ServSafe Food Protection Managers.

HOLIDAY INN EXPRESS NWR

IHG BRAND QUALITY AND SAFETY AUDIT

Achieved a high overall rating and a perfect 100% Brand Safety score. Audit covered sustainability initiatives, IHG Green Engage compliance, bulk amenities, and the Greener Stay program.

PRODUCT AND SERVICE LIFECYCLE MANAGEMENT

3-3

As a real estate developer, MEG recognizes that its properties create impacts throughout their lifecycle—from site selection and construction to long-term operation and eventual decommissioning. Because of this, the Company incorporates measures that help reduce environmental and social impacts over time.

The company's sourcing approach prioritizes durable, high-quality materials that support long building lifespans while helping reduce Scope 3 emissions across the value chain. Site selection also considers long-term suitability, ensuring projects are built in locations where they can benefit surrounding communities and the environment. Ecological design features are integrated into developments, such as the rainwater park in Capital Town, San Fernando, Pampanga, which helps manage flooding and supports local resilience.

Green building certifications play a key role in managing lifecycle impacts. The company has also committed to making all new office developments LEED-certified, helping ensure MEG's properties remain environmentally responsible throughout their lifespan.

Green Building Certifications

23
LEED Certifications

All new offices committed to LEED certification

6
IMMUNE Certifications

Health and resilience standard

12
Good Travel Scan Certifications

All townships since 2019 designed certified-ready



GOOD GOVERNANCE

AGI upholds rigorous governance standards that align with local and international regulatory requirements, global ESG frameworks, and industry best practices. Through strong oversight structures, transparent disclosures, and a culture grounded in integrity and accountability, the Group ensures responsible decision-making that protects stakeholder interests, strengthens risk management, and supports long-term sustainable value creation.

ENTERPRISE RISK MANAGEMENT

3-3, 2-12, 2-13, 2-23, 2-24, 2-25, 2-26

AGI applies a structured approach to risk management to safeguard stakeholder interests and support long-term growth. Through its Enterprise Risk Management (ERM) framework, the Group identifies potential risks, assesses their impact, and implements mitigation measures across subsidiaries and affiliates. The framework strengthens the Group's capacity to address operational uncertainties, align with strategic priorities, and respond effectively to emerging challenges, while promoting a culture of accountability and risk awareness throughout the organization.

Oversight rests with the Board of Directors through the Audit Committee, which reviews the effectiveness of the risk management system and ensures consistent application across business units. Directors are assigned specific subsidiaries or business segments to monitor compliance, and each segment provides regular reports on risk exposure and mitigation actions evaluated against the Group's governance standards.

Risk Policy and Exposure

The Group manages risks at both the Company and Group levels, with policies and objectives tailored to the nature of each exposure.

Note on Minority Shareholders: The majority shareholder's voting power in the Company may affect the ability of minority shareholders to influence and determine corporate strategy.

Group

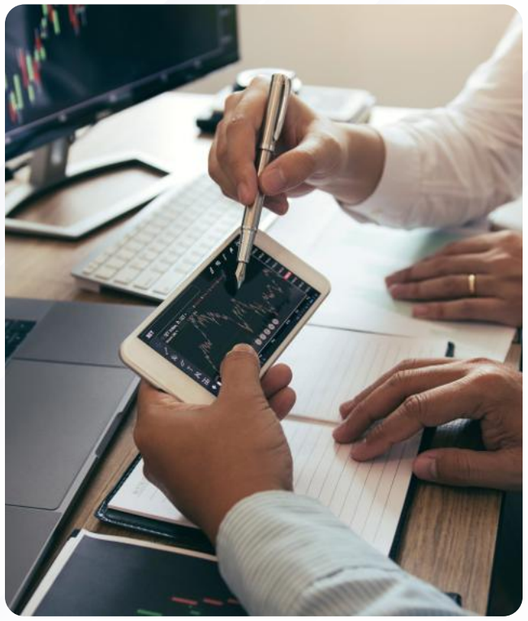
Risk Exposure	Risk Management Policy	Objective
Hazards and natural or other catastrophes	Have an emergency response plan/action	Allow the different business segments to continue operations even during natural disaster or calamity
Regulatory developments	Review of new laws and regulations	Ensure the different business segments are compliant with all laws and regulations
Money laundering and cheating at gaming areas	Constant security check and monitoring; check and balance system	Minimize situations when these activities can happen
Supply of raw materials and packaging materials	Maintain diverse group of suppliers; get at least 3 quotations from suppliers	Prevent overdependence on a single supplier; ensure the best price possible
Consumer taste, trends and preferences	Market study and analysis	Be aware of trends and preferences to develop new products or adapt existing strategy
Competition	Market study and analysis; maintain a diversified earnings base; constant product innovation	Be aware of trends and preferences to develop new products or adapt existing strategy; revenue and property diversification
Interests of joint development partners	Use of pre-selling as a project financing tool; entering into joint development agreements for the acquisition of land	Minimize cash outlays for projects, control development costs and maintain a net cash position; maximize cost efficiencies and resources
Land for future developments		
Philippine economic/ political conditions	Review of business/political situation	Ensure the different business segments can immediately adapt to changes in economic/ political conditions and can devise strategies to meet these changes

Company

Risk Exposure	Risk Management Policy	Objective
Hazards and natural or other catastrophes	Have an emergency response plan/action	Allow the different business segments to continue operations or minimize downtime during natural disaster or calamity
Regulatory developments	Review of new laws and regulations	Ensure the Company is compliant with all laws and regulations
Philippine economic/political conditions	Review of business/political situation	Ensure the Company can immediately adapt to changes in economic/political conditions and can devise strategies to meet these changes
Liquidity	Minimize exposure to financial markets	Actively secure short-to medium-term cash flow

MEG operates a systematic ERM framework designed to maintain operational stability while securing long-term success. Risk management is embedded into daily operations, with sustainability- and climate-related risks given the same rigorous treatment as financial and operational ones.

In 2025, MEG advanced its risk-related operational capabilities through two initiatives that improved process efficiency and team responsiveness.



SEC MC 19 and ISO 31000 Aligned

MEG's ERM framework follows SEC Memorandum Circular No. 19, series of 2016, and ISO 31000 international standards, integrating risk management into daily operations through collaboration with key risk owners, support units, and external organizations.

Creative Portal (BCM)

A standardized online platform enables streamlining of requests from mall marketing and operations to the Brand, Creatives, and Marketing group. Over 2,100 tickets were processed, improving internal collaboration and reducing processing time.

Board-Led Governance

The Board of Directors identifies, assesses, and addresses risks that could affect business operations, regulatory compliance, and shareholder value, with the Opportunity and Risk Management Department implementing strategies across all company levels.

Leasing Team Alignment

Geolocations of leasing team leads were re-angled to better match expertise with the market needs of brokers and prospective tenants, sharpening responsiveness at the property level.

EMI's risk management framework is built to minimize adverse impacts on operating performance and financial condition. Clear accountability runs through the organization: the Board sets policy and reviews adequacy, while Management identifies risks and escalates findings with recommendations. Specific policies govern foreign exchange, credit, and liquidity risk exposure.

Annual Risk Committee Review

EMI's Risk Committee reviews the Company's risk management approach each year, recommending changes to processes and procedures. This cycle forms part of the directors' criteria for assessing the effectiveness of the overall system.

Board and Management Accountability

The Board of Directors holds direct responsibility for risk management, approving overall policies and specific policies for foreign exchange, credit, and liquidity risks. Management identifies risks, evaluates reports, and submits findings and recommendations to the Board

Ongoing Assessment and Updates

The risk management system is regularly assessed and updated based on committee recommendations, ensuring it remains current and responsive to the evolving risk environment facing the Group's global spirits operations.

TIHGI Risk Management and Financial Controls

TIHGI continued to strengthen its risk management practices in 2025 by improving controls, building staff capability, and adopting tools that support more consistent and proactive oversight. The company focused on two priorities: reinforcing its anti-money laundering framework and embedding a stronger risk culture across the organization.

The full rollout of a new transaction monitoring framework placed all relevant transactions under daily review for accuracy, legitimacy, and regulatory compliance. Developed with input from regulators and industry partners, the system creates a more reliable mechanism for detecting unusual activity. Transaction threshold controls were introduced in parallel to provide added scrutiny for high-value transactions, protecting the organization from being misused for unlawful schemes.

Risk Ready NWR

Four-day workshop for 97 participants covering risk fundamentals, control types, the Three Lines of Defense model, business continuity planning, and risk maturity. With a satisfaction rating of 91.4%, the workshop helped employees identify risks, analyze root causes, and view risk management as an opportunity to improve systems and performance.

Integrated Risk Register

Centralized system consolidating all department-level risks into one platform. Updated regularly, the IRR feeds directly into the annual risk exposure and performance dashboard, giving leadership a real-time view of the Company's risk profile. Automated scoring and improved controls assessment support more accurate reporting and informed decision-making.

97
Participants Trained
Risk Ready NWR Workshop

91.4%
Satisfaction Rating
Risk Ready NWR Workshop

AGI's ERM framework is a living system that evolves with the Group's operations, equipping every subsidiary to identify risks early, respond with discipline, and turn risk awareness into a source of organizational strength.

BUSINESS ETHICS AND INTEGRITY

3-3, 2-15, 2-16, 2-23, 2-24, 2-26, 205-1, 205-2, 205-3, 206-1

AGI's pursuit of excellence is guided by clear standards of ethics, transparency, and accountability across all operations. A strong ethical culture is reinforced throughout subsidiaries to ensure consistent compliance with laws, regulations, and internal policies. This commitment is embedded in the AGI Code of Business Conduct and supported by training, oversight, and compliance mechanisms. Anti-corruption policies are applied across all business units, reflecting a zero-tolerance approach to bribery and unethical practices.

In 2025, the Company maintained full communication and training coverage on anti-corruption policies for employees, directors, and management. Business partners were also informed of these standards, ensuring alignment across the value chain.

The effectiveness of these measures is reflected in the continued absence of corruption-related incidents. No directors or employees were disciplined or dismissed, and no contracts with business partners were terminated due to unethical practices during the year. AGI also maintained full compliance with applicable competition laws across all its subsidiaries, no legal actions related to anti-competitive behavior, monopolistic practices, or violations of trade regulations were recorded.

Training efforts on anti-corruption policies and procedures also remain strong with all employees, management and executive personnel, business partners receiving adequate communications and guidance. These results indicate the strength of existing controls and sustained adherence to the Company's zero-tolerance stance on corruption.



Communication and training about anti-corruption policies and procedures (in %) *[205-2]*

Disclosure	2023	2024	2025
Employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Directors and management that have received anti-corruption training	100	100	100
Employees that have received anti-corruption training	100	100	100



MEG's Anti-Corruption and Non-Acceptance of Gifts Policy prohibits employees and officers from receiving gifts from external stakeholders, reducing the risk of undue influence and reinforcing a culture of impartiality. Directors and executive officers receive Blackout Notices when they have access to confidential or material non-public information. MEG consults with government agencies and private organizations to align its measures with legal requirements and international best practices. No incidents of corruption were reported during the year.

EMI's Code of Business Conduct and Ethics guides directors, senior leaders, and employees in maintaining fairness, avoiding conflicts of interest, and upholding proper business behavior. It prohibits accepting gifts or favors that may influence judgment and requires directors to disclose outside affiliations each year. EMI maintains open reporting channels, including compliance mailboxes and dedicated contact lines at each subsidiary, allowing stakeholders to raise issues without fear of retaliation.

TIHGI took the lead in upholding these standards. Employees and business partners are required to sign undertakings to uphold ethical practices, with confidential reporting available via tipster hotline, email, and mail. TIHGI ensures full compliance with the Philippine Competition Act, no cases of anti-competitive behavior were reported during the period.

Security operations follow established protocols for handling warrants, arrests, and surveillance activities, with impact assessments conducted before implementing new security measures. Regular internal audits are conducted, particularly in areas with higher exposure to competitive risks, and ethical practice clauses are embedded in all supplier and partner contracts.

Ethical conduct at AGI is the standard by which every decision is made, every relationship is maintained, and every subsidiary is held accountable.

Ethics Enforcement and Reporting Channels

Whistleblower Policy, Business Gifts Policy, Code of Business Conduct and Ethics, and Code of Conduct are all strictly enforced. Confidential reporting available via tipster hotline, email, and mail. Employees face dismissal for bribery or corruption; business partners engaging in unethical practices are blacklisted and have contracts cancelled.

NACC Commendation and FATF Grey List Removal

The NACC formally commended TIHGI for its proactive role in addressing concerns raised by the Financial Action Task Force. TIHGI's contributions supported the Philippines' removal from the FATF grey list, affirming its commitment to strengthened AML operations and responsible participation in global financial-security initiatives.

REGULATORY AND ECONOMIC COMPLIANCE

3-3, 2-27, 207-1, 207-2, 207-3

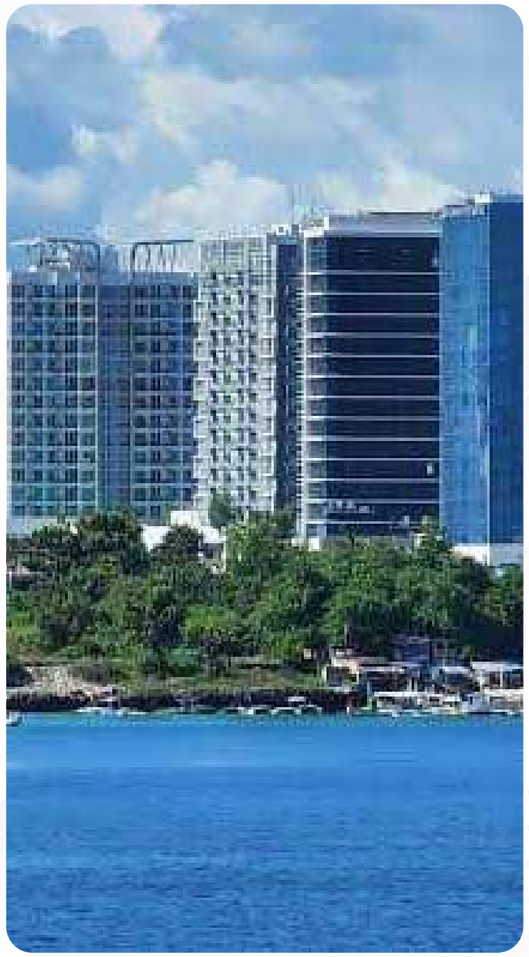
AGI treats regulatory and economic compliance as a fundamental part of running a responsible business. Following laws, regulations, and industry standards protects the Group's integrity and reduces legal and financial risk. Compliance is supported by internal controls, regular audits, policy reviews, and active coordination with regulators, with each subsidiary applying measures suited to its sector and guided by governance structures that keep practices consistent and transparent.

Across all subsidiaries, compliance is structured through internal controls, periodic audits, policy reviews, and active regulatory engagement, with each entity applying standards appropriate to its sector and jurisdiction.

MEG integrates environmental responsibility into its land use and development strategy, guided by national regulations such as PD 1586, RA 6969, RA 8749, RA 9003, RA 9275, and RA 11898. Projects located in Environmental Critical Areas or classified as Environmental Critical Projects undergo a full Environmental Impact Assessment and secure an Environmental Compliance Certificate from the DENR-EMB before development proceeds. Biodiversity assessments reference the IUCN Red List and national conservation lists, with protective or restorative measures applied when critical habitats are identified.

Ongoing monitoring helps MEG maintain integrity and adherence to local and international standards. Construction sites comply with the Philippine Green Building Code, the updated National Building Code, and other applicable regulations.

MEG also enforces strict tax policies to ensure full compliance with national tax requirements and to support financial stability and sustainable development objectives. Following amendments to the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, MEG implemented adjustments such as the reduced corporate income tax rate, the lower minimum corporate income tax rate, and updated rules on allowable interest deductions.



EIA-Integrated Development

Full EIA and Environmental Compliance Certificate are required for all critical-area projects. Biodiversity assessments cover IUCN Red List and nationally listed species.

Smart Land Use Planning

Mixed-use developments repurpose underutilized urban spaces. Township Analytics Lab drives data-informed planning and environmental impact tracking. Close coordination with DENR and LLDA ensures all properties remain in full regulatory compliance.

EMI embeds compliance through designated personnel across its subsidiaries, each applying measures aligned with local regulatory and environmental requirements. Legal departments oversee policy implementation, while Pollution Control Officers manage environmental compliance. GES maintains a compliance structure composed of internal staff and external specialists, and WMG operates a cross-functional team that maintains a Tax Risk Register, which includes corruption-related risks and corresponding controls.

For mergers and acquisitions, both within and outside the Philippines, EDI ensures that all transactions comply with competition laws and other regulatory requirements. The company works closely with professional advisers and antitrust experts to review deal structures, identify potential issues, and implement appropriate safeguards.

As a testament to its compliance efforts, EDI's Biñan Plant was recognized as one of the City of Biñan's Top 100 Local Business Taxpayers for 2025.

EMI's Compliance Practices

Progreen

Progreen operates a dedicated Environmental Protection and Waste Management Department, submitting regular environmental reports and maintaining active grievance mechanisms.

BF/GES

BF and GES engage an environmental and industrial compliance consultancy. Audit findings are reviewed by the Administration Director, supported by biennial reviews and annual ISO 14001 audits.

EDI

EDI implements an Environmental Policy aligned with Philippine regulations, overseen by a designated Pollution Control Officer.

TIHGI upholds a strong culture of openness, transparency, and full legal compliance, recognizing that responsible governance is foundational to long-term industry credibility. TIHGI prioritizes consumer fairness and player protection in all interactions with its stakeholders, ensuring that its operations consistently reflect ethical conduct and regulatory integrity.

A core element of TIHGI's approach is its continuous and constructive engagement with regulators and legislators. TIHGI acknowledges the critical role these institutions play in shaping the gambling industry and maintains an active dialogue to ensure a clear understanding of evolving regulatory expectations.

Regulator and Stakeholder Engagement

Continuous dialogue with regulators and legislators ensures alignment with evolving regulatory expectations. Partnerships with local government units, government officials, industry peers, campaign groups, and media support responsible operations and broader industry development.

Products and services are held to stringent health, safety, and transparency requirements, with proper labeling and information maintained to ensure that consumers, regulatory bodies, and other stakeholders receive accurate, complete, and accessible information.

Beyond formal compliance, TIHGI actively builds and nurtures relationships with local government units, government officials, industry peers, campaign groups, and media. These partnerships strengthen TIHGI's ability to operate responsibly within its communities and support broader industry development.

Extended Producer Responsibility Compliance

NWR demonstrated strong compliance performance during the 2024 EPR cycle under RA 11898, achieving full compliance with submissions verified by PCX, its engaged Producer Responsibility Organization.

SUSTAINABLE PROCUREMENT AND SUPPLIER MANAGEMENT

3-3, 2-23, 204-1, 308-1, 308-2, 414-1, 414-2

AGI oversees a broad supply chain that extends across local and international markets. The Group's supply chain spans construction and real estate development, spirits production, and integrated resort operations, each with distinct sourcing structures, geographic footprints, and supplier relationships.

Responsible procurement means more than keeping goods and services moving efficiently. It means making choices that reflect the Group's values around ethics, environmental impact, and social accountability. AGI expects its vendors and suppliers to uphold the same standards of integrity and responsibility that guide its own operations. Each subsidiary applies screening and accreditation processes suited to its sector, ensuring that supplier relationships are built on shared standards of quality, ethics, and environmental care.

In 2025, MEG sustained its full allocation of procurement spending to local suppliers, reinforcing its long-standing support for domestic businesses. TIHGI maintained a strong level of local sourcing, with 70% of its spend directed to local partners, reflecting a balanced approach to operational needs and community support. While EMI does not disclose its local spending proportion, its procurement remains guided by established accreditation and compliance standards across its international operations.

Procurement budget spent on local suppliers (in %) *[204-1]*

Subsidiary	2023	2024	2025
EMI	Not reported		
MEG	100	100	100
TIHGI	73	80	70

Across all segments, the organization applies discipline in procurement, prioritizes resilience over concentration, and embeds sustainability considerations into how it selects and manages suppliers. The Group maintains a supplier accreditation policy that governs how sustainability topics are considered in supplier selection and ongoing evaluation.

MEG's procurement framework is built on quality assurance, local partnership, and supply chain resilience. Suppliers are selected on merit and managed through structured processes that support both project delivery and sustainability.

MEG ensures a steady supply of high-quality construction materials through strategic sourcing and long-term partnerships with reputable domestic suppliers. A competitive bidding system governs procurement, enabling MEG to secure favorable pricing while maintaining rigorous quality standards. To mitigate supply chain risk, MEG employs bulk purchasing agreements, forward contracts, and conducts regular supplier evaluations and quality control assessments.

In line with its sustainability commitments, MEG prioritizes environmentally responsible materials and actively explores innovative construction methods, including precast technology and energy-efficient building solutions. MEG is not dependent on any single supplier, preserving flexibility and resilience across its development pipeline.

EDI

KNOW-YOUR-CUSTOMER SUPPLIER ACCREDITATION

Suppliers submit accreditation forms covering business ethics and integrity, accountability and liability, and pre-assessment qualifications. The Purchasing Department and Accreditation Committee implement a KYC process to screen and assess all suppliers.

GES/BF

EUROPEAN COMPLIANCE AND SOCIAL SCREENING

New suppliers must comply with European regulations and are assessed and validated by the Supply Chain and General Director before engagement. Social screening ensures no significant adverse impacts in line with supplier accreditation policy.

WMG

ENVIRONMENTAL CREDENTIALS AND AUDITING

Supplier audits are required. Environmental credentials sought including FSC, PEFC, and ISO certifications. Environmental screening is being integrated into audit and supplier onboarding processes.

EMI sources its principal raw materials, including grapes from owned vineyards and third-party suppliers, wine, grain, malts, distilled neutral spirits, brandy distillates, and water, across its production facilities in the Philippines, Scotland, Spain, and Mexico. Packaging materials, including glass bottles, cartons, and closures, are sourced through a mix of subsidiaries and external suppliers.

In the Philippines, all blending water is drawn from deep wells at the Santa Rosa, Laguna facility, one of the best freshwater sources in the country, supported by an on-site filtration system. Bottles are primarily supplied by AWGI, with the rest imported or sourced from recycled returns. In Scotland, cereals and dry goods are sourced domestically, while casks come from the United States and Spain. In Spain, grapes come from owned vineyards and are supplemented by third-party supply as needed. In Mexico, grapes and aguardientes are sourced from multiple suppliers across Spain, Chile, Argentina, and Australia.

EMI maintains long-term supplier relationships across all key markets and has not experienced or anticipated significant difficulty in securing adequate supplies at satisfactory prices. Recent global supply chain disruptions extended lead times but had no material adverse impact on operations. EMI's procurement practices, including advance ordering, annual competitive pricing for canvassing, and proximity warehousing by major suppliers, ensure continuity and resilience across its global production network.

ISO 9001-Aligned Procurement

Procurement protocols are aligned with the ISO 9001 Quality Management System certification. Suppliers are selected based on proven credibility and track records, with rigorous quality assurance and safety standards applied throughout the sourcing process.

100% Local Supplier Commitment

In 2025, MEG maintained its record of spending 100% of its procurement budget on local suppliers, supporting local businesses, strengthening supply chain resilience, and reducing the environmental footprint of long-haul materials transportation.

Multiple Sourcing Strategy

Multiple sourcing methods are employed to prevent delays and maintain construction and operational project timelines, enabling MEG to deliver consistently across its township portfolio.

TIHGI maintains a large and diversified base of contractors and suppliers supporting construction, engineering, and resort operations, with no reliance on any single supplier. In 2024, the ten largest suppliers accounted for 27% of total purchases, reflecting a distributed procurement structure that supports operational flexibility and continuity. As a food-intensive business, TIHGI prioritizes sourcing key ingredients locally and partners with suppliers aligned with its environmental commitments.

TIHGI continued to strengthen its procurement practices, keeping sustainability, ethical conduct, and local economic development central to supplier engagement. Within this framework, NWR advanced several initiatives that reinforced responsible purchasing and supplier development, spanning packaging consolidation, supplier capability building, and renewable energy procurement.

Supplier Capability Building

3rd Annual Suppliers Meeting introduced HACCP, ISO 22000:2018, and safe food handling standards. July 2025 supplier summit cascaded the Green Policy Statement to align suppliers with the Group's sustainability goals.

Renewable Energy Procurement

The Procurement Department joined the competitive bidding process for renewable energy contracts, implemented in Q1 2025, supporting TIHGI's full transition to renewable energy.

Packaging Consolidation

All packaging consolidated into a single approved list under group contracts. 93% of packaging materials now meet sustainability criteria, reducing plastic use and improving cost efficiency.

Across the Group, supplier engagement is reinforced through accreditation, evaluation, and sustainability integration. These practices ensure that AGI's procurement and supply chain management remain aligned with its commitments to operational resilience, responsible sourcing, and long-term value creation.





FINANCIAL PERFORMANCE





ALLIANCE GLOBAL

Alliance Global Group, Inc.
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark
188 E. Rodriguez Jr. Avenue, Bagumbayan, 1110 Quezon City
Tel. Nos. 87092040 Fax Nos. 87091966

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

ANDREW L. TAN
Chairman of the Board

KEVIN ANDREW L. TAN
President/Chief Executive Officer

DINA D.R. INTING
Chief Financial Officer

Signed this 15th day of May 2026

SUBSCRIBED AND SWORN to before me this 15 MAY 2026, affiants exhibiting to me their Passport/ SSS No., as follows:

Names	PassportNo./ SSS No.	Date	Place of Issue
Andrew L. Tan	P9281984A	Oct. 24, 2018 to Oct. 23,2028	Manila
Kevin Andrew L. Tan	P8166916A	Aug. 1, 2018 to July 31, 2028	Manila
Dina D.R. Inting	SSS 03-5204775-3		

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Series of 2026

Atty. Richard Leo M. Baldueza
Notary Public for Quezon City
2V Mitra Bldg., House of Representativ
Batasan Hills, Quezon City
(NP-080 / 2026-2027)
Until December 31, 2027
Roll No. 53953
IR No. 5052411 / 02/03/2026 / Plaridel Bulacan
MCLE Compliance No. VIII - 26723/04-10-2025
IBP Lifetime No. 7203 (01-17-08)

P&A Grant Thornton

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Report of Independent Auditors

The Board of Directors and the Stockholders
Alliance Global Group, Inc. and Subsidiaries
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

Opinion

We have audited the consolidated financial statements of Alliance Global Group, 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, 2025 are presented in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Philippine Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

Offices in Cavite, Cebu, Davao
BOA/ PRC Cert of Reg. No. 0002
SEC Accreditation No. 0002

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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 provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry using a modified retrospective approach in 2024. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

(a) Revenue Recognition for Sale of Consumer Goods

Description of the Matter

The Group's sale of consumer goods amounted to P56.8 billion for the year, which is mainly from its Emperador business segment and represents 29.9% of the Group's total revenues and income. Revenue from sale of goods is recognized when control over the goods has been transferred at a point in time to the customer, generally when the customer has acknowledged receipt of the goods.

We considered revenue recognition to be a key audit matter due to its material impact on the consolidated financial statements and the significant auditor attention required to address the risk of inappropriate revenue recognition particularly in relation to the timing of recognition (cut-off), given the high volume sales transaction.

The Group's accounting policy on revenue recognition and the related disclosures, including trade receivables and breakdown of sale of goods are set out in Notes 2, 6 and 23 to consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition from the sale of consumer goods included, among others, the following:

- Obtained an understanding of the revenue recognition policy regarding sale of consumer goods and the related significant business processes;
- Tested the design and operating effectiveness of the Group's processes and controls over revenue recognition, approval and documentation, including the implemented information technology (IT) general and application controls over automated systems that process and record the revenue transaction with assistance from our IT specialists;
- Evaluated the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15;
- Tested sales transactions on a sample basis, including sales invoices, delivery receipts and cash receipts throughout the reporting period to verify the occurrence of sales;
- Confirmed trade receivables using positive confirmation, on a sample basis, and performed alternative procedures for non-responding customers, such as, examination of evidence of subsequent collections, or corresponding sales invoices and proof of deliveries;

- Tested sales invoices and delivery receipts immediately before and after the reporting period to determine whether the related sales transactions are recognized in the correct period;
- Performed substantive analytical review procedures over revenues, including yearly and monthly analyses of sales per product/brand and location, and sales mix composition based on our expectations and following up variances from our expectations, and verified that the underlying data used in the analyses are valid; and,
- Evaluated the completeness and appropriateness of the related disclosures in the consolidated financial statements in accordance with relevant financial reporting standards.

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

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because of the volume of transactions, the complexity of applying PFRS 15, and involvement of significant judgment and estimation. Moreover, real estate sales amounting to P51.8 billion and cost of real estate sales amounting to P25.1 billion account for 27.3% of consolidated Revenues and Income and 16.5% 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 judgment and estimate, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects that defines the amount of revenue to be recognized, and determining the amount of actual costs incurred as cost of real estate sales.

The Group's policy for revenue recognition on real estate sales are more fully disclosed in Note 2 to the consolidated financial statements. The significant judgments applied and estimates used by management related to revenue recognition are more fully disclosed in Note 3 to the consolidated financial statements. The breakdown of real estate sales and cost of real estate sales are disclosed in Notes 23 and 24, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatements relating to the recognition of revenue from real estate sales and related costs include, among others, the following:

- Obtained an understanding of the revenue recognition policy regarding real estate sales and the related significant business processes;
- Performed test of design and operating effectiveness of relevant controls over revenue generation and recognition, as well as tests of IT general and application controls;
- Performed test of details to ascertain accuracy and occurrence of revenue recognized through examination of real estate sales contracts and other relevant supporting documents of the samples selected and performed overall analytical review of actual results;
- Evaluated the reasonableness of management's judgment in determining the probability of collection of the consideration for the contract, historical analysis of the customer's payment patterns and behavior;

- Evaluated the significant assumptions and judgments applied by management, including those related to the identification and assessment of a significant financing component, which considered the appropriateness of management's inputs, the basis for determining whether a significant financing component exists, and the resulting impact on the timing and amount of revenue recognized.

- Tested the reported progress for the year by comparing actual costs incurred to the total budgeted project development costs, including testing controls over the recognition and allocation of costs per project and direct examination of supporting documents. In assessing the reasonableness of budgetary estimates, we have ascertained the qualifications of project engineers who prepared the budgets and reviewed the actual performance of completed projects with reference to their budgeted costs;

- Performed physical inspection of selected projects under development to assess if the completion based on costs is not inconsistent with the physical completion of the project;

- Traced costs accumulated on a sampling basis to supporting documents such as invoices and accomplishment reports from the contractors and official receipts; and,

- Evaluated the completeness and appropriateness of the related disclosures in the consolidated financial statements in accordance with the requirements of relevant financial reporting standards.

(c) Revenue Recognition on Gaming Operations

Description of the Matter

The Group, through its Travellers business segment, operates integrated gaming resorts and tourist destinations under the Newport World Resorts brand. The total net revenue from gaming operations amounted to P24.2 billion in 2025, representing 12.8% of the Group's total revenues and income. Gaming transactions of the Group with fixed-odds wagers known at the time of bet are considered derivative transactions wherein the Group takes a position against a patron and the resulting unsettled position becomes a derivative instrument under PFRS 9, *Financial Instruments*.

In our view, gaming transactions are significant to our audit because the amount is material and it involves voluminous transactions at any given period of time, which undergo complex automated and manual gaming processes and controls under the Group's principal gaming and gaming-related systems.

The Group's accounting policies relating to revenue recognition and the related disclosures on total revenues are presented in Notes 2 and 23, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition on gaming operations, which was considered to be a significant risk, included the following:

- Obtained an understanding of the Group's gaming revenue processes and controls over the recognition and measurement of gaming revenues;

- Tested and evaluated the design and operating effectiveness of controls over major casino processes, including buy-in and pay-out procedures, float maintenance, end-of-day recording, casino credit billing and collection and month-end reconciliation procedures including IT general and application controls;

- Performed substantive analytical review procedures on gaming revenues, drops and win rates from both gaming tables and slot machines based on our expectations, and resolved variances from our expectations through discussion with the management and corroboration of their responses whether plausible under such circumstances;

- Tested the recognition and measurement of gaming revenues by tracing a sample of transactions throughout the current period to source data to verify the accuracy of reported gaming revenues; and,

- Observed cash count procedures at the end of the reporting period to assess the appropriateness of the Group's cut-off procedures and the proper recording of gaming revenues.

(d) Impairment of Goodwill and Trademarks with Indefinite Useful Life

Description of the Matter

In accordance with Philippine Accounting Standard 36, *Impairment of Assets*, the Group is required to perform an annual impairment test of goodwill and trademarks with indefinite useful lives. As of December 31, 2025, goodwill amounted to P20.5 billion, while the trademarks with indefinite useful lives amounted to P24.1 billion. We considered the impairment of these assets as a key audit matter because the amounts of goodwill and trademarks are material to the consolidated financial statements. Additionally, management's impairment assessment process involved significant judgment in identifying the relevant cash-generating units (CGUs) and in allocating the goodwill to those CGUs, and is subject to estimation uncertainty in determining their recoverable amounts using value-in use models, which rely on key assumptions such as discount rates, growth rates and projected cash flows.

The Group's accounting policy on impairment is more fully described in Note 2 to the consolidated financial statements. The significant judgements and key sources of estimation uncertainty relating to the impairment of non-financial assets, including trademarks and goodwill with indefinite useful lives, is presented in Note 3; while the related carrying amounts are presented in Note 15.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the goodwill and trademarks with indefinite useful lives included, among others, the following:

- Evaluated the appropriateness and reasonableness of methodology and assumptions used in determining the value-in-use of cash-generating units attributable to the trademarks and goodwill, which include the discount rate, growth rate and the cash flow projections, by comparing them to external and historical data, with assistance from our Firm's valuation specialists;

  Tested the calculation of valuation model for mathematical accuracy, validated the appropriateness and reliability of inputs and amounts used and recomputed the value-in-use of cash-generating units attributable to the trademarks and goodwill;

- Performed independent sensitivity analysis of the projections and discount rate using the valuation model used to determine whether a reasonably possible change in assumptions could cause the carrying amount of cash generating units to exceed the recoverable amount;

- Evaluated management's identification of the relevant CGUs and assessed the appropriateness of the allocation of goodwill to those CGUs by considering the Group's operating structure and management's monitoring of operations; and,

- Evaluated the adequacy of the financial statement disclosures relating to goodwill, trademarks and impairment, including disclosure of key assumptions and judgments.

(e) Consolidation Process

Description of the Matter

The Group's consolidated financial statements comprise Alliance Global Group, Inc. and its subsidiaries, as described in Note 1, and include the elimination of material intercompany balances, transactions, and unrealized profits. The Group's consolidation process is determined to be a key audit matter due to the extent of judgment involved, the significance of foreign operations, and the complexity and manual nature of consolidation and elimination adjustments, which collectively increase the risk of material misstatement.

The Group operates through multiple subsidiaries, including entities in foreign jurisdictions. This requires management to exercise significant judgment in determining functional currencies and in translating foreign currency-denominated financial information into the Group's presentation currency. Given the judgment involved and the potential effect of exchange rate movements, there is an increased risk that errors in functional currency determination or translation may result in material misstatements in the consolidated financial statements.

In addition, the consolidation process involves significant manual adjustments, including the identification of intercompany relationships and the elimination of intercompany balances, transactions, and unrealized profits arising from intercompany transactions. The volume and complexity of intercompany transactions, combined with the reliance on manual consolidation entries, increase the risk that such eliminations may be incomplete or inaccurate.

The Group's policy on consolidation process is more fully described in Note 2 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Among others, our audit procedures to address the risk associated with the Group's consolidation process are as follows:

- Updated our understanding of the Group's structure and its consolidation policy, process and controls, including the procedures for identifying intercompany transactions and reconciling intercompany balances;

- Tested the mathematical accuracy of the consolidation and reconciled financial information included in the consolidation to the audited financial statements of the Group's components, and evaluated the consistency of accounting policies applied across the Group;

- Tested the accuracy, completeness and appropriateness of significant manual consolidation and intercompany elimination entries, including the elimination of intercompany balances, transactions, unrealized profits, and translation adjustments;

- Performed analytical procedures at the consolidated level to assess the reasonableness of consolidated balances and relationships; and,

- Evaluated the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with PFRS Accounting Standards.

(f) Deconsolidation of a subsidiary

Description of the Matter

In 2025, the Group deconsolidated Golden Arches Development Corporation (GADC) following completion of a transaction that resulted in the loss of control over the subsidiary. As a result, the Group derecognized the subsidiary's assets, liabilities, and non-controlling interests and recognized a gain on deconsolidation, including the remeasurement of retained interest at fair value, as disclosed in Note 1 to the consolidated financial statements.

The deconsolidation of GADC was considered a key audit matter due to the significance and non-routine nature of the transaction, and the significant judgment involved, particularly in determining the date and assessment of loss of control in accordance with PFRS 10, *Consolidated Financial Statements*, identifying the assets and liabilities to be derecognized, determining the fair value of any retained interest, and computing the resulting gain on deconsolidation. The fair value measurement of the retained interest involved the use of valuation techniques incorporating significant assumptions, including projected cash flows, discount rates, and terminal growth assumptions.

The Group's accounting policies and the related disclosures, including the financial effects of the deconsolidation, are presented in Notes 1 and 2 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Among others, our audit procedures to address the risk associated with the deconsolidation of a subsidiary are as follows:

- Evaluated management's assessment of the loss of control over the subsidiary by inspecting the equity holder's agreement, board approvals, and relevant contractual agreements, and assessing the compliance with the requirements of PFRS 10 on deconsolidation;
- Assessed the appropriateness of the deconsolidation date by evaluating the transaction closing date and other triggering events evidencing the loss of control, and verified that assets, liabilities, and non-controlling interests were derecognized at their carrying amounts as of that date;
- Tested the computation of the gain on deconsolidation, including reconciling the net assets derecognized to the underlying accounting records and consolidated work papers;
- Evaluated the fair value measurement of retained interest, including assessing the valuation methodology used, testing key assumptions and inputs such as discount rates, growth rates, and capital expenditure assumptions, with assistance of the Firm's valuation specialists; and,
- Assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements, including those relating to significant judgments, estimates applied in determining the loss of control and fair value of retained interest, and the financial effect of the deconsolidation.

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 do not and 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.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10770767, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 90741-SEC (until financial period 2025)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

May 15, 2026

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	5	**P 47,370,541,026**	P 60,602,840,049
Trade and other receivables - net	6	**86,074,792,702**	82,472,560,868
Contract assets	23	**26,287,777,868**	22,818,989,860
Financial assets at fair value through profit or loss	7	**16,548,978,844**	16,054,284,922
Inventories - net	8	**194,687,728,409**	188,885,475,796
Other current assets	9	**24,809,760,268**	22,850,228,568
Total Current Assets		**395,779,579,117**	393,684,380,063
NON-CURRENT ASSETS			
Trade and other receivables - net	6	**35,176,420,018**	33,934,105,742
Contract assets	23	**7,928,124,664**	12,696,802,261
Advances to landowners and joint operators	10	**9,014,831,658**	8,830,352,156
Financial assets at fair value through other comprehensive income	11	**483,074,040**	638,188,728
Investments in associates and joint ventures	12	**17,899,774,893**	6,601,858,154
Property, plant and equipment - net	13	**171,720,068,074**	168,493,285,797
Investment properties - net	14	**154,594,212,596**	148,084,535,098
Intangible assets - net	15	**44,605,190,728**	42,686,703,083
Deferred tax assets - net	28	**919,354,233**	2,251,334,369
Other non-current assets	9	**20,266,015,670**	6,177,370,983
Total Non-current Assets		**462,607,066,574**	430,394,536,371
TOTAL ASSETS		**P 858,386,645,691**	P 824,078,916,434

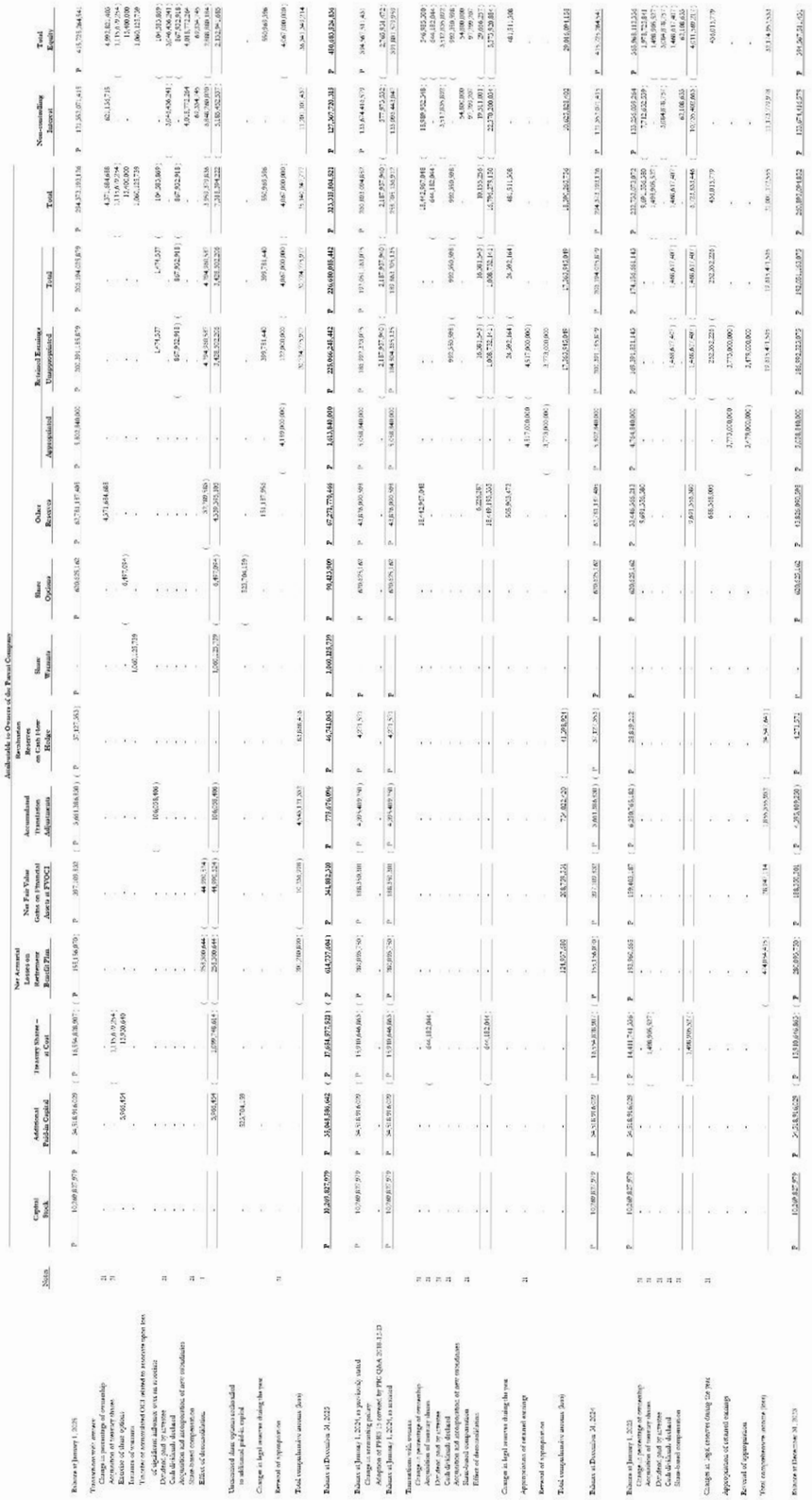
	Notes	2025	2024
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	16	**P 73,738,014,475**	P 77,069,078,841
Interest-bearing loans	17	**58,396,634,309**	46,479,695,155
Lease liabilities	13	**205,113,172**	1,246,685,477
Contract liabilities	23	**1,050,338,907**	1,669,576,401
Income tax payable		**1,998,832,039**	2,169,071,129
Advances from other related parties	29	**352,194,953**	1,004,242,464
Redeemable preferred shares	19	**-**	1,574,159,348
Other current liabilities	20	**18,023,364,939**	18,908,554,230
Total Current Liabilities		**153,764,492,794**	150,121,063,045
NON-CURRENT LIABILITIES			
Interest-bearing loans	17	**194,482,790,969**	183,524,224,160
Bonds payable	18	**20,419,627,934**	20,049,554,649
Lease liabilities	13	**1,075,305,947**	17,248,683,855
Contract liabilities	23	**4,041,368,789**	4,914,917,981
Retirement benefit obligation	27	**1,948,090,160**	1,838,949,459
Deferred tax liabilities - net	28	**23,320,972,564**	21,239,236,055
Other non-current liabilities	20	**8,650,471,698**	9,417,022,689
Total Non-current Liabilities		**253,938,628,061**	258,232,588,848
Total Liabilities		**407,703,120,855**	408,353,651,893
EQUITY	21		
Equity attributable to owners of the parent company		**323,315,804,521**	294,373,193,126
Non-controlling interest		**127,367,720,315**	121,352,071,415
Total Equity		**450,683,524,836**	415,725,264,541
TOTAL LIABILITIES AND EQUITY		**P 858,386,645,691**	P 824,078,916,434

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
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				
Sale of goods	23	**P 108,524,400,384**	P 112,405,005,950	P 107,859,417,513
Rendering of services	23	**71,748,631,439**	106,115,015,106	96,900,516,812
Share in net profits of associates and joint ventures - net	12	**188,227,019**	-	46,212,055
Finance and other income	26	**9,146,398,330**	5,044,478,043	6,007,956,593
		189,607,657,172	223,564,499,099	210,814,102,973
COSTS AND EXPENSES				
Cost of goods sold	24	**65,018,043,009**	67,788,282,633	65,347,824,318
Other operating expenses	25	**45,569,783,905**	47,344,752,415	43,397,062,648
Cost of services	24	**28,456,964,997**	57,665,265,438	51,985,509,337
Share in net losses of associates and joint ventures - net	12	**-**	212,497,485	-
Finance costs and other charges	26	**13,223,327,289**	14,799,084,476	12,318,287,823
		152,268,119,200	187,809,882,447	173,048,684,126
PROFIT BEFORE TAX		**37,339,537,972**	35,754,616,652	37,765,418,847
TAX EXPENSE	28	**6,736,321,590**	7,835,791,293	7,415,988,492
NET PROFIT		**30,603,216,382**	27,918,825,359	30,349,430,355
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains (losses) on remeasurement of retirement benefit obligation	27	**(335,906,496)**	67,403,759	(858,938,376)
Net unrealized fair value gain (loss) on financial assets at fair value through other comprehensive income	11	**(99,498,631)**	57,977,672	85,342,706
Deferred tax income (expense) relating to components of other comprehensive income	27, 28	**83,160,736**	(45,137,519)	169,138,340
		(352,244,391)	80,243,912	(604,457,330)
Items that will be reclassified subsequently to profit or loss				
Translation adjustments	2	**5,990,985,753**	1,069,332,210	2,488,466,638
Net unrealized fair value gains (losses) on cash flow hedge	7	**113,106,428**	(55,952,053)	(34,246,151)
Deferred tax expense relating to components of other comprehensive income	28	**(7,919,804)**	(30,503,365)	(20,892,102)
Share in other comprehensive income (loss) of associates	12	**(5,795,154)**	34,148,095	(3,348,877)
		6,090,377,223	1,017,024,887	2,429,979,508
TOTAL COMPREHENSIVE INCOME		**P 36,341,349,214**	P 29,016,094,158	P 32,174,952,533
Net profit attributable to:				
Owners of the parent company		**P 20,724,775,917**	P 17,363,945,049	P 19,615,471,565
Non-controlling interest		**9,878,440,465**	10,554,880,310	10,733,958,790
		P 30,603,216,382	P 27,918,825,359	P 30,349,430,355
Total comprehensive income attributable to:				
Owners of the parent company		**P 25,140,247,777**	P 18,390,265,756	P 21,001,172,555
Non-controlling interest		**11,201,101,437**	10,625,828,402	11,173,779,978
		P 36,341,349,214	P 29,016,094,158	P 32,174,952,533
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company –				
Basic and Diluted	22	**P 2.3978**	P 1.9773	P 2.2178

See Notes to Consolidated Financial Statements.



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
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 37,339,537,972**	P 35,754,616,652	P 37,765,418,847
Adjustments for:				
Interest expense	26	**12,024,335,857**	12,926,596,809	10,820,585,377
Depreciation and amortization	24, 25	**9,887,428,907**	11,846,077,289	10,711,722,826
Gain on deconsolidation	26	**(3,426,870,515)**	-	-
Interest income	26	**(2,879,971,178)**	(4,008,474,746)	(4,797,687,835)
Gain on sale of investment in associate	12	**(1,480,403,350)**	-	-
Unrealized foreign currency loss (gain) - net		**804,380,259**	767,712,376	(90,855,610)
Reversal of impairment losses of property, plant and equipment - net	26	**(630,122,981)**	(24,184,777)	(36,035,062)
Share in net losses (profits) of associates and joint ventures	12	**(188,227,019)**	212,497,485	(46,212,055)
Dividend income	26	**(110,526,163)**	(97,571,890)	(26,083,388)
Gain on recycling of associate's other comprehensive income	12	**(104,583,869)**	-	-
Stock option benefit expense	27	**69,334,745**	97,299,207	62,108,633
Impairment losses on receivables - net	6	**67,889,190**	83,605,528	202,107,881
Impairment loss on inventories	8	**66,144,582**	245,775,956	85,473,767
Provision		**30,303,936**	36,707,116	34,159,365
Net loss on disposal of assets	26	**22,938,882**	20,088,408	43,765,970
Gain from derecognition of right-of-use assets and lease liabilities	13, 26	**(10,534,761)**	(22,562,023)	(13,092,751)
Loss from deconsolidation of subsidiaries		**-**	193,974,187	-
Impairment on goodwill		**-**	77,347,633	-
Operating profit before working capital changes		**51,481,054,494**	58,109,505,210	54,715,375,965
Decrease (increase) in trade and other receivables		**(3,717,830,268)**	(9,006,143,727)	2,143,125,035
Decrease (increase) in contract assets		**1,299,889,589**	(11,362,234,817)	(10,431,752,509)
Decrease (increase) in financial assets at fair value through profit or loss		**(387,704,956)**	(225,489,263)	261,718,204
Increase in inventories		**(5,198,544,838)**	(3,437,576,892)	(13,573,136,959)
Increase in advances to landowners and joint operators		**(184,479,502)**	(669,934,547)	(264,003,801)
Decrease (increase) in other current assets		**(3,426,290,309)**	1,184,455,859	(5,752,196,549)
Increase (decrease) in trade and other payables		**13,242,930,244**	(3,040,256,421)	(3,063,808,782)
Decrease in contract liabilities		**(1,492,786,686)**	(627,840,277)	(789,678,135)
Increase in retirement benefit obligation		**262,828,943**	149,676,801	891,040,849
Increase (decrease) in other current liabilities		**(2,108,802,443)**	671,302,340	662,234,833
Decrease in other non-current liabilities		**(280,019,128)**	(1,162,584,801)	(2,259,351,038)
Cash generated from operations		**49,490,245,140**	30,582,879,465	22,539,567,113
Cash paid for taxes		**(3,444,041,062)**	(6,483,653,749)	(3,584,878,774)
Net Cash From Operating Activities		**46,046,204,078**	24,099,225,716	18,954,688,339
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property, plant and equipment	13	**(34,445,594,194)**	(16,337,592,197)	(13,089,458,474)
Investment properties	14	**(9,812,505,778)**	(14,299,145,364)	(8,435,618,145)
Intangible assets	15	**(406,568,275)**	(92,792,288)	(39,259,402)
Decrease (increase) in advances for future investments	9	**(9,468,783,151)**	(558,735,295)	1,211,002,439
Cash of deconsolidated subsidiary	1	**(5,224,603,868)**	-	-
Decrease (increase) in other non-current assets	9	**(2,571,349,905)**	(83,075,306)	609,392,911
Interest received		**2,504,065,513**	2,557,687,869	3,082,520,546
Additional advances granted to associates and other related parties	29	**(2,004,744,767)**	(1,223,077,802)	(1,155,706,112)
Proceeds from:				
Disposal of associate	1, 12, 26	**1,480,403,350**	-	-
Disposal of property, plant and equipment	13	**366,814,109**	387,083,421	674,904,404
Disposal of subsidiary	1	**-**	129,285,000	-
Collection of notes and loans receivables		**-**	6,521,739	26,032,422
Collection of advances to associates and other related parties	29	**1,461,243,095**	931,391,148	1,573,190,035
Cash from acquisition of new subsidiaries, net of cash consideration transferred	1	**826,397,387**	-	-
Cash dividends received		**600,510,476**	97,571,890	26,083,388
Payment of subscription payable		**-**	-	(1,114,665,008)
Net Cash Used in Investing Activities		**(56,694,716,008)**	(28,484,877,185)	(16,631,580,996)
Balance carried forward		**(P 56,694,716,008)**	(P 28,484,877,185)	(P 16,631,580,996)

	Notes	2025	2024	2023
Balance forwarded		(P 56,694,716,008)	(P 28,484,877,185)	(P 16,631,580,996)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing loans	17, 35	**58,032,799,492**	70,643,991,802	53,999,985,162
Payment of interest-bearing loans and bonds	17, 18, 35	**(39,859,048,746)**	(46,914,069,337)	(46,526,938,375)
Interest paid		**(15,095,641,296)**	(16,204,077,102)	(16,439,154,464)
Cash dividends declared and paid to non-controlling interest	21	**(3,046,436,241)**	(3,512,835,892)	(3,084,878,757)
Acquisition of treasury shares	21	**(1,115,679,254)**	(644,182,044)	(1,498,905,527)
Proceeds from issuance of warrants	21	**1,060,125,739**	-	-
Advances paid to related parties	29	**(1,073,133,619)**	(231,299,732)	(1,476,330,363)
Cash dividends paid	21	**(878,808,554)**	(1,420,530,048)	(198,189,802)
Payment of lease liabilities	13	**(794,010,124)**	(2,146,465,369)	(1,849,802,898)
Advances collected and received from related parties	29	**297,248,150**	397,665,776	510,576,037
Buyback of shares from non-controlling interest	21	**(126,602,640)**	-	(668,595,880)
Exercise of share options	21	**15,400,000**	-	-
Net Cash Used in Financing Activities		**(2,583,787,093)**	(31,801,946)	(17,232,234,867)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(13,232,299,023)**	(4,417,453,415)	(14,909,127,524)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**60,602,840,049**	65,020,293,464	79,929,420,988
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**P 47,370,541,026**	P 60,602,840,049	P 65,020,293,464

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 General Information

Alliance Global Group, Inc. (the "Company", "Parent Company", or "AGI") was registered with the Philippine Securities and Exchange Commission ("SEC") on October 12, 1993 and began operations in 1994 as a glass-container manufacturer. On March 12, 1999, it obtained approval from the SEC to broaden its primary business into that of a holding company. Given a wider scope of business, AGI immediately diversified its investment holdings, and on April 19, 1999, AGI listed its shares in the Philippine Stock Exchange ("PSE"). Currently, the Company and its subsidiaries, associates and joint ventures (collectively referred to as the "Group") operate businesses in real estate property development, tourism-entertainment and gaming, food and beverage, and quick–service restaurants under the following entities (see Notes 4 and 12).

As of December 31, the Parent Company holds beneficial ownership interests in the following subsidiaries, associates and joint ventures:

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2025	2024	2023
Subsidiaries					
Megaworld and subsidiaries					
Megaworld Corporation	MEG or Megaworld	(a)	**74%**	74%	72%
Megaworld Resort Estates, Inc.		(b)	**87%**	87%	86%
Townsquare Development, Inc.			**52%**	52%	51%
Golden Panda-ATI Realty Corporation			**52%**	52%	51%
Arcovia Properties, Inc.	API		**74%**	74%	72%
Belmont Newport Luxury Hotels, Inc.			**74%**	74%	72%
Davao Park District Holdings Inc.			**74%**	74%	72%
Eastwood Cyber One Corporation	ECOC		**74%**	74%	72%
Global One Hotel Group, Inc.	GOHGI	(t)	-	74%	72%
Global One Integrated Business Services, Inc.			**74%**	74%	72%
Hotel Lucky Chinatown, Inc.			**74%**	74%	72%
Landmark Seaside Properties, Inc.			**74%**	74%	72%
Luxury Global Hotels and Leisures, Inc.			**74%**	74%	72%
Luxury Global Malls, Inc.			**74%**	74%	72%
Mactan Oceanview Properties and Holdings, Inc.			**74%**	74%	72%
Megaworld Cayman Islands, Inc.		(c)	**74%**	74%	72%
Megaworld Cebu Properties, Inc.			**74%**	74%	72%
Megaworld Land, Inc.			**74%**	74%	72%
City Walk Building Administration, Inc.			**74%**	74%	72%
Forbestown Commercial Center Administration, Inc.			**74%**	74%	72%
Iloilo Center Mall Administration, Inc.			**74%**	74%	72%
Newtown Commercial Center Administration, Inc.			**74%**	74%	72%
Paseo Center Building Administration, Inc.			**74%**	74%	72%
San Lorenzo Place Commercial Center Administration, Inc.			**74%**	74%	72%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2025	2024	2023
Subsidiaries					
Megaworld and subsidiaries (continued)					
Southwoods Lifestyle Mall Management, Inc.			**74%**	74%	72%
Cityfront Commercial Center Administration, Inc.			**74%**	74%	72%
Uptown Commercial Center Administration, Inc.			**74%**	74%	72%
Valley Peaks Property Management, Inc.			**74%**	74%	72%
Westside Commercial Center Administration, Inc.	WCCAI	(o)	**74%**	74%	-
Megaworld Newport Property Holdings, Inc.			**74%**	74%	72%
Megaworld Oceantown Properties, Inc.	MOPI		**74%**	74%	72%
Piedmont Property Ventures, Inc.			**74%**	74%	72%
Prestige Hotels and Resorts, Inc.	PHRI		**74%**	74%	72%
Richmonde Hotel Group International Ltd.	RHGI	(d)	**74%**	74%	72%
Megaworld San Vicente Coast, Inc.	MSVCI		**74%**	74%	72%
Savoy Hotel Manila, Inc.			**74%**	74%	72%
Savoy Hotel Mactan, Inc.			**74%**	74%	72%
Kingsford Hotel Manila, Inc.			**74%**	74%	72%
Agile Digital Ventures, Inc.			**74%**	74%	72%
MREIT Fund Managers, Inc.	MFMI	(n)	**74%**	74%	72%
MREIT Property Managers, Inc.	MPMI	(n)	**74%**	74%	72%
MREIT, Inc.	MREIT	(n)	**41%**	48%	41%
Belmont Hotel Mactan, Inc.			**74%**	74%	72%
Grand Westside Hotel, Inc.			**74%**	74%	72%
Stonehaven Land, Inc.			**74%**	74%	72%
Streamwood Property, Inc.			**74%**	74%	72%
Megaworld Bacolod Properties, Inc.	MBPI		**68%**	68%	66%
Manila Bayshore Property Holdings, Inc.	MBPHI		**70%**	70%	68%
Megaworld Capital Town, Inc.	MCTI		**57%**	56%	55%
Megaworld Central Properties, Inc.			**57%**	57%	55%
Soho Cafe and Restaurant Group, Inc.			**56%**	55%	54%
La Fuerza, Inc.	LFI		**49%**	49%	48%
Megaworld-Daewoo Corporation			**44%**	44%	43%
Northwin Properties, Inc.			**44%**	44%	43%
Gilmore Property Marketing Associates, Inc.			**39%**	39%	37%
Integrated Town Management Corporation			**37%**	37%	36%
Maple Grove Land, Inc.			**37%**	37%	36%
Megaworld Globus Asia, Inc.	MGAI		**37%**	37%	36%
Uptown Place Building Administration Inc.		(p, r)	**74%**	-	-
Alliance Global Tower Building Administration Inc.		(p, r)	**74%**	-	-
Eastwood Global Plaza Corporate Tower Building Administration, Inc.		(p, r)	**74%**	-	-
Global One Building Administration, Inc.		(p, r)	**74%**	-	-
1 Campus Place Building Administration, Inc.		(p, r)	**74%**	-	-
Mckinley West Campus Building Administration, Inc.		(p, r)	**74%**	-	-
Technoplaza Two Building Administration, Inc.		(p, r)	**74%**	-	-
8CP Building Administration, Inc.		(p, r)	**74%**	-	-
CIP Building Administration, Inc.		(p, r)	**74%**	-	-
Enterprise Two Building Administration, Inc.		(p, r)	**74%**	-	-
Newtown Conventions and Events, Inc.		(p, r)	**74%**	-	-
Venetian Properties, Inc.	VPI	(s)	**74%**	-	-
Titan Dragon Properties, Corp.	TDPC	(s)	**37%**	-	-
Embassy Hills Properties, Inc.	EHPI	(s)	**37%**	-	-
Belmont Luxury Hotel Iloilo, Inc.			**74%**	-	-
Suntrust Properties, Inc.	SPI		**74%**	74%	72%
Governor's Hills Science School, Inc.			**74%**	74%	72%
Sunrays Property Management, Inc.			**74%**	74%	72%
Suntrust Ecotown Developers, Inc.	SEDI		**74%**	74%	72%
Suntrust One Shanata, Inc.			**74%**	74%	72%
Suntrust Two Shanata, Inc.			**74%**	74%	72%
Stateland, Inc.	STLI		**73%**	73%	71%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2025	2024	2023
Subsidiaries					
Megaworld and subsidiaries (continued)					
Global-Estate Resorts, Inc.	GERI	(e)	**61%**	61%	59%
Southwoods Mall Inc.			**68%**	67%	65%
Elite Club & Leisure Inc.	ECLI		**61%**	61%	59%
Integrated Resorts Property Management, Inc.	IRPMI		**61%**	61%	59%
Chancellor Hotel Boracay, Inc.		(o)	**61%**	61%	-
Twin Lakes Corporation	TLC		**68%**	67%	65%
Twin Lakes Hotel, Inc.			**68%**	67%	65%
Megaworld Global-Estate, Inc.			**66%**	66%	64%
Global-Estate Golf and Development, Inc.	GEGDI		**61%**	61%	59%
Golforce, Inc.			**61%**	61%	59%
Southwoods Ecocentrum Corp.			**37%**	37%	35%
Philippine Aquatic Leisure Corp			**37%**	37%	35%
Global-Estate Properties, Inc.			**61%**	61%	59%
Aklan Holdings Inc.			**61%**	61%	59%
Blue Sky Airways, Inc.			**61%**	61%	59%
Fil-Estate Subic Development Corp.			**61%**	61%	59%
Fil-Power Concrete Blocks Corp.			**61%**	61%	59%
Fil-Power Construction Equipment Leasing Corp.			**61%**	61%	59%
Golden Sun Airways, Inc.			**61%**	61%	59%
La Compañ De Sta. Barbara, Inc.			**61%**	61%	59%
MCX Corporation			**61%**	61%	59%
Pioneer L-5 Realty Corp.			**61%**	61%	59%
Prime Airways, Inc.			**61%**	61%	59%
Sto. Domingo Place Development Corp.			**61%**	61%	59%
Fil-Estate Industrial Park, Inc.			**48%**	48%	47%
Sherwood Hills Development Inc.			**34%**	34%	32%
Fil-Estate Urban Development Corp.			**61%**	61%	59%
Global Homes and Communities, Inc.			**61%**	61%	59%
Savoy Hotel Boracay, Inc.			**61%**	61%	59%
Belmont Hotel Boracay, Inc.			**61%**	61%	59%
Novo Sierra Holdings Corp.			**61%**	61%	59%
Elite Communities Property Services, Inc.			**61%**	61%	59%
Oceanfront Properties, Inc.			**31%**	31%	29%
Empire East Land Holdings, Inc.	EELHI		**61%**	61%	59%
Sonoma Premier Land, Inc.		(f)	**76%**	76%	75%
Pacific Coast Mega City, Inc.	PCMI		**78%**	78%	76%
Valle Verde Properties, Inc.			**61%**	60%	59%
Laguna BelAir Science School, Inc.	LBASSI		**44%**	44%	43%
20th Century Nylon Shirt, Inc.			**61%**	60%	59%
Eastwood Property Holdings, Inc.			**61%**	60%	59%
Empire East Communities, Inc.			**61%**	60%	59%
Sherman Oak Holdings, Inc.			**61%**	60%	59%
Emperador and subsidiaries					
Emperador Inc.	EMI or Emperador		**79%**	80%	81%
Emperador Distillers, Inc.	EDI		**79%**	80%	81%
Alcazar de Bana Holdings Company, Inc.			**79%**	80%	81%
ProGreen AgriCorp, Inc.	PAI		**79%**	80%	81%
South Point Science Park, Inc.			**79%**	80%	81%
Ocean One Transport Inc.			**79%**	80%	81%
Anglo Watsons Glass, Inc.	AWGI		**79%**	80%	81%
Cocos Vodka Distillers Philippines, Inc.			**79%**	80%	81%
The Bar Beverage, Inc.			**79%**	80%	81%
Tradewind Estates, Inc.	TEI		**79%**	80%	81%
BoozyLife, Inc.			**69%**	69%	56%
Zabana Rum Company Inc.			**79%**	80%	81%
The World's Finest Liquor Inc.	World's Finest		**79%**	80%	81%
Emperador International Ltd.	EIL	(d)	**79%**	80%	81%
Emperador Asia Pte Ltd.	EA	(h)	**79%**	80%	81%
Grupo Emperador Spain, S.A.	GES	(h)	**79%**	80%	81%
Bodega San Bruno, S.L.	BSB	(h)	**79%**	80%	81%
Bodegas Fundador, S.L.U.	BFS	(h)	**79%**	80%	81%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2025	2024	2023
Subsidiaries					
Emperador and subsidiaries (continued)					
Harvey's Cellars S.L.U	HCS	(h)	**79%**	80%	81%
Grupo Emperador Gestion S.L.	GEG	(h)	**79%**	80%	81%
Domecq Bodega Las Copas, S.L.	DBLC	(g)	**40%**	40%	40%
Stillman Spirits, S.L.	SSSL	(h)	**79%**	80%	81%
Pedro Domecq S.A. de C.V.	PDSC	(g)	**40%**	40%	40%
Destileria Los Danzantes S.A. de C.V.	Los Danzantes	(g, u)	**24%**	-	-
Emperador Europe SARL	EES	(h)	**79%**	80%	81%
Emperador Holdings (GB) Limited	EGB	(h)	**79%**	80%	81%
Emperador UK Limited	EUK	(h)	**79%**	80%	81%
Whyte and Mackay Global Limited	WMGL	(h)	**79%**	80%	81%
Whyte and Mackay Group Limited	WMG	(h)	**79%**	80%	81%
Whyte and Mackay Limited	WML	(h)	**79%**	80%	81%
Whyte and Mackay Warehousing Ltd.	WMWL	(h)	**79%**	80%	81%
GADC and subsidiaries					
Golden Arches Development Corporation	GADC	1.2 (a)	**-**	49%	49%
Golden Arches Realty Corporation			**-**	49%	49%
Clark Mac Enterprises, Inc.			**-**	49%	49%
Golden Laoag Foods Corporation			**-**	38%	38%
Davao City Food Industries, Inc.			**-**	37%	37%
First Golden Laoag Ventures, Inc.			**-**	34%	34%
McDonald's Anonas City Center – Joint Venture			**-**	34%	34%
Golden City Food Industries, Inc.			**-**	29%	29%
McDonald's Bonifacio Global City – Joint Venture			**-**	27%	27%
Advance Food Concepts Manufacturing, Inc.	AFCMI	(q)	**-**	-	49%
Red Asian Food Solutions, Inc.	RAFSI	(q)	**-**	-	37%
Molino First Golden Foods Inc.	MFGFI	(q)	**-**	-	26%
GY Alliance Concepts, Inc.	GACI	(q)	**-**	-	19%
McDonald's Puregold Taguig – Joint Venture	MPT	(q)	**-**	-	29%
Travellers and subsidiaries					
Travellers International Hotel Group Inc.	Travellers	(i)	**60%**	60%	60%
APEC Assets Limited			**60%**	60%	60%
Aquamarine Delphinium Leisure and Recreation Corporation			**60%**	60%	60%
Boracay Newcoast Hotel Group, Inc.	BNHGI	(v)	**100%**	-	-
Bright Pelican Leisure and Recreation, Inc.			**60%**	60%	60%
Brightleisure Management, Inc.			**60%**	60%	60%
Brilliant Apex Hotels and Leisure Corporation			**60%**	60%	60%
Coral Primrose Leisure and Recreation Corporation			**40%**	60%	60%
Deluxe Hotels and Recreation, Inc.	DHRI		**60%**	60%	60%
Entertainment City Integrated Resorts & Leisure, Inc.			**60%**	60%	60%
FHTC Entertainment & Productions, Inc.	FHTC		**60%**	60%	60%
Golden Peak Leisure and Recreation, Inc.			**60%**	60%	60%
Grand Integrated Hotels and Recreation, Inc.			**60%**	60%	60%
Grandservices, Inc.			**60%**	60%	60%
Grandventure Management Services, Inc.			**60%**	60%	60%
Lucky Star Hotels and Recreation, Inc.	LSHRI		**60%**	60%	60%
Lucky Panther Amusement and Leisure Corporation			**60%**	60%	60%
Luminescent Vertex Hotels and Leisure Corporation			**60%**	60%	60%
Newport World Gaming Solutions, Inc. [formerly "Magenta Centaurus Amusement and Leisure Corporation"]			**60%**	60%	60%
Manhattan Resorts Inc.		(o)	**60%**	60%	-
Majestic Sunrise Leisure & Recreation, Inc.			**60%**	60%	60%
Netdeals, Inc.			**60%**	60%	60%
NWR Plus Digital Solutions Inc. (NPDSI) [formerly "Agile Fox Amusement and Leisure Corporation"]			**36%**	60%	60%
Newport Star Lifestyle, Inc.			**60%**	60%	60%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2025	2024	2023
Subsidiaries					
Travellers and subsidiaries (continued)					
NewportVMX Entertainment, Inc.	NEI	(p)	**60%**	-	-
Royal Bayshore Hotels & Amusement, Inc.			**60%**	60%	60%
Sapphire Carnation Leisure and Recreation Corporation			**32%**	31%	60%
Scarlet Milky Way Amusement and Leisure Corporation			**60%**	60%	60%
Sparkling Summit Hotels and Leisure Corporation			**60%**	60%	60%
Valiant Leopard Amusement and Leisure Corporation			**60%**	60%	60%
Vermillion Triangulum Amusement and Leisure Corporation			**60%**	60%	60%
Westside City, Inc.	WCI	(j, x)	**59%**	59%	59%
Westside Bayshore Holdings Corporation	WBHC	(p, y)	**36%**	-	-
Westside Theatre Inc.			**60%**	60%	60%
Corporate and Others					
Alliance Global Brands, Inc.			**100%**	100%	100%
McKester Pik-nik International Limited	MPIL	(d)	**100%**	100%	100%
Great American Foods, Inc.		(k)	**100%**	100%	100%
New Town Land Partners, Inc.	NTLPI		**100%**	100%	100%
Alliance Global Group Cayman Islands, Inc.	AG Cayman	(c)	**100%**	100%	100%
Boracay Newcoast Resorts, Inc.			**100%**	100%	100%
Dew Dreams International, Inc.			**100%**	100%	100%
First Centro, Inc.	FCI		**100%**	100%	100%
ERA Real Estate Exchange, Inc.			**100%**	100%	100%
Oceanic Realty Group International, Inc.	ORGII		**100%**	100%	100%
Global One Hotel Group, Inc.	GOHGI	(t)	**100%**	-	-
Greenspring Investment Holdings Properties Ltd.		(d)	**100%**	100%	100%
Alliance Global-Infracorp Development, Inc.	Infracorp		**100%**	100%	100%
Shiok Success International, Inc.			**100%**	100%	100%
Travellers Group Ltd.		(d)	**100%**	100%	100%
Venezia Universal Ltd.		(d)	**100%**	100%	100%
Adams Properties, Inc.	Adams		**60%**	60%	60%
Newport World Resort Properties, Inc.	NWRPI		**96%**	97%	100%
Associates					
First Premiere Arches Restaurant Inc.	FPARI		**49%**	49%	49%
Bonifacio West Development Corporation	BWDC		**34%**	34%	33%
Golden Arches Development Corporation	GADC	1.2 (a)	**49%**	-	-
Suntrust Resorts Holdings, Inc.	SUN	(w)	**-**	25%	24%
Palm Tree Holdings and Development Corporation	PTHDC		**30%**	30%	29%
SWC Project Management Limited	SPML	(w)	**-**	25%	24%
WC Project Management Limited	WPML	(w)	**-**	25%	24%
Suntrust WC Hotel Inc.	Suntrust WC	(w)	**-**	25%	24%
Fil-Estate Network, Inc.	FENI		**12%**	12%	12%
Fil-Estate Sales, Inc.	FESI		**12%**	12%	12%
Fil-Estate Realty and Sales Associates, Inc.	FERSAI		**12%**	12%	12%
Fil-Estate Realty Corp.	FERC		**12%**	12%	12%
Nasugbu Properties, Inc.	NPI		**9%**	9%	8%
Advance Food Concepts Manufacturing, Inc.	AFCMI	(q)	**49%**	49%	-
Joint Ventures					
Bodegas Las Copas, S.L.	BLC	(l)	**40%**	40%	40%
Front Row Theatre Management, Inc.	FRTMI	(m)	**30%**	30%	30%

Explanatory notes:

(a) AGI's effective ownership interest is calculated based on its direct ownership, as well as its direct holdings in FCI and NTLPI. In 2025 and 2024, these interests were 54%, 3%, and 17%, respectively. In 2023, they were 49%, 3%, and 18%, respectively.

(b) AGI and Megaworld directly own 49% and 51%, respectively.

(c) Foreign subsidiaries operating under the laws of the Cayman Islands.

(d) Foreign subsidiaries operating under the Business Companies Act of the British Virgin Islands ("BVI").

(e) AGI's effective ownership interest represents its indirect holdings through Megaworld, which owns 83% of GERI as of December 31, 2025 and 2024 and 82% as of December 31, 2023.

(f) A subsidiary through 60% and 40% direct ownership of EELHI and FCI, respectively.

(g) DBLC, a subsidiary of GES, is operating under the laws of Spain and its subsidiary PDSC and Los Danzantes (a subsidiary of PDSC) is operating under the laws of Mexico.
(h) Subsidiaries under EIL. EA is operating under the laws of Singapore while GES and its subsidiaries BSB, BFS, GEG, DBLC, SSSL and HCS (a subsidiary of BFS) are operating under the laws of Spain. EES is operating under the laws of Luxembourg. EGB (the ultimate UK parent) is operating under the laws of England and Wales. EUK, WMG, WML, WMWL and WMGL are operating under the laws of Scotland. EA, EES and EGB are direct subsidiaries of EIL.
(i) Effective ownership is based on total voting rights of both common and preferred shares held by the Group– 33% by AGI, 2% by FCI, 2% by Megaworld, and 39% by Adams [24% by Genting Hongkong Limited ("GHL") and negligible by the public]. As for Travellers' common shares, 42% are directly owned by AGI, 4% by FCI, 3% by Megaworld, 20% by Adams, 31% by GHL and less than 1% by the public.
(j) AGI's effective ownership is through 1% direct ownership, 57% through 95% ownership of Travellers, and 1% through ownership of other subsidiaries within the Group (i.e., FCI, Megaworld and Adams).
(k) Foreign subsidiary of MPIL operating under the laws of United States of America.
(l) A foreign joint venture under GES.
(m) A joint venture through FHTC.
(n) MFMI is engaged in the business of providing fund management services to real estate investment trust ("REIT") companies. MPMI is engaged in the business of providing services in relation to property management, lease management, marketing and project management. MREIT is engaged in the business of real estate investment trust, as provided under Republic Act No. 9856, *the Real Estate Investment Trust Act of 2009*.
(o) Newly incorporated subsidiaries in 2024.
(p) Newly incorporated subsidiaries in 2025.
(q) In 2024, GADC disposed of its entire interest in AFCMI (including its subsidiaries, RAFSI, MFGFI and GACI). Total proceeds from the disposal amounted to P253.5 million, of which P124.2 million relates to the investment made by FCI in AFCMI. Thus, the Group retained significant influence over AFCMI through FCI and reclassified the investment as an investment in an associate. Also in 2024, GADC deconsolidated MPT following the cessation of its business operations. GADC recognized loss in deconsolidation of subsidiaries amounting to P194.0 million presented under Finance Costs and Other Charges in the 2024 consolidated statement of comprehensive income (see Note 26).
(r) These were incorporated to engage in operations, maintenance, and administration of various offices.
(s) In December 2025, Megaworld acquired 100% ownership over VPI. The acquisition was accounted for as an asset acquisition [see Note 2.11(c)]. As a result of the acquisition, TDPC and EHPI, which were existing subsidiaries of VPI prior to the acquisition, became indirect subsidiaries of Megaworld [see Note 1.2(b)].
(t) In September 2025, Megaworld transferred its ownership interest in GOHGI to ORGII, a wholly owned subsidiary of FCI, which in turn is a wholly owned subsidiary of AGI. Thus, GOHGI became an indirect wholly owned subsidiary of AGI through FCI. Prior to this transfer, AGI held an effective beneficial ownership of 74% through MEG. The transaction represents a strategic corporate alignment within the Group involving entities under common control. Accordingly, the transaction is outside the scope of PFRS 3, *Business Combinations*. In accordance with PFRS 10, *Consolidated Financial Statements*, changes in parent's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. There is no impact nor change on the consolidated assets, liabilities, and profit or loss of AGI, as control over GOHGI remains with the Group, and the transaction resulted only in the derecognition of the non-controlling interest, with the difference between the consideration from the transfer and the carrying amount of the non-controlling interest recognized as an adjustment within equity.
(u) On January 31, 2025, Emperador acquired control of Los Danzantes by obtaining 60% ownership interest through previous acquisition of shares from minority shareholders and a subsequent capital increase. The acquisition is accounted for as a business combination under the acquisition method [see Notes 1.2(c) and 2.11(a)]. Los Danzantes owns the premium mezcal brands Los Danzantes, Alipús and Encantado, which are exported to over 20 countries. As part of the acquisition structure, the shareholders' agreement includes a put option granted to the remaining shareholders over their 40% equity interest. The put option may be exercised within the contractually agreed exercise period. If exercised, the Group is obliged to acquire the shares for cash [see Note 2.11(d)].
(v) BNHGI is a wholly owned subsidiary acquired in 2025 by Travellers. It is established to acquire, own, lease, improve, develop, encumber, exchange, dispose of, hold for investment, operate and manage hotels, apartments, inns and other accommodation and lodging activities. BNHGI has not yet started commercial operations as of December 31, 2025. The acquisition was accounted for as an asset acquisition as management determined that BNHGI does not constitute a business at acquisition date, as it does not have substantive processes or an organized workforce and primarily comprises assets [see Note 2.11(c)]. The subscription payable related to the acquisition is presented under Trade and other payables in the 2025 consolidated statement of financial position (see Note 16).
(w) In 2025, Megaworld disposed of certain number of shares reducing its ownership to 0.06% and resulting in the loss of significant influence. Consequently, the investment has been reclassified as a financial asset at fair value through other comprehensive income ("FVOCI") (see Notes 11 and 12.2).

(x) Established to primarily engage in the business of hotels, restaurants, leisure parks, entertainment centers and other related businesses which include holding investments in and opening casinos and other gaming activities as part of its main operations. WCI has three wholly owned subsidiaries namely, Purple Flamingos Amusement and Leisure Corporation ("PFALC"), Red Falcon Amusement and Leisure Corporation ("RFALC"), and Captain View Group Limited ("Captain View"). Captain View is a foreign entity incorporated in the British Virgin Islands and is engaged in rendering of consultancy and advisory services, among others. PFALC and RFALC have not yet started commercial operations as of December 31, 2025.
(y) WBHC is newly incorporated in 2025. Travellers holds 600,000 shares, which represents 60% direct ownership to WBHC. These shares were subscribed for a total consideration of P1.2 billion. WBHC has a wholly owned subsidiary named Entertainment City Resorts Corporation ("ECRC"). WBHC is established to subscribe for, hold, assign, or otherwise dispose of property, including shares of stock, notes, and other securities of any corporation, while ECRC was established to acquire, purchase, develop, operate, dispose of, or hold for investment in the business of hotels, inns, apartments, private clubs, leisure parks and other leisure-oriented establishments. These entities have not yet started commercial operations as of December 31, 2025.

The Company, its subsidiaries, associates and joint ventures were incorporated and operating in the Philippines, except for such foreign subsidiaries and a joint venture as identified in the preceding table (see explanatory notes c, d, g, h, k and l above).

AGI's shares of stock and those of Megaworld, EMI, GERI, EELHI, MREIT and SUN are listed in and traded through the PSE as of December 31, 2025. EMI's shares were secondary listed and started trading on the Main Board of the Singapore Exchange Securities Trading Limited on July 14, 2022.

The principal activities of the Group are further described in Note 4.

The Company's registered office and primary place of business is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

1.2 Business Acquisitions and Remeasurement of Investment in Subsidiary

(a) Remeasurement of Investment in GADC

In 2025, GADC was granted by McDonald's Corporation ("McDonald's") a new license term for another 20 years. Certain changes were also agreed in terms of the shareholder's contractual arrangement.

Effective March 17, 2025, the Group lost control over GADC as it no longer has the ability to direct the relevant activities that significantly affect GADC's returns. While the Group continues to be exposed to variable returns as an equity holder, such exposure alone does not constitute control. The determination that the Group lost control over GADC involved significant judgment and management concluded that the Group no longer meets the control criteria under PFRS 10 specifically in respect of power over the investee and the ability to use that power to affect returns, and therefore GADC is no longer consolidated beginning March 17, 2025 [see Note 3.1(k)].

Following the loss of control, the Group retained representations on the board of directors, and a key executive position, and continues to participate in policy-making decisions. These rights provide the Group with the ability to exercise significant influence over GADC, and accordingly the retained interest has been accounted for as an investment in associate under PAS 28, *Investments in Associates and Joint Ventures,* from the date control was lost.

Upon loss of control, in accordance with PFRS 10, the Group derecognized the assets, liabilities, and non-controlling interests of GADC and remeasured its retained interest at fair value at the date control was lost. The fair value of the retained investment was determined using a discounted cash flow model, which incorporates significant unobservable inputs, including projected revenue growth rates, operating margins, capital expenditure requirements, and a discount rate reflecting market assessments of the time value of money and risks specific to GADC.

Aggregate information at the date of deconsolidation is as follows:

(Amounts in PHP)	Notes	
Current assets		16,070,892,732
Non-current assets		35,165,949,661
Current liabilities		(17,353,483,277)
Non-current liabilities		(20,586,628,805)
Total net assets of GADC derecognized		13,296,730,311
Derecognized non-controlling interest		(6,848,260,020)
Derecognized goodwill on GADC	15	1,251,356,188
Total derecognition		7,699,826,479
Recognition of investment in associate	12	11,126,696,994
Gain on deconsolidation	26	**3,426,870,515**

The gain on deconsolidation is presented under Finance and Other Income in the 2025 consolidated statement of comprehensive income (see Note 26).

(b) Acquisition of VPI

In December 2025, Megaworld acquired 100% ownership of VPI. VPI's main asset is its 50% interest in TDPC. Despite holding only 50% of the shares, VPI has control over TDPC since the remaining shares are held by various shareholders.

TDPC's primary asset is its 90% interest in EHPI, whose assets consist mainly of raw land inventory. Megaworld also directly owns 5% of EHPI. As a result of the acquisition, TDPC and EHPI became indirect subsidiaries of Megaworld.

The Group assessed whether the transaction qualified as acquisition of a business or an asset in accordance with PFRS 3. Based on management's assessment, the acquired entities do not meet the definition of a business. At the acquisition date, the acquired entities primarily held parcels of undeveloped raw land inventory that does not generate real estate sales yet, and the subsidiaries had not commenced substantive commercial operations.

The entities did not have employees, operating system, or substantive processes necessary to generate outputs contemplated under PFRS 3. Accordingly, management concluded the acquisition does not meet the definition of a business. The transaction was therefore accounted for as an asset acquisition. Consistent with the accounting requirements for asset acquisition, no goodwill was recognized [see Note 3.1(l)].

Aggregate information at acquisition date is as follows (in thousands):

(Amounts in PHP)	Notes	
Fair value of consideration transferred:		
Cash		2,500
Existing ownership of Megaworld in EHPI		12,000
Application of existing advances granted to VPI as part of the purchase consideration for future stock acquisition	29.5	1,998,125
		2,012,625
Fair value of assets acquired:		
Cash	5	957,567
Inventories	8	2,026,668
Advances to related parties	29.3	1,000,000
Property and equipment	13	27,588
Others		52,867
		4,064,690
Fair value of liabilities assumed:		
Advances from related parties	29.5	(2,038)
Others		(1,265,099)
		(1,267,137)
Non-controlling interest		(784,572)
Preacquisition loss		(356)
		(784,928)
Net assets acquired		2,012,625

Other assets include trade and other receivables, advances to contractors and suppliers, and prepayments and other assets. Other liabilities include trade and other payables and customer deposits.

Except for inventories, the carrying amounts of the acquired assets and liabilities approximate their fair values due to their short-term maturities or repricing on market terms. Inventories measured at fair value on a non-recurring basis are classified within Level 3 of the fair value hierarchy. The fair value was determined at the acquisition date using the market approach, with reference to the consideration transferred in the asset acquisition and market-based inputs.

(c) Acquisition of Los Danzantes

GES's acquisition of Los Danzantes is aligned with EMI's expansion strategies, particularly its focus on strengthening its presence in the premium and artisanal spirits segment.

The acquisition did not result in the recognition of goodwill, as the excess of the consideration transferred over the identifiable net assets acquired was fully attributable to the fair value of the trademarks recognized at the acquisition date. Accordingly, the trademarks were separately recognized as identifiable intangible assets in accordance with PFRS 3, reflecting their ability to generate future economic benefits independently of other assets.

The following table summarizes the consideration paid for the acquisition of Los Danzantes and the recognized amounts of the identifiable assets acquired and liabilities assumed. The consideration transferred did not include any contingent consideration. For purposes of determining the excess of consideration allocable to the trademarks, the Group determined the fair value of the identified net assets as of January 31, 2025. The details of the acquisition are presented below (in thousands):

(Amounts in PHP)	Notes	
Consideration		
Cash		226,869
Put option		206,068
		432,937
Recognized amounts of identifiable net assets acquired:		
Cash	5	98,199
Trade and other receivables	6	57,551
Inventories		68,892
Property and equipment	13	78,473
Others assets		1,152
Tangible assets acquired		304,267
Liabilities assumed		(110,615)
		193,652
Trademarks		239,285

At the acquisition date, the fair value of receivables approximates the gross contractual amount receivable of P57.6 million, with no significant contractual cash flow expected to be uncollectible.

From the acquisition date to December 31, 2025, Los Danzantes contributed revenues of P155.2 million and net loss of P6.0 million to the Group's consolidated financial performance.

Had the acquisition of Los Danzantes occurred on January 1, 2025, the Group's consolidated revenue and profit for the year ended December 31, 2025 would not have been materially different, as the related pre-acquisition results would have comprised one month of operations only.

1.3 Approval of the Consolidated Financial Statements

The Board of Directors ("BOD") approved on May 15, 2026 the issuance of 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).

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group as at and for the years ended December 31, 2025 and 2024 were prepared in accordance with Philippine Financial Reporting Standards ("PFRS") Accounting Standards. Prior to 2024, the Group's consolidated financial statements were prepared in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the 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 by the Group

In 2023 and prior years, the Group has availed of several financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry under following Memorandum Circular (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*
- PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from the Mismatch between the Percentage of Completion and the Schedule of Payment*

The adoption of these standards and interpretations in 2024 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 that period.

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

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

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

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P1,950.6 million, Deferred Tax Liabilities – net decreased by P487.6 million and Equity decreased by P1,463.0 million as at January 1, 2024.

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

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

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

As a result of the adoption of this interpretation, Trade and Other Receivables - net as at January 1, 2024 increased by P20.5 million and Contract Assets decreased by P1,567.9 million. Further, Contract Liabilities decreased by P244.4 million and Equity decreased by P1,302.9 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 statements of comprehensive income.

The Group presents a third consolidated statements of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statements of financial position at the beginning of the preceding period. The related notes to such third consolidated statements of financial position are not required to be disclosed. The Group presented only one comparative period as none of these situations are applicable.

(d) Functional and Presentation Currency

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

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

2.2 Basis of Consolidation

The Group's consolidated financial statements comprise the financial statements of the Company and its subsidiaries, as enumerated in Note 1.1, after the elimination of material intercompany transactions.

Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

In addition, shares of stock of the Parent Company acquired by any of its subsidiaries are recognized as treasury shares at cost and these are presented as deduction in the consolidated statements of changes in equity. Any changes in their market values, as recognized separately by the subsidiaries, are likewise eliminated in full. Gain or loss on the sale of these treasury shares is presented as addition to or deduction from additional paid-in capital ("APIC").

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

Investments in associates are initially recognized at cost and subsequently accounted for using the equity method from the date on which the entity becomes an associate.

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The Parent Company holds beneficial interests in various subsidiaries, associates and joint ventures as presented in Notes 1.1 and 12.

2.3 Adoption of New and Amended PFRS Accounting Standards

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

The Group adopted for the first time the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability.* 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 Group's consolidated financial statements.

(b) Effective Subsequent to 2025 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, 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 amendments, however, do 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)

2.4 Financial Assets

(a) Classification and Measurement of Financial Assets

The Group's financial assets include financial assets at amortized cost, at fair value through profit or loss ("FVTPL") and FVOCI.

(i) Financial Assets at Amortized Cost

The Group's financial assets at amortized cost are presented as Cash and Cash Equivalents (see Note 5), Trade and Other Receivables (except Advances to contractors and suppliers) (see Note 6), Restricted short-term placements, Time deposits, and Refundable deposits [included under Other Current Assets and Other Non-current Assets accounts (see Note 9)].

(ii) Financial Assets at Fair Value Through Other Comprehensive Income

Equity instruments that are not held for trading may be irrevocably designated at FVOCI at initial recognition on an instrument-by-instrument basis; 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 or it is a contingent consideration recognized arising from a business combination.

(iii) Financial Assets at Fair Value Through Profit or Loss

Financial assets at FVTPL are held to realize changes in fair values through the sale of the assets. These include financial assets that are acquired for the purpose of selling or repurchasing in the near term; designated upon initial recognition as FVTPL; or mandatorily required to be measured at fair value.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) Impairment of Financial Assets

The Group assesses impairment using expected credit loss ("ECL") model on a forward-looking basis for financial assets carried at amortized cost and debt instruments measured at FVOCI. The carrying amount of the financial asset at amortized cost are adjusted for impairment through a loss allowance account. The loss allowance for financial assets at FVOCI; however, is carried in OCI and does not reduce the carrying amount of the financial assets.

The Group considers a broad range of information in assessing credit risk and measuring ECL, including past events, current conditions, and reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets. The Group considers all reasonable and supportable information that is available without undue cost or effort, as well as observable market information about the credit risk of the particular financial instrument or similar financial instruments.

The Group applies the simplified approach in measuring ECL, which uses a lifetime ECL allowance, for all trade and other receivables and contract assets using provision matrix approach and loss rates approach, as the case may be. The lifetime ECL is estimated based on the expected cash shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information.

The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due [see Notes 3.2(c) and 31.2].

For the other financial assets measured at amortized cost, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on the credit losses expected to result from default events that are possible within the next 12 months (12-month ECL) until there is a significant increase in credit risk since origination, at which point, the loss allowance will be based on lifetime ECL. When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

(c) Put Option Accounted for as a Financial Guarantee Contract

The put option meets the definition of financial guarantee contract, wherein it provides the holder of the instrument with protection against an adverse event (put option event).

The Group considers the related risk transferred on the financial guarantee as significant. Accordingly, it is accounted by the Group under PFRS 9.

In measuring the put option under ECL model, the Group applies the general approach of ECL measurement, wherein the Group recognizes lifetime ECL when there has been a significant increase in credit risk on a financial asset since initial recognition.

2.5 Derivative Financial Instruments and Hedge Accounting

Gaming transactions of the Group with fixed-odds wagers known at the time of bet are considered derivative transactions wherein the Group takes a position against a patron and the resulting unsettled position becomes a derivative instrument under PFRS 9 that is settled by the Group to or collected from the patron when the outcome of the wager has been determined. See Note 2.14 for the accounting policy regarding gaming transactions covered under PFRS 9.

The derivative liability arising from outstanding or unwon slot machine jackpot is recognized as Slot jackpot liability included under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

The Group designates specific derivatives as hedging instruments to hedge against foreign currency risk and interest rate risk, the Group applies PFRS 9 hedge accounting for these specific derivatives.

2.6 Inventories

Cost is determined using weighted average method, except for food, paper, and promotional materials and supplies, which use the first-in, first-out method. Finished goods and work-in-process include the cost of raw materials, direct labor and a proportion of manufacturing overhead (including an element of depreciation) based on normal operating capacity. The cost of raw materials includes all costs directly attributable to acquisitions, such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities (see Note 8).

The net realizable value ("NRV") of finished goods is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. NRV of raw materials, spare parts and other operating supplies is the current replacement cost [see Note 3.2(d)].

Accounting policies for real estate inventories and transactions are discussed in Note 2.7.

2.7 Real Estate Inventories and Transactions

Cost of inventories includes acquisition costs of raw land intended for future development, including other costs and expenses incurred to effect the transfer of the property to the Group; and, related property development costs.

Costs of 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.

Repossessed property arising from sales cancellation is recognized at cost (see Note 2.14). The difference between the carrying amount of the receivable or contract asset to be derecognized plus any amount to be refunded to customers and the cost of the repossessed property is recognized in the consolidated statements of comprehensive income.

2.8 Advances to Contractors and Suppliers

Advances to contractors and suppliers represent advance payments made by the Group for construction services and materials (see Note 6).

Management applies judgment in determining whether these advances are classified as current or noncurrent assets. 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 noncurrent assets, reflecting their expected period of utilization.

2.9 Property, Plant and Equipment

Property, plant and equipment ("PPE") are stated at cost and, except for land, less accumulated depreciation, amortization and any impairment in value. As no finite useful life for land can be determined, the related carrying amount is not depreciated. Land held for use in production or administration is stated at cost less any impairment in value (see Note 13).

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows [see Note 3.2(i)]:

Buildings and land improvements	5 to 50 years
Condominium units	10 to 25 years
Machinery and equipment	2 to 20 years
Fixtures and other equipment	3 to 10 years
Transportation equipment	3 to 10 years

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

Construction in progress represents properties under construction and is stated at cost. This includes cost of construction, applicable borrowing costs and other direct costs. The account is not depreciated or amortized until such time that the assets are completed and available for use.

2.10 Investment Properties

Investment properties include properties held for lease under operating lease agreements, properties intended to be held for lease, and properties held for currently undetermined use. These properties are carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation [see Notes 2.15 and 3.1(i)].

Depreciation of investment properties, excluding land, is computed using the straight-line method over the estimated useful lives of the assets ranging from five (5) to 40 years [see Notes 3.2(i), and 14].

2.11 Business Combinations and Asset Acquisitions

(a) Accounting for Business Combination using the Acquisition Method

Business combinations arising from transfers of interests in entities that are not under the common control of the principal stockholder are accounted for under the acquisition method.

The Group used this method in accounting for the acquisition of Los Danzantes on January 31, 2025 [see Note 1.1(u)].

(b) Accounting of Business Combination using the Pooling-of-interests Method

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.

No restatements are made to the financial information in the consolidated financial statements for periods prior to the business combination as allowed under PIC Q&A No. 2012-01, PFRS 3.2 – *Application of Pooling of Interest Method for Business Combination of Entities under Common Control in Consolidated Financial Statements* (as amended by PIC Q&A No. 2015-01,*Conforming Changes to PIC Qs&As – Cycle 2015,* and PIC Q&A No. 2018-13*, Conforming Changes to PIC Qs&As – Cycle 2018)*; hence, the profit and loss of the acquiree is included in the consolidated financial statements for the full year, irrespective of when the combination took place. Also, no goodwill is recognized as a result of the business combination and any excess between the net assets of the acquiree and the consideration paid is accounted for as "equity reserves", which will eventually be closed to additional paid-in capital. The Group used this method in accounting for mergers and restructurings.

(c) Accounting for Asset Acquisition

Acquisitions that do not meet the definition of a business under PFRS 3 are accounted for as asset acquisitions. In such cases, the consideration transferred, including directly attributable transaction costs, is allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values at the acquisition date. Although for asset acquisitions that qualify as a common control transaction, the transferred assets and liabilities are measured at their carrying amounts at the date of acquisition. No goodwill or gain from bargain purchase is recognized.

The acquisition of VPI and BNHGI are accounted for as asset acquisition [see Notes 1.1(s) and 1.1(v)].

2.12 Intangible Assets

Intangible assets include goodwill, trademarks, leasehold rights, computer software and franchise fee. Except goodwill and some specific trademarks, all other intangible assets have finite lives and are carried at cost less accumulated amortization and any impairment in value. Goodwill and trademarks with indefinite useful lives are not amortized but are reviewed for impairment at least annually (see Notes 2.16 and 15).

Capitalized costs are amortized on a straight-line basis over the estimated useful lives of the assets as follows [see Note 3.2(i)]:

Trademarks [except those with indefinite useful lives (see Note 15)]	10 years
Franchise fee	10 years
Computer software	3 years

Leasehold rights are amortized over the useful life of 20 years or the term of the lease, whichever is shorter.

2.13 Financial Liabilities

The categories of financial liabilities relevant to the Group are as follows:

(a) Financial Liabilities at FVTPL

When the fair value of derivative financial instruments happens to be negative, these are presented as Financial Liabilities at Fair Value Through Profit or Loss account in the consolidated statement of financial position [see Note 2.4(a)].

(b) Financial Liabilities at Amortized Cost

This category pertains to financial liabilities that are not held for trading or not designated as financial liabilities at FVTPL upon inception of the liability. Financial liabilities, which include Interest-bearing Loans (see Note 17), Bonds Payable (see Note 18), Lease Liabilities (see Note 13.3), Trade and Other Payables (except tax-related payables) (see Note 16), Advances from Other Related Parties (see Note 29.5), Redeemable Preferred Shares (see Note 19), Guarantee deposits, Commission payable, Subscription payable and Retention payable [which are presented as part of Other Current Liabilities and Other Non-Current Liabilities accounts (see Note 20)] are recognized when the Group becomes a party to the contractual agreements of the instrument.

This category also includes the put option of non-controlling shareholders of Los Danzantes [see Note 1.2 (c)]. When the Group acquires control of a subsidiary but, as part of the acquisition structure, grants a put option to non-controlling shareholders, the Group assesses whether the contractual arrangements give rise to an obligation to deliver cash or another financial asset.

Put options granted to non-controlling shareholders that require the Group to purchase the remaining equity interest for cash are accounted for in accordance with PAS 32, *Financial Instruments: Presentation*. Such arrangements give rise to a financial liability, measured initially and subsequently at the present value of the expected redemption amount.

As a consequence of applying this accounting policy, no non-controlling interest is recognized in respect of the equity interests subject to the put option. The financial liability is remeasured at each reporting date, with changes in measurement recognized in equity.

This policy has been applied to the acquisition of Los Danzantes, in respect of which the Group acquired a controlling interest while granting a put option to the remaining shareholders over their retained equity interest [see Note 1.1(u)].

2.14 Revenue and Expense Recognition

Revenue arises mainly from sale of consumer goods and real properties and rendering of services which include gaming-related activities, hotel operations, franchise revenues and quick-service restaurants.

The Group uses the practical expedient in PFRS 15 with respect to non-disclosure of the aggregate amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations as of the end of the reporting period and the explanation of when such amount will be recognized as revenue for contracts where performance obligations are expected to be satisfied within 12 months of the end of reporting period.

The following specific recognition criteria must also be met before revenue is recognized (see Note 23):

(a) *Sale of consumer goods (under Sale of Goods)* – Revenues from sale of goods are recognized at a point in time when the customer has acknowledged the receipt of the goods.

(b) *Real estate sales (under Sale of Goods)* – The Group develops real properties such as developed land, house and lot, and condominium units. The timing of revenue recognition is based on whether the real estate sold is pre-completed or completed. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b).

The Group often enters into contracts to sell real properties as they are being developed. On such *pre-completed real estate properties*, revenue 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. On *completed real estate properties*, revenue is recognized at point in time when the control over the real estate property is transferred to the buyer.

Sales cancellations are accounted for as contract modification on the year of forfeiture. Cumulative revenue and costs recognized on cancelled contracts are reversed in the year of cancellation, and any gain or loss is charged to profit or loss.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from sales is used by Megaworld, GERI, EELHI, SPI, MBPHI, SEDI, OPI, NWPI, MGLI, SVCI, MCTI, STLI, API and MBPI.

(c)Sale of undeveloped land and golf and resort shares (included as part of Real Estate Sales under Sale of Goods) – Revenues on sale of undeveloped land and golf and resort shares for sale are recognized at point in time when control on the undeveloped land and golf and resort shares have passed to the buyer and the amount of revenue can be measured reliably.

(d) *Food, beverage and others (included in Hotel Operations under Rendering of Services)* – Revenues are recognized at point in time upon delivery to and receipt of consumer goods by the customer. Invoices for consumer goods transferred are due upon receipt by the customer.

(e) *Hotel accommodation (included in Hotel Operations under Rendering of Services)* – Revenues are recognized over time during the occupancy of hotel guest and end when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer.

(f) *Sales from Group-operated quick-service restaurants (under Rendering of Services)* – Revenues are recognized at point in time upon delivery to and receipt of consumer goods by the customer, and the Group has no obligation that could affect the customer's acceptance of the goods. Invoices for consumer goods transferred are due upon receipt by the customer.

(g) *Franchise revenues (under Rendering of Services)* – Revenues from franchised McDonald's restaurants (including the restaurant operated by a joint venture) include royalty and management fees. These are recognized in the period earned.

(h) *Rendering of other services* – Revenue is recognized over time (i.e., time-and-materials basis as the services are provided) until the performance of contractually agreed tasks has been substantially rendered. Revenue from other services include commissions, cinema and production shows and other activities incidental to the Group's main operations.

Revenues and expenses are recognized excluding the amount of value-added tax ("VAT"). As applicable, when the Group is required to refund the related purchase price for returned goods, it recognizes a refund liability for the expected refunds by adjusting the amount of revenues recognized during the period. Also, if applicable, the Group recognizes a right of refund asset on goods to be recovered from customers with a corresponding adjustment to Cost of Goods Sold account. However, there were no contracts that contain significant right of return arrangements that remain outstanding as of the end of the reporting periods.

In determining the transaction price of real estate sales, 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 and Other Charges in the consolidated statements of income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Finance and Other Income in the consolidated statements of 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).

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers for real estate sales, 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 in Contract Assets account in the consolidated statements 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(b)].

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

If a transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sales, consideration received from buyers are presented as Customers' deposits under Other Liabilities account in the consolidated statements of financial position (see Note 20).

The Group provides a membership card for its gaming patrons (i.e., of Travellers). Members earn points on gaming activity and such points are redeemable for complimentary goods and services such as room accommodations, food, beverages and others. Members may also earn special coupons or awards as determined during marketing promotions. The Group records revenue for the original transaction and a provision (and a corresponding recognition of promotional allowances in profit or loss) for the value of the points earned by members by reference to the relative fair values of the complimentary goods or services.

Gaming revenues from table games and slot machines are recognized from net wins (losses) from gaming activities, which represent the difference between coins and currencies deposited into the gaming machines or operations and the payments to customers; and for other games, the difference between gaming wins and losses, less sales incentives and other adjustments (i.e., promotional allowances) (see Note 23). The payout for wagers placed on gaming activities typically is known at the time the wager is placed (i.e., fixed odds wagering). These gaming transactions are accounted for as derivative transactions in accordance with PFRS 9 (see Note 2.5). Gaming revenues from these transactions are recognized at fair value, which represents the price that would be received to sell a wager position or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Revenues from online table games and online slot machines operated by the Group in partnership with an accredited online gaming operator are also accounted for as derivative transactions in accordance with PFRS 9.

Promotional allowances include rebates under the casino rebates program and the provision for the value of the gaming points earned by members, i.e. in using a membership card provided by the Group, by reference to the relative fair values of the complimentary goods or services. Promotional allowances are presented as a reduction of gaming revenues.

The Group also administers games in which the Group receives a fee rather than the Group being at risk to win or lose based on the outcome of the game, i.e., tournaments including card games and bingo operations. Revenues from these gaming-related activities, which are accounted for in accordance with PFRS 15, are recognized over time as the services for administering the games are rendered, at an amount equivalent to the fee collected.

Cost and expenses (other than cost of real estate sales) are recognized in profit or loss upon utilization of the services or receipt of the goods or at the date they are incurred (see Notes 24 and 25). Incremental costs of obtaining a contract to sell a real estate property to a customer are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. Incremental costs in obtaining other customer contracts are expensed as incurred since amortization period of these costs, if capitalized, would be less than one year (a practical expedient in PFRS 15).

2.15 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

The right-of-use asset ("ROUA") is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROUA or the end of the lease term.

For short-term leases and leases of low-value assets, the Group uses the practical expedients where related lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term.

GADC is legally required under various lease agreements to dismantle the installations and restore the leased sites at the end of the lease term. It is also a Group's policy to remove permanent improvements or additions, which contain designs and configurations inherent to GADC's business signs, trademarks, trade names, patent and other similar intellectual property rights belonging to McDonald's upon the termination or expiration of lease contract. The present value of these estimated costs is recognized and being depreciated on a straight-line basis over the shorter of the useful life of the related asset or the lease term [see Note 3.2(p)]. The asset retirement obligation ("ARO") is recognized at fair value, with the periodic accretion recognized in profit or loss as part of interest expense. The outstanding ARO as of the end of the reporting period is presented as part of Other Non-Current Liabilities account in the 2024 consolidated statement of financial position (see Note 20).

In 2025, the carrying amount of ARO was derecognized as a result of deconsolidation of GADC [see Note 1.2(a)].

(b) Group as Lessor

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

2.16 Impairment of Non-Financial Assets

The Group's Investments in Associates and Joint Ventures (see Notes 2.2 and 12), Intangible Assets (see Notes 2.12 and 15), Investment Properties (see Notes 2.10 and 14), Property, Plant and Equipment (including right-of-use assets)(see Notes 2.9, and 13) and other non-financial assets (see Note 9) are subject to impairment testing [see Note 3.2(j)]. Intangible assets with an indefinite useful life or those not yet available for use are 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.

2.17 Employee Benefits

The Group provides short-term and post-employment benefits to employees through defined benefit and defined contribution plans, share-based remuneration and other employee benefits.

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

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

2.18 Equity-Linked Debt Securities

Deposit for future stock subscription – Equity-linked securities ("ELS") represent the equity linked securities issued by EMI under an ELS instrument which granted the holder contractual rights that included the option to convert the ELS into fully-paid fixed number of EMI's common shares. Currently, the account represents the remaining portion of ELS subject for future issuance of EMI shares (see Note 21.9).

When the holder exercised its conversion right, EMI's obligation to deliver cash ceases for the portion converted, and EMI becomes obligated solely to issue the fixed number of shares specified in the contract. Thus, the associated balance is classified within equity.

2.19 Foreign Currency Transactions and Translation

(a) Transactions and Balances

Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income as part of profit or loss.

(b) Translation of Financial Statements of Foreign Subsidiaries

The consolidated operating results and financial position of offshore subsidiaries (see Note 1.1), which are measured using the United States ("U.S.") dollar, British pound sterling ("GBP" or "£") and European Union euro ("EUR" or "€"), their functional currencies, are translated to Philippine pesos, the Parent Company's functional currency, as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

(ii) Income and expenses for each profit or loss account are translated at the monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,

(iii) All resulting translation adjustments are recognized in other comprehensive income and in a separate component of equity under the Accumulated Translation Adjustments account.

When a foreign operation is partially disposed of or sold, such exchange differences are recognized in the consolidated statement of comprehensive income as part of the gain or loss on sale.

The translation of the consolidated financial statements into Philippine pesos should not be construed as a representation that the foreign currency amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

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 the 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 differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determining Existence of a Contract with Customer

In a sale of real estate property, 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 the 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 the 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(c)].

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.

(b) Evaluating the Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

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

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

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

(ii) Sales of Consumer Goods

The Group determines that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e., generally when the customer acknowledged delivery of goods.

(iii) Hotel Accommodations

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

(iv) Food and Beverages, and Others

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

(v) Forfeited Collections and Deposits

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

(vi) Property Management Services

The Group determines that its revenue from property management services shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers.

The Group applies the practical expedient to recognize revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity's performance completed to date, i.e., generally when the customer has acknowledged the Group's right to invoice.

(c) Estimating Collection Threshold for Real Estate 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.

(d) Determination of the Existence of 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) Determining the Accounting Treatment of Gaming Revenues under PFRS 9 and PFRS 15

The Group exercises judgment in determining whether its gaming transactions and gaming-related activities are within the scope of PFRS 9 or PFRS 15. In making this judgment, management considers whether both the Group and the patrons have the chance to win or lose money or other items of economic value based on the outcome of the game; or, only the patron has the chance to win or lose money or other items of economic value, with the Group only receiving a fee for administering the game rather than the Group being at risk to win or lose based on the outcome of the game. When the Group takes a position against a patron, the resulting unsettled wager or position is a financial instrument that would likely meet the definition of derivative financial instrument and is accounted for under PFRS 9.

Relative to this, the management has determined that its gaming revenues from table games and slot machines are within the scope of PFRS 9, while gaming-related revenues from administering bingo and tournament games are within the scope of PFRS 15.

(f) Evaluating the Business Model and Cash Flow Characteristics of Financial Assets

The Group applies the business model test and cash flow characteristics test at a portfolio of financial assets (i.e., group of financial instruments that are managed together to achieve a particular objective) and not on an instrument-by-instrument approach (i.e., not based on intention for each or specific characteristic of individual instrument) as these relate to the Group's investment and trading strategies. The business model assessment is performed on the basis of reasonably expected scenarios (and not on reasonably expected not to occur, such as the so-called 'worst case' or 'stress case', scenarios).

A business model for managing financial assets is typically observable through the activities that the Group undertakes to achieve the objective of the business model.

The Group uses judgment when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Group considers all relevant evidence that is available at the date of assessment which includes, but not limited to:

- how the performance of the business model and the financial assets held within the business model are evaluated and reported to key management personnel;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and,

- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

(g) Determining the ECL on Trade and Other Receivables

The Group applies the ECL methodology which requires certain judgments in selecting the appropriate method of measuring ECL. In measuring ECL, the Group considers a broad range of information which include past events, current conditions, and reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Group uses a provision matrix to calculate ECL for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. geography, product type, customer type and rating).

The provision matrix is based on 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). Details about the ECL on the Group's trade and other receivables are disclosed in Notes 2.4(b) and 31.2.

(h) Determining Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option.

Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

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

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

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

The Group also considers any potential cost of dismantling and restoration of buildings and leasehold improvements for which the Group might be held liable in evaluating whether to renew the lease.

(i) Distinguishing Investment Properties, Owner-Occupied Properties and Real Estate Inventories

The Group determines whether a property qualifies as investment properties (see Note 2.10), owner-occupied properties or inventories. The Group applies judgment upon initial recognition of the asset based on the intention and also when there is a change in use. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Investment properties comprise of properties held to earn rental or for capital appreciation. Owner-occupied properties (see Note 2.9) generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process, while inventories (see Note 2.7) are properties that are held for sale in the ordinary course of business. The Group considers each property separately in making its judgment.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the Group's main line of business or 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 use in the Group's main line of business or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(j) Distinguishing Investments in Financial Instruments and Golf and Resort Shares Inventories

In determining whether golf and resort shares shall be accounted for as either inventories or financial instruments, the Group considers its role in the development of the club and its intent for holding these shares. The Group classifies such shares as inventories when the Group acts as the developer and it intends to sell a developed property together with the club share.

(k) Determining Control, Joint Control or Significant Influence

Judgment is exercised in determining whether the Group has control, joint control or significant influence over an entity, even though the Group holds less than 50% or less than 20% of the investee's voting shares. In assessing control or significant influence over investees, the Group considers voting rights, representation on the board of directors or equivalent governing body of the investee, presence of interlocking directors, participation in policy-making process and all other facts and circumstances, including terms of any contractual arrangement.

(l) Distinguishing Asset Acquisition and Business Combinations

At the time of acquisition, the Group determines whether the acquisition represents an acquisition of a business or of assets (see Note 2.11). The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the Group (e.g., for Megaworld – maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40, *Investment Property*, on ancillary services.

The Domecq Acquisition, Garvey Acquisition and the 2025 acquisitions of VPI and BNHGI are accounted for as asset acquisitions, as the acquired assets do not include substantive processes capable of generating outputs; accordingly, no goodwill or gain on acquisition was recognized [see Notes 1.1(h)(s)(v)].

The acquisitions of ownership interests in WMG, TEI, TEI's acquisition of 51% ownership in Boozylife, BFS's purchases of Fundador Business Unit, and GES's acquisition of Los Danzantes are accounted for as business combinations using the acquisition method. Management determined that these acquisitions involved purchases of an integrated sets of activities and assets that are capable of being conducted and managed to provide goods to customers, or generate other income from ordinary activities [see Notes 1.1(h)(u)].

Transfers of ownership interests over WML and WMWL from WMG to WMGL, the merger between CBSP and BFS, the merger between Pedro Domecq and Bodega Domecq and the merger between Pedro Domecq and DDDB are accounted for using the pooling-of-interests method, as these transactions represent transfers of entities under common control with no change in ultimate control [see Notes 1.1(h)].

(m) Distinguishing Between Operating and Finance Leases where the Group is the Lessor

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

(n) Determining the Accounting Treatment of Put Option

The Group determined that the put option contract entered by the Group meets the definition of financial guarantee under PFRS 4, *Insurance Contracts*. Although a financial guarantee meets the definition of insurance contract under PFRS 4, if the risk transferred is significant, the issuer of the guarantee contract should apply PFRS 9.

The Group determined that the risk transferred to the Group is significant; hence, the put option is accounted for under PFRS 9. In 2025, the put option has been rendered inoperative [see Note 30.7(iv)].

(o) Recognizing 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 30.

(p) Put Option Granted to Non-Controlling Shareholders

In connection with the acquisition of Los Danzantes, the Group entered into a shareholders' agreement that grants a put option to the non-controlling shareholders over their remaining equity interest [see Note 2.13(b)]. The put option may be exercised from September 1, 2030 through August 31, 2031.

Management exercised judgment in determining the appropriate accounting treatment of this arrangement. In particular, the Group assessed that the put option represents a contractual obligation to deliver cash in exchange for EMI's own equity instruments and it does not meet the definition of a derivative and thus not measured at fair value through profit or loss (see Note 33).

Management concluded that the put option gives rise to a present obligation, as the redemption price is contractually fixed for the remaining equity interest which is payable upon exercise of the option based on the contractual terms of the shareholders' agreement. Accordingly, the put option meets the definition of a financial liability in accordance with PAS 32, and the accounting policy for put options granted to non-controlling shareholders of Los Danzantes has been applied.

As a result of this assessment, the Group recognized a financial liability measured at the present value of the expected redemption amount, and no non-controlling interest is recognized in respect of the equity interest subject to the put option.

As at December 31, 2025, the put option amounted to P248.4 million and is presented as part of Other Non-Current Liabilities account in the 2025 consolidated statement of financial position (see Note 20).

3.2 Key Sources of Estimation Uncertainty

The following are 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) Revenue Recognition for Performance Obligation Satisfied Over Time

In determining the amount of revenue from real estate sales to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and applies changes as necessary.

A significant change in estimated total development costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) 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.

(c) Impairment of Financial Assets at Amortized Cost and Measurement of Put Option

In measuring allowance for ECL, the Group uses significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses), as further detailed in Note 2.4(b). The Group evaluated impairment based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Group's relationship with the counterparties, the counterparties' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

The carrying value of trade and other receivables and the analysis of allowance for impairment on such financial assets are shown in Note 6.

Further, the measurement of the put option value under the ECL model required the use of significant assumptions with regard to the possibility of any of the option events from happening in the future and the possible change in the evaluation of the collateral within the 12-month assessment period, as further detailed in Note 30.7(iv).

(d) Valuation of Inventories

In determining the NRV of inventories (see Notes 2.6 and 2.7), management takes into account the most reliable evidence available at the dates the estimates are made. NRV is one of the key variables used in analyzing possible impairment.

The Group's core business is subject to changes in market factors that directly affect the demand for inventories, such as purchasing power of consumers, degree of competition, and other market-related factors. Future realization of the carrying amounts of these assets is also affected by price changes in the costs incurred necessary to produce the inventories and make a sale as well as market trends. Changes in the sources of estimation may cause significant adjustments to the Group's inventories and real estate properties within the next financial reporting period.

The amounts of allowance for inventory obsolescence provided by management are based on, among others, age and status of inventories and the Group's past experience. The NRV of inventories and an analysis of allowance for inventory write-down are presented in Note 8.

Considering the Group's pricing policy, the NRV of real estate properties are higher than their related costs.

(e) Fair Value Measurement of Financial Assets at FVOCI

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. Significant components of fair value measurement are determined using verifiable objective evidence such as foreign exchange rates, interest rates and volatility rates. However, the amount of changes in fair value would differ if the Group utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect other comprehensive income.

Management estimates the fair value of financial instruments where active market quotes are not available based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 2.4).

The carrying amounts of financial assets at FVOCI are disclosed in Note 11 [see Note 2.4(a)(ii)].

(f) Fair Value Measurement of Investment Properties

Investment properties are measured using the cost model (see Note 2.10). The fair value disclosed in Notes 14 and 33.4 to the consolidated financial statements was estimated either by: (i) using the fair value of similar properties in the same location and condition; or, (ii) using the discounted cash flows valuation technique since the information on current or recent prices of certain investment property is not available.

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 determined on the basis of current market rentals for similar properties in the same location and condition.

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

A significant change in these elements may affect prices and the value of the assets. As of December 31, 2025 and 2024, the Group determined that there were no significant circumstances that may affect the fair value measurement of these properties.

(g) Fair Value Estimation of Share Options

The fair value of the Executive Share Option (the "Options") recognized as part of Salaries and employee benefits is shown under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 25). A corresponding credit to Share Options for options related to the Group is presented in the Equity section of the consolidated statements of financial position (see Note 21.6).

The Group estimates the fair value of the Options by applying an option valuation model, considering the terms and conditions on which the Options were granted. The estimates and assumptions used are presented in Note 21.6 which include, among other things, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the share price (i.e., the Parent Company, Megaworld, GERI, and EMI) and fair value of the specific common shares. Changes in these factors can affect the fair value of share options at grant date.

(h) Fair Value Measurement of Derivative Financial Instruments

Fair value measurement for gaming revenues under PFRS 9 represents the price that would be received to sell a wager position or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, less any promotional allowances and other similar adjustments.

For other derivative financial instruments, management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. The determination of the fair value of derivatives is dependent on the selection of certain assumptions used by third party experts in calculating such amounts. Those assumptions include, among others, expected movements in the index cumulative performance as defined in the swap agreements for cross-currency swaps and changes in forward rates for forward contracts. Changes in assumptions could affect reported fair value of financial instruments. The Group uses judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

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

The Group estimates the useful lives of property, plant and equipment (including right-of-use assets) (see Notes 2.9 and 2.15), investment properties (see Note 2.10) and intangible assets (see Note 2.12) with finite lives based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, investment properties and intangible 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.

Specific trademarks mentioned in Note 15 were assessed to have indefinite useful lives considering that there is no foreseeable limit to the period over which such trademarks are expected to generate cash inflows for the Group (i.e., trademarks for The Dalmore and Jura have been in existence for more than 100 years). Moreover, there are no legal or similar limits imposed on the period over which the Group has control or can use the said trademarks.

The carrying amounts of property, plant and equipment, investment properties and intangible assets are presented in Notes 13, 14 and 15, respectively. Actual results, however, may vary due to changes in factors mentioned above.

Based on management's assessment, no change in the estimated useful lives of property, plant and equipment, investment properties and intangible assets is necessary in 2025 and 2024.

(j) Impairment of Non-Financial Assets

Goodwill and specific intangible assets with indefinite useful life are reviewed annually for impairment. An impairment review on all other non-financial assets is performed when certain impairment indicators are present. The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.16. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Impairment losses and reversals recognized on property, plant and equipment are discussed in Note 13.

In 2024, the Group recognized impairment losses on goodwill (see Note 15). There were no similar transactions both in 2025 and 2023.

There are no other impairment losses recognized on the Group's investment properties, and other non-financial assets based on management's evaluation in 2025, 2024 and 2023.

(k) 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. An analysis of the recognized and unrecognized deferred tax assets is presented in Note 28.1.

(l) Valuation of Post-Employment Defined Benefit Obligation

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

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 27.2.

(m) Measurement of Gaming Points and Estimation of Liability for Unredeemed Gaming Points

The Group provides gaming points to its patrons based on gaming activity. Gaming points are redeemable in a wide selection of redemption categories. The Group recognizes the fair values of gaming points, based on redemption terms, historical redemption pattern of patrons and the fair value of promotional activities per source (i.e., hotel, food and beverage, and others). The Group reassesses the measurement basis used for calculating the fair value of gaming points on a regular basis. The carrying value of the gaming points accrued by the Group is presented as Unredeemed gaming points under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

(n) Provision for Restoration of Leased Property

Determining the provision for leased property restoration requires estimation of the cost of dismantling and restoring leased properties (building and leasehold improvements) to their original condition for which the Group is liable (see Note 2.15). The estimated cost was initially determined based on a recent cost to restore the facilities and is being adjusted to consider the estimated incremental annual costs up to the end of the lease term. A significant change in the credit-adjusted risk-free rate used in discounting the estimated cost would result in a significant change in the amount of provision recognized with a corresponding effect in right-of-use assets.

An analysis of the Group's provisions for leased property restoration cost is presented in Note 20.

(o) Provision for Onerous Lease

The Group determines the provision for leasehold properties which are no longer used in the business for which the recoverable amount of the interest in the property is expected to be insufficient to cover future obligations relating to the lease using discounted cash flows and assumptions relating to future sublease income expectations. A significant change in the credit-adjusted risk-free rate used in discounting the estimated cost and sublease assumptions would result in a significant change in the amount of provision recognized with a corresponding effect on consolidated profit or loss.

In 2025, 2024 and 2023, an additional provision was recognized. The carrying amount of provision for onerous lease is presented as part of Other Non-Current Liabilities account in the consolidated statements of financial position (see Note 20).

(p) 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.

(q) Business Combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management applies appropriate valuation techniques, which may include market-based approaches, income-based approaches (such as discounted cash flow models), and cost approaches, depending on the nature of the asset or liability. These techniques incorporate key inputs such as projected cash flows, discount rates, market data, and other relevant assumptions. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment (see Note 2.11).

4. SEGMENT INFORMATION

4.1 Business Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Strategic Steering Committee ("SSC"), its chief operating decision-maker. The SSC is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally considers the Group's major subsidiaries, which represent the main products and services provided by the Group and the line of business in which the Group operates. Each of these operating segments, which represents the major subsidiaries within the Group, is managed separately by each respective officers and management. All intersegment transfers are carried out at arm's length prices.

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. However, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to any segment.

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

Presented below is the basis of the Group in reporting its primary segment information.

(a) The *Megaworld* segment consists of development of real estate, integrated resorts, leasing of properties and hotel operations business, which is primarily undertaken by Megaworld and subsidiaries, the Group's forerunner in the real estate industry.

(b) The *Emperador* segment refers to the manufacture and distribution of distilled spirits, including the production of glass containers, which is undertaken by Emperador and subsidiaries.

(c) The *Travellers* segment relates to tourism-oriented business that integrates entertainment, hospitality and leisure, including gaming, as that of Newport World Resorts which is operated by Travellers and subsidiaries.

(d) The *GADC* segment refers to operations of McDonald's restaurants in the Philippines in accordance with the franchise agreement between GADC and McDonald's Corporation, USA. Effective March 17, 2025, GADC was deconsolidated and ceased to be a business segment as it became an associate from that date, yet the Group's ownership interest over GADC has not changed [see Note 1.2(a)].

The Group disaggregates revenues recognized from contracts with customers into these segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This same disaggregation is used in earnings releases, annual reports, and investor presentations.

4.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash and cash equivalents, trade and other receivables, contract assets, inventories, property, plant and equipment, intangible assets and investment properties. Segment liabilities include all operating liabilities and consist principally of trade and other payables, contract liabilities, lease liabilities, interest-bearing loans and bonds payable.

4.3 Intersegment Transactions

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

4.4 Analysis of Segment Information

Segment information can be analyzed as follows for the years ended December 31, 2025, 2024 and 2023:

(Amounts in PHP)	Megaworld	Travellers	GADC [see Note 1.2(a)]	Emperador	Total
			2025		
REVENUES AND INCOME					
Sales to external customers	81,618,300,069	31,851,187,547	10,012,898,719	56,207,787,720	179,690,174,055
Intersegment sales	225,621,707	1,061,981,451	-	82,834,481	1,370,437,639
Finance and other income	2,945,968,028	786,240,072	39,903,316	752,182,015	4,524,293,431
Segment revenues and income	84,789,889,804	33,699,409,070	10,052,802,035	57,042,804,216	185,584,905,125
Cost of sales and expenses excluding depreciation and amortization	(46,737,907,348)	(23,858,858,509)	(8,598,094,970)	(46,072,192,532)	(125,267,053,359)
	38,051,982,456	9,840,550,561	1,454,707,065	10,970,611,684	60,317,851,766
Depreciation and amortization	(3,708,473,620)	(3,855,697,535)	(696,800,373)	(2,910,940,481)	(11,171,912,009)
Finance cost and other charges	(5,355,230,927)	(4,454,849,300)	(265,620,497)	(1,994,256,175)	(12,069,956,899)
Profit before tax	28,988,277,909	1,530,003,726	492,286,195	6,065,415,028	37,075,982,858
Tax expense	(4,873,040,890)	(87,078,985)	(212,831,949)	(1,520,078,039)	(6,693,029,863)
SEGMENT PROFIT	**24,115,237,019**	**1,442,924,741**	**279,454,246**	**4,545,336,989**	**30,382,952,995**
SEGMENT ASSETS AND LIABILITIES					
Segment assets	**485,117,037,202**	**151,757,772,695**	**-**	**175,878,623,827**	**812,753,433,724**
Segment liabilities	**168,205,769,057**	**103,488,882,513**	**-**	**62,710,179,561**	**334,404,831,131**
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	**(1,079,796,442)**	**(18,880)**	**-**	**83,269,846**	**(996,545,476)**
Interest income	**2,175,132,954**	**123,145,570**	**41,855,430**	**358,082,544**	**2,698,216,498**
Interest expense	**2,852,432,539**	**4,318,874,469**	**181,453,331**	**1,832,796,092**	**9,185,556,431**
Impairment reversal - net	**-**	**612,561,037**	**17,561,944**	**-**	**630,122,981**
Investment property and PPE acquisition	**13,071,334,174**	**21,407,700,319**	**-**	**6,675,800,843**	**41,154,835,336**

(Amounts in PHP)	Megaworld	Travellers	GADC	Emperador	Total
			2024		
REVENUES AND INCOME					
Sales to external customers	77,862,437,548	31,296,586,290	47,944,372,994	60,743,131,850	217,846,528,682
Intersegment sales	384,707,888	619,129,916	-	92,588,552	1,096,426,356
Finance and other income	3,440,187,130	430,288,360	334,969,113	583,609,258	4,789,053,861
Segment revenues and income	81,687,332,566	32,346,004,566	48,279,342,107	61,419,329,660	223,732,008,899
Cost of sales and expenses excluding depreciation and amortization	(44,526,159,079)	(23,274,896,440)	(40,640,700,457)	(49,017,930,666)	(157,459,686,642)
	37,161,173,487	9, 071,108,126	7,638,641,650	12,401,398,994	66,272,322,257
Depreciation and amortization	(3,655,645,823)	(3,553,300,245)	(3,206,406,785)	(2,119,328,994)	(12,534,681,847)
Finance cost and other charges	(6,609,836,363)	(4,517,056,604)	(837,064,618)	(1,466,762,356)	(13,430,719,941)
Profit before tax	26,895,691,301	1,000,751,277	3,595,170,247	8,815,307,644	40,306,920,469
Tax expense	(5,208,226,235)	(177,348,625)	(841,347,403)	(1,632,967,373)	(7,859,889,636)
SEGMENT PROFIT	21,687,465,066	823,402,652	2,753,822,844	7,182,340,271	32,447,030,833
SEGMENT ASSETS AND LIABILITIES					
Segment assets	467,554,845,589	123,835,056,627	45,923,087,703	156,907,622,142	794,220,612,061
Segment liabilities	174,446,871,717	80,028,787,305	33,862,730,703	52,622,297,983	340,960,687,708
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	(290,085,568)	(19,396)	-	77,607,480	(212,497,484)
Interest income	3,100,666,819	166,895,489	251,148,226	293,267,490	3,811,978,024
Interest expense	3,029,457,944	4,296,535,601	930,980,941	1,686,840,870	9,943,815,356
Impairment reversal - net	-	-	24,184,777	-	24,184,777
Investment property and PPE acquisition	14,868,747,491	4,746,633,195	6,519,786,104	7,510,353,613	33,645,520,403

(Amounts in PHP)	2023			
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES AND INCOME					
Sales to external customers	65,258,232,426	31,510,203,113	42,853,123,695	64,498,943,685	204,120,502,919
Intersegment sales	318,786,730	250,697,665	-	61,970,104	631,454,499
Finance and other income	4,085,724,334	(119,052,980)	373,652,532	935,099,486	5,275,423,372
Segment revenues and income	69,662,743,490	31,641,847,798	43,226,776,227	65,496,013,275	210,027,380,790
Cost of sales and expenses excluding depreciation and amortization	(37,269,397,460)	(23,510,723,875)	(35,963,450,847)	(51,123,535,838)	(147,867,108,020)
	32,393,346,030	8,131,123,923	7,263,325,380	14,372,477,437	62,160,272,770
Depreciation and amortization	(3,480,324,608)	(3,061,872,265)	(2,855,948,957)	(1,454,464,272)	(10,852,610,102)
Finance cost and other charges	(5,056,713,055)	(2,961,132,667)	(974,774,968)	(1,354,672,417)	(10,347,293,107)
Profit before tax	23,856,308,367	2,108,118,991	3,432,601,455	11,563,340,748	40,960,369,561
Tax expense	(4,455,738,864)	(66,393,834)	(826,948,199)	(1,997,373,601)	(7,346,454,498)
SEGMENT PROFIT	19,400,569,503	2,041,725,157	2,605,653,256	9,565,967,147	33,613,915,063
SEGMENT ASSETS AND LIABILITIES					
Segment assets	438,475,725,137	120,541,830,887	43,540,118,524	146,842,120,073	749,399,794,621
Segment liabilities	165,129,182,950	76,744,321,423	32,861,761,447	48,242,131,577	322,977,397,597
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	(65,412,001)	(20,132)	-	111,644,188	46,212,055
Interest income	3,631,418,984	165,033,818	200,525,300	399,284,337	4,396,262,439
Interest expense	2,635,396,341	2,957,407,821	923,708,328	1,361,973,087	7,878,485,577
Impairment reversal - net	-	-	36,035,061	-	36,035,061
Investment property and PPE acquisition	11,592,146,162	4,691,301,840	6,676,190,466	4,784,942,658	27,744,581,126

4.5 Reconciliations

Presented below 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 and income			
Total segment revenues	**185,584,905,125**	223,732,008,899	210,027,380,790
Unallocated corporate revenue	**5,393,189,686**	928,916,556	1,418,176,682
Elimination of intersegment revenues	**(1,370,437,639)**	(1,096,426,356)	(631,454,499)
Revenues and income as reported in consolidated comprehensive income	**189,607,657,172**	223,564,499,099	210,814,102,973
Profit or loss			
Segment profit	**30,382,952,995**	32,447,030,833	33,613,915,063
Unallocated corporate loss	**1,590,701,026**	(3,431,779,118)	(2,633,030,209)
Elimination of intersegment revenues	**(1,370,437,639)**	(1,096,426,356)	(631,454,499)
Profit as reported in consolidated comprehensive income	**30,603,216,382**	27,918,825,359	30,349,430,355
Assets			
Segment assets	**812,753,433,724**	794,220,612,061	749,399,794,621
Unallocated corporate assets	**45,633,211,967**	29,858,304,373	33,143,256,217
Total assets reported in the consolidated statements of financial position	**858,386,645,691**	824,078,916,434	782,543,050,838
Liabilities			
Segment liabilities	**334,404,831,131**	340,960,687,708	322,977,397,397
Unallocated corporate liabilities	**73,298,289,724**	67,392,964,185	64,998,142,010
Total liabilities reported in the consolidated statements of financial position	**407,703,120,855**	408,353,651,893	387,975,539,407

Concentration of revenue is considered when at least 10.00% of total segment revenue is generated from a single customer. There is no concentration of the Group's revenue in a single customer as the 10.00% threshold has not been met in any of the years presented.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

(Amounts in PHP)	**2025**	2024
Cash on hand and in banks	**28,306,416,467**	39,907,713,135
Short-term placements	**19,064,124,559**	20,695,126,914
	47,370,541,026	60,602,840,049

Cash in banks generally earn interest based on daily bank deposit rates [see Notes 26 and 31.1(b)].

Short-term placements are made for varying periods up to 90 days and earn effective interest per annum ranging from 0.50% to 6.50% in 2025 and 0.30% to 6.50% in 2024 and 2023.

Interest income from Cash and Cash Equivalents is presented under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 26).

The Group has restricted short-term placements, which are shown under Other Current Assets account in the consolidated statements of financial position (see Note 9).

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

(Amounts in PHP)	Notes	**2025**	2024
Current:			
Trade receivables	17(u), 23.2	**62,115,306,428**	53,608,629,163
Advances to contractors and suppliers		**15,208,525,907**	14,911,312,505
Due from related parties	29.3, 29.4	**6,780,789,127**	6,580,451,192
Advances to condominium associations		**403,803,520**	857,105,570
Finance lease receivable		**400,503,041**	395,271,465
Loan receivable		**184,000,001**	263,531,748
Note receivable		**23,257,771**	23,257,771
Accrued interest receivable		**21,645,831**	151,718,709
Others	30.3	**2,364,309,543**	7,323,478,260
		87,502,141,169	84,114,756,383
Allowance for impairment	31.2	**(1,427,348,467)**	(1,642,195,515)
		86,074,792,702	82,472,560,868
Non-current:			
Trade receivables	17(u), 23.2	**24,172,047,558**	27,904,899,573
Advances to contractors and suppliers		**4,129,502,711**	3,728,681,076
Others		**6,887,094,685**	2,312,750,029
		35,188,644,954	33,946,330,678
Allowance for impairment	31.2	**(12,224,936)**	(12,224,936)
		35,176,420,018	33,934,105,742
		121,251,212,720	116,406,666,610

Trade receivables are generally noninterest-bearing, except for certain assigned trade receivables. Most trade receivables, particularly those relating to real estate sales, are covered by post-dated checks.

The Group obtains various loans through assignment of trade receivables. The assigned receivables have an average term between 10 to 15 years and bear interests between 10.00% to 15.00%. The carrying value of assigned receivables amounting to P0.6 billion and P0.1 billion as of December 31, 2025 and 2024, respectively, is equal to the outstanding balance of the loans [see Note 17(u)]. None of the assigned receivables were found to be impaired.

Further, the installment period of other sales contracts averages one to five years. These contracts give rise to noninterest-bearing trade receivables from real estate sales with maturities of more than one year after the end of the reporting period which are assessed for existence of a significant financing component. Interest income recognized P1,084.2 million, P1,036.2 million and P1,129.9 million in 2025, 2024 and 2023, respectively. These amounts are presented as part of Interest income from significant financing component under Real Estate Sales account in the 2025 and 2024 consolidated statements of income and as part of Interest income under Finance and Other Income - net account in the 2023 consolidated statement of income (see Notes 23 and 26).

Advances to contractors and suppliers pertain to noninterest-bearing and unsecured advances or downpayments to the Group's contractors and suppliers as initial payment or mobilization funds for services to be rendered and goods to be delivered to the Group. These are reduced proportionately upon receipt of progress billings from said suppliers. The current portion relates to purchases of inventories while the non-current portion relates to the construction of property, plant and equipment and investment properties.

Current note receivable pertains mainly to a three-year unsecured interest-bearing advances granted by Travellers in prior years to a certain third party.

Due from related parties pertain to noninterest-bearing, unsecured and immediately demandable advances, settlement of which is generally made in cash (see Notes 29.3 and 29.4).

Finance lease receivables pertains to receivables arising from sublease transaction entered by Megaworld with a third party.

Other current receivables include, among others, non-trade receivables from tenants, advances to raw landowners, advances to joint ventures for processing of business permits and licenses, and unliquidated advances to employees and real estate consultants.

All of the Group's trade and other receivables have been assessed for impairment using the ECL model required under PFRS 9 [see Notes 31.2 and 2.4(b)]. With regard to trade receivables from real estate sales, the Group does not identify specific concentrations of credit risk 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 31.2).

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

(Amounts in PHP)	Notes	**2025**	2024
Balance at beginning of year		**1,654,420,451**	1,609,738,426
Effect of deconsolidation	1.2(a)	**(217,941,777)**	-
Impairment losses during the year	25	**78,698,720**	141,807,125
Write-off of trade receivables previously provided with allowance		**(73,172,645)**	(42,636,138)
Reversal of impairment previously recognized	26	**(10,809,530)**	(58,201,597)
Translation adjustment		**8,378,184**	3,712,635
Balance at end of year		**1,439,573,403**	1,654,420,451

Impairment losses are presented under Other Operating Expenses account (see Note 25), while the reversal of impairment, which pertains to recovery of receivables previously provided with allowance, is presented as Reversal of impairment losses on receivables under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 26).

All trade receivables are subject to credit risk exposure (see Note 31.2). However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables as the amounts recognized consist of a large number of receivables from various customers.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of local and foreign investments, held for trading, as follows:

(Amounts in PHP)	**2025**	2024
Marketable debt securities	**10,591,949,667**	10,447,837,608
Quoted equity securities	**5,341,624,668**	5,237,817,405
Derivative financial assets	**615,404,509**	368,629,909
	16,548,978,844	16,054,284,922

Marketable debt securities, which bear interest ranging from 5.0% to 6.7% per annum for the years ended December 31, 2025 and 4.3% to 6.7% per annum for the years ended December 31, 2024 and 2023, are measured at their fair values determined directly by reference to published prices quoted in an active market. The net changes in fair values of these financial assets resulted to a net gains in 2025 and 2024, and net loss in 2023, which are presented as part of Fair value gains - net under Finance and Other Income account and as part of Fair value losses - net under Finance Costs and Other Charges account, respectively, in the consolidated statements of comprehensive income (see Note 26). Interest income is shown as part of Finance and Other Income account in the consolidated statements of comprehensive income (see Note 26).

Derivative financial assets arise from the Group's foreign exchange forward and cross-currency swap contracts.

The Group's forward contracts are usually one month to one year. Changes in foreign currency value arising from such forward contracts are taken up in profit or loss and are recorded as part of Fair value gains or losses - net under Finance and Other Income and Finance Costs and Other Charges accounts in the consolidated statements of comprehensive income (see Note 26).

In 2020, GADC entered into a cross-currency swap arrangement with a local bank. The terms of the agreement provide for the repayment of the principal and interest to be made in fixed peso amounts [see Note 17(pp)]. The changes in fair value, which resulted in unrealized gains amounting to P0.06 million and P1.7 million for the periods ended March 17, 2025 and December 31, 2023, respectively, and P23.4 million loss for the period ended December 31, 2024 presented as part of Miscellaneous under Finance and Other Income in the consolidated statements of comprehensive income (see Note 26).

Megaworld also entered into cross-currency swap arrangements in 2019 and 2024 designated as cash flow hedge (see Note 2.5).

Under the cross-currency swap agreement in 2019, Megaworld will receive $95.62 million to be paid on a quarterly basis beginning December 2020 up to September 2024 plus interest based on 3-month LIBOR plus a certain spread. Megaworld shall make fixed quarterly payments in Philippine pesos plus a fixed interest of 4.82%.

Megaworld has designated the cross-currency swap as a hedging instrument to hedge the risk in changes in cash flows of its loan denominated in U.S. dollar as an effect of changes in foreign currency exchange rates and interest rates [see Note 17(d) and (n)].

In the other cross currency swap agreement in 2024, Megaworld receives $180.5 million to be paid on a quarterly basis beginning June 2025 up to March 2029 plus interest based on three-month BVAL plus a certain spread. Megaworld makes fixed quarterly payments in Philippine Peso plus a fixed interest rate of 6.40%.

Also in 2024, Megaworld entered into an interest rate swap agreement, with a notional amount of P10.0 billion to hedge its exposure to changes in fair value arising from changes in benchmark interest rate on loans payable due to mature in 2029 [see Note 17(f)].

As of December 31, 2025 and 2024, the Group has assessed that the cross-currency swaps designated as cash flow hedges will continue to be highly effective over the term of the agreement; hence, the Group used hedge accounting on the hedging relationship of its cross-currency swaps and on its interest-bearing loans [see Note 3.2(h)].

To assess hedge effectiveness, the Group employs the critical terms matching method, wherein the key terms of the hedging instrument and the hedged item are aligned. This qualitative assessment is conducted at the inception of the hedge and on an ongoing basis.

The Group recognized unrealized gain on cash flow hedges amounting to P113.1 million in 2025, and unrealized losses of P56.0 million and P34.2 million in 2024 and 2023, respectively. These are presented under items that will be reclassified subsequently to consolidated profit or loss as part of other comprehensive income in the consolidated statements of comprehensive income.

The Group recognized an unrealized gain of P115.0 million and unrealized loss amounting to P56.0 million on fair value hedges in 2025 and 2024, respectively. These are presented as part of Miscellaneous under Finance and Other Income account in the consolidated statements of income (see Note 26).

There is an economic relationship between the hedged item and the hedging instrument as the terms of the fixed rate loans match the terms of the interest rate swaps. The Group has established a hedge ratio of 105.69% and 104.12% for 2025 and 2024, respectively, for the hedging relationships as the underlying risk of the interest rate swaps is identical to the hedged risk component.

The hedged items are presented under Interest-bearing Loans in the Group's consolidated statements of financial position as at December 31, 2025 and 2024. The carrying amounts relating to items designated as hedged items in fair value hedge relationships to manage the Group's exposure to interest rate as at December 31, 2025 and 2024 amount to P8.6 billion and P10.4 billion, respectively.

The table below sets out information about the Group's hedging instruments and the related carrying amounts:

(Amounts in PHP)	**Notional Amount**	**Derivative Assets**
December 31, 2025		
Cross currency swaps	**$146,660,650**	**557,764,397**
Interest rate swaps	**8,125,000,000**	**57,640,112**
		615,404,509
December 31, 2024		
Cross currency swaps	$181,585,889	425,947,082
Interest rate swaps	10,000,000,000	(57,317,173)
		368,629,909

The hedging instruments have a positive fair value of P615.4 million and P368.6 million as of December 31, 2025 and 2024, respectively.

8. INVENTORIES

The details of inventories are shown below [see Notes 2.6, 2.7, 3.1(b)(i), 3.1(i) and 3.2(d)].

(Amounts in PHP)	Note	**2025**	2024
At cost:			
Real estate for sale		**110,410,744,261**	109,645,295,645
Raw land inventory		**13,832,162,644**	12,212,744,073
Property development costs		**10,894,514,501**	11,074,601,834
Golf and resort shares for sale		**3,301,818,860**	3,019,394,916
		138,439,240,266	135,952,036,468
At net realizable value:			
Work-in-process goods		**40,888,042,721**	35,158,144,734
Finished goods	17(mm)	**9,203,111,429**	7,971,186,096
Raw materials		**4,583,430,817**	4,558,804,385
Food, supplies and other consumables		**2,138,691,579**	6,122,394,305
		56,813,276,546	53,810,529,520
Allowance for inventory write-down		**(564,788,403)**	(877,090,192)
		56,248,488,143	52,933,439,328
		194,687,728,409	188,885,475,796

Real estate for sale pertains to the accumulated costs incurred in developing residential houses, lots and condominium units for sale, which refer to the Group's horizontal and condominium projects and certain integrated tourism projects.

Certain inventories are subject to a floating charge as a security for certain loans obtained by the Group [see Note 17(mm)].

Property development costs pertain to accumulated costs incurred for properties undergoing development. The relative cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized. The relative costs of units completed prior to sale are reclassified to Real estate for sale.

Raw land inventory pertains to properties, which the Group intends to develop into residential properties to be held for sale.

Golf and resort shares for sale comprise of proprietary or membership shares (landowner resort shares and founder's shares) that are of various types and costs. The cost of the landowner resort shares is based on the acquisition and development costs of the land and the project. The cost of the founder's shares is based on the par value of the resort shares, which is P100.0 per share.

Work-in-process goods pertain mainly to substantial inventory of aged whisky stocks in Scotland, which mature over periods of up to 60 years. These maturing whisky stock inventory amounted to P34.6 billion and P29.6 billion as of December 31, 2025 and 2024, respectively, which included capitalized depreciation costs (see Note 13). Food, supplies and other consumables include packaging materials, membership program items, operating supplies, spare parts, fuel and lubricants.

In 2025 and 2023, the Group transferred certain properties from Investment Properties to Inventories with carrying amounts of P307.3 million and P956.4 million, respectively, following a change in use. The change in use was evidenced by management's decision to commence development activities with a view to sale in the ordinary course of business. Accordingly, the properties no longer met the definition of investment property under PAS 40 and were reclassified as inventories in accordance with PAS 2, *Inventories* (see Note 35.2).

A reconciliation of the allowance for inventory write-down at the beginning and end of the reporting periods is shown below.

(Amounts in PHP)	Notes	**2025**	2024
Balance at beginning of year		**877,090,192**	662,485,706
Effect of deconsolidation	1.2(a)	**(181,662,370)**	-
Inventory write-off		**(179,568,846)**	-
Additional losses during the year	24	**66,144,582**	245,775,956
Reversal of write-down	26	**(17,215,155)**	(31,171,470)
Balance at end of year		**564,788,403**	877,090,192

The additional losses were recognized to reduce the carrying values of inventories in 2025 and 2024. These are shown as part of Other direct and overhead costs under Cost of Goods Sold account (see Note 24). The reversals of write-down are shown as part of Miscellaneous under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 26).

In 2025, the Group has written-off certain inventories of Emperador amounting to P179.6 million following management's assessment that these items were no longer saleable. There were no similar transactions in 2024 and 2023.

In 2025 and 2024, the Group reversed inventory write-down made in previous years amounting to P17.2 million and P31.2 million, respectively, following its subsequent sale. There was no similar transaction in 2023.

9. OTHER ASSETS

The composition of this account is shown below.

(Amounts in PHP)	Notes	**2025**	2024
Current:			
Input VAT		**6,831,907,477**	7,321,519,421
Creditable withholding taxes	2.16,3.2(j)	**5,397,608,153**	4,534,127,252
Prepayments		**5,127,330,166**	5,301,700,420
Restricted short-term placements	5, 30.2(a)	**4,697,600,000**	2,633,667,852
Deferred commission	23.3	**1,907,966,914**	1,969,038,939
Refundable deposits		**131,613,297**	170,785,085
Office supplies		**-**	130,612,201
Others		**715,734,261**	788,777,398
		24,809,760,268	22,850,228,568
Non-current:			
Advances for future investment	30.2(a)	**12,119,499,654**	2,062,481,209
Input VAT		**3,114,524,695**	449,800,610
Advances to suppliers		**2,313,218,421**	221,960,461
Refundable deposits		**1,243,016,801**	2,001,863,231
Claims for tax refund		**308,685,481**	294,136,718
Deferred commission	23.3	**184,981,046**	158,215,084
Deferred input VAT		**6,260,363**	21,122,805
Advance payments for assets acquisition		**-**	297,503,506
Rental receivable		**-**	3,656,241
Others		**975,829,209**	666,631,118
		20,266,015,670	6,177,370,983
		45,075,775,938	29,027,599,551

Prepayments include prepaid taxes, insurance, rentals and advertising, which are expected to be realized in the next reporting period.

Restricted short-term placements [see Note 30.2(a)] are made for varying periods ranging from 30 to 90 days in 2025 and 2024 and earn effective interest rates of 4.40% to 5.10% per annum in both 2025 and 2024 and 1.40% to 4.40% per annum in 2023.

As of December 31, 2025, the management of the holders of the creditable withholding taxes assessed them for impairment and determined that these amounts are not impaired. Their assessment considers expected future taxable profits, historical utilization patterns, and the status of ongoing or planned tax claims. They further assessed the classification of creditable withholding taxes as current assets.

As of December 31, 2025, input VAT includes the transfer of assets from SUN pursuant to strategic working agreement amounting to P2.6 billion [see Note 30.7(v)]. There was no similar transaction in 2024.

Interest income from Restricted short-term placements are presented as part of Interest income under Finance and Other Income in the consolidated statements of comprehensive income (see Note 26).

Advances for future investment pertain to the advances made by the Group to Philippine Amusement and Gaming Corporation ("PAGCOR") starting 2014 in connection with the development of Site A. In 2025 and 2024, the Group made additional payments to PAGCOR amounting to P588.2 million in each year to fulfill the future investment [see Note 30.2(a)]. In 2020, the Group received parcels of land with a fair value of P1,782.9 million. As consideration for the transfers, the advances for future investment were reduced by the value of the land received.

In 2023, WCI and MBPHI received parcels of land amounting to P1.2 billion. The same amount was set off against Advances for Future Investment account. The Group recognized the asset amounting to P0.4 billion, representing the parcels assigned to the Group, as Land under Property and Equipment account in the consolidated statements of financial position (see Note 13). There were no similar transactions in 2025 and 2024.

In 2025, WCI agreed to act as a real estate mortgagor for ECRC and pledged such land to secure the bridge loan facility obtained by ECRC from a local bank as part of the strategic working arrangement (see Note 30.8). The pledged assets continue to be recognized in the consolidated financial statements, as the Group retains ownership and control over the underlying properties. Accordingly, the transaction did not result in derecognition or reclassification of the related assets, but such assets are disclosed as collateral for the loan. The Group also provided guarantees in relation to the facility. These are treated as financial guarantee contracts; however, as of December 31, 2025, no significant liability has been recognized, as no default has occurred and the assessed exposure is not material. Costs directly attributable to the arrangement, if any, are recognized as part of Other Non-Current Assets in the 2025 consolidated statement of financial position and are amortized over the term of the facility. As of December 31, 2025, the impact on this is not material.

Advances for future investment also include payments relating to share purchase and supplemental agreements executed by the Group. The payments were made in accordance with the terms of the agreements. These advances will be applied against the corresponding investment or reclassified to the appropriate asset accounts upon completion of the underlying transactions or fulfillment of the related conditions. The purchase has not yet been concluded as of reporting date.

The advance payment for assets acquisition represents the deposits made for future purchase of machinery and equipment. Amounts reclassified to property and equipment amounted to P85.1 million in 2024. There was no similar transaction in 2025.

Current others include payroll funds and food and beverage supplies while non-current others include prepaid rentals, prepayment of condominium units, various security and other deposits.

10. ADVANCES TO/FROM LANDOWNERS AND JOINT OPERATORS

10.1 Advances to Landowners and Joint Operators

The Group enters into numerous joint arrangements for the joint development of various real estate projects. The joint operation agreements stipulate that the Group's joint operator shall contribute parcels of land while the Group shall be responsible for the planning, conceptualization, design, demolition of existing improvements, construction, financing and marketing of residential and condominium units to be constructed on the properties. In addition, there were no separate entities created by these joint arrangements. Costs incurred by the Group on these projects are recorded under the Inventories account in the consolidated statements of financial position (see Notes 2.7 and 8).

The Group also grants noninterest-bearing, secured cash advances to a number of landowners and joint operators under agreements they entered into with the landowners covering the development of certain parcels of land. Under the terms of the arrangements, the Group, in addition to providing specified portion of total project development costs, also commits to advance mutually agreed-upon amounts to the landowners to be used for pre-development expenses such as the relocation of existing occupants.

The total amount of advances made by the Group less amounts liquidated is presented as Advances to Landowners and Joint Operators account in the consolidated statements of financial position.

As of December 31, 2025 and 2024, management has assessed that the advances to joint ventures are fully recoverable. Further, there has been no outstanding commitment for cash advances under the joint agreements.

The net commitment for construction expenditures amounts to:

(Amounts in PHP)	**2025**	2024
Total commitment for construction expenditures	**66,282,605,811**	64,488,899,160
Total expenditures incurred	**(43,883,539,830)**	(34,270,561,027)
Net commitment	**22,399,065,981**	30,218,338,133

The Group's interests in jointly-controlled operations and projects range from 57.00% to 90.00% in both 2025 and 2024. The listing of the Group's jointly-controlled projects are as follows:

Megaworld:
- Park McKinley West
- Laurent Park
- Uptown Arts Residence
- Uptown Modern
- Maple Grove Park Village
- Vion Tower
- Arden Botanical Village
- Arden West Park Village
- One Portwood Residence

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

EELHI:
- Pioneer Woodlands
- San Lorenzo Place
- Various Metro Manila and Calabarzon Projects

SPI:
- Governor's Hills
- Mandara
- Sta. Rosa Heights
- Sta. Rosa Hills
- Sentosa
- Asmara
- One Lakeshore
- Two Lakeshore
- Riva Bella
- Solana
- The Gentri Heights
- Fountain Grove
- Palm City
- The Mist Residence
- Sonrisa Gardens
- East Park Residences
- Sofia Terraces

The aggregate amounts of the current assets, long-term assets, current liabilities, long-term liabilities as of December 31, 2025 and 2024, and income and expenses for the years ended December 31, 2025, 2024 and 2023 related to the Group's interests in joint arrangements are not presented or disclosed in the consolidated financial statements as the joint arrangements in which the Group is involved are not joint operations (see Note 2.2).

As of December 31, 2025 and 2024, the Group either has no other contingent liabilities with regard to these joint operations or has assessed that the probability of loss that may arise from contingent liabilities is remote.

10.2 Advances from Joint Operators

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

The advances from golf share partners and lot owners recognized as of December 31, 2025 and 2024 amounted to P466.8 million and P277.2 million, respectively, is presented as part of Advances from Other Related Parties account in the consolidated statements of financial position (see Note 29.5).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As of December 31, 2025 and 2024, financial assets at FVOCI [see Note 2.4(a)(ii)], which pertain to equity securities, are comprised of the following:

(Amounts in PHP)	Note	**2025**	2024
Quoted		**333,579,368**	465,894,054
Unquoted		**149,494,672**	172,294,674
	33.2	**483,074,040**	638,188,728

The reconciliation of the carrying amounts of these financial assets are as follows:

(Amounts in PHP)	Note	**2025**	2024
Balance at beginning of year		**638,188,728**	516,804,124
Fair value gain (losses)		**(99,498,631)**	57,977,672
Effect of deconsolidation	1.2(a)	**(77,716,979)**	-
Additions and translation adjustments		**14,500,922**	64,017,852
Reclassifications		**7,600,000**	-
Disposals		**-**	(610,920)
Balance at end of year		**483,074,040**	638,188,728

Quoted equity securities consist of listed local shares of stock and various proprietary club shares, which are denominated in Philippine pesos. Golf club shares are proprietary membership shares of Travellers from certain golf clubs. Unquoted equity securities pertain to investments in shares of stock of local, privately-held companies.

The fair values of the quoted financial assets have been determined by reference to published prices in an active market. The fair value of unquoted equity securities were determined through valuation techniques (see Note 33.2). The changes in the fair value amounted to P99.5 million loss, P58.0 million gain and P85.3 million gain in 2025, 2024 and 2023, respectively, and are presented as Net Unrealized Fair Value Gain (Loss) on Financial Assets at FVOCI in the consolidated statements of comprehensive income.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

12.1 Breakdown of Carrying Values

The details of investments in associates and interest in joint ventures, which are carried at equity method, are presented below and in the succeeding page.

(Amounts in PHP)	Note	**2025**	2024
Investments of Megaworld in Associates:			
Acquisition costs:			
NPI		**734,396,528**	734,396,528
BWDC		**199,212,026**	199,212,026
PTHDC		**64,665,000**	64,665,000
SUN	12.2	**-**	2, 619,800,008
		998,273,554	3,618,073,562
Accumulated share in net income (losses):			
Balance at beginning of year		**(1,074,359,098)**	(784,273,530)
Derecognition arising from loss of significant influence in SUN		**2,725,858,414**	-
Share in net losses for the period		**(1,079,796,442)**	(290,085,568)
Balance at end of year		**571,702,874**	(1,074,359,098)
Accumulated equity in other comprehensive income:			
Balance at beginning of year		**106,058,406**	71,910,311
Derecognition due to loss of significant influence in SUN		**(106,058,406)**	-
Share in other comprehensive income		**-**	34,148,095
Balance at end of year		**-**	106,058,406
Accumulated impact of changes in ownership interest		**163,711,981**	163,711,981
Balance carried forward		**1,733,688,409**	2,813,484,851

(Amounts in PHP)	Notes	**2025**	2024
Balance brought forward		**1,733,688,409**	2,813,484,851
Investment of AGI in GADC, an associate – fair value at date of deconsolidation	1.2(a)	**11,126,696,994**	-
Accumulated share in net profits:			
Balance at beginning of year		**-**	-
Share in net profits for the period		**1,184,772,495**	-
Dividends		**(489,984,313)**	-
Balance at end of year		**694,788,182**	-
Accumulated equity in other comprehensive income:			
Share in other comprehensive loss		**(5,795,154)**	-
		11,815,690,022	-
Investment of EMI in BLC, a joint venture – acquisition cost	12.3	**2,845,367,065**	2,845,367,065
Accumulated share in net profits:			
Balance at beginning of year		**795,039,243**	659,025,708
Translation adjustments		**478,772,193**	58,406,055
Share in net profits for the year		**83,269,846**	77,607,480
Balance at end of year		**1,357,081,282**	795,039,243
		4,202,448,347	3,640,406,308
Investment of Travellers in FRTMI, a joint venture – acquisition cost		**10,000,000**	10,000,000
Accumulated share in net losses:			
Balance at beginning of year		**(948,005)**	(928,608)
Share in net losses for the year		**(18,880)**	(19,397)
Balance at end of year		**(966,885)**	(948,005)
		9,033,115	9,051,995
Investment of FCI in Associates:			
Acquisition costs:			
FPARI		**14,700,000**	14,700,000
AFCMI		**124,215,000**	124,215,000
		138,915,000	138,915,000
		17,899,774,893	6,601,858,154

The total share in net profits and losses amounts to P188.2 million profits in 2025, P212.5 million losses in 2024 and P46.2 million profits in 2023. These amounts are shown as Share in Net Profits or Losses of Associates and Joint Ventures - Net account in the consolidated statements of comprehensive income.

Management assessed that the recognition of impairment loss on investments in associates and joint ventures in 2025, 2024 and 2023 is not necessary.

12.2 SUN

SUN is engaged in tourism-related businesses including development, construction, operation and management of casino and related businesses. The shares of stock of SUN are listed in the PSE which closed at P0.90 per share as of December 31, 2024.

In December 2019, Megaworld subscribed to 2,177.0 million shares from SUN at P1.00 par value. The unpaid portion of subscription was paid in full in 2023.

In December 2025, Megaworld disposed of 2,455.0 million of its investment in SUN through a series of open-market transactions, generating net proceeds of P1,480.4 million. Following these disposals, Megaworld management determined that significant influence over SUN was lost and, accordingly, the equity method was discontinued from that date.

The total gain from the disposal amounted to P1,480.4 million and is presented as Gain on sale of SUN shares under Finance and Other Income in the 2025 consolidated statement of comprehensive income (see Note 26). There were no similar transactions in 2024 and 2023.

Further, after losing significant influence, Megaworld remeasured its remaining investment in SUN at fair value, resulting in a remeasurement gain of P7.6 million, which is included as part of Miscellaneous under Finance and Other Income in the 2025 consolidated statement of comprehensive income. The fair value of the remaining SUN shares at the disposal date amounting to P7.6 million, is classified as Financial asset at FVOCI in the 2025 consolidated statement of financial position (see Note 11).

12.3 BLC

BLC is a foreign joint venture under GES and operating under the laws of Spain. Its primary business consists of the planting and growing of wine grapes and the exploitation of vineyards, the production, ageing and preparation of wines and vinegars; the production of alcohol; the production, preparation and ageing of brandy, aguardientes, compounds, liquors and in general, all kinds of spirits.

12.4 Summarized Financial Information

The aggregated amounts of assets, liabilities, revenues and net profit (loss) of the individually material associates and joint ventures are as follows as of and for the years ended December 31, 2025, 2024 and 2023 (in thousands):

(Amounts in PHP)	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Profit (Loss)	Other Comprehensive Income (Loss)
2025:							
NPI	2,784	5,594,586	1,250,640	-	-	(2,337)	-
BWDC	293,023	3,492,219	920,703	595,247	213,907	113,503	-
PTHDC	1,135,185	-	1,002,793	-	17	(239)	-
BLC	1,100,089	2,243,102	431,004	235	1,489,730	166,518	-
GADC	16,357,215	34,499,645	15,156,652	20,983,844	45,238,385	2,463,683	(11,827)
	18,888,296	**45,829,552**	**18,761,792**	**21,579,326**	**46,942,039**	**2,741,128**	**(11,827)**
2024:							
SUN	6,385,175	47,826,261	1,856,569	43,796,906	1,434	(1,083,785)	(100,436)
NPI	2,833	5,594,586	1,248,175	-	-	(5,195)	-
BWDC	369,029	2,626,876	704,521	125,280	244,007	171,871	-
PTHDC	1,135,022	-	1,010,865	-	18	(349)	-
BLC	1,854,202	2,005,060	672,916	232	1,677,592	155,208	-
	9,746,261	58,052,783	5,493,046	43,922,418	1,923,051	(762,250)	(100,436)
2023:							
SUN	7,642,889	37,572,386	2,037,311	33,636,654	100	(348,051)	(13,133)
NPI	2,606	5,597,191	1,243,128	-	-	(3,263)	-
BWDC	777,488	2,116,168	834,439	64,984	211,775	116,866	-
PTHDC	1,135,128	61	1,010,587	-	16	(169)	-
BLC	1,642,671	1,997,943	439,855	2,229	1,515,214	223,288	-
	11,200,782	47,283,749	5,565,320	33,703,867	1,727,105	(11,329)	(13,133)

A reconciliation of the above summarized financial information to the carrying amount of the investment in associates and joint ventures are shown below.

(Amounts in PHP)	SUN	BWDC	NPI	PTHDC	BLC	GADC	Total
December 31, 2025							
Net assets at end of year	-	2,269,291,165	4,346,730,315	132,392,129	2,911,952,694	14,716,364,024	24,376,730,327
Equity ownership interest	-	46%	12%	40%	50%	49%	
	-	1,046,370,156	502,047,352	52,956,851	1,455,976,347	7,211,018,372	10,268,369,078
Notional goodwill	-	12,865,193	230,379,167	14,642,202	-	4,604,671,650	4,862,558,212
Share in bond option reserves	-	(87,305,678)	-	-	-	-	(87,305,678)
Translation adjustment	-	-	-	-	2,746,472,000	-	2,746,472,000
Other reconciling items	-	(38,266,834)	-	-	-	-	(38,266,834)
Total carrying amount	-	**933,662,837**	**732,426,519**	**67,599,053**	**4,202,448,347**	**11,815,690,022**	**17,751,826,778**
December 31, 2024							
Net assets at end of year	8,557,961,278	2,166,103,516	4,349,243,975	124,156,397	3,186,114,616	-	18,383,579,782
Equity ownership interest	34%	46%	12%	40%	50%	-	
	2,909,706,835	998,790,332	501,032,906	49,662,559	1,593,057,308	-	6,052,249,940
Notional goodwill	140,685,524	12,865,193	230,379,167	14,642,202	-	-	398,572,086
Share in bond option reserves	(1,905,473,167)	(87,305,678)	-	-	-	-	(1,992,778,845)
Dilution of shares due to change in percentage ownership	458,892,180	-	-	-	-	-	458,892,180
Translation adjustment	-	-	-	-	2,047,349,000	-	2,047,349,000
Other reconciling items	(472,126,368)	(38,266,834)	-	-	-	-	(510,393,202)
Total carrying amount	1,131,685,004	886,083,013	731,412,073	64,304,761	3,640,406,308	-	6,453,891,159

13. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of this account is composed of the following:

(Amounts in PHP)	Notes	2025	2024
Property, plant and equipment	13.1	**170,402,217,148**	153,936,740,779
Right-of-use assets	13.2	**1,317,850,926**	14,556,545,018
		171,720,068,074	168,493,285,797

13.1 Carrying Values of Property, Plant and Equipment

The gross carrying amounts and accumulated depreciation, amortization and impairment of property, plant and equipment at the beginning and end of the reporting periods are shown below [see Notes 2.9, 3.1(b)(i), 3.1(i), 3.2(i) and 3.2(j)].

(Amounts in PHP)	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Condominium Units, Fixtures and Other Equipment	Construction in Progress	Total
December 31, 2025							
Cost	17,691,114,940	117,345,851,334	45,525,905,065	2,169,631,587	25,027,823,316	32,272,880,630	240,033,206,872
Accumulated depreciation, amortization and impairment	(717,914,717)	(27,360,403,233)	(25,037,356,859)	(1,526,982,183)	(14,988,332,732)	-	(69,630,989,724)
Net carrying amount	**16,973,200,223**	**89,985,448,101**	**20,488,548,206**	**642,649,404**	**10,039,490,584**	**32,272,880,630**	**170,402,217,148**
December 31, 2024							
Cost	15,613,316,414	125,493,243,118	50,280,512,649	2,206,977,914	23,374,657,128	10,887,198,523	227,855,905,746
Accumulated depreciation, amortization and impairment	(605,244,083)	(30,550,724,164)	(27,170,250,851)	(1,546,442,768)	(14,046,503,101)	-	(73,919,164,967)
Net carrying amount	15,008,072,331	94,942,518,954	23,110,261,798	660,535,146	9,328,154,027	10,887,198,523	153,936,740,779
January 1, 2024							
Cost	15,690,649,907	118,878,981,670	41,594,235,557	1,853,269,012	21,576,426,321	10,245,722,923	209,839,285,390
Accumulated depreciation, amortization and impairment	(531,867,641)	(27,469,898,714)	(24,591,843,180)	(1,468,695,924)	(12,745,904,066)	-	(66,808,209,525)
Net carrying amount	15,158,782,266	91,409,082,956	17,002,392,377	384,573,088	8,830,522,255	10,245,722,923	143,031,075,865

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting periods is shown below and in the succeeding page.

(Amounts in PHP)	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Condominium Units, Fixtures and Other Equipment	Construction in Progress	Total
Balance at January 1, 2025, net of accumulated depreciation amortization and impairment	15,008,072,331	94,942,518,954	23,110,261,798	660,535,146	9,328,154,027	10,887,198,523	153,936,740,779
Addition from acquired subsidiary	1,679,322,438	24,767,957	6,440,213	1,586,836	-	-	1,712,117,444
Additions	202,122,006	3,061,694,752	5,297,878,602	135,130,082	2,481,266,515	23,987,881,341	35,165,973,298
Translation adjustment	546,114,947	1,018,507,913	1,097,449,473	262,065	33,929,756	44,456,008	2,740,720,162
Disposals - net	(128,137,479)	(79,954,770)	(152,243,342)	(2,451,774)	(10,660,707)	(293,351)	(373,741,423)
Reclassifications - net	9,612,448	123,183,083	233,613,377	(5,878,685)	(99,015,069)	(423,121,388)	(161,606,234)
Impairment reversal - net	-	630,122,981	-	-	-	-	630,122,981
Effect of deconsolidation [Note 1.2(a)]	(236,113,088)	(6,857,833,166)	(6,261,461,225)	(15,081,937)	(144,103,399)	(2,223,240,503)	(15,737,833,318)
Depreciation and amortization charges for the year	(107,793,380)	(2,877,559,603)	(2,843,390,690)	(131,452,329)	(1,550,080,539)	-	(7,510,276,541)
Balance at December 31, 2025, net of accumulated depreciation, amortization and impairment	**16,973,200,223**	**89,985,448,101**	**20,488,548,206**	**642,649,404**	**10,039,490,584**	**32,272,880,630**	**170,402,217,148**
Balance at January 1, 2024, net of accumulated depreciation amortization and impairment	15,158,782,266	91,409,082,956	17,002,392,377	384,573,088	8,830,522,255	10,245,722,923	143,031,075,865
Additions	130,987,592	4,107,817,889	8,598,786,998	422,096,539	1,836,946,427	3,510,740,892	18,607,376,337
Translation adjustment	68,210,095	274,417,929	317,083,988	(22,412)	11,436,476	2,995,366	674,121,442
Disposals - net	-	(50,948,851)	(303,586,596)	(16,698,398)	(35,139,638)	(798,346)	(407,171,829)
Reclassifications - net	(206,119,063)	2,618,834,322	353,312,630	-	82,324,842	(2,864,470,749)	(16,118,018)
Impairment reversal - net	-	13,606,293	10,578,484	-	-	-	24,184,777
Effect of deconsolidation [Note 1.1(q)]	(70,889,043)	(50,228,661)	(27,843,999)	(8,574,848)	(7,949,653)	(6,991,563)	(172,477,767)
Depreciation and amortization charges for the year	(72,899,516)	(3,380,062,923)	(2,840,462,084)	(120,838,823)	(1,389,986,682)	-	(7,804,250,028)
Balance at December 31, 2024, net of accumulated depreciation, amortization and impairment	15,008,072,331	94,942,518,954	23,110,261,798	660,535,146	9,328,154,027	10,887,198,523	153,936,740,779

(Amounts in PHP)	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Condominium Units, Fixtures and Other Equipment	Construction in Progress	Total
Balance at January 1, 2023, net of accumulated depreciation amortization and impairment	13,824,995,919	75,132,634,124	14,183,606,062	379,940,685	8,697,210,405	22,256,497,166	134,474,884,361
Additions	1,102,606,609	2,541,869,358	5,135,840,592	111,089,611	1,491,863,537	3,989,676,675	14,372,946,382
Translation adjustment	43,019,091	457,096,974	309,908,214	394,032	(36,759,926)	85,153,641	858,812,026
Disposals - net	(3,660,663)	(241,662,654)	(401,715,825)	(958,131)	(32,897,509)	(41,977,119)	(722,871,901)
Reclassifications - net	264,147,179	16,524,450,891	196,900,912	-	10,639,871	(16,043,627,440)	952,511,413
Impairment reversal - net	-	(83,843,641)	12,222,311	-	-	-	(71,621,330)
Depreciation and amortization charges for the year	(72,325,869)	(2,921,462,096)	(2,434,369,889)	(105,893,109)	(1,299,534,123)	-	(6,833,585,086)
Balance at December 31, 2023, net of accumulated depreciation, amortization and impairment	15,158,782,266	91,409,082,956	17,002,392,377	384,573,088	8,830,522,255	10,245,722,923	143,031,075,865

Construction in progress includes accumulated costs incurred on the casino and hotel sites being constructed as part of Travellers' investment commitment in accordance with its Provisional License Agreement with PAGCOR [see Note 30.2(a)].

The total property, plant and equipment includes capitalized borrowing costs amounting to P728.1 million and P391.4 million in 2025 and 2024, respectively, representing the actual borrowing costs, net of related investment income, incurred on specific and general borrowings obtained to fund the construction project (see Note 17). The capitalization rate used was based on effective interest rates of applicable specific and general borrowings ranging from 7.00% to 9.20% and 3.30% to 9.20% in 2025 and 2024, respectively.

The Group reclassified certain assets from property, plant and equipment to investment property amounting to P161.6 million and P16.1 million in 2025 and 2024, respectively. Furthermore, in 2023, due to change in use of the assets, the Group reclassified its non-current asset classified as held for sale to property, plant and equipment and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale, which is lower than the recoverable amount at the date of subsequent decision not to sell. Depreciation adjustment amounted to P56.1 million and is presented as part of Other Operating Expenses in the 2023 consolidated statement of comprehensive income (see Note 25).

As a result of change in earning potential of its stores, including store equipment, GADC's annual impairment testing resulted in recognition of gain on reversal of impairment losses on these assets amounting to P17.6 million and P24.2 million in 2025 and 2024, respectively, and impairment losses amounting to P71.6 million in 2023, and are presented as part of Reversal of impairment losses on PPE under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 26). The recoverable amount was determined using value in use calculations, which considered weighted average cost of capital ranging from 3.67% to 5.91% for years 2025, 2024 and 2023.

In 2025, 2024 and 2023, the Group recognized net losses on disposal of various property, plant and equipment amounting to P20.8 million, P20.1 million and P43.8 million, respectively, which are presented as Loss on disposal of PPE - net under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 26).

The amount of depreciation and amortization charges is presented as part of Depreciation and amortization, which is presented under Cost of Goods Sold, Cost of Services and Other Operating Expenses accounts (see Notes 24 and 25). In 2025, 2024 and 2023, depreciation expense amounting to P1,200.7 million, P554.4 million and P452.4 million, respectively, was capitalized to form part of the work-in-process inventory. Such capitalized amount represents depreciation expense on barrels and warehouse buildings wherein the maturing bulk stocks of whisky are held (see Note 8).

As of December 31, 2025, certain property and equipment with a carrying amount of P430.0 million were pledged as a collateral for the bridge loan facility obtained by ECRC [see Notes 17, 30.7(iv) and 30.8]. There was no similar transaction in 2024.

13.2 Right-of-Use Assets

The Group has leases for certain land, commercial space, buildings and warehouses, gaming equipment and transportation and other equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statements of financial position as ROUA under Property and Equipment account and Lease Liabilities account. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and ROUA.

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

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
December 31, 2025					
Land	**2**	**10 to 14 years**	**13 years**	**1**	**-**
Commercial space	**8**	**1 to 23 years**	**12 years**	**2**	**1**
Buildings and warehouses	**43**	**1 to 11 years**	**2 years**	**24**	**9**
Transportation and other equipment	**72**	**1 to 2 years**	**2 years**	**-**	**-**
December 31, 2024					
Land	2	11 to 15 years	13 years	1	-
Commercial space	816	1 to 24 years	12 years	748	704
Buildings and warehouses	54	1 to 12 years	3 years	28	17
Transportation and other equipment	31	1 to 2 years	2 years	-	-

The carrying amounts of the Group's ROUAs as of December 31, 2025, 2024 and 2023, and the movements during those year are shown below.

(Amounts in PHP)	Land	Commercial Space	Building and Warehouse	Transportation and Other Equipment	Total
Balance at January 1, 2025	716,882,545	12,996,637,725	765,616,228	77,408,520	14,556,545,018
Additions	-	98,313,422	93,528,558	21,488,000	213,329,980
Translation adjustment	-	17,180,392	-	7,597,478	24,777,870
Derecognition	-	(16,011,568)	(8,758,120)	(1,569,177)	(26,338,865)
Effect of deconsolidation	-	(12,367,571,875)	(575,192,286)	-	(12,942,764,161)
Amortization	(55,295,056)	(338,216,208)	(85,905,652)	(28,282,000)	(507,698,916)
Balance at December 31, 2025	**661,587,489**	**390,331,888**	**189,288,728**	**76,642,821**	**1,317,850,926**
Balance at January 1, 2024	766,022,782	14,235,478,255	229,334,487	44,929,870	15,275,765,394
Additions	-	233,918,064	627,452,222	74,612,205	935,982,491
Translation adjustment	-	1,327,287	-	8,818,401	10,145,688
Derecognition	-	(61,013,106)	-	(4,848,879)	(65,861,985)
Effect of deconsolidation	-	(85,599,903)	-	-	(85,599,903)
Amortization	(49,140,237)	(1,327,472,872)	(91,170,481)	(46,103,077)	(1,513,886,667)
Balance at December 31, 2024	716,882,545	12,996,637,725	765,616,228	77,408,520	14,556,545,018
Balance at January 1, 2023	815,163,018	12,962,188,183	160,993,537	45,139,870	13,983,484,608
Additions	-	2,497,315,044	104,523,688	17,080,000	2,618,918,732
Translation adjustment	-	7,829,041	-	-	7,829,041
Derecognition	-	(64,857,204)	-	-	(64,857,204)
Reversal of impairment losses	-	107,656,391	-	-	107,656,391
Amortization	(49,140,236)	(1,274,653,200)	(36,182,738)	(17,290,000)	(1,377,266,174)
Balance at December 31, 2023	766,022,782	14,235,478,255	229,334,487	44,929,870	15,275,765,394

In 2025, 2024 and 2023, additional onerous lease provisions amounting to P30.3 million, P36.7 million and P34.2 million, respectively, were recognized and are presented as part of Miscellaneous under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 25). The carrying amount of ARO and provision for dilapidation are presented as part of Other Non-Current Liabilities account in the consolidated statements of financial position (see Note 20).

The Group's annual review of impairment of its stores with indicators of impairment resulted to an impairment losses amounting to P107.7 million in 2023 and is presented as part of Reversal of impairment losses on PPE - net under Finance and Other Income account in the 2023 consolidated statement of comprehensive income (see Note 26).

The derecognition of ROUA pertains to termination of certain lease contracts during the year. The resulting gain is presented as Gain from derecognition of right-of-use assets and lease liabilities under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 26).

As of December 31, 2025 and 2024, none of the Group's ROUAs are used as collateral for any of the Group's interest-bearing loans and borrowings.

The amount of depreciation on ROUAs is presented as part of Depreciation and amortization which is presented under Cost of Goods Sold, Cost of Services and Other Operating Expenses accounts (see Notes 24 and 25).

13.3 Lease Liabilities

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

(Amounts in PHP)	**2025**	2024
Current	**205,113,172**	1,246,685,477
Non-current	**1,075,305,947**	17,248,683,855
	1,280,419,119	18,495,369,332

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

In 2024, the Group has committed to lease contracts, which have not yet commenced. The total future cash outflows for leases that have not yet commenced amounted to P5,573.1 million in 2024. There was no similar transaction in 2025.

The maturity analysis of lease liabilities at December 31 is as follows:

(Amounts in PHP)	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More Than 5 years	Total
December 31, 2025							
Lease liabilities	302,779,392	207,850,864	168,556,006	80,263,019	67,480,722	1,303,521,514	2,130,451,517
Finance charges	(97,666,220)	(86,074,547)	(75,885,788)	(67,537,829)	(63,567,298)	(459,300,716)	(850,032,398)
Net present values	**205,113,172**	**121,776,317**	**92,670,218**	**12,725,190**	**3,913,424**	**844,220,798**	**1,280,419,119**
December 31, 2024							
Lease liabilities	2,194,628,544	2,077,966,428	1,991,703,068	1,857,796,130	1,626,663,263	17,580,939,898	27,329,697,331
Finance charges	(947,943,067)	(880,426,928)	(817,910,025)	(750,769,672)	(692,396,833)	(4,744,881,474)	(8,834,327,999)
Net present values	1,246,685,477	1,197,539,500	1,173,793,043	1,107,026,458	934,266,430	12,836,058,424	18,495,369,332

The movements in the lease liabilities recognized in the consolidated statements of financial position are as follows:

(Amounts in PHP)	Notes	2025	2024
Balance at beginning of year		**18,495,369,332**	18,939,986,513
Effect of deconsolidation	1.1(q), 1.2(a)	**(16,869,072,349)**	(87,438,223)
Repayments of lease liabilities		**(794,010,125)**	(2,146,465,369)
Accretion of interest	26	**260,571,012**	951,899,331
Additions during the year		**186,924,100**	960,566,993
Foreign exchange losses		**21,499,206**	62,626,686
Derecognition		**(20,862,057)**	(128,773,451)
Reversal of provisions	20	**-**	(57,033,148)
Balance at end of year		**1,280,419,119**	18,495,369,332

Interest expense incurred on the lease liabilities amounting to P260.6 million, P951.9 million and P904.0 million in 2025, 2024 and 2023, respectively, is presented as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 26).

13.4 Lease Payments Not Recognized as Lease Liabilities

The Group has elected not to recognize lease liabilities for short-term leases or for leases of low value assets; instead, expenses relating to these leases, which are significantly from short-term leases, amounting to P1,271.4 million, P4,403.0 million and P3,998.7 million in 2025, 2024 and 2023, respectively, are presented as Rentals under Cost of Services and Other Operating Expenses in the consolidated statements of comprehensive income (see Notes 24 and 25).

The future minimum rentals payable of the Group arising from short-term leases amounted to P111.8 million and P125.5 million as of December 31, 2025 and 2024, respectively.

14. INVESTMENT PROPERTIES

The Group's investment properties include several parcels of land, buildings and improvements which are held for investment purposes only, either to earn rental income or for capital appreciation, or both. The gross carrying amounts and accumulated depreciation of investment property at the beginning and end of the reporting periods are shown below [see Notes 2.10, 3.1(m), 3.2(f) and 3.2(i)].

(Amounts in PHP)	Land	Buildings and Improvements	Total
December 31, 2025			
Cost	34,314,784,421	150,525,537,121	184,840,321,542
Accumulated depreciation	(25,251,903)	(30,220,857,043)	(30,246,108,946)
Net carrying amount	**34,289,532,518**	**120,304,680,078**	**154,594,212,596**
December 31, 2024			
Cost	33,912,094,490	141,412,829,886	175,324,924,376
Accumulated depreciation	(25,251,903)	(27,215,137,375)	(27,240,389,278)
Net carrying amount	33,886,842,587	114,197,692,511	148,084,535,098
January 1, 2024			
Cost	30,152,369,872	130,399,280,011	160,551,649,883
Accumulated depreciation	(25,251,903)	(24,179,743,847)	(24,204,995,750)
Net carrying amount	30,127,117,969	106,219,536,164	136,346,654,133

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

(Amounts in PHP)	Land	Buildings and Improvements	Total
Balance at January 1, 2025, net of accumulated depreciation	33,886,842,587	114,197,692,511	148,084,535,098
Effect of deconsolidation	-	(99,468,594)	(99,468,594)
Transfer to inventories	(307,296,940)	-	(307,296,940)
Transfer from property, plant and equipment	-	161,606,234	161,606,234
Additions	709,986,871	9,102,518,907	9,812,505,778
Derecognition	-	(4,254,673)	(4,254,673)
Depreciation charges for the year	-	(3,053,414,307)	(3,053,414,307)
Balance at December 31, 2025, net of accumulated depreciation	**34,289,532,518**	**120,304,680,078**	**154,594,212,596**
Balance at January 1, 2024, net of accumulated depreciation	30,127,117,969	106,219,536,164	136,346,654,133
Transfer from inventories	371,462,039	86,549,072	458,011,111
Transfer from property, plant and equipment	-	16,118,018	16,118,018
Additions	3,388,262,579	10,910,882,785	14,299,145,364
Depreciation charges for the year	-	(3,035,393,528)	(3,035,393,528)
Balance at December 31, 2024, net of accumulated depreciation	33,886,842,587	114,197,692,511	148,084,535,098
Balance at January 1, 2023, net of accumulated depreciation	30,131,140,799	99,224,772,298	129,355,913,097
Transfer to inventories	(501,394,460)	(455,039,206)	(956,433,666)
Additions	497,371,630	10,359,896,645	10,857,268,275
Depreciation charges for the year	-	(2,910,093,573)	(2,910,093,573)
Balance at December 31, 2023, net of accumulated depreciation	30,127,117,969	106,219,536,164	136,346,654,133

Rental income earned from investment properties amounted to P22,371.4 million, P20,026.9 million and P18,188.7 million for the years ended December 31, 2025, 2024 and 2023, respectively, are presented as Rental income under Rendering of Services account in the consolidated statements of comprehensive income (see Note 23.1). The operating lease commitments of the Group as a lessor are fully disclosed in Note 30.1.

Investment property includes capitalized borrowing costs amounting to P3,429.4 million, and P3,346.4 million in 2025 and 2024, respectively, representing the actual borrowing costs, net of related investment income, incurred on specific and general borrowings obtained to fund the construction project (see Notes 17 and 18). The capitalization rate used was based on effective interest rates of applicable specific and general borrowings ranging from 3.22% to 9.20%, 3.30% to 9.20% and 2.89% to 9.20% in 2025, 2024 and 2023, respectively.

In 2024, the Group transferred certain properties from Inventories to Investment Properties with a carrying amount of P458.0 million, following a change in use evidenced by the cessation of development for sale and the intention to hold the properties to earn rentals and/or for capital appreciation. Consequently, the properties met the recognition criteria for investment property under PAS 40 (see Note 35.2).

Depreciation charges are presented as part of Depreciation and amortization under Cost of Services account in the consolidated statements of comprehensive income (see Note 24).

As of December 31, 2025 and 2024, none of the Group's investment properties are held as collateral.

The fair market values of these properties amounted to P516.8 billion and P486.9 billion as of December 31, 2025 and 2024, respectively. These are estimated either by reference to current prices for similar properties or using the income approach by calculating of the present values of the estimated cash inflows anticipated until the end of the life of the investment property using discount rates that reflect the risks and uncertainty in cash flows (see Note 33.4).

15. INTANGIBLE ASSETS

The gross carrying amounts and accumulated amortization of intangible assets at the beginning and end of the reporting periods are shown below (see Notes 2.12 and 2.16).

(Amounts in PHP)	Goodwill	Trademarks	Leasehold Rights	Computer Software	Franchise Fee	Total
December 31, 2025						
Cost	19,795,285,917	22,994,271,842	90,547,817	5,400,050	-	42,885,505,626
Translation adjustment	761,749,639	2,364,501,895	-	-	-	3,126,251,534
Accumulated amortization	-	(1,301,128,681)	(27,860,868)	(229,250)	-	(1,329,218,799)
Accumulated impairment	(77,347,633)	-	-	-	-	(77,347,633)
Net carrying amount	**20,479,687,923**	**24,057,645,056**	**62,686,949**	**5,170,800**	**-**	**44,605,190,728**
December 31, 2024						
Cost	20,667,574,161	22,427,057,462	131,840,607	52,761,167	340,115,807	43,619,349,204
Translation adjustment	379,067,944	327,929,771	-	-	-	706,997,715
Accumulated amortization	-	(1,301,128,681)	(60,587,437)	(52,636,967)	(147,943,118)	(1,562,296,203)
Accumulated impairment	(77,347,633)	-	-	-	-	(77,347,633)
Net carrying amount	20,969,294,472	21,453,858,552	71,253,170	124,200	192,172,689	42,686,703,083
January 1, 2024						
Cost	20,333,916,541	21,405,016,810	131,840,607	52,761,167	248,457,519	42,171,992,644
Translation adjustment	333,657,620	1,022,040,652	-	-	-	1,355,698,272
Accumulated amortization	-	(1,301,128,681)	(53,293,757)	(51,065,589)	(109,978,477)	(1,515,466,504)
Net carrying amount	20,667,574,161	21,125,928,781	78,546,850	1,695,578	138,479,042	42,012,224,412

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

(Amounts in PHP)	Goodwill	Trademarks	Leasehold Rights	Computer Software	Franchise Fee	Total
Balance at January 1, 2025, net of accumulated amortization	20,969,294,472	21,453,858,552	71,253,170	124,200	192,172,689	42,686,703,083
Additions	-	239,284,609	-	5,275,850	404,431,425	648,991,884
Effect of deconsolidation	(1,251,356,188)	-	(1,582,402)	-	(587,033,824)	(1,839,972,414)
Translation adjustment	761,749,639	2,364,501,895	-	-	-	3,126,251,534
Amortization for the year	-	-	(6,983,819)	(229,250)	(9,570,290)	(16,783,359)
Balance at December 31, 2025, net of accumulated amortization	**20,479,687,923**	**24,057,645,056**	**62,686,949**	**5,170,800**	**-**	**44,605,190,728**
Balance at January 1, 2024, net of accumulated amortization	20,667,574,161	21,125,928,781	78,546,850	1,695,578	138,479,042	42,012,224,412
Additions	-	-	-	-	92,792,288	92,792,288
Effect of deconsolidation	-	-	-	-	(1,009,228)	(1,009,228)
Impairment losses	(77,347,633)	-	-	-	-	(77,347,633)
Translation adjustment	379,067,944	327,929,771	-	-	-	706,997,715
Amortization for the year	-	-	(7,293,680)	(1,571,378)	(38,089,413)	(46,954,471)
Balance at December 31, 2024, net of accumulated amortization	20,969,294,472	21,453,858,552	71,253,170	124,200	192,172,689	42,686,703,083
Balance at January 1, 2023, net of accumulated amortization	20,333,916,541	20,104,426,593	85,868,308	11,920,914	128,958,357	40,665,090,713
Additions	-	-	-	124,200	39,135,202	39,259,402
Disposals	-	-	-	(13,849,990)	-	(13,849,990)
Reclassification	-	-	-	9,233,327	-	9,233,327
Translation adjustment	333,657,620	1,022,040,652	-	-	-	1,355,698,272
Amortization for the year	-	(538,464)	(7,321,458)	(5,732,873)	(29,614,517)	(43,207,312)
Balance at December 31, 2023, net of accumulated amortization	20,667,574,161	21,125,928,781	78,546,850	1,695,578	138,479,042	42,012,224,412

Goodwill primarily relates to growth expectations arising from operational efficiencies and synergies that will be achieved by combining the resources, skills and expertise of the individual components of the Group and by improving the Group's market reach and industry visibility both in the local and global market.

Trademarks with definite useful lives pertain to trademarks registered under the Group for the manufacture and sale of distilled spirits, mostly brandy, which include the brand names "Emperador Deluxe", "The Bar", and "Emperador Brandy" and "Generoso Brandy." These trademarks have been fully amortized since 2023, 2018, and 2017, respectively.

In 2014, from the Group's acquisition of WMG Group, the trademarks "Jura" and "The Dalmore" (collectively, "WMG brands") were recorded for a total of P10.0 billion. In 2016, the Group's acquisition of Bodegas Fundador in Jerez resulted in the recognition of four trademarks amounting to P6.7 billion, namely "Fundador Brandy", "Terry Centenario Brandy", "Tres Cepas Brandy", and "Harveys" sherry wine (collectively, "Fundador brands"). In 2017, the Group acquired various trademarks with indefinite useful lives amounting to P3.5 billion including "Domecq" brands of Mexican and Spanish brandies which include "Presidente", "Azteca de Oro" and "Don Pedro"; "Grupo Garvey brands" which include "Garvey Brandy" and "Fino San Patricio"; and other well-known sherries and liquors brands.

Casa Pedro Domecq's acquisition of Los Danzantes in 2025 included the recognition of three trademarks with an aggregate fair value of P239.3 million, namely "Los Danzantes," "Alipús," and "Encantado." These trademarks were assessed to have indefinite useful lives. As the consideration transferred approximated the fair value of the identifiable net assets acquired, no goodwill was recognized from the transaction.

The Group monitors goodwill and trademarks with indefinite useful lives on the cash generating units to which these assets were allocated [see Notes 2.16 and 3.2(j)]. An analysis of the value-in-use and the amount of intangible assets allocated to such groups of cash generating units is presented as follows (amounts in billions of pesos):

	2025				2024			
(Amounts in PHP)	**Allocated Intangible Assets**	**Value in Use**	**Terminal Growth Rate**	**Discount Rate**	Allocated Intangible Assets	Value in Use	Terminal Growth Rate	Discount Rate
Goodwill:								
Megaworld	**9.06**	**287.1**	**1.00%**	**8.86%**	9.06	271.5	1.00%	8.77%
GADC	**-**	**-**	**-**	**-**	1.25	83.4	1.00%	8.59%
WMG*	**9.06**	**18.36**	**4.57%**	**7.98%**	8.52	17.56	4.57%	7.98%
GES*	**1.94**	**18.38**	**3.40%**	**8.46%**	1.72	15.51	3.40%	6.57%
Trademarks with indefinite lives:								
WMG brands*	**11.35**	**122.36**	**4.57%**	**7.98%**	10.49	117.01	4.57%	7.98%
Fundador brands	**8.83**	**10.71**	**1.60%**	**9.42%**	7.82	20.82	3.40%	6.57%
Domecq brands**	**3.50**	**5.42**	**1.50%**	**4.80%**	3.06	3.99	1.50%	4.50%
Grupo Garvey brands**	**0.11**	**2.25**	**1.60%**	**6.50%**	0.09	0.10	0.50%	7.65%
Los Danzantes brands	**0.27**	**0.28**	**3.85%**	**16.57%**	-	-	-	-

**Amounts are translated at closing rates as of the end of the reporting periods in accordance with PAS 21.*

***Management believes that, after the impairment provided for Grupo Garvey brands in 2019, the value-in-use as of December 31, 2025 and 2024 approximates its carrying value.*

The value-in-use of each group of cash generating unit was determined using cash flow projections for five years, and extrapolating cash flows beyond the projection period using a perpetual terminal growth rate. The discount rates and growth rates are the key assumptions used by management in determining the value-in-use of the cash-generating units.

In 2024, the Group recognized impairment losses on Goodwill amounting to P77.3 million in relation to EELHI's goodwill on LBASSI. The impairment loss is presented under Other Operating Expenses account in the 2024 consolidated statement of comprehensive income (see Note 25). There was no similar transaction in 2025 and 2023.

The Group recognized amortization expense from trademarks with definite useful lives amounting to P0.5 million in 2023 (nil in 2025 and 2024) (see Note 25).

As of December 31, 2025 and 2024, the Group has no contractual commitments for the acquisition of any additional trademarks, leasehold rights, computer software and franchise fee.

No intangible assets have been pledged as security for liabilities as of December 31, 2025 and 2024.

16. TRADE AND OTHER PAYABLES

The breakdown of this account follows (see Note 2.13):

(Amounts in PHP)	Notes	**2025**	2024
Trade payables	29.1	**43,397,663,691**	45,934,379,346
Accrued expenses	29.2, 30.2(b), 30.4, 30.5	**11,634,984,083**	14,293,380,746
Retention payable		**5,877,038,115**	5,884,215,924
Accrued interest payable	17, 18	**2,802,668,642**	3,029,139,388
Refund liability		**2,572,865,349**	1,834,817,397
Subscription payable	1.1(v)	**1,606,056,250**	-
Dividends payable	21.5	**831,372,519**	842,248,155
Gaming license fees payable	28.3	**817,516,691**	799,480,373
Slot jackpot liability	2.5	**767,389,124**	772,287,098
Output VAT payable		**612,322,951**	822,803,768
Withholding tax payable		**160,989,078**	124,389,380
Due to related parties	29.4	**65,637,715**	189,475,673
Unredeemed gaming points	3.2(m)	**56,830,088**	164,272,073
Others		**2,534,680,179**	2,378,189,520
		73,738,014,475	77,069,078,841

Trade payables significantly comprise of obligations to subcontractors and suppliers of construction materials for the Group's projects and suppliers of raw materials. These also include unredeemed gaming chips determined as the difference between total gaming chips placed in service and the actual inventory of gaming chips under control or in custody, casino deposit certificates from patrons and other gaming-related liabilities.

Accrued expenses include accruals for salaries and other benefits, utilities, local and overseas travel, training and recruitment, dues and subscriptions, advertising, rentals, marketing and other operating expenses of the Group.

Retention payable pertains to amount withheld from payments made to contractors for construction work performed to ensure compliance and completion of contracted projects. Upon completion of the contracted projects, the retained amounts are returned to the contractors.

Refund liability pertains to amounts payable to customers due to real estate sales cancellation in respect of instalment sales contracts as covered by the R.A. No. 6552, *Realty Installment Buyer Protection Act*, otherwise known as the Maceda Law.

The unredeemed gaming points liability represents the estimated costs of unredeemed casino gaming points issued, which are redeemable for complimentary goods or services of the Group [see Notes 2.14 and 3.2(m)].

Dividends payable represents the total dividends declared by AGI to its stockholders in 2025 and 2024 payable in January 2026 and January 2025, respectively (see Note 21.5).

Others include unearned rental, payables to government and other regulatory agencies, and various unreleased checks, which are reverted to liability.

17. INTEREST-BEARING LOANS

The composition of the Group's outstanding interest-bearing loans is shown below.

(Amounts in PHP)	**2025**	2024
Current:		
Philippine Peso	**51,837,635,838**	40,959,319,860
Foreign currencies	**6,558,998,471**	5,520,375,295
	58,396,634,309	46,479,695,155
Non-current:		
Philippine Peso	**102,074,302,741**	94,716,949,586
Foreign currencies	**92,408,488,228**	88,807,274,574
	194,482,790,969	183,524,224,160
	252,879,425,278	230,003,919,315

The summarized terms and conditions of each availed loan as of December 31, 2025 and 2024 are as follows *(amounts in PHP)*:

Outstanding Principal Balance		Explanatory Notes	Interest Rate	Security	Maturity
2025	2024				
Megaworld					
5,956,529,080	-	(a)	Floating rate	Unsecured	2032
3,973,732,695	-	(b)	Floating rate	Unsecured	2031
8,588,846,328	8,933,045,799	(c)	Floating rate	Unsecured	2031
3,976,654,083	3,970,762,910	(d)	Floating rate	Unsecured	2031
7,611,393,323	9,941,057,136	(e)	Floating rate	Unsecured	2029
8,587,627,844	10,412,099,772	(f)	Floating rate	Unsecured	2029
5,860,177,920	8,193,301,668	(g)	Floating rate	Unsecured	2028
7,329,704,064	10,111,492,138	(h)	Fixed at 4.64%	Unsecured	2028
2,803,794,220	4,045,107,002	(i)	Floating rate of 6.35% subject to repricing	Unsecured	2028
4,363,998,399	6,849,378,640	(j)	Floating rate	Unsecured	2027
936,661,180	2,182,780,442	(k)	Higher of 3-month BVAL or 28-day BSP T-bill rate	Unsecured	2026
749,455,407	2,245,513,338	(l)	Higher of 3-month BVAL or BSP Overnight plus certain spread	Unsecured	2026
293,936,823	1,467,750,490	(m)	Fixed at 4.00%	Unsecured	2026
-	416,466,954	(n)	Floating rate based on a 5-day average reference rate plus a certain spread	Unsecured	2025
61,032,511,366	68,768,756,289				
EELHI					
450,000,000	650,000,000	(o)	Floating rate of 3.50%	Unsecured	2028

Outstanding Principal Balance 2025	Outstanding Principal Balance 2024	Explanatory Notes	Interest Rate	Security	Maturity
SPI					
857,142,857	1,000,000,000	(p)	Fixed rate of 7.13%	Unsecured	2029
428,571,428	500,000,000	(p)	Fixed rate of 7.13%	Unsecured	2029
428,571,428	500,000,000	(q)	Fixed at 5.00%	Unsecured	2029
200,000,000	300,000,000	(r)	Fixed at 4.38%	Unsecured	2027
150,000,000	225,000,000	(s)	Fixed rate of 4.50%	Unsecured	2027
100,000,000	150,000,000	(r)	Fixed at 4.50%	Unsecured	2027
50,000,000	75,000,000	(r)	Floating rate of 4.38% subject to repricing	Unsecured	2027
-	275,000,000	(t)	Floating rate of 4.50% subject to repricing every 30 to 180 days	Unsecured	2025
602,136,152	133,792,000	(u)	Variable prevailing market rate of 5.50% to 15.00%	Secured	Upon collection of related assigned receivable
2,816,421,865	3,158,792,000				
GERI					
1,488,572,113	-	(w)	Floating rate	Unsecured	2032
495,971,008	-	(x)	Floating rate	Unsecured	2032
993,994,863	992,734,393	(y)	Floating rate	Unsecured	2031
992,382,869	-	(z)	Floating rate	Unsecured	2031
992,785,973	-	(aa)	Floating rate	Unsecured	2030
1,119,985,582	1,492,295,105	(bb)	Floating rate	Unsecured	2028
373,177,177	509,646,632	(bb)	Floating rate	Unsecured	2028
830,718,466	995,653,163	(cc)	Floating rate	Unsecured	2028
830,445,555	995,191,552	(dd)	Floating rate	Unsecured	2028
199,515,767	310,293,037	(ee)	Floating rate	Unsecured	2027
199,458,376	299,120,619	(ff)	Floating rate	Unsecured	2027
-	249,762,853	(gg)	Fixed rate 5.26%	Unsecured	2025
-	249,650,875	(hh)	Fixed rate 5.37%	Unsecured	2025
8,517,007,749	6,094,348,229				
TLC					
937,500,000	1,312,500,000	(ii)	Floating rate with a floor rate of 6.75%	Unsecured	2028
MREIT					
7,217,637,246	7,212,172,904	(jj)	Floating rate at 3.64% subject repricing in 2024	Unsecured	2031
MBPHI					
2,054,113,333	2,796,941,609	(kk)	Floating rate	Unsecured	2028
EIL					
20,681,384,724	18,909,997,520	(ll)	0.825% plus EURIBOR	Unsecured	2028
WMG					
20,225,314,955	13,506,215,085	(mm)	0.80% over Sterling Overnight Index Average	Secured	2026 to 2028
DBLC					
1,072,402,985	1,016,342,816	(nn)	Fixed at 1.60%	Unsecured	2027
GADC					
-	62,500,000	(oo)	Fixed at 4.50%	Unsecured	2025
-	62,500,000	(pp)	Fixed at 4.50%	Unsecured	2025
-	50,000,000	(qq)	Fixed at 4.50%	Unsecured	2025
-	175,000,000				

Outstanding Principal Balance 2025	Outstanding Principal Balance 2024	Explanatory Notes	Interest Rate	Security	Maturity
Travellers					
8,537,889,906	-	(rr)	Fixed at 6.90%	Unsecured	2032
9,948,571,499	9,935,435,123	(rr)	Fixed at 7.40%	Unsecured	2031
5,467,327,462	5,460,122,368	(ss)	Fixed at 7.25%	Unsecured	2031
11,836,736,648	13,437,185,092	(ss)	Fixed at 8.50%	Unsecured	2029
9,117,916,887	10,984,926,653	(rr)	Fixed at 4.75%	Unsecured	2027
5,541,862,983	-	(tt)	Fixed at 3.50%	Unsecured	2027
4,790,006,537	4,969,132,726	(tt)	Fixed at 8.70%	Unsecured	2029
2,487,531,433	3,473,950,297	(uu)	Fixed at 8.00%	Unsecured	2036
624,766,011	2,870,532,091	(tt)	Fixed at 7.6%	Unsecured	2026
1,200,000,000	2,500,000,000	(vv)	Floating rate subject to repricing	Unsecured	2025
16,000,000,000	-	(ss)	Fixed at 7.50%	Secured	2026
2,000,000,000	2,000,000,000	(ss)	Fixed at 7.00%	Unsecured	2026
2,000,000,000	2,000,000,000	(ss)	Fixed at 7.30%	Unsecured	2026
1,000,000,000	1,000,000,000	(ss)	Fixed at 7.00%	Unsecured	2026
-	1,815,420,000	(tt)	Fixed at 7.30%, subject to repricing	Unsecured	2025
-	1,476,312,131	(rr)	Fixed at 7.00%	Unsecured	2025
-	719,648,063	(rr)	Fixed at 8.60% for two years and at 9.00% in the next five years	Unsecured	2025
80,552,609,366	62,642,664,544				
AGI					
3,711,182,102	-	(ww)	Floating rate subject to repricing	Unsecured	2030
2,089,524,656	2,682,484,790	(ww)	Floating rate subject to repricing	Unsecured	2029
450,762,803	706,200,991	(ww)	Fixed at 4.50%; subject to repricing at the end of fifth year	Unsecured	2027
6,251,469,561	3,388,685,781				
AG Cayman					
29,266,032,968	28,806,474,173	(xx)	Floating rate subject to repricing	Unsecured	2027
5,931,200,125	5,798,820,064	(xx)	Floating rate subject to repricing	Unsecured	2027
5,873,819,035	5,766,208,301	(xx)	Floating rate subject to repricing	Unsecured	2027
41,071,052,128	40,371,502,538				
252,879,425,278	230,003,919,315				

Explanatory Notes:

(a) Seven-year loan amounting to P6,000.0 million obtained by Megaworld in October 2025 from a local bank. The principal is payable quarterly in installment with the first principal payment due in January 2028. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(b) Seven-year loan amounting to P4,000.0 million obtained by Megaworld in June 2025. The principal is payable quarterly in installment with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate equivalent to the higher of the sum of a reference rate and a certain spread or a prescribed floor rate.

(c) Seven-year loan amounting to P9,000.0 million obtained by Megaworld in December 2024 from a local bank. The principal is payable quarterly in installment with the first principal payment due in December 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(d) Seven-year loan amounting to P4,000.0 million obtained by Megaworld in November 2024. The principal is payable quarterly in installment with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

(e) Five-year loan amounting to P10,000.0 million obtained in two tranches by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in March 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(f) Five-year loan amounting to $180.5 million obtained by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in June 2025. The interest is payable quarterly at a fixed rate. Megaworld entered a cross-currency swap to hedge the U.S. Dollar exchange rate, and a fixed-to-floating interest rate swap based on a 3-month BVAL reference rate plus a certain spread (see Note 7).

(g) Five-year loan amounting to P10,000.0 million obtained by Megaworld from a local bank divided equally into two tranches. The two tranches were availed in June 2023 and November 2023, respectively. The loan is payable quarterly with twelve-month grace period. Interest of the loan is payable quarterly on a floating rate.

(h) Five-year loan amounting to $200.0 million obtained by Megaworld in April 2023 from a local bank. The loan shall be paid in sixteen equal or nearly equal consecutive installments commencing at the end of the fifth quarter from the date of borrowing on a repayment date. Each installment shall be paid on a repayment date with fixed interest rate.

(i) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2023 from a local bank. Interest in the loans is payable semi-annually for the first 184 days with 6.35% per annum inclusive of gross receipts tax which is subject to semi-annual repricing interest rate. The loan is payable quarterly starting June 2024.

(j) Five-year loan amounting to P10,000.0 million obtained by Megaworld in September 2022 from a local bank. Principal is payable quarterly in installments at the end of the fifth quarter from the drawdown date. The loan is payable quarterly beginning December 2023. The interest is payable quarterly at a floating rate.

(k) Five-year loan amounting to P5,000.0 million obtained by Megaworld in August 2021 from a local bank. The loan is payable quarterly with the first principal payment due in November 2022. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(l) Five-year loan amounting to P6,000.0 million obtained by Megaworld in May 2021 from a local bank. The loan is payable quarterly beginning August 2022. Interest is payable quarterly.

(m) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2021 from a local bank. The loan is payable quarterly with a grace period of one year upon availment. The principal repayment on the loan shall commence in March 2022. Interest is payable quarterly.

(n) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2020 from a local bank. The loan is payable quarterly with a grace period of two years upon availment. The principal repayments on the loan shall commence in June 2022 and interest is paid quarterly. In 2025, the Megaworld fully paid its outstanding balance.

(o) Seven-year loan amounting to P1,000.0 million obtained by EELHI from a local bank in February 2021. The proceeds of the loan were used to fund the development of its various real estate projects. The principal of the loan is payable in 20 equal quarterly payments starting in May 2023 with a two-year grace period and interest is payable quarterly in arrears.

(p) Two six-year loans amounting to P1,000.0 million and P500 million were obtained by SPI from a local bank. The principal amount is payable monthly after a grace period of three years from the date of availment. The loan bears fixed interest rate of 7.13% for both loans.

(q) Seven-year loan amounting to P500.0 million was obtained by SPI from a local bank in 2022. The principal amount is payable monthly after a grace period of three years from date of availment.

(r) Six-year loans amounting to P200.0 million, P100.0 million, and P400.0 million obtained by SPI in February 2021, August 2021, and October 2021, respectively, from a local bank. The principal amount is payable on a monthly basis after a grace period of three years from the date of availments.

(s) Seven-year loan amounting to P300.0 million obtained by SPI in 2020 from a local bank. The loan bears a fixed rate and is payable on a monthly basis after a grace period of two years from the date of availment.

(t) Seven-year loan amounting to P2,200.0 million obtained by SPI from a local bank in 2018 to fund the acquisition of STLI. Principal repayments is payable on a monthly basis after a grace period of three years from the date of availment. The loan was fully settled in 2025.

(u) Loans obtained by SPI from a local bank through assignment of trade receivables (see Note 6). The local bank is given the right to collect the assigned receivables and apply the collections to the corresponding loan balances. The loans and interests are being paid as the receivables are collected.

(v) In February 2025, SPI obtained an unsecured short-term loan from a local bank amounting to P500.0 million. The loan bears a fixed annual interest rate of 7.75%, with interest payable monthly from the date of availment. The principal is payable in full at the end of the loan term. The loan was fully settled in November 2025.

(w) Seven-year loan amounting to P1,500.0 million obtained by GERI from a local bank in May 2025. The loan is payable quarterly with a twenty-four-month grace period. Interest of the loan is payable quarterly on a floating rate.

(x) Seven-year loan amounting to P1,000.0 million obtained by GERI from a local bank in November 2025. The loan is payable quarterly with a twenty-four-month grace period. Interest of the loan is payable quarterly on a floating rate.

(y) Seven-year loan amounting to P1,000.0 million obtained by GERI from a local bank in October 2024. The interest is payable quarterly in arrears at a floating rate.

(z) Six-year loan amounting to P1,000.0 million obtained by GERI from a local bank in September 2025. The loan is payable quarterly with a fifteen-month grace period. Interest of the loan is payable quarterly on a floating rate.

(aa) Five-year loan amounting to P1,000.0 million obtained by GERI in August 2025 from a local bank. The loan is payable quarterly with a twelve-month grace period. Interest of the loan is payable quarterly on a floating rate.

(bb) Five-year loan amounting to P1,500.0 million and P500.0 million obtained by GERI in December 2023 and April 2024, respectively, from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

(cc) Five-year loans amounting to P1,000.0 million obtained by GERI in May 2023 from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

(dd) Five-year loans amounting to P1,000.0 million obtained by GERI in October 2023 from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

(ee) Seven-year loan amounting to P500.0 million obtained by GERI in 2020 from a local bank. The loan is payable quarterly with a grace period of one year upon availment. The principal repayment on the loan shall commence in March 2022. The loan bears a floating rate and is payable quarterly.

(ff) Seven-year loan amounting to P500.0 million obtained by GERI in March 2021 from a local bank. The loan is payable quarterly with a grace period of two years upon availment. The loan bears a floating rate and is payable quarterly in arrears.

(gg) Five-year loan amounting to P1,000.0 million obtained by GERI in 2020 from a local bank payable quarterly with a grace period of two years upon availment. The principal repayment on the loan shall commence in December 2022. The loan bears a fixed interest rate and is payable quarterly. The loan was fully settled in 2025.

(hh) Four-year loan amounting to P1,000.0 million obtained by GERI in July 2021 from a local bank. The loan is payable quarterly commencing on the beginning of the fifth quarter from the date of availment. In 2025, GERI has paid in full its outstanding loan balance.

(ii) Five-year loan amounting to P1,500.0 million obtained by TLC in June 2023 from a local bank which will be used to finance capital expenditures related to various on-going real estate development projects. The loan bears a floating rates with a floor rate of 6.75%.

(jj) Ten-year term loan amounting to P7,250.0 million acquired by MREIT in December 2021 from a local bank to finance the acquisition of investment properties from Megaworld. The principal is payable quarterly in installment beginning in the last quarter of the fifth year with a balloon payment at the end of the term. Interest is payable quarterly at 3.64% per annum subject to repricing in December 2024.

(kk) Five-year loan amounting to P3,000.0 million obtained by MBPHI in 2023 from a local commercial bank to support its funding requirements of the construction of various projects. The principal amount is payable equal quarterly amortization over the next four years after a grace period of one year. The loan bears floating rate.

(ll) In November 2023, EIL obtained a €310.0 million unsecured term loan from a syndicate of foreign financial institutions to pay the balance of its existing loan obtained in 2019. The loan was repayable in full 36 months from the date of first utilization, or extended up to 60 months from first utilization if at least one lender gives its consent. EIL may, with prior notice, voluntarily prepay the whole or any part of the loan. In 2025, EIL prepaid €10.0 million of the principal. The loan is guaranteed by EMI and EDI.

On December 19, 2025, EIL received and agreed to a mandate letter-underwritten (signifying firm and irrevocable commitment) for a €300.0 million syndicated sustainability-linked term loan facility with bullet repayment in full 36 months from first utilization, subject to an extension option of 60 months from first utilization. This mandated facility is intended to fully pay the present loan balance, and is available for 180 days from the date the facility agreement is signed. Accordingly, the present loan is presented under Non-Current Liabilities in the 2025 consolidated statement of financial position.

In 2025 and 2023, EIL made principal payments amounting to P666.9 million and P1,200.8 million, respectively. There was no similar transaction in 2024.

(mm) WMG has an existing asset-based-lending facility with a foreign bank up to March 2028, where it had drawn down P6,300.0 million, P7,500.0 million and P5,400.0 million in 2025, 2024 and 2023, respectively. The loans are secured by way of floating charge against WMG's inventories. The interest and the principal can be paid anytime up to, or balloon payment at, maturity. In 2025, 2024, and 2023, WMG repaid loans amounting to P671.5 million, P146.0 million, and P2,238.0 million, respectively.

On April 4, 2025, the facility agreement was increased from £125.0 million (with an accordion limit of £125.0 million) to £175.0 million (approximately P13,500.0 million), which is extendable up to £300.0 million (approximately P23,100.0 million). It was further increased by an additional £50.0 million in January 2026.

(nn) In 2017, DBLC assumed from BLC unsecured, interest-bearing and foreign-currency-denominated loans totalling P3,000.0 million from certain financial institutions relating to Domecq Acquisition. In 2025, 2024 and 2023, DBLC obtained additional loans amounting to P565.5 million, P406.2 million and P464.5 million, respectively. In 2025, 2024 and 2023, DBLC paid portion of the loans amounting to P641.7 million, P900.8 million and P543.5 million, respectively.

(oo) Five-year US dollar loan with a principal amount of P1,000.0 million obtained by GADC from a local bank in March 2020. GADC has a Cross Currency Swap (CCS) agreement with the local bank, whereby GADC will receive and settle the dollar loan and its interest at a fixed foreign exchange rate of P50.60 per US$1 or total of P1,000.0 million (see Note 20). The loan is payable quarterly and bears a fixed interest rate. In 2025, this loan was derecognized as a result of deconsolidation of GADC [see Note 1.2(a)].

(pp) Five-year loan obtained by GADC from a local bank in June 2020 payable quarterly starting from September 2021. The loan bears a fixed interest. In 2025, this loan was derecognized as a result of deconsolidation of GADC [see Note 1.2(a)].

(qq) Five-year loan obtained by GADC from another local bank in June 2020 payable in 20 quarters from September 2020 to June 2025. Interest payments are fixed. In 2025, this loan was derecognized as a result of deconsolidation of GADC [see Note 1.2(a)].

(rr) In prior years, a local bank approved a credit line which grants Travellers to borrow P33.5 billion. Total drawdowns made in prior years, including loans subsequently converted into long-term borrowings, amounted to P31.0 billion. Outstanding loans as of December 31, 2025 and 2024 amounted to P4.1 billion and P8.2 billion, respectively.

In 2023, Travellers settled the P0.5 billion short-term loan and obtained an omnibus loan from the same bank amounting to P5.0 billion, which was originally scheduled to mature in 2024. The loan was subsequently rolled over and is set to mature in 2026. The loan remains outstanding as of December 31, 2025.

In 2024, Travellers obtained an additional long-term loan from the same bank amounting to P10.0 billion, which is scheduled to be mature in 2031, all of which are outstanding as of December 31, 2025.

In 2025, Travellers obtained another long-term loan from the same bank amounting to P9.0 billion, which is scheduled to be mature in 2032. As of December 31, 2025, the outstanding balance amounted to P8.6 billion.

(ss) In 2022, Travellers availed a long-term facility from a local bank amounting to P13.5 billion. In 2024, Travellers obtained additional financing amounting to P5.5 billion in the form of a term loan from the same bank. Outstanding loans under these facilities amounted to P17.3 billion and P19.0 billion in December 31, 2025 and 2024, respectively.

Travellers obtained various short-term loans in 2024 amounting to P5.0 billion. The short-term loans were rolled in 2024 and 2025 and remained outstanding as of December 31, 2025 and 2024.

In 2025, ECRC obtained a 180-day interest-bearing secured bridge loan facility from the same bank with a maximum loanable amount of P30.0 billion. The loan will be used to prepay the construction-related obligations and to partially finance the development and construction of Westside Integrated Resort Project, as part of the strategic working agreement. Total drawdowns made from the said facility amounted to P16.0 billion in 2025. The loan is secured by a real estate mortgage over a certain parcel of land of WCI, which acts as a mortgagor for ECRC (see Note 30.8). In addition, WCI, WBHC and AGI act as guarantors of the loan facility (see Note 30.8). The loan remains outstanding as of December 31, 2025.

(tt) In 2017, Travellers entered into various credit line agreements with a total maximum loanable amount of P10.0 billion from a local bank. In 2021, Travellers availed another long-term facility with the bank amounting to P5.0 billion. The outstanding loans related to these facilities amounted to P0.6 billion and P2.8 billion as of December 31, 2025 and 2024, respectively.

In 2024, Travellers obtained another long-term loan amounting to P5.0 billion. The outstanding loans related to these amounted to P4.8 billion and P5.0 billion as of December 31, 2025 and 2024, respectively.

In 2025, Travellers obtained long-term loans amounting to P4.7 billion, all of which are outstanding as of December 31, 2025.

Further, Travellers obtained and settled other various short-term loans in 2025 and 2024. Total outstanding short-term loans amounted to P0.8 billion and P1.7 billion as of December 31, 2025 and 2024, respectively.

(uu) In 2022, Travellers availed a long-term facility from a local bank amounting to P5.0 billion. The outstanding balance amounted to P2.5 billion and P3.5 billion as of December 31, 2025 and 2024, respectively.

Travellers also availed short-term loans in 2024, which were subsequently settled in the same year. No similar loans were obtained during 2025.

(vv) Travellers obtained various short-term loans in 2025 and 2024, totaling to P1.2 billion and P2.5 billion, respectively, which remain outstanding as of December 31, 2025 and 2024.

(ww) Seven-year loan amounting to P5,000.0 million obtained by AGI in July 2020 from a local bank. The loan is payable quarterly commencing after the one-year grace period, as provided in the loan agreement. The loan bears a fixed rate for the first five years, subject to repricing at the end of the fifth year. The interest is payable quarterly in arrears.

In 2024 and 2025, AGI obtained an unsecured long-term loans from a local bank amounting to P3,000.0 million and P4,150.0 million, respectively. These loans are payable quarterly for a term of five years commencing the following quarter from drawdown date, as provided in the loan agreement and bear floating interest rate subject to repricing every three months. The interest is payable quarterly in arrears.

(xx) Five-year U.S. dollar-denominated loans obtained by AG Cayman in 2017 from a foreign bank totaling to US$700.0 million with interest payable semi-annually in arrears. The loans are unconditionally and irrevocably guaranteed by AGI. In 2022, these loans were refinanced for another five years.

As of December 31, 2025 and 2024, the Group has complied with the related loan covenants, including maintaining certain financial ratios, at the reporting dates except that in 2024, Travellers was not able to meet some financial covenants of the loans, such as the current ratio and debt service coverage ratio, for which Travellers was able to secure debt covenant waivers certified by the banks before December 31, 2024. As of December 31, 2025, Travellers was in compliance with all loan covenants.

The total interest expense attributable to these loans, including amortization of capitalized transaction costs and capitalized interest, amounted to P13,981.2 million, P13,674.3 million and P11,430.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. The portion charged as expense are presented as part of Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 26). Interest charges capitalized for the years ended December 31, 2025, 2024 and 2023 are included as part of additions to Construction in progress under Property, Plant and Equipment account (see Note 13.1) and Investment Properties (see Note 14). The amounts of outstanding accrued interest as of December 31, 2025 and 2024 are presented as part of Accrued interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

The total loans issue cost from the availment of new loans amounted to P136.1 million, P258.7 million and P345.8 million for the years ended 2025, 2024, and 2023, respectively. The amortization of loans issue costs is recognized as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 26).

18. BONDS PAYABLE

On July 30, 2020, Megaworld issued seven-year term senior unsecured notes totaling to U.S. $350.0 million. The notes carry a coupon rate of 4.125% per annum and interest is payable semi-annually in arrears on January 30 and July 30. The notes shall mature on July 30, 2027. The notes are listed in the SGX-ST.

Megaworld has complied with the bond covenants, including maintaining certain financial ratios at the end of the reporting periods.

The total interest incurred on these bonds amounted to P920.9 million, P1,090.3 million and P1,692.7 million in 2025, 2024 and 2023, respectively. Of these amounts, portion charged as expense amounted to P499.6 million, P734.5 million and P954.7 million in 2025, 2024 and 2023, respectively, and are presented as part of Interest expense under Finance Cost and Other Charges account in the consolidated statements of income (see Note 26). The outstanding interest payable as of December 31, 2025 and 2024 is presented as part of Accrued interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 16). Unrealized foreign currency gains and losses in relation to these foreign bonds are presented as part of Foreign currency gains - net under Finance and Other Income and Foreign currency losses - net under Finance costs and other charges account, respectively, in the consolidated statements of comprehensive income (see Note 26).

Interest capitalized amounted to P329.0 million, P355.8 million and P642.3 million in 2025, 2024 and 2023, respectively. Capitalization rate used in determining the amount of interest charges qualified for capitalization is 3.22% in 2025, 3.30% in 2024 and 2.89% in 2023 (see Note 14).

The reconciliation of the unamortized bonds issue costs is presented below.

(Amounts in PHP)	**2025**	2024	2023
Balance at beginning of year	**181,687,730**	271,840,029	367,603,203
Amortization	**(26,968,057)**	(90,152,299)	(95,763,174)
Balance at end of year	**154,719,673**	181,687,730	271,840,029

The amortization of bonds issue costs is recognized as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 26).

19. REDEEMABLE PREFERRED SHARES

The Group's redeemable preferred shares pertain to preferred shares issued by GADC. The preferred shares are considered as financial liabilities. Accordingly, the redeemable preferred shares are recognized at fair value on the date of issuance, which is subsequently adjusted for any foreign exchange gains and losses.

The shares were issued in March 2005 to McDonald's Restaurant Operations ("MRO"), a company incorporated in the U.S.A. and is a subsidiary of McDonald's Corporation. The features of these preferred shares with par value per share of P61,066 each are presented below (in exact amounts).

(Amounts in PHP)

Class	Voting	No. of Shares Authorized and Issued	Total Par Value (Undiscounted)	Additional Payment in the Event of GADC's Liquidation
A	No	778	47,509,348	U.S. $1,086 per share or the total peso equivalent of U.S $845,061
B	Yes	25,000	1,526, 650,000	U.S. $1,086 per share or the total peso equivalent of U.S $27,154,927

The redeemable preferred shares were recognized at fair values on the date of issuance which were determined as the sum of all future cash payments, discounted using the prevailing market rates of interest as of the transaction date for similar instruments with similar term of 18 years.

These redeemable preferred shares amounted to P1,574.2 million as of December 31, 2024, and were presented under Current liabilities in the 2024 consolidated statement of financial position. Effective March 17, 2025, the Group deconsolidated GADC and accounted for it as an associate following changes in contractual arrangements with shareholders. Accordingly, all assets and liabilities of GADC, including its redeemable preference shares, were derecognized from the Group's consolidated statements of financial position on such date. The carrying amount of the redeemable preference shares of GADC formed part of the net assets derecognized upon deconsolidation and was included in the determination of the gain on deconsolidation recognized in 2025 [see Note 1.2(a)].

The accretion of GADC's redeemable preferred shares in 2023 amounted to P37.1 million, and was presented as part of Interest expense under Finance Costs and Other Charges account in the 2023 consolidated statement of comprehensive income (see Note 26). There was no similar transaction in 2024. Subsequent to deconsolidation in 2025, the Group no longer recognizes the accretion, interest expense, or redemption obligation related to these redeemable preference shares in the consolidated financial statements.

The fair value of these shares amounted to P1,574.2 million as of December 31, 2024 were determined by discounting the sum of all future cash flows using prevailing market rates of interest for instrument with similar maturities at a discount rate of 4.50% in 2024.

As of March 17, 2025, GADC is in an ongoing negotiation with MRO for the redemption. The Group has no obligation in respect of such redeemable preference shares following the deconsolidation.

20. OTHER LIABILITIES

The composition of this account is shown below.

(Amounts in PHP)	Notes	**2025**	2024
Current:			
Customers' deposits	2.14	**9,125,995,440**	9,703,763,699
Deferred rental income	30.1	**4,041,708,234**	3,957,932,912
Advances from customers		**2,421,130,639**	2,302,062,430
Commission payable		**1,799,851,408**	2,301,575,916
Others		**634,679,218**	643,219,273
		18,023,364,939	18,908,554,230
Non-current:			
Deferred rental income	30.1	**3,971,468,435**	3,462,728,974
Retention payable		**2,521,842,624**	2,180,035,235
Customers' deposits	2.14	**1,340,097,162**	2,370,902,526
Put option liability	3.1(p)	**248,391,682**	-
Provision for dilapidations	3.2(n)	**199,198,974**	180,866,410
Provision for onerous lease	3.2(o), 13.2	**1,387,240**	-
Guaranty deposits		**-**	638,052,632
Asset retirement obligation	2.15, 13.2	**-**	117,654,476
Others		**368,085,581**	466,782,436
		8,650,471,698	9,417,022,689
		26,673,836,637	28,325,576,919

Deferred rental income refers to the rental payments advanced by the lessee at the inception of the lease which will be applied to the remaining payments at the end of the lease term.

Guaranty deposits consist of rental deposits and utility deposits.

Provision for dilapidations is recognized for the present value of the costs to be incurred by WML for the restoration of the leased properties to a specified condition at the end of the lease term in 2029 as provided in the tenant repairing clauses of lease agreements. Additional provisions are capitalized as part of ROUA in 2025 and 2024 (see Note 13.2).

In 2024, the provision for dilapidations relating to the surrender of one of the units in the leasehold properties located in Edinburgh, Scotland was reversed. There was no similar transaction in 2025.

Provision for onerous lease pertains to WML's existing non-cancellable lease agreements on leasehold properties located in Glasgow and Edinburgh, Scotland, covering manufacturing plant facilities, buildings and parking spaces, which are vacant or subleased at a discount. The provision takes into account the current market conditions, expected future vacant periods, and expected future sublet benefits and are calculated by discounting expected net cash outflows on a pre-tax basis over the remaining period of the lease, which as of December 31, 2025 and 2024, is between one to four years and one to six years, respectively.

In 2024, the provision relating to the leasehold properties located in Edinburgh, Scotland was reversed upon surrendering one of its units to the lessor. Consequently, the Group reclassified against lease liabilities the future subtenant rent receivables under the onerous lease amounting to P57.0 million (see Note 13.3). There was no similar transaction in 2025.

In 2025, 2024 and 2023, the Group recognized additional provision amounting to P30.3 million, P36.7 million and P34.2 million, respectively. The additional provision is presented as part of Miscellaneous under Other Operating Expenses account in the consolidated statements of comprehensive income since the related right-of-use assets were fully impaired as of December 31, 2025 and 2024 (see Note 25). The outstanding provision pertains to the remaining services expected to be settled with third party.

The movements in balances of provisions are as follows:

(Amounts in PHP)	Onerous Lease	Dilapidations	Total
Balance at January 1, 2025	-	180,866,410	180,866,410
Additional provisions	30,303,936	19,642,592	49,946,528
Reversal of provisions	(18,224,334)	-	(18,224,334)
Utilized amounts	(10,692,362)	(1,310,028)	(12,002,390)
Balance at December 31, 2025	**1,387,240**	**199,198,974**	**200,586,214**
Balance at January 1, 2024	93,790,900	212,403,870	306,194,770
Reversal of provisions	(152,859,445)	(27,605,753)	(180,465,198)
Reclassification to lease liabilities	57,033,148	-	57,033,148
Additional provisions	36,707,116	9,103,036	45,810,152
Utilized amounts	(34,671,719)	(13,034,743)	(47,706,462)
Balance at December 31, 2024	-	180,866,410	180,866,410

Long-term deposits from patrons relate to cash deposited by patron groups as part of the Group's loyalty program. Patrons covered by the program receive loyalty incentive. These deposits are expected to be reclaimed by the patrons beyond 12 months from year-end.

Other current payables mainly pertain to guest deposits from hotels and due to unit owners. Other non-current payables include security and miscellaneous deposits and other certain liabilities to various counterparties within the ordinary course of business, which are expected to be settled beyond 12 months form the end of the reporting period.

21. EQUITY

21.1 Capital Stock

Capital stock consists of:

(Amounts in PHP)	Shares 2025	Shares 2024	Shares 2023	Amount 2025	Amount 2024	Amount 2023
Common shares – P1 par value						
Authorized	**12,950,000,000**	12,950,000,000	12,950,000,000	**12,950,000,000**	12,950,000,000	12,950,000,000
Capital stock				**10,269,827,979**	10,269,827,979	10,269,827,979
Additional paid-in capital				**35,048,586,642**	34,518,916,029	34,518,916,029
Total issued:	**10,269,827,979**	10,269,827,979	10,269,827,979	**45,318,414,621**	44,788,744,008	44,788,744,008
Treasury stock – at cost	**(1,503,736,300)**	(1,523,600,300)	(1,425,108,400)	**(17,654,577,521)**	(16,554,828,907)	(15,910,646,863)
Total outstanding	**8,766,091,679**	8,746,227,679	8,844,719,579	**27,663,837,100**	P28,233,915,101	P28,878,097,145

On March 12, 1999, the SEC approved the initial public offering of the Company's 336.1 million shares (248.1 million then outstanding and 88.0 million new issues) at P1.27 per share. The shares were initially listed in the PSE on April 19, 1999.

A 10.00% stock dividend was approved by the SEC and listed in September 1999. Three private placements ensued up to January 2011, of which 1.5 billion shares were listed in 2006. Then, a 10.00% rights offering of 200.47 million shares and 1:1 stock rights of 2.2 billion shares were approved and listed in 2005 and 2007, respectively. In 2007, there were also a share-swap transaction and a follow-on international offering wherein 4.1 billion shares and 1.8 billion shares, respectively, were issued and listed.

As of December 31, 2025 and 2024, the quoted closing price per share was P8.2 and P9.0, respectively. There are 989 holders, which include nominees, of the Company's total issued and outstanding shares as of December 31, 2025. The percentage of the Company's shares of stock owned by the public is 28.72% and 30.03% as of December 31, 2025 and 2024, respectively.

21.2 Additional Paid-in Capital

APIC includes P21,924.8 million from the stock rights offering, share swap transaction, and an international share offering in 2007 and was net of P462.4 million direct costs pertaining to issuance of shares. In 2011, P4,379.9 million was added from reissuance of treasury shares (see Note 21.3). In 2019, P123.5 million was reclassified from Share Options account following the expiration of share options granted on December 19, 2011. In 2025, the share options granted on March 14, 2013 amounting to P523.7 million had expired and were reclassified from Share Options account. Also in 2025, two grantees have partially exercised 2,200,000 shares out of their total vested share options. Correspondingly, the carrying value (i.e. the fair value at time of grant) of such share options amounting to P6.0 million was transferred to APIC in 2025.

21.3 Treasury Shares

The Parent Company had bought back a total of 550.1 million shares for P1,630.1 million under a previous buy-back program. On April 8, 2011, the Parent Company reissued all of these shares. The excess of the total proceeds over the acquisition cost amounted to P4,379.9 million and was credited to APIC (see Note 21.2).

On September 19, 2017, the BOD approved a two-year share repurchase program of up to P5.0 billion worth of shares in the open market, to enhance shareholder value.

On September 18, 2019 and September 21, 2020, the BOD approved share repurchase programs for P2.5 billion each time that ended on September 23, 2020 and September 2021, respectively.

On October 8, 2021, the BOD approved another share repurchase program for a term of 2.5 years for P4.0 billion to end on April 8, 2024.

On December 12, 2022, the BOD approved to increase the amount allocated by P3.0 billion worth of common shares under the same terms and conditions of the present buyback program.

On June 13, 2023, the BOD approved the increase of amount allocated by P2.0 billion and the extension of additional 12 months up to April 8, 2025.

On April 4, 2025, the BOD approved the extension of the present buy-back period up to December 31, 2025.

On June 2, 2025, the BOD approved to increase the amount allocated by P2.0 billion and the extension of additional 12 months up to December 31, 2026.

As of December 31, 2025, 2024, and 2023, the Parent Company has repurchased 1,503,736,300 shares for P16,838.4 million, 1,365,366,300 shares for P15,722.7 million, and 1,266,874,400 shares for P14,736.4 million, respectively, which included transaction costs.

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. Accordingly, the Parent Company's ongoing share repurchase program restricts the Parent Company's retained earnings for distribution as dividends up to the cost of the treasury shares.

Shares held by subsidiaries totaling to 122.96 million shares with total cost of P832.1 million as of December 31, 2025 and 2024 and 158.23 million shares with total cost of P1,174.2 million as of December 31, 2023 were reported as part of Treasury Shares in the consolidated statements of changes in equity (see Note 21.5).

21.4 Other Reserves

The components of Other Reserves are presented below.

(Amounts in PHP)	Consolidation Reserves	Legal Reserves	Total
Balance as of January 1, 2025	61,544,147,537	1,237,039,868	62,781,187,405
Effect of change in percentage of ownership	4,371,684,688	-	4,371,684,688
Effect of deconsolidation [see Note 1.1(q)]	(32,289,583)	-	(32,289,583)
Changes in legal reserves	-	151,187,956	151,187,956
Balance as of December 31, 2025	**65,883,542,642**	**1,388,227,824**	**67,271,770,466**
Balance as of January 1, 2024	43,094,954,202	731,136,396	43,826,090,598
Effect of change in percentage of ownership	18,442,967,048	-	18,442,967,048
Effect of deconsolidation [see Note 1.1(q)]	6,226,287	-	6,226,287
Changes in legal reserves	-	505,903,472	505,903,472
Balance as of December 31, 2024	61,544,147,537	1,237,039,868	62,781,187,405
Balance as of January 1, 2023	33,403,597,822	42,768,391	33,446,366,213
Effect of change in percentage of ownership	9,691,356,380	-	9,691,356,380
Changes in legal reserves	-	688,368,005	688,368,005
Balance as of December 31, 2023	43,094,954,202	731,136,396	43,826,090,598

In 2025, the Megaworld disposed of shares through block sales with net proceeds of P6.2 billion, resulting in a reduction of its ownership to 54.00%. The sale of shares did not result in Megaworld's loss of control over MREIT. This transaction resulted in a credit to Consolidation reserves of P3,534.6 million under Other Reserves in the 2025 consolidated statement of changes in equity.

Further in 2025, a similar property share swap was entered into and executed in 2025 which remains pending approval by the SEC. The additional shares to be acquired by Megaworld shall come from the planned increase in authorized capital stock of MREIT.

Also in 2025, Megaworld acquired ownership over EHPI through VPI. The difference between the proportionate net book value and the consideration received resulted in P0.7 million credit to Equity reserves under Revaluation Reserves in the 2025 consolidated statement of changes in equity.

Additionally, Megaworld's share in the accumulated comprehensive income of SUN was recycled upon the loss of significant influence, resulting in P1.5 million debit to Equity reserves under Revaluation Reserves in the 2025 consolidated statement of changes in equity.

In 2024, AGI acquired 993.7 million additional common shares of Megaworld through the stock market. The transaction resulted in a credit to Consolidation reserves of P15,668.1 million under Other Reserves in the 2024 consolidated statements of changes in equity.

In 2024, the Group, through GADC, disposed of its entire interest in AFCMI group. Moreover, the Group, through GADC, deconsolidated McDonald's Puregold Taguig following the cessation of its business operations. These transactions which resulted to in a credit to Consolidation reserves of P6.2 million under Other Reserves in the 2024 consolidated statement of changes in equity.

Also in 2024, the Megaworld disposed shares through block sales with net proceeds of P1.5 billion, resulting in a reduction of its ownership to 51.33%. Subsequently, in November 2024, Megaworld expanded its ownership in MREIT to 63.44% by acquiring additional common shares through a property share swap. These transactions resulted in a credit to Consolidation reserves of P2,774.9 million under Other Reserves in the 2024 consolidated statement of changes in equity.

In 2023, AGI acquired 743.4 million additional common shares of Megaworld through the stock market. The transaction resulted in a credit to Consolidation reserves of P4,927.6 million under Other Reserves in the 2023 consolidated statement of changes in equity.

Also in 2023, MEG acquired additional common shares of MREIT through property share swap effective January 2023 resulting to 65.67% ownership. In May and July 2023, MEG disposed 279.4 million common shares with a par value of P1.00 per share resulting to a decrease in ownership to 55.63%. These transactions resulted in a credit to Consolidation reserves of P3,226.0 billion under Other Reserves in the 2023 consolidated statement of changes in equity.

Various investment activities of the Group from 2023 to 2025 as described in Note 1, apart from those mentioned above, affected AGI's effective ownership over its subsidiaries. The impact to equity attributable to owners of AGI is recorded as part of Consolidation reserves under Other reserves in the consolidated statements of changes in equity.

21.5 Dividends

On December 5, 2025, the BOD approved the declaration of cash dividends of P0.10 per share. Total dividends amounting to P880.2 million were payable on January 16, 2026 to stockholders of record as of December 22, 2025. The unpaid dividends as of December 31, 2025 were presented, net of P36.6 million final tax, as Dividends payable under Accounts and Other Payables account in the 2025 consolidated statement of financial position (see Note 16).

On December 10, 2024, the BOD approved the declaration of cash dividends of P0.10 per share. Total dividends amounting to P890.6 million were payable on January 24, 2025 to stockholders of record as of December 27, 2024. The unpaid dividends as of December 31, 2024 were presented, net of P36.1 million final tax, as Dividends payable under Accounts and Other Payables account in the 2024 consolidated statement of financial position (see Note 16).

On December 1, 2023, the BOD approved the declaration of cash dividends of P0.15 per share. Total dividends amounting to P1,354.6 million were payable on January 12, 2024 to stockholders of record as of December 18, 2023. These were settled in 2024.

The amounts presented in the consolidated statements of changes in equity are net of dividends paid to subsidiaries (see Note 21.3).

21.6 Share Options

(a) Of the Company

On July 27, 2011, the BOD approved an Executive Share Option Plan ("ESOP") for the Company's key executive officers, which was subsequently ratified by the stockholders on September 20, 2011. Under the ESOP, the Company shall initially reserve for exercise of share options up to 300.0 million common shares, or 3.00% of the outstanding capital stock, which may be issued out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and continue to be exercisable in accordance with terms of issue. Modification of any part of the ESOP is subject to approval by the stockholders before such modification can take effect.

The options shall vest within three years from date of grant ("offer date") and the holder may exercise only a third of the option at the end of each year of the three-year vesting period. The vested option may be exercised within seven years from date of grant. The exercise price shall be at a 15.00% discount from the volume weighted average closing price of the Company's shares for nine months immediately preceding the date of grant.

On December 19, 2011, pursuant to this ESOP, the Company granted share options to certain key executives to subscribe to 46.5 million common shares of the Company, at an exercise price of P9.175 per share. In 2019, all of the said options have expired and the related value of the stock option amounting to P123.5 million was reclassified to Additional Paid-in Capital account (see Note 21.2).

On March 14, 2013, the Company granted additional 59.1 million share options to certain key executives at an exercise price of P12.9997. On March 12, 2020, the BOD affirmed the resolution of the Corporate Governance Committee to extend the exercise period for this grant until March 15, 2025 under the same terms and exercise price, and on August 6, 2020, this was ratified by the stockholders. In 2025, all of the said options have expired and the related value amounting to P523.7 million was reclassified to APIC account (see Note 21.2).

The fair values of the option granted were estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation of the March 2013 grant:

Original option life	7 years
Share price at grant date	P21.65
Exercise price at grant date	P12.9997
Average fair value at grant date	P9.18
Average standard deviation of share price returns	35.29%
Average dividend yield	2.10%
Average risk-free investment rate	2.92%

The underlying expected volatility was determined by reference to historical prices of the Company's shares over a period of four years.

There was no share-based executive compensation recognized in 2025, 2024 and 2023 since all options were fully vested as of December 31, 2016.

As of December 31, 2025, there are no outstanding or remaining exercisable stock options as these had all expired and reclassified to APIC.

(b) Of Megaworld

On April 26, 2012, Megaworld's BOD approved an ESOP for its key executive officers, and on June 15, 2012, the stockholders adopted it.

The options shall generally vest on the 60th birthday of the option holder and may be exercised until the date of his/her retirement from Megaworld. In 2022, there is an amendment to the vesting requirements of which the options will now vest on the 60th birthday or the actual retirement of the option holder, whichever is later. The exercise price shall be at a 15.00% discount from the volume weighted average closing price of Megaworld's shares for nine months immediately preceding the date of grant.

Pursuant to this ESOP, on November 6, 2012, Megaworld granted share options to certain key executives to subscribe to 235.0 million of its common shares, at an exercise price of P1.77 per share.

In 2013, additional share options were granted to certain key executives to subscribe to 20.0 million common shares of Megaworld at an exercise price of P2.33 per share. In 2014, additional 40.0 million share options were granted in 2014 at an average exercise price of P3.00 per share. In 2019, additional 10 million share options were granted at an exercise price of P1.77. There were no additional share options granted in 2025, 2024 and 2023.

Further, in 2023, 10.0 million share options were forfeited due to resignation of certain key executive officers. There was no forfeiture due to resignation in 2025 and 2024.

In 2024 and 2023, a total of 10.0 million and 15.0 million share options have vested, respectively. There was no similar transaction in 2025.

There were no exercises of share options in 2025, 2024 and 2023.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Option life	6.08 to 30.17 years
Share price at grant date	P2.54 to P4.08
Exercise price at grant date	P1.77 to P3.23
Fair value at grant date	P0.98 to P2.15
Average standard deviation of share price returns	10.98 %
Average dividend yield	0.82 %
Average risk-free investment rate	3.93 %

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

(c) Of GERI

On September 23, 2011, GERI's BOD approved an ESOP for its key executive officers. This was approved on November 8, 2011 by stockholders holding at least 2/3 of the outstanding capital stock. The purpose of the ESOP is to enable the key executives and senior officers of GERI, who are largely responsible for its further growth and development, to obtain an ownership interest and thereby encourage long-term commitment to GERI. The ESOP is being administered by the Executive Compensation Committee of GERI's BOD.

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

The exercise price shall be at a 15.00% discount from the volume weighted average closing price of GERI's shares for twelve months immediately preceding the date of grant. The options shall vest within three years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three-year period.

Pursuant to this ESOP, GERI has granted the options to its key executive officers to subscribe to 400.0 million GERI shares. An option holder may exercise in whole or in part his vested option provided, that, an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. All 400.0 million options were fully vested as of December 31, 2019, but none of these have been exercised yet by any of the option holders as at the end of the reporting periods (see Note 27.3).

As of December 31, 2025 and 2024, there are no more remaining share options that can be exercised.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Average option life	7 years
Share price at grant date	P1.02 to P2.10
Exercise price at grant date	P1.00 to P1.93
Fair value at grant date	P0.24 to P2.27
Standard deviation of share price return	12.16% to 57.10%
Risk-free investment rate	2.14% to 2.59%

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

(d) Of EMI

On November 7, 2014, EMI's BOD approved an ESOP for qualified employees of EMI Group. The ESOP was adopted by the shareholders on December 15, 2014. On August 17, 2021, EMI's BOD approved certain amendments to the plan.

The options shall generally vest on the 60th birthday or the date of retirement of the option holder provided that the option holder had continuously served as an employee for 11 years after the option offer date or three years from retirement date for option holder who has continuously served for at least 20 years before the option offer date, and may be exercised within five years from vesting date, subject to the terms and conditions of the amended ESOP. The exercise price shall be at most a 15.00% discount from the volume weighted average closing price of EMI's shares of nine months immediately preceding the date of grant.

On August 17, 2021, the BOD approved an Amended ESOP that further provided: If the option holder aged 50 years and above, the option shall vest whichever comes earlier of (i) after another 11 years of continuous service, or (ii) when he/she has continuous service of at least 20 years before the offer date, after three years from his/her retirement provided that his/her protégé/disciple has remained as a key employee of the Group for three years from date of the holder's retirement.

On September 25, 2024, the BOD approved the extension of the Amended ESOP, to an additional period of three years, i.e. from December 15, 2024 to December 14, 2027, under the same terms and conditions.

Pursuant to this ESOP, on November 6, 2015, share options were granted to certain key executives of EDI to subscribe to 118.0 million common shares of EMI at an exercise price of P7.00 per share.

On March 25, 2021 and August 25, 2021, share options were granted to certain qualified grantees to subscribe to 20.0 million and 55.0 million common shares of EMI, at an exercise price of P10.10 and P10.65 per share, respectively.

On February 11, 2022, share options were granted to a qualified employee of EDI to subscribe to 5.0 million common shares of EMI at an exercise price of P13.95 per share.

As of December 31,2025, two grantees have partially exercised 2,200,000 shares out of their total vested share options. Correspondingly, the carrying value (i.e. the fair value at time of grant) of such share options amounting to P6.5 million was transferred to APIC in 2025.

As of December 31, 2025 and 2024, a total of 26.0 million shares and 16.0 million shares, respectively, had been cancelled due to resignations. Consequently, share options amounting to P14.5 million and P20.5 million were transferred to APIC in 2025 and 2024, respectively.

The fair value of the options granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Average option life	11 – 22 years
Share price at grant date	P8.90 – P22.50
Exercise price at grant date	P7.00 – P13.95
Average fair value of option at grant date	P3.26 – P13.35
Average standard deviation of share price returns	11.49% - 16.42%
Average dividend yield	0.42% - 1.31%
Average risk-free investment rate	4.33% - 5.24%

The underlying expected volatility was determined by reference to historical prices of EMI's shares over a period of one year.

The Group recognized a total of P69.3 million, P97.3 million and P62.1 million Share-option benefit expense in 2025, 2024 and 2023, respectively, as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of comprehensive income and a corresponding credit to Equity and through Non-controlling Interest account for the portion related to the other shareholders of the subsidiaries (see Notes 25, 27.3 and 29.6).

21.7 Share Warrants

On May 6, 2025, the BOD of the Parent Company approved the issuance and offer for sale or subscription of up to 2,225,874,470 warrants (the "Warrants") and up to 2,225,874,470 underlying common shares ("Underlying Common Shares") to all eligible stockholders of the Parent Company, subject to the applicable rules and regulations of the SEC and the listing requirements of the PSE, including the approval of the stockholders. On June 19, 2025, the stockholders ratified and approved the issuance.

Existing shareholders owning at least four common shares of the Parent Company as of record date were entitled to purchase one Warrant at an offer price of P0.50 per Warrant, with an exercise ratio of one Warrant to one common share at an exercise price of P12.00 per share, exclusive of the Warrant's offer price. The Underlying Common Shares issued upon exercise of the Warrants have the same features and rights as the existing common shares of the Parent Company. The offering of the Warrants to eligible stockholders allowed them to maintain their ownership ratio prior to the issuance of the Warrants. Proceeds, net of transaction costs, from the offer shall be used to finance the Parent Company and certain subsidiaries' capital expenditures, repayment of debt obligations, and general corporate purposes.

On October 28, 2025, the SEC issued a Confirmation of Exemption confirming that the offer and issuance of the Warrants and the underlying common shares were exempt from registration pursuant to Sections 10.1(e) and 10.1(l) of the Securities Regulation Code.

On November 7, 2025, the PSE approved the listing of up to 2,225,874,470 common shares of the Company.

On December 11, 2025, the offer was completed, resulting in net proceeds of P1,060.1 million from 2,203,548,165 Warrants. The Warrants are classified as equity in accordance with PAS 32, *Financial Instruments: Presentation*, as they grant holders the right to acquire a fixed number of the Parent Company's own equity instruments for a fixed amount of cash. There is no contractual obligation for the Parent Company to deliver cash or another financial asset, nor to settle the Warrants in a manner that would result in a financial liability. Accordingly, the Warrants meet the fixed-for-fixed criterion and are presented as a component of equity in the 2025 consolidated financial statements.

21.8 Appropriated Retained Earnings

As of December 31, 2025, the Group's appropriated retained earnings (net of non-controlling interest) amounted to P1,613.8 million as follows:

Year of BOD Approval	Notes	Amount in PHP
Prior to 2023	(a), (e)	4,764,840,000
2023	(b)	3,773,000,000
2023	(c)	(3,479,000,000)
Balance as of December 31, 2023		5,058,840,000
2024	(b)	4,517,000,000
2024	(d)	(3,773,000,000)
Balance as of December 31, 2024		5,802,840,000
2025	(e)	(122,000,000)
2025	(f)	(4,067,000,000)
Balance as of December 31, 2025		1,613,840,000

(a) The total outstanding appropriations approved prior to 2023 amounted to P4,764.8 million were set aside for continuing business expansion projects of GADC, AWGI and NTLPI, which mainly include construction of new stores and business extensions, renovation of existing stores and development of information technology projects of GADC.

(b) GADC's BOD approved the appropriation in 2024 and 2023 for its continuing business expansion projects, which include construction of new stores and business extensions, renovation of existing stores and development of information technology projects. The construction of new stores and renovation of existing stores are projected to be completed within the succeeding year after the appropriation. Accordingly, the appropriation will be released upon the completion of these projects [see Notes 21.8(d) and (f)].

Also in 2024, the NTLPI's BOD approved additional appropriation amounting to P450.0 million for capital expenditures including land development, in the next three years.

(c) The appropriation in 2022 was fully utilized and reversed in 2023, through the opening of 36 new company-owned McDonald's restaurants, renovation of 52 company-owned McDonald's restaurants and development of information technology projects.

(d) The appropriation in 2023 was fully utilized and reversed in 2024, through the opening of 46 new company-owned McDonald's restaurants, renovation of 43 company-owned McDonald's restaurants and development of information technology projects.

(e) In 2021, AWGI appropriated P1,200.0 million for the rehabilitation of furnace and other capital expenditures for the glass manufacturing plant which are expected to be completed in 2025. On January 20, 2025, AWGI reversed a portion of retained earnings amounting to P122.0 million. The remaining appropriation amounting to P1,078.0 million is extended up to December 31, 2027 to ensure the completion of the projects.

(f) In 2025, following the deconsolidation of GADC, the outstanding balance of appropriation (made in 2024) was derecognized [see Note 1.2(a)].

21.9 Equity-linked Securities (ELS)

ELS instrument arises from the subscription agreement between EMI and Arran Investment Private Limited ("the Holder" or "Arran") for the issuance of additional common shares of EMI. The ELS may be converted into a fixed number of common shares ("conversion shares") of EMI. The ELS bears a fixed annual interest rate (5.00% initially; 0.00% as amended in 2017) and variable interest (equal to the same dividend price declared and payable to common shareholders). On June 15, 2017, the ELS was amended, stipulating among others the change in the fixed number of Conversion Shares (728,275,862 new and fully paid-up) and in the Share Market Price (greater than P7.25 per share) for the mandatory conversion at any time from Redemption Date and ending on the Extended Redemption Date (December 4, 2021).

On December 23, 2019, the parties further agreed to give the Holder the right to two tranches of conversion and allowed the Holder to transfer ELS to an affiliate of EMI. Furthermore, on January 31, 2020, the parties agreed to remove the mandatory conversion of the ELS when the Share Market Price is reached; and on February 5, 2020, the Holder exercised its Tranche 1 Conversion for P1,836,250,000 into 253,275,862 shares (see Note 2.18).

On December 31, 2021, the Holder exercised its right to Tranche 2 Conversion corresponding to P3,443,750,000 into 475,000,000 shares. Pursuant to this, EMI derecognized the financial liability component of the ELS and recognized an equity component amounting to P3.4 billion, which is presented as part of NCI in the consolidated statements of financial position.

On August 12, 2025, EMI and the Holder have mutually agreed to further extend the Tranche 2 Conversion period to August 12, 2026. Upon the actual conversion, EMI will reclassify the remaining portion of the Conversion Options amounting to P88.5 million to APIC.

In 2025 and 2024, EMI and Arran formally agreed and clarified the continuation of Variable Interest on the Tranche 2 Shares effective until end of conversion period or the issuance of the Tranche 2 Shares, whichever comes earlier. This is being paid in an amount equal to the dividend rate applied to the number of Conversion Shares and at same time as when dividends were paid to stockholders, which amounted to P90.3 million, P114.0 million and P137.8 million, respectively, in 2025, 2024 and 2023, and presented as part of Cash Dividend Declared and Paid in the Equity section of the consolidated statements of financial position.

There were no related collaterals on the ELS.

21.10 Subsidiaries with Material Non-controlling Interest

The subsidiaries with material NCI are shown below (in thousands).

(Amounts in PHP)	Proportion of Ownership Interest and Voting Rights Held by NCI		Subsidiary's Consolidated Profit Allocated to NCI		Accumulated Equity of NCI	
Name	**2025**	2024	**2025**	2024	**December 31, 2025**	December 31, 2024
Megaworld	**26.00%**	26.00%	**5,429,259**	4,876,689	**71,740,998**	64,836,541
Travellers	**40.00%**	40.00%	**609,429**	504,018	**28,087,730**	24,331,412
GADC [see Note 1.2(a)]	**51.00%**	51.00%	**123,906**	1,199,775	**-**	6,706,327
Emperador	**21.00%**	20.00%	**795,140**	1,275,794	**15,295,432**	14,456,141

Dividends paid to NCI amounted to P3,046.4 million in 2025, P3,512.8 million in 2024 and P3,084.9 million in 2023.

The summarized financial information of the subsidiaries, before intragroup eliminations, is shown below and in the succeeding page (in thousands).

(Amounts in PHP)	Megaworld	Travellers	GADC [see Note 1.2(a)] – As of March 16, 2025	Emperador
December 31, 2025				
Current assets	262,532,885	22,750,900	16,070,893	90,611,724
Non-current assets	226,566,838	131,028,276	35,178,706	87,663,393
Total assets	**489,099,723**	**153,779,177**	**51,249,599**	**178,275,117**
Current liabilities	74,065,399	55,299,954	17,353,483	21,444,486
Non-current liabilities	111,874,119	48,336,172	20,586,629	48,702,573
Total liabilities	**185,939,518**	**103,636,126**	**37,940,112**	**70,147,058**
Revenues	**84,789,890**	**31,852,446**	**10,012,899**	**56,207,788**
Profit for the year attributable to:				
Owners of Parent	21,002,935	1,514,109	242,954	3,858,028
NCI	3,056,075	(81,009)	16,256	147,236
Profit for the year	24,059,010	1,433,100	259,210	4,005,264
Other comprehensive income (loss) attributable to:				
Owners of Parent	(169,132)	(15,657)	3,471	5,845,096
NCI	(15,466)	-	-	205,132
Other comprehensive income (loss) for the year	(184,598)	(15,657)	3,471	6,050,228
Total comprehensive income for the year	**23,874,412**	**1,417,443**	**262,681**	**10,055,492**

(Amounts in PHP)	Megaworld	Travellers	GADC [see Note 1.2(a)] –	Emperador
December 31, 2025				
Net cash from (used in):				
Operating activities	21,702,669	5,261,301	-	6,944,233
Investing activities	(8,099,816)	(22,779,245)	-	(6,397,854)
Financing activities	(14,230,929)	16,533,143	-	(213,239)
December 31, 2024				
Current assets	247,679,935	23,371,300	17,246,896	82,300,907
Non-current assets	221,956,905	105,205,076	30,288,120	77,226,394
Total assets	469,636,840	128,576,376	47,535,016	159,527,301
Current liabilities	72,309,781	38,728,919	16,656,306	20,184,147
Non-current liabilities	118,591,968	44,356,049	17,831,904	38,816,246
Total liabilities	190,901,749	83,084,968	34,488,210	59,000,393
Revenues	81,397,247	31,302,625	47,944,373	61,645,653
Profit for the year attributable to:				
Owners of Parent	18,749,285	1,252,218	2,352,500	6,322,071
NCI	2,917,399	(10,811)	50,063	163,355
Profit for the year	21,666,684	1,241,407	2,402,563	6,485,426
Other comprehensive income (loss) attributable to:				
Owners of Parent	(514,111)	118,421	(1,880)	2,471,254
NCI	(150,169)	-	-	(515,385)
Other comprehensive income (loss) for the year	(664,280)	118,421	(1,880)	1,955,869
Total comprehensive income for the year	21,002,404	1,359,828	2,400,683	8,441,295
Net cash from (used in)				
Operating activities	11,369,646	(230,899)	6,433,566	5,301,548
Investing activities	(14,342,857)	(4,909,088)	(4,125,273)	7,208,545
Financing activities	(720,465)	5,300,690	(3,722,095)	1,133,060
December 31, 2023				
Current assets	238,636,780	21,670,190	17,727,015	79,458,755
Non-current assets	201,935,938	102,207,094	27,272,661	69,250,464
Total assets	440,572,718	123,877,284	44,999,676	148,709,219
Current liabilities	76,375,216	45,606,517	13,242,435	29,231,751
Non-current liabilities	103,529,656	34,193,985	19,966,852	24,069,575
Total liabilities	179,904,872	79,800,502	33,209,287	53,301,326
Revenues	69,728,155	31,516,108	42,853,124	65,643,761
Profit for the year attributable to:				
Owners of Parent	17,345,402	1,997,396	2,546,305	8,705,727
NCI	2,055,168	(5,636)	(6,920)	238,150
Profit for the year	19,400,570	1,991,760	2,539,385	8,943,877
Other comprehensive income (loss) attributable to:				
Owners of Parent	(100,523)	(151,068)	(25,656)	2,377,403
NCI	(15,187)	-	-	-
Other comprehensive income (loss) for the year	(115,710)	(151,068)	(25,656)	2,377,403
Total comprehensive income for the year	19,284,860	1,840,692	2,513,729	11,321,280
Net cash from (used in)				
Operating activities	4,201,845	493,176	5,619,670	7,150,140
Investing activities	(9,207,687)	(4,441,049)	(3,728,917)	(4,373,475)
Financing activities	2,366,292	1,243,382	(3,051,952)	(5,001,521)

22. EARNINGS PER SHARE

Earnings per share is computed as follows:

(Amounts in PHP)	**2025**	2024	2023
Basic and diluted:			
Net profit attributable to owners of the Parent Company	**20,724,775,917**	17,363,945,049	19,615,471,565
Divided by the weighted average number of outstanding common shares	**8,643,127,479**	8,781,497,479	8,844,719,579
	2.3978	1.9773	2.2178

The actual number of outstanding common shares approximates the weighted average for each year.

The basic and diluted earnings per share are the same for the years ended December 31, 2025, 2024 and 2023, as the potentially dilutive shares from the Group's ESOP are considered to be antidilutive since their conversion to ordinary shares would increase earnings per share. Thus, the number of issued and outstanding common shares presented above does not include the effect of the potential common shares from the ESOP.

23. REVENUES

23.1 Disaggregation of Revenues

The Group disaggregates revenues recognized from contracts with customers into the operating business segments presented in Notes 4.1 and 4.4 that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The same disaggregation is used in earnings releases, annual reports and investor presentations.

The breakdown of revenues from sale of goods and rendering of services is presented below:

(Amounts in PHP)	Notes	**2025**	2024	2023
Sale of Goods:				
Sales of consumer goods	2.14	**56,770,123,261**	61,416,527,864	65,138,302,291
Real estate sales	2.14(b, c), 6	**51,754,277,123**	50,988,478,086	42,721,115,222
		108,524,400,384	112,405,005,950	107,859,417,513
Rendering of Services:				
Net gaming revenues	2.14	**24,232,325,868**	23,390,242,437	24,492,457,639
Rental income	2.15, 14	**22,218,134,163**	20,026,949,216	18,188,748,856
Hotel operations	2.14(d, e)	**11,393,258,477**	11,287,724,742	9,269,151,670
Sales by company-operated quick-service restaurants	2.14(f)	**9,272,402,307**	43,924,319,278	38,962,160,442
Franchise revenues	2.14(g), 30.5	**734,144,764**	3,983,892,448	3,864,507,193
Others	2.14(h)	**3,898,365,860**	3,501,886,985	2,123,491,012
		71,748,631,439	106,115,015,106	96,900,516,812

Other revenues include income from commissions, construction, property management operations, cinema operations, parking, bingo, tournaments and production shows.

The total fixed rent income attributable to total rental income from the operating lease of the Group amounted to P21,085.1 million, P18,954.0 million and P17,359.5 million in 2025, 2024 and 2023, respectively. The variable rent income amounted to P1,133.0 million, P1,072.9 million and P829.2 million in 2025, 2024 and 2023, respectively.

The disaggregation of revenues for each reportable segment is presented below.

(Amounts in PHP)	**Megaworld**	**Travellers**	**GADC** [see Note 1.2(a)]	**Emperador**	**Unallocated**	**Total**
2025						
Sale of goods	51,754,277,123	-	-	56,207,787,720	562,335,541	108,524,400,384
Rendering of services	29,864,022,946	31,851,187,547	10,012,898,719	-	20,522,227	71,748,631,439
	81,618,300,069	**31,851,187,547**	**10,012,898,719**	**56,207,787,720**	**582,857,768**	**180,273,031,823**
2024						
Sale of goods	50,988,478,086	-	-	60,743,035,490	673,492,374	112,405,005,950
Rendering of services	26,873,959,462	31,296,586,290	47,944,372,994	96,360	-	106,115,015,106
	77,862,437,548	31,296,586,290	47,944,372,994	60,743,131,850	673,492,374	218,520,021,056
2023						
Sale of goods	42,721,115,222	-	-	64,498,870,885	639,431,406	107,859,417,513
Rendering of services	22,537,117,204	31,510,203,113	42,853,123,695	72,800	-	96,900,516,812
	65,258,232,426	31,510,203,113	42,853,123,695	64,498,943,685	639,431,406	204,759,934,325

23.2 Contract Accounts

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

	2025		2024	
(Amounts in PHP)	**Contract Assets**	**Contract Liabilities**	Contract Assets	Contract Liabilities
Balance at beginning of year	**35,515,792,121**	**6,584,494,382**	24,153,557,304	7,212,334,659
Transfers from contract assets recognized at the beginning of year to trade receivables	**(11,345,024,502)**	**-**	(3,884,617,375)	-
Increase due to satisfaction of performance obligation over time, net of cash collection	**9,048,451,302**	**-**	15,012,542,180	-
Accretion of interest income from significant financing component	**996,683,611**	**-**	234,310,012	-
Revenue recognized that was included in contract liabilities at the beginning of year	**-**	**(2,541,128,613)**	-	(2,965,272,658)
Accretion of interest expense from significant financing component	**-**	**358,874,623**	-	532,456,000
Increase due to cash received in excess of performance to date	**-**	**689,467,304**	-	1,804,976,381
Balance at end of year	**34,215,902,532**	**5,091,707,696**	35,515,792,121	6,584,494,382

The current and non-current classification of the Group's contract assets account as presented in the consolidated statements of financial position is shown below.

(Amounts in PHP)	**2025**	2024
Current	**26,287,777,868**	22,818,989,860
Non-current	**7,928,124,664**	12,696,802,261
	34,215,902,532	35,515,792,121

The current and non-current classification of the Group's contract liabilities account as presented in the consolidated statements of financial position is shown below.

(Amounts in PHP)	**2025**	2024
Current	**1,050,338,907**	1,669,576,401
Non-current	**4,041,368,789**	4,914,917,981
	5,091,707,696	6,584,494,382

The outstanding balance of trade receivables arising from contracts with real estate and hotel customers amounted to P47.8 billion and P38.8 billion as of December 31, 2025 and 2024, respectively, are presented as part of Trade receivables (see Note 6).

23.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission under Other Current Assets and Other Non-current Assets accounts in the consolidated statements of financial position (see Note 9). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization is presented as part of Commissions under Other Operating Expenses (see Note 25).

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

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**2,127,254,023**	2,397,273,433
Additional capitalized costs net of sales cancellations	**2,479,734,706**	2,165,061,277
Amortization for the year	**(2,514,040,769)**	(2,435,080,687)
Balance at end of year	**2,092,947,960**	2,127,254,023

The breakdown of deferred commission as of December 31, 2025 and 2024 is presented below (see Note 9).

(Amounts in PHP)	**2025**	2024
Current	**1,907,966,914**	1,969,038,939
Non-current	**184,981,046**	158,215,084
	2,092,947,960	2,127,254,023

23.4 Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts amounted to P24,675.7 million and P27,144.8 million as of December 31, 2025 and 2024, respectively, which the Group expects to recognize as follows:

(Amounts in PHP)	**2025**	2024
Within a year	**13,121,097,231**	15,376,785,248
More than one year to three years	**9,317,370,937**	8,627,310,877
More than three years to five years	**2,237,217,280**	3,140,684,556
	24,675,685,448	27,144,780,681

24. COST OF GOODS SOLD AND SERVICES

The components of cost of goods sold and services are shown below and in the succeeding page:

(Amounts in PHP)	Notes	**2025**	2024	2023
Cost of Goods Sold:	2.14			
Cost of consumer goods sold:				
Direct materials used		**36,476,931,700**	35,520,254,924	40,558,706,241
Change in work in process and finished goods		**(3,489,510,237)**	(1,034,096,769)	(3,775,256,463)
Salaries and employee benefits	27.1	**2,264,743,714**	2,251,675,175	2,184,901,292
Depreciation and amortization	13	**1,188,616,041**	1,060,755,118	961,883,303
Repairs and maintenance		**463,204,655**	425,077,380	523,610,200
Utilities		**379,044,963**	360,759,744	386,091,428
Indirect materials and other consumables		**360,249,667**	338,575,412	399,053,915
Outside services		**303,034,848**	316,852,635	362,140,147
Taxes and licenses		**169,350,430**	591,577,618	534,838,764
Supplies		**162,196,623**	58,931,745	168,155,858
Other direct and overhead costs	8	**1,656,900,107**	2,516,797,980	1,439,014,493
		39,934,762,511	42,407,160,962	43,743,139,178
Cost of real estate sales:				
Contracted services		**21,201,292,196**	21,452,258,280	17,641,717,864
Land costs		**3,559,230,985**	3,298,972,977	2,840,510,272
Borrowing costs		**-**	-	810,171,996
Other costs		**322,757,317**	629,890,414	312,285,008
	2.7	**25,083,280,498**	25,381,121,671	21,604,685,140
		65,018,043,009	67,788,282,633	65,347,824,318

(Amounts in PHP)	Notes	**2025**	2024	2023
Cost of Services:	2.14			
Gaming license fees	28.3	**6,486,243,280**	6,643,263,261	6,888,916,213
Salaries and employee benefits	27.1	**6,219,940,171**	9,963,002,569	8,319,455,866
Food, supplies and other consumables		**5,713,075,816**	21,866,513,600	19,460,005,282
Depreciation and amortization	13, 14	**3,501,371,789**	5,695,641,968	4,932,786,354
Hotel operations		**2,416,336,646**	2,212,657,850	1,620,632,100
Outside services		**998,141,899**	1,595,835,161	1,761,496,455
Rental	13.4	**901,760,526**	4,000,159,429	3,646,257,636
Casino operating expenses		**318,880,713**	513,013,873	784,144,049
Flight operations		**115,690,305**	63,368,214	83,517,415
Entertainment, amusement and recreation		**36,991,152**	133,174,200	117,449,296
Other direct and overhead costs		**1,748,532,700**	4,978,635,313	4,370,848,671
		28,456,964,997	57,665,265,438	51,985,509,337

Other direct and overhead costs include, among others, costs incurred for real property taxes, insurance, repairs and maintenance, utilities, other operating supplies, service fees charged by online ordering platforms and waste disposal.

25. OTHER OPERATING EXPENSES

The details of other operating expenses are shown below.

(Amounts in PHP)	Notes	**2025**	2024	2023
Advertising and promotions		**9,922,055,398**	11,288,010,509	10,526,265,095
Salaries and employee benefits	21.6, 27.1	**9,452,710,419**	9,342,367,229	8,577,048,931
Depreciation and amortization	13, 14, 15	**5,197,441,077**	5,089,680,203	4,817,053,169
Professional fees and outside services		**3,396,192,230**	2,890,397,048	2,600,238,679
Utilities		**2,777,680,361**	2,089,667,645	2,086,894,173
Commissions	23.3	**2,710,377,785**	2,645,540,528	2,188,355,682
Taxes and licenses		**2,513,944,712**	2,098,585,967	1,658,774,431
Loss on cancellation of sales contract		**1,544,648,003**	1,569,242,471	976,656,527
Transportation and travel		**1,463,992,301**	1,424,240,743	1,389,595,654
Dues and subscriptions		**1,083,483,654**	804,357,129	585,870,916
Repairs and maintenance		**782,179,963**	749,752,239	1,051,765,410
Royalty	30.5	**549,044,188**	2,610,476,842	2,310,247,568
Rental	13.4	**369,678,066**	402,753,884	352,411,697
Donations and contributions		**360,468,591**	445,689,321	439,339,969
Insurance		**329,375,648**	490,753,224	496,316,601
Management fees	30.4	**326,549,446**	292,000,775	252,771,273
Freight and handling		**319,749,434**	319,405,736	477,553,250
Representation and entertainment		**303,904,235**	221,141,660	385,092,531
Supplies		**128,085,201**	79,184,729	81,487,773
Impairment of receivables	6	**78,698,720**	141,807,125	250,536,741
Communication and office expenses		**69,018,248**	126,187,791	148,389,004
Meal expenses		**32,089,535**	13,830,105	23,833,707
Impairment of goodwill	15	**-**	77,347,633	-
Miscellaneous	7, 13.2, 20, 30.2	**1,858,416,690**	2,132,331,879	1,720,563,867
		45,569,783,905	47,344,752,415	43,397,062,648

Miscellaneous expenses include expenses incurred for security services, supplies and other consumables, donations, training and development, dues and subscriptions, and various other expenses.

These other operating expenses are classified by function as follows:

(Amounts in PHP)	**2025**	2024	2023
General and administrative expenses	**29,592,763,880**	28,399,849,424	25,738,520,042
Selling and marketing expenses	**15,977,020,025**	18,944,902,991	17,658,542,606
	45,569,783,905	47,344,752,415	43,397,062,648

26. OTHER INCOME AND CHARGES

Other income and charges provide details of Finance and Other Income account and Finance Costs and Other Charges account as presented in the consolidated statements of comprehensive income.

(Amounts in PHP)	Notes	**2025**	2024	2023
Finance and other income:				
Gain on deconsolidation	1.2(a)	**3,426,870,515**	-	-
Interest income	5, 6, 7, 9	**2,879,971,178**	4,008,474,746	4,797,687,835
Gain on sale of SUN shares	12.2	**1,480,403,350**	-	-
Dividend income		**110,526,163**	97,571,890	26,083,388
Reversal of impairment losses on PPE - net	13.1, 13.2	**630,122,981**	24,184,777	36,035,062
Reversal of impairment losses on receivables	6	**10,809,530**	58,201,597	48,428,860
Gain from derecognition of right-of-use assets and lease liabilities	13.2, 13.3	**10,534,761**	22,562,023	13,092,751
Fair value gains - net	7	**3,899**	1,119,163	-
Foreign currency gains - net	18	**-**	-	213,971,773
Gain on sale of financial assets at FVTPL	7	**-**	-	3,887,967
Miscellaneous - net	7, 8, 9, 12.2	**597,155,953**	832,363,847	868,768,957
		9,146,398,330	5,044,478,043	6,007,956,593
Finance costs and other charges:				
Interest expense	13.3, 17, 18, 19, 27.2	**12,024,335,857**	12,926,596,809	10,820,585,377
Foreign currency losses - net	18	**492,095,162**	1,223,848,254	-
Effect of deconsolidation	1.1(q)	**-**	193,974,187	-
Loss on disposal of PPE - net	13.1	**22,938,882**	20,088,408	43,765,970
Loss on sale of financial assets at FVTPL	7	**-**	910,184	-
Day one loss	6	**-**	-	923,414,356
Fair value losses - net	7	**-**	-	5,551,443
Miscellaneous		**683,957,388**	433,666,634	524,970,677
		13,223,327,289	14,799,084,476	12,318,287,823

Interest income mainly pertains to interest earned from the Group's financial assets at amortized cost and financial assets at FVTPL.

Miscellaneous income includes gain on sale of other non-current assets, marketing fees and others.

Miscellaneous expenses pertain to amortization of discounts on security deposits, bank charges and other related fees.

27. SALARIES AND EMPLOYEE BENEFITS

27.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below.

(Amounts in PHP)	Notes	**2025**	2024	2023
Short-term employee benefits		**17,892,007,301**	21,494,713,684	19,077,173,849
Post-employment defined contribution		**438,039,072**	387,774,759	326,760,138
Post-employment defined benefit	2.17, 27.2	**321,693,169**	302,969,887	249,247,769
Share option benefit expense	21.6, 27.3 29.6	**69,334,745**	97,299,207	62,108,633
		18,721,074,287	22,282,757,537	19,715,290,389

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

(Amounts in PHP)	Notes	**2025**	2024	2023
Cost of services	24	**6,219,940,171**	9,963,002,569	8,319,455,866
Cost of goods sold	24	**2,264,743,714**	2,251,675,175	2,184,901,292
Other operating expenses	25	**9,452,710,419**	9,342,367,229	8,577,048,931
		17,937,394,304	21,557,044,973	19,081,406,089
Capitalized as part of work-in-process inventories	8	**783,679,983**	725,712,564	633,884,300
		18,721,074,287	22,282,757,537	19,715,290,389

27.2 Post-employment Defined Benefit

(a) Characteristics of the Defined Benefit Plan

Megaworld Group, EDI, EELHI and WML maintain funded, tax-qualified, noncontributory post-employment benefit plans, except that EELHI is partially-funded. Each of the plans is being administered by a trustee bank that is legally separated from the Group. GERI and GADC's subsidiaries have unfunded, noncontributory post-employment benefit plans. All of plans mentioned cover all qualified regular and full-time employees.

The Parent Company and all other subsidiaries have no established corporate retirement plans. AWGI compute their retirement obligations based on the provisions of R.A. No. 7641, *The Retirement Pay Law*. Whereas, the Parent Company and the other subsidiaries within the Group have not accrued any post-employment benefit obligation as each entity has less than ten employees. The Group's management believes that non-accrual of the estimated post-employment benefits will not have any material effect on the Group's consolidated financial statements.

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

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented in the succeeding pages are based on the actuarial valuation reports obtained from independent actuaries in 2025 and 2024.

The amounts of retirement benefit obligation as of the end of the reporting periods presented in the consolidated statements of financial position, are determined as follows:

(Amounts in PHP)	**2025**	2024
Present value of the obligation	**13,274,608,095**	13,155,834,180
Fair value of plan assets	**(11,326,517,935)**	(11,316,884,721)
	1,948,090,160	P1,838,949,459

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

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**13,155,834,180**	13,590,610,819
Current service and interest costs	**1,016,751,104**	985,605,945
Benefits paid	**(943,469,140)**	(852,544,415)
Effect of deconsolidation	**(869,582,745)**	
Disposal of subsidiaries	**-**	(31,244,126)
Effects of foreign currency adjustment	**731,211,934**	416,853,000
Remeasurements –		
Actuarial losses (gains) arising from changes in:		
Experience adjustments	**257,719,861**	72,955,298
Financial assumptions	**(168,105,795)**	(1,047,753,508)
Demographic assumptions	**94,248,696**	21,351,167
Balance at end of year	**13,274,608,095**	13,155,834,180

The movements in the fair value of plan assets of funded retirement plans of the Group are presented below.

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**11,316,884,721**	11,846,379,884
Effects of foreign exchange adjustment	**808,788,000**	444,168,250
Interest income	**617,288,919**	565,619,316
Contributions paid into the plan	**128,972,732**	119,441,900
Loss on plan assets (excluding amounts included in net interest)	**(173,019,512)**	(886,043,284)
Effect of deconsolidation	**(463,148,743)**	-
Benefits paid	**(909,248,182)**	(772,681,345)
Balance at end of year	**11,326,517,935**	11,316,884,721

The plan assets of MEG, EMI, and Travellers as of December 31 consist of the following:

(Amounts in PHP)	**2025**	2024
Investments in:		
Long-term equity securities	**46.56%**	43.64%
Debt securities	**43.76%**	42.02%
Unit investment trust fund	**0.00%**	2.48%
Cash and cash equivalents	**5.21%**	7.61%
Property	**4.47%**	4.20%
Others	**0.00%**	0.04%
	100.00%	100.00%

Actual gain on plan assets in 2025 amounted to P444.3 million while actual loss on plan assets in 2024 amounted to P320.4 million.

As of December 31, 2025 and 2024, the funds include investments in securities of its related parties (see Note 29.7).

The carrying amount and fair value of investments in debt securities of entities within the Group as of December 31, 2025 amounted to P212.7 million and P210.8 million, respectively, while the carrying amount and fair value as of December 31, 2024 amounted to P46.9 million and P45.8 million, respectively. Unrealized fair value losses on these securities as of December 31, 2025 and 2024 amounted to P1.9 million and P0.7 million, respectively.

The carrying amount and fair value of investments in equity securities of entities within the Group as of December 31, 2025 amounted to P44.4 million and P44.7 million, respectively, while the carrying amount and fair value as of December 31, 2024 amounted to P40.0 million and P33.1 million, respectively. Unrealized fair value gain on these securities as at December 31, 2025 amounted to P0.3 million while unrealized fair value loss on these securities as at December 31, 2024 amounted to P6.9 million.

The fair value of the investments in other securities and debt instruments, long-term equity investments and cash and cash equivalents is at Level 1 in the fair value hierarchy. Unit investment trust fund is at Level 2, while loans and receivables and property are at Level 3 (see Note 33).

The components of amounts recognized in profit or loss and other comprehensive income in respect to the defined benefit plan are presented below and in the succeeding page:

(Amounts in PHP)	**2025**	2024	2023
Reported in consolidated profit or loss:			
Current service cost	**321,693,169**	302,969,887	249,247,769
Interest expense	**77,769,016**	117,016,742	10,218,523
	399,462,185	419,986,629	259,466,292

(Amounts in PHP)	**2025**	2024	2023
Reported in consolidated other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
Experience adjustments	**(257,719,861)**	(72,955,298)	(675,328,076)
Financial assumptions	**168,105,795**	1,047,753,508	(677,394,780)
Demographic assumptions	**(94,248,696)**	(21,351,167)	293,438,614
Return (loss) on plan assets (excluding amounts in net interest expense)	**(173,019,512)**	(886,043,284)	200,345,866
Effect of deconsolidation	**20,975,778**	-	-
	(335,906,496)	67,403,759	(858,938,376)
Tax income (expense)	**83,160,736**	(45,137,519)	169,138,340
	(252,745,760)	22,266,240	689,800,036

The amounts of post-employment benefits expense are included as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 25).

The net interest costs are presented as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 26).

In determining the post-employment benefit obligation, the following actuarial assumptions were used:

	2025	2024
Discount rates	**5.95% - 6.50%**	5.40% - 6.20%
Expected rates of salary increases	**3.00% - 10.00%**	3.00% - 7.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The discount rates assumed were based on the yields of long-term government bonds, as of the valuation dates. The applicable period used approximate the average years of remaining working lives of the Group's employees.

(c) *Risks Associated with the Retirement Plan*

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

(i) *Investment and Interest Rate Risks*

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 plans have placed majority of its plan assets in investments in equity and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity and 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 defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(iii) Inflation Risk

A significant portion of the defined benefit obligation is linked to inflation. The increase in inflation will increase the Group's liability.

(d) Other Information

(i) Sensitivity Analysis

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.

(Amounts in PHP)	Change in Assumption	Impact on Post-employment Obligation: Increase in Assumption	Impact on Post-employment Obligation: Decrease in Assumption
December 31, 2025			
Discount rate	**+/-0.25% to +/-6.00%**	**(910,955,882)**	**980,054,991**
Salary increase rate	**+/-1.00% to +/-4.00%**	**502,772,215**	**(440,417,871)**
December 31, 2024			
Discount rate	+/-0.25% to +/-6.11%	(946,963,295)	1,036,022,519
Salary increase rate	+/-1.00% to +/-4.00%	508,819,798	(457,133,619)

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

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

(ii) Asset-liability Matching Strategies

The Group, through its BOD, envisions that the investment positions shall be managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This aims to match the plan assets to the retirement obligations by investing and selling of equities and debt securities that match the benefit payments as they fall due and in the appropriate currency.

(iii) Funding Arrangements and Expected Contributions

The plan is currently underfunded by P1,948.1 million based on the Group's latest actuarial valuations. While there is no minimum funding requirement in the Philippines, the size of the underfunding may pose a cash flow risk in about 20 years' time when a significant number of employees is expected to retire.

The maturity profile of undiscounted expected benefit payments from the plan as of December 31 are as follows:

(Amounts in PHP)	**2025**	2024
Within one year	**837,688,677**	901,988,240
More than one year to five years	**1,696,549,095**	2,048,072,517
More than five years to ten years	**1,943,793,374**	2,316,501,056
More than ten years to 15 years	**822,851,438**	744,244,632
More than 15 years to 20 years	**1,580,226,555**	1,675,343,509
More than 20 years	**7,080,796,008**	6,211,311,644
	13,961,905,147	13,897,461,598

The Group expects to contribute P146.2 million to the retirement plan maintained for Megaworld during the next reporting period. GERI and EMI have yet to decide the amount of future contributions to their existing retirement plans.

27.3 Share Option Benefits

The Group's share option benefit expense includes the amounts recognized by the Company, Megaworld, GERI and EMI over the vesting period of the options granted by them (see Note 21.6). Options for 495.0 million shares have vested and exercisable as of December 31, 2025 and 2024 (see Note 21.6). Share option benefits expense, included as part of Salaries and employee benefits amounted to P69.3 million in 2025, P97.3 million in 2024 and P62.1 million in 2023 (see Note 27.1).

28. TAXES

28.1 Current and Deferred Taxes

The tax expense (income) reported in the consolidated statements of comprehensive income for the years ended December 31 are presented.

(Amounts in PHP)	**2025**	2024	2023
Reported in consolidated profit or loss:			
Current tax expense:			
Regular corporate income tax ("RCIT") at 25%, 19% and 10%	**2,937,637,242**	3,463,335,482	3,841,817,852
Final tax at 20% and 15%	**175,340,607**	258,524,860	323,836,555
Minimum corporate income tax ("MCIT") at 2% in 2025 and 2024, and 1.5% in 2023	**104,357,475**	79,691,616	38,379,539
Preferential tax rate at 5%	**3,671,975**	8,525,522	9,904,485
Adjustment in income tax due to change in income tax rate	**-**	-	(11,442)
Others	**25,490,868**	16,419,368	14,770,904
	3,246,498,167	3,826,496,848	4,228,697,893
Deferred tax expense relating to origination and reversal of temporary differences	**3,489,823,423**	4,009,294,445	3,187,290,599
	6,736,321,590	7,835,791,293	7,415,988,492
Reported in consolidated other comprehensive income –			
Deferred tax expense (income) relating to origination relating to origination and reversal of temporary differences	**(75,240,932)**	75,640,884	(148,246,238)

The Company and its Philippine subsidiaries are subject to the higher of RCIT at 25% in 2025, 2024 and 2023 of net taxable income or MCIT at 2% in 2025 and 2024, and 1.5% in 2023 of gross income, as defined under the Philippine tax regulations. The foreign subsidiaries are subject to income and other taxes based on the enacted tax laws of the respective countries or jurisdictions where they operate.

MREIT is registered as a real estate investment trust entity under R.A. No. 9846, which enjoys certain income tax-free incentives, including deductibility of dividend distribution (subject to certain conditions) and exemption from MCIT.

ECOC, SEDI, Travellers, DHRI and LSHRI are Philippine Economic Zone Authority – registered entities which are entitled to 5% preferential tax rate on gross income from registered activities in lieu of all local and national taxes and to other tax privileges.

SPI's The Regal Homes project has qualified in the definition of socialized housing under Section 3(r) of R.A. 7279, *Urban Development and Housing Act of 1992*. Under Section 20 of R.A. 7279, private sector participating in socialized housing shall be exempted from the payment of project-related income taxes, capital gains tax on raw lands use for the project, VAT for the project concerned, transfer tax for both raw and completed projects, and donor's tax for both lands certified by the local government units to have been donated for socialized housing purposes.

The reconciliation of tax on consolidated pretax income computed at the applicable statutory rates to consolidated tax expense is as follows:

(Amounts in PHP)	**2025**	2024	2023
Tax on consolidated pretax income at 25%	**9,334,884,493**	8,938,654,163	9,441,354,712
Adjustment for income subjected to different tax rates	**(238,777,364)**	(15,067,087)	(134,298,352)
Tax effects of:			
Income not subject to RCIT	**(11,073,127,884)**	(11,564,743,356)	(11,230,635,098)
Nondeductible expenses	**7,937,241,857**	8,913,415,358	8,720,191,048
Tax benefit arising from unrecognized deferred tax asset	**1,026,657,349**	1,297,579,551	985,120,263
Adjustments in claiming Optional Standard Deduction ("OSD")	**(272,806,131)**	(112,539,992)	(315,071,759)
Others	**22,249,270**	378,492,656	(50,672,322)
	6,736,321,590	7,835,791,293	7,415,988,492

The deferred tax assets and liabilities as of December 31 presented in the consolidated statements of financial position relate to the following:

(Amounts in PHP)	**2025**	2024
Uncollected gross profit	**(10,858,445,127)**	(9,990,405,340)
Capitalized interest	**(5,530,298,256)**	(5,365,648,060)
Brand valuation	**(4,741,719,015)**	(3,703,730,348)
Rent income differential	**(1,438,423,014)**	(1,428,524,379)
Unrealized foreign currency loss - net	**974,506,153**	910,432,486
Fair value adjustment	**(735,808,073)**	(574,875,563)
NOLCO	**349,274,036**	347,774,077
Retirement benefit obligation	**224,465,751**	206,666,390
Allowance for impairment losses	**87,187,942**	190,846,203
MCIT	**57,891,030**	52,871,619
Leases	**32,460,902**	1,063,162,933
Uncollected rental income	**(28,402,712)**	(36,210,739)
Allowance for property development costs	**7,689,776**	7,689,776
Allowance for inventory write-down	**-**	10,694,519
Others	**(801,997,724)**	(678,645,260)
	(22,401,618,331)	(18,987,901,686)

These are presented in the consolidated statements of financial position as follows:

(Amounts in PHP)	**2025**	2024
Deferred tax liabilities - net	**(23,320,972,564)**	(21,239,236,055)
Deferred tax assets - net	**919,354,233**	2,251,334,369
	(22,401,618,331)	(18,987,901,686)

The net deferred tax expense (income) reported in the consolidated statements of comprehensive income is shown below.

(Amounts in PHP)	Consolidated Profit or Loss			Consolidated Other Comprehensive Income		
	2025	2024	2023	**2025**	2024	2023
Uncollected gross profit	**868,039,787**	1,119,288,769	1,236,071,534	**-**	-	-
Brand valuation	**705,715,288**	639,931,312	539,537,547	**-**	-	-
Capitalized interest	**164,650,196**	603,477,268	(16,197,366)	**-**	-	-
Fair value adjustments	**109,456,152**	99,253,084	83,682,052	**-**	-	-
Unrealized foreign currency gains (losses) - net	**(59,325,691)**	(332,002,306)	1,264,816,070	**-**	-	-
Retirement benefit obligation	**(52,581,788)**	(53,744,807)	(328,762,014)	**(83,160,736)**	45,137,519	(169,138,340)
Allowance for impairment losses	**34,028,815**	(42,066,339)	(57,147,116)	**-**	-	-
Rent income differential	**9,898,635**	433,801,288	(285,819,406)	**-**	-	-
Uncollected rental income	**(6,852,832)**	(34,179,194)	(9,874,515)	**-**	-	-
MCIT	**(5,747,479)**	(6,085,893)	(13,146,288)	**-**	-	-
NOLCO	**(5,321,776)**	(76,555,633)	(58,125,391)	**-**	-	-
Translation adjustments	**-**	-	-	**7,919,804**	30,503,365	20,892,102
Others	**1,727,864,250**	1,658,176,896	832,253,492	**-**	-	-
Net deferred tax expense (income)	**3,489,823,557**	4,009,294,445	3,187,290,599	**(75,240,932)**	75,640,884	(148,246,238)

The details of NOLCO, which can be claimed as deduction from the respective subsidiaries' future taxable income, are shown below. Specifically, NOLCO incurred in 2020 and 2021 can be claimed as a deduction within five years after the year it was incurred, pursuant to Section 4 (bbbb) of R.A. No. 11494, *Bayanihan to Recover as One Act* (otherwise known as Bayanihan II) and as implemented under Revenue Regulations No. 25-2020.

(Amounts in PHP)

Year	Original Amount	Applied	Expired Balance	Remaining Balance	Valid Until
2025	4,174,666,432	-	-	4,174,666,432	2028
2024	4,547,184,822	-	-	4,547,184,822	2027
2023	3,759,464,986	(11,595,102)	-	3,747,869,884	2026
2022	4,271,830,950	(17,773,024)	(4,254,057,926)	-	2025
2021	3,894,565,470	(11,751,273)	-	3,882,814,197	2026
2020	5,094,795,699	(1,871,301)	(5,092,924,398)	-	2025
	25,742,508,359	**(42,990,700)**	**(9,346,982,324)**	**16,352,535,335**	

Some companies within the Group are subject to the MCIT. The details of excess MCIT over RCIT, which can be applied as deduction from the entities' respective future RCIT payable within three years from the year the MCIT was paid, are shown below.

(Amounts in PHP)

Year	Original Amount	Applied	Expired Balance	Remaining Balance	Valid Until
2025	102,031,721	-	-	102,031,721	2028
2024	26,043,600	-	-	26,043,600	2027
2023	45,489,050	(732,280)	-	44,756,770	2026
2022	14,774,154	(337,558)	(14,436,596)	-	2025
	188,338,525	**(1,069,838)**	**(14,436,596)**	**172,832,091**	

The table below summarizes the amount of NOLCO and other deductible temporary differences as of the end of 2025, 2024 and 2023 for which the related deferred tax assets have not been recognized by certain subsidiaries within the Group based on their assessments that the related tax benefits may not be realized within the prescriptive period.

(Amounts in PHP)	2025		2024		2023	
	Amount	**Tax Effect**	Amount	Tax Effect	Amount	Tax Effect
NOLCO	**15,125,361,031**	**3,781,340,258**	19,678,667,341	4,919,666,835	16,505,921,820	4,126,480,455
Retirement benefit obligation	**481,477,520**	**120,369,380**	334,092,808	83,523,202	212,697,688	53,174,422
Allowance for impairment	**167,005,429**	**41,751,358**	167,005,431	41,751,358	167,005,431	41,751,358
MCIT	**97,834,611**	**97,834,611**	33,357,907	33,357,907	31,179,212	31,179,212
Unrealized foreign currency losses - net	**2,919,637**	**729,909**	17,819,060	4,454,765	5,778,304	1,444,576
	15,874,598,228	**4,042,025,516**	20,230,942,547	5,082,754,067	16,922,582,455	4,254,030,023

The total amount of MCIT for which no deferred tax assets have been recognized as of December 31, 2025 and 2024, would expire in full at the end of 2028 and 2027, respectively, while unrecognized deferred taxes from NOLCO as of December 31, 2025 and 2024 will expire in full in 2028 and 2027, respectively. All other unrecognized deferred tax assets do not expire.

28.2 Optional Standard Deduction

Philippine corporate taxpayers have an option to claim either itemized deductions or OSD equivalent to 40% of gross sales. Once the option to use OSD is made at the beginning of the year, it shall be irrevocable for that particular taxable year.

In 2025, 2024 and 2023, the Philippine companies within the Group opted to continue claiming itemized deductions in computing for its income tax due, except for the Parent Company, MDC, LFI, MCTI, EDI, and PAI which opted to claim OSD during the said taxable years.

28.3 Taxation of Casino Operations

Under the Provisional License Agreement with PAGCOR, Travellers is subject to 25% and 15% license fees, inclusive of franchise tax and in lieu of all taxes, with reference to the income component of the gross gaming revenues. The license fees are directly remitted by Travellers to PAGCOR as required under the Provisional License Agreement.

In April 2013, the Bureau of Internal Revenue ("BIR") issued Revenue Memorandum Circular ("RMC") 33-2013 declaring that PAGCOR and its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended [see Note 30.2(c)].

In August 2016, the SC, in *Bloomberry Resorts and Hotels, Inc. vs. BIR*, (the SC Decision) confirmed that "all contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos." The SC Decision has been affirmed with finality by SC in a resolution dated November 28, 2016, when it denied the Motion for Reconsideration filed by the BIR.

The total license fees recognized amounted to P6,486.2 million, P6,643.3 million and P6,888.9 million in 2025, 2024 and 2023, respectively, and are presented as Gaming license fees as part of Cost of Services account in the consolidated statements of comprehensive income (see Note 24). The outstanding liabilities are presented as Gaming license fees payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

28.4 Effect of Pillar Two Rules

On December 20, 2021, the Organization for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting ("BEPS") released the Model Pillar 2 Global Anti-Base Erosion ("GloBE") rules (the "GloBE Rules"), introducing a global minimum tax rate of 15% for multinational enterprises ("MNEs") with a turnover of at least €750.0 million. The Group is subject to the application of these rules for the year 2025. The Ultimate Parent Entity of the EMI Pillar 2 group is AGI, a company tax resident in the Philippines. As of December 31, 2025, the Pillar 2 rules have been implemented into the domestic legislation in four (the UK, Luxembourg, Spain and Singapore) of the 10 jurisdictions in which the Group operates or has Constituent Entities.

The potential impact of the tax in the jurisdictions in which the Group operates was assessed based on the most recent financial information available for the Constituent Entities in the Group. Based on this assessment, no top-up tax is expected to be payable for the year ending December 31, 2025.

The Group has applied the mandatory exception to recognizing and disclosing information about relevant deferred tax assets and liabilities related to Pillar 2 income taxes.

29. RELATED PARTY TRANSACTIONS

The Group's related parties include its stockholders, associates, jointly controlled entities, the Group's key management personnel and retirement fund, and others. The summary of the Group's transactions and balances with its related parties as of and for the years ended December 31, 2025, 2024 and 2023 are presented below.

(Amounts in PHP)

Related Party Category	Notes	Amount of Transaction			Outstanding Balance Receivable (Payable)	
		2025	2024	2023	**2025**	2024
Parent Company and subsidiaries' stockholders:						
Management fees	29.2	**-**	-	-	**(238,709,798)**	(238,709,798)
Accounts payable	29.4	**123,837,958**	(24,500,000)	(143,202,618)	**(23,500,000)**	(147,337,958)
Related party under common ownership:						
Purchase of raw materials and services	29.1	**728,197,165**	1,066,682,699	1,059,246,855	**(171,575,854)**	(61,615,067)
Advances granted	29.3	**533,722,836**	617,384,606	(112,550,636)	**5,490,278,626**	4,956,555,790
Associates –						
Advances granted	29.3	**1,606,615**	1,343,736	383,639	**1,013,226,927**	1,011,620,312
Others:						
Advances	29.5	**652,047,511**	(190,866,044)	879,566,092	**(352,194,953)**	(1,004,242,464)
Accounts receivable	29.4	**(334,991,516)**	(327,041,688)	(370,502,910)	**277,283,574**	612,275,090
Accounts payable	29.4	-	-	3,070,715	**(42,137,715)**	(42,137,715)
Donations	30.2 (b)	**257,768,188**	256,237,881	251,480,457	**20,707,861**	21,765,546
Retirement plan –						
Investments in equity and debt securities	27.2 (b)	**-**	(97,078,614)	-	**34,781,600**	33,141,896

Unless otherwise stated, the outstanding balance of the Group's transactions with its related parties are unsecured, noninterest-bearing and payable or collectible on demand. No impairment loss was recognized, and none is deemed necessary, in 2025, 2024, and 2023 for the related party receivables.

29.1 Purchase of Raw Materials and Services

Emperador imports raw materials from a wholly owned subsidiary of BLC, which is considered a related party under joint control. Emperador also engages the services of a related party under common ownership in the importation raw materials such as alcohol, flavorings and other items, and finished goods. These transactions are generally being paid directly to the suppliers within 30 to 90 days.

The outstanding liability related to these purchases is presented as part of Trade payables under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

29.2 Operations and Management Agreement with GHL

In 2022 and prior years, some of Travellers' administrative functions are being handled by certain key officers and employees under the management of GHL as agreed by both parties under the Operations and Management Agreement. The outstanding liability arising from this transaction as of December 31, 2025 and 2024, which is unsecured, noninterest-bearing and payable in cash upon demand, is presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

29.3 Advances to Associates and Related Parties under Common Ownership

Entities within the Group grant advances to associates and related parties under common ownership for working capital purposes. These advances to associates and other related parties are unsecured, noninterest-bearing and repayable upon demand. Settlement is generally made in cash or through offsetting arrangements.

The outstanding balances of Advances to associates and other related parties, which are shown as part of Due from related parties under Trade and Other Receivables account in the consolidated statements of financial position, are presented below (see Note 6).

(Amounts in PHP)	**2025**	2024
Associates	**1,013,226,927**	1,011,620,312
Other related parties	**5,490,278,626**	4,956,555,790
	6,503,505,553	5,968,176,102

The movements in the advances to associates and other related parties are as follows:

(Amounts in PHP)	**2025**	2024
Advances to associates		
Balance at beginning of year	**1,011,620,312**	1,010,276,576
Cash advances granted	**2,302,152**	1,343,736
Collections	**(695,537)**	-
Balance at end of year	**1,013,226,927**	1,011,620,312
Advances to related parties under common ownership		
Balance at beginning of year	**4,956,555,790**	4,339,171,184
Addition from acquired subsidiary	**1,000,000,000**	
Cash advances granted	**68,377,026**	617,384,606
Collections	**(534,654,190)**	-
Balance at end of year	**5,490,278,626**	4,956,555,790

As of December 31, 2025 and 2024, based on management's assessment, the outstanding balances of advances to associates and other related parties are not impaired; hence, no impairment losses were recognized (see Note 31.2).

29.4 Due from/to Related Parties

Transactions with related parties include the following: financing of opening of letters of credit and payment of progress billing, royalty fees, rentals, interest and certain expenses in behalf of the entities within Group or other related parties. The amounts due from and to related parties are unsecured, noninterest-bearing and due and demandable any time. Settlement is generally made in cash or through offsetting arrangements.

The outstanding balances of Due from/to Related Parties are presented under Trade and Other Receivables (see Note 6) and Trade and Other Payables (see Note 16) accounts, respectively, in the consolidated statements of financial position as follows:

(Amounts in PHP)	**2025**	2024
Due from Related Parties		
Officers and employees	**138,227,166**	491,263,220
Other related parties	**139,056,408**	121,011,870
	277,283,574	612,275,090
Due to Related Parties		
Stockholders	**23,500,000**	147,337,958
Other related parties	**42,137,715**	42,137,715
	65,637,715	189,475,673

The details of the due from/to related parties are as follows:

(Amounts in PHP)	**2025**	2024
Due from officers and employees		
Balance at beginning of year	**491,263,220**	798,217,656
Collections	**(889,264,513)**	(911,303,896)
Additions	**879,392,196**	604,349,460
Effect of deconsolidation	**(343,163,737)**	-
Balance at end of year	**138,227,166**	491,263,220
Due from other related parties		
Balance at beginning of year	**121,011,870**	141,099,122
Additions	**54,673,393**	-
Collections	**(36,628,855)**	(20,087,252)
Balance at end of year	**139,056,408**	121,011,870
Due to stockholders		
Balance at beginning of year	**147,337,958**	171,837,958
Repayments	**(123,837,958)**	(24,500,000)
Balance at end of year	**23,500,000**	147,337,958
Due to other related parties		
Balance at beginning and end of year	**42,137,715**	42,137,715

As of December 31, 2025 and 2024, based on management's assessment, the outstanding balances of Due from officers and employees and related parties are not impaired; hence, no impairment losses were recognized.

29.5 Advances from Other Related Parties

Certain expenses of entities within the Group are paid for by other related parties. The advances are unsecured, noninterest-bearing, with no repayment terms, and generally payable in cash or through offsetting arrangements.

The movements in advances from other related parties are as follows:

(Amounts in PHP)	**2025**	2024
Balance at beginning of year	**1,004,242,464**	813,376,420
Advances assumed from acquired subsidiary	**2,037,515**	
Advances availed	**295,210,635**	397,665,776
Advances paid	**(949,295,661)**	(206,799,732)
Balance at end of year	**352,194,953**	1,004,242,464

29.6 Key Management Personnel Compensation

The compensation of key management personnel is broken down as follows (see Note 27.1):

(Amounts in PHP)	**2025**	2024	2023
Short-term employee benefits	**1,246,902,147**	1,252,558,192	1,235,139,714
Retirement benefit expense	**129,945,987**	144,616,526	145,550,803
Share option benefit expense	**56,856,083**	37,238,848	30,487,694
	1,433,704,217	1,434,413,566	1,411,178,211

29.7 Transactions with the Retirement Plans

The Group has a formal retirement plan established separately for each significant subsidiary, particularly Megaworld, GERI, EELHI, PHRI, Travellers, EDI and WML. These plans are defined benefit post-employment plan maintained for qualified employees, administered and managed by trustee banks (except for GERI which is still an unfunded plan) that are legally separated from the Group. The retirement funds do not provide any guarantee or surety for any obligation of the Group and their investments are not covered by any restrictions or liens.

The retirement funds include investments in securities of entities within the Group [see Note 27.2(b)]. The fair value, carrying amount and the composition of the plan assets as of December 31, 2025 and 2024 are shown in Note 27.2.

30. COMMITMENTS AND CONTINGENCIES

30.1 Operating Lease Commitments – Group as Lessor

The Group is a lessor under non-cancellable operating lease agreements covering various office and commercial spaces. The leases have terms ranging from 2 to 10 years, with renewal options, and include annual escalation rate of 3% to 10%.

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 BPO-based tenants. If the expected growth, particularly from BPO-based tenants, does not meet management's expectations, or in the case of commercial tenants more stringent health measures are imposed resulting to further temporary or permanent closures of commercial establishments, the Group may not be able to lease their properties in a timely manner or collect rent at profitable rates.

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 Deferred rental income under Other Current Liabilities and Other Non-current Liabilities in the consolidated statements of financial position (see Note 20).

Future minimum lease receivables under these leases as of December 31 are as follows:

(Amounts in PHP)	**2025**	2024	2023
Within one year	**19,000,533,615**	19,168,390,947	16,524,807,397
After one year but not more than five years	**88,154,865,128**	92,852,487,948	85,486,290,073
More than five years	**27,991,150,721**	36,835,676,821	28,326,544,473
	135,146,549,464	148,856,555,716	130,337,641,943

30.2 Provisional License Agreement of Travellers with PAGCOR

On June 2, 2008, PAGCOR issued a Provisional License ("License") authorizing Travellers to participate in the development of a portion of certain entertainment sites (Site A and B), which is part of a larger scale integrated tourism project envisioned by PAGCOR, and to establish and operate casinos, and engage in gaming activities in Sites A and B. The term of Travellers' License shall be co-terminus with PAGCOR's franchise which will expire on July 11, 2033, and shall be renewed subject to the terms of the PAGCOR Charter.

(a) Investment Commitments

Under the terms of the License, Travellers and WCI are required to complete its U.S.$1.3 billion (about P76.4 billion) investment commitment in phases, which amount is divided into Site A and Site B with the minimum investment of U.S.$1.1 billion (about P64.7 billion) and U.S.$216.0 million (about P12.7 billion), respectively (collectively, the "Project").

Since PAGCOR was only able to turnover and/or deliver possession of Site A property to the Group in 2014, PAGCOR approved a revised project implementation plan for the Westside City Project. WCI held the groundbreaking rites at Site A on October 1, 2014.

As a requirement in developing the aforementioned Project, Travellers transferred U.S.$100.0 million (about P5.9 billion) to an escrow account with a universal bank mutually agreed by PAGCOR and Travellers. At any given time, the escrow account shall have a maintaining balance of not lower than U.S.$50.0 million (about P2.6 billion) (see Note 9). If the funds fall below the maintaining balance at any given time, Travellers is allowed a 15-day grace period to achieve the maintaining balance, failure in which will cause Travellers to be charged by PAGCOR an amount equal to P2.5 million for every 15-calendar day period, or a fraction thereof, until the balance is maintained. While the Project is on-going, all funds for the development of the Project shall pass through the escrow deposit and all drawdown therefrom must be applied to the Project, unless Travellers is allowed to use other funds.

As of December 31, 2025 and 2024, Travellers has spent P141.3 billion and P142.0 billion, respectively, (about $2.4 billion and $2.7 billion, respectively) for its casino projects pursuant to its investment commitment under the License. It has restricted short-term placements amounting to U.S. $80.0 million (about P4.7 billion) and U.S. $45.4 million (about P2.7 billion) as at December 31, 2025 and 2024, respectively, to meet its requirements with PAGCOR in relation to these investment commitments (see Note 9).

(b) Requirement to Establish a Foundation

Travellers, in compliance with the requirement of PAGCOR to incorporate and register a foundation for the restoration of cultural heritage, incorporated Resorts World Philippines Cultural Heritage Foundation Inc. (or the "Foundation"), on September 7, 2011 primarily to engage in various activities for charitable, educational, cultural and artistic purposes, and to promote, perpetuate, preserve and encourage Filipino culture.

The Foundation shall be funded by Travellers by setting aside funds on a monthly basis equivalent to 2% of total gross gaming revenues from non-junket tables. PAGCOR sets the guidelines for the utilization of funds as it approves, monitors the implementation, and conducts a post-audit of the projects the Foundation undertakes.

Pursuant to PAGCOR's guidelines, the Foundation is tasked to undertake projects in line with the following disciplines: (i) restoration of cultural heritage; (ii) education; and, (iii) environment and health. As of December 31, 2025, the following are the completed and on-going projects of the Foundation:

- Donation of relief goods to victims of typhoons;
- Construction of school buildings in partnership with the Philippine Department of Education ("DepEd") whereby six school buildings in various public schools in Metro Manila and Luzon were completed and turned over to DepEd and the academic institutions;
- Computerization project with DepEd through providing a computer laboratories to various public schools in different parts of the country whereby all phases of the said project covering 27 schools have been completed;
- Funding of the construction of a cadet barracks at the Philippine Military Academy ("PMA") in Baguio City in a joint effort with another PAGCOR licensee's foundation, which was completed and turned over to PMA;
- Scholarship program for underprivileged but deserving students enrolled in the field of performing arts;
- Construction of treatment and rehabilitation centers in coordination with the Department of Health in Davao City and Taguig City;
- Donation of funds for medicines, medical supplies and equipment for Philippine National Police Camp Crame General Hospital and Paranaque City;

- Donation of medical supplies and relief goods to public hospitals and various government units to aid in the COVID-19 efforts;
- Construction of the National Capital Region Police Office Medical Center and Administrative Processing Center;
- Donation of funds for the redevelopment of the Baguio City Post Office Park;
- Construction of the Philippine Military Academy Alumni Association, Inc. Center for Leadership Excellence;
- Donation of funds for the Construction of the Naga City Hospital Phase II;
- Information, education and communication materials for Dangerous Drugs Abuse Prevention and Treatment Program;
- Cash donation for the construction of the Magiting Veterans Wing at Veterans Memorial Medical Center;
- Donation of motorcycles including fuel and lubricants to the PNP Southern Police District;
- Donation of mobile laboratory services vans to the Local Governments of Caloocan and Malabon; and
- Other projects and sponsorship activities;

Donations to the Foundation are recorded as part of Donations and Contributions under Other Operating Expenses account (see Note 25). The outstanding liability, representing donations due for the last month of each year, and which is unsecured, noninterest-bearing and payable in cash upon demand, as of December 31, 2025 and 2024 is presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

(c) Tax Contingencies of Casino Operations

Under the Travellers' License with the PAGCOR, Travellers is subject to the 25% and 15% license fees, inclusive of franchise tax and in lieu of all taxes, with reference to the income component of the gross gaming revenues. In April 2013, however, the BIR issued RMC 33-2013 declaring that PAGCOR, its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended (see Note 28.3).

In August 2016, the SC confirmed that "all contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos." The SC Decision has been affirmed with finality by the SC in a Resolution dated November 28, 2016, when it denied the Motion for Reconsideration filed by the BIR. Consistent with the decision of SC, on June 13, 2018, the Office of the Solicitor General issued a legal opinion stating that the tax exemption and imposition of 5% franchise tax in lieu of all other taxes and fees for gaming operations that was granted to PAGCOR extended to all PAGCOR contractees and licensees.

In March 2022, the BIR issued a circular, which sought to clarify that the franchise tax imposed to PAGCOR and its licensees, which is defined as 5% of the gross gaming revenues, shall be remitted to the BIR, specifically to the concerned Revenue District Office where the licensee is registered. In the same circular, BIR also clarified that the exemption to VAT covers only the contractees of PAGCOR but not the licensees. However, Travellers is in the position that the SC Decision extends to both on all taxes, including VAT, and as such, management did not report any VAT on its gaming transactions.

30.3 Participation in the Incorporation of Entertainment City Estate Management, Inc. ("ECEMI")

As a PAGCOR licensee, Travellers committed itself to take part in the incorporation of ECEMI in 2012, a non-stock, non-profit entity that shall be responsible for the general welfare, property, services and reputation of the Bagong Nayong Pilipino Entertainment City Manila. As of December 31, 2025 and 2024, contributions made to ECEMI booked in favor of Travellers amounted to P1.3 million and is presented as part of Others under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

30.4 Various Hotel Agreements Entered by Travellers

(a) Marriott Group (Marriott and Courtyard Iloilo)

Travellers has various service, license and royalty agreements with Marriott International B.V., Marriott International Design and Construction Services Inc., and International Hotel Licensing Company S.A.R.L., and Marriott International Licensing Company B.V. (collectively hereafter referred to as "Marriott Group") for the license, supervision, direction, control and management of operations of the Travellers' Marriott, including the monitoring of its compliance with Marriott Group's standards.

The service agreements also include certain services in support of Marriott outside the Philippines. Such services are generally made available to hotels in the Marriott System and shall include the international advertising, promotion and sales programs, core training programs and other training programs for the benefit of the Marriott employees, special services and programs for the benefit of the Marriott System, and the reservations system, property management system and other systems.

Further, the license and royalty agreement with Marriott Group grants Travellers a non-exclusive and non-transferable right and license within Metro Manila and Iloilo to use the Marriott Trademarks for hotel services and other related goods and services offered only in connection with Travellers' Marriott hotels and brands.

(b) Holiday Inn Express

In 2017, Travellers also entered into a Hotel Management Agreement ("HMA") with Holiday Inns (Philippines), Inc. for the license, supervision, direction, control and management of operations of Holiday Inn Express (formerly Remington Hotel), including the monitoring of its compliance with the hotel group standards.

The HMA includes security arrangements, refurbishment of the existing structure, rebranding, advertising, promotion and sales programs, core training programs and other training programs for the benefit of the employees, special services, the reservations system, property management system and other systems.

The parties also entered into a Franchise Agreement for the non-exclusive use and non-transferable license to use the brand marks for the hotel services and other related goods offered in connection with Travellers' Holiday Inn Express.

(c) Hotel Okura Manila

Also in 2017, Travellers and Hotel Okura Co., Ltd ("Okura") signed another HMA for the license, supervision, direction, control and management of operations of the Hotel Okura Manila, which includes advertising, promotion and sales programs, core training programs and other training programs for the benefit of the employees, special services, the reservations system, property management system and other systems.

The HMA with Okura grants Travellers a non-exclusive and non-transferable right to use the Okura trademarks for hotel services and other related goods and services offered only in connection with the Hotel Okura Manila, which held its soft opening in December 2021.

In 2019, Hotel Okura Co., Ltd.'s wholly owned subsidiary, Okura Nikko Hotel Management Co., Ltd., entered into a Deed of Assignment and Assumption of Management Agreement with the Group relating to Okura. On January 2022, Hotel Okura started its full commercial operations.

(d) Sheraton Manila Hotel

In 2017, an Operating Services Agreement ("OSA") was executed between LSHRI and Starwood Asia Pacific Hotels & Recreation PTE. LTD ("Starwood"), a fully-owned company of Marriott Group, for the license, supervision, direction, control and management of operations of the Sheraton Manila Hotel, including the monitoring of its compliance with Marriott Group's standards.

The OSA also includes certain services similar to those covered by the existing agreement with the Marriott Group. Likewise, the license and royalty agreement with Starwood grants LSHRI similar rights provided by Marriott Group to Travellers. In January 2019, Sheraton Manila Hotel started its commercial operations.

(e) Hilton Manila

In 2017, a Management Agreement ("MA") was executed between DHRI and Hilton International Manage LLC ("Hilton") for the license, supervision, direction, control and management of operations of Hilton Manila, including the monitoring of its compliance with Hilton's standards.

The MA includes design and decoration of the Hilton Manila, advertising, promotion and sales programs, core training programs and other training programs for the benefit of the Hilton employees, special services and programs, and the reservations system, property management system and other systems.

The MA grants DHRI a nonexclusive and nontransferable right to use the Hilton Trademarks for hotel services and other related goods and services offered only in connection with the Hilton Manila. The Hilton Manila started operations in October 2018.

Payments to be made by Travellers for operating these foregoing hotel brands shall be computed based on the provisions of the above agreements. Total expenses recognized from these transactions in 2025, 2024 and 2023 totaled P218.3 million, P286.7 million and P254.5 million, respectively, and are presented as part of Management fees under the Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 25).

The outstanding liabilities, which are unsecured, noninterest-bearing and payable in cash upon demand, as of December 31, 2025 and 2024 amounted to P89.6 million and P63.0 million, respectively, and are presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

30.5 License Agreements with MRO

GADC was granted by MRO the non-exclusive right to adopt and use the McDonald's System in its restaurant operations in the Philippines up to March 2025. The license agreement provided for the payment of royalty fees based on a specified percentage of gross sales from the operations of Mcdonald's restaurants, including those operated by sub-franchisees.

In 2025, as a result of changes in contractual arrangements in connection with the renewal of the McDonald's license, the Group ceased to have control over GADC effective March 17, 2025, and GADC was deconsolidated and accounted for thereafter as an associate [see Note 1.2(a)].

Accordingly, the royalty expenses recognized in the 2025 consolidated statement of comprehensive income represent amounts incurred only during the pre-deconsolidation period from January 1, 2025 to March 16, 2025. Royalty expenses recognized amounted to P549.0 million, P2,610.5 million, and P2,310.2 million in 2025, 2024, and 2023, respectively, and are presented under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 25). The outstanding payable to MRO relating to royalty expenses amounted to P428.0 million as of December 31, 2024 and presented as part of Accrued expenses under Trade and Other Payables account in the 2024 consolidated statement of financial position (see Note 16).

Individual sublicense arrangements granted by GADC to franchisees and joint venturers generally included a lease and a license to use the McDonald's System in the Philippines and, in certain cases, the use of restaurant facilities, typically for a period of ten (10) years. These arrangements provided that, should GADC's license rights from McDonald's be terminated or not renewed, the corresponding sublicense agreements shall likewise be terminated.

Revenues recognized from sublicense agreements prior to the deconsolidation of GADC were presented as Franchise revenues under Rendering of Services in the consolidated statements of comprehensive income (see Note 23.1). Revenues arising starting March 17, 2025 are no longer consolidated and are not in the consolidated statements of comprehensive income.

30.6 Skytrain Project

In October 2017, the Group submitted an unsolicited proposal to the government to build Skytrain that will link Uptown Fort Bonifacio to Guadalupe Station of Metro Rail Transit Line-3. The Group was granted an Original Proponent Status by the DOTr in May 2018 and its proposal has undergone review and evaluation at NEDA Board.

30.7 Co-Development Agreement ("CDA") between WCI and SUN

The principal terms of the CDA agreement are as follows:

(i) WCI and Travellers Shall Lease the Project Site (i.e. "the site upon which the hotel casino is to be erected") to SUN

WCI and Travellers shall lease to SUN the site upon which a hotel casino will be erected at an annual rental of US$10.6 million (P594.9 million), exclusive of VAT, until August 19, 2039. The lease shall automatically be renewed subject to applicable laws for another 25 years unless otherwise agreed upon by the parties. The term of the lease shall start upon the commencement of operation of the hotel casino.

In line with the foregoing, on February 21, 2020, WCI and Travellers entered into a lease agreement with SUN. The parties agreed that the lease shall start from a certain period that may be agreed upon by the parties. The rental terms shall commence upon the commercial operations of the Hotel Casino. In 2025, following the commencement of the strategic working arrangement, all of SUN's rights, interests, and obligations under the lease agreement were assigned to ECRC. As at the date of the assignment, the construction remains in progress and operations have not yet commenced.

(ii) SUN Shall Finance the Development and Construction of a Hotel Casino

SUN shall finance the development and construction of a hotel casino on the leased area. SUN shall also pay a certain fixed amount to WCI for the initial cost of the project.

In 2021, these conditions specified in the CDA have been fulfilled and the transfer of assets has been completed.

In 2025, following the commencement of the strategic working arrangement, all of SUN's rights, interests, and obligations under the CDA were assigned to ECRC [see Note 30.7(v)].

(iii) WCI Shall Enter into an Agreement with SUN, for the Latter to Operate and Manage a Hotel Casino

WCI and SUN shall enter into an agreement for the operations and management of a hotel casino for the period of the gaming Provisional License Agreement (i.e. up to July 11, 2033) as well as any extension or renewal of the Provisional License Agreement on terms of the operations and management agreement to be mutually agreed between the WCI and SUN. The operations and management agreement was entered into by the parties on May 4, 2020.

In accordance with the agreement, WCI's share on the gross gaming revenues shall be as follows (which payment shall only be payable when the hotel casino commences operation):

(a) 1% of the gross gaming revenue on VIP of the Casino; and,

(b) 3% of the gross gaming revenue on slot machines and mass market tables of the Casino of the hotel casino, based on the gross gaming revenue as is submitted to PAGCOR from time to time.

As of December 31, 2025, the hotel casino has not yet commenced its operation, hence agreement above has not yet materialized. The operations and management agreement entered into by the parties on May 4, 2020 was pre-terminated in 2025 [see Note 30.7(v)].

(iv) WCI and Travellers as Warrantors

Fortune Noble Limited (Fortune) [a wholly-owned subsidiary of LET Group Holdings Limited], the parent company of SUN, conditionally agreed to subscribe to 2.55 billion new SUN Shares subject to the terms and conditions mutually agreed upon by the parties. WCI and Travellers agreed to act as the warrantors, wherein, a put option over the shares of SUN was included. The put option enables Fortune to transfer ownership over SUN to the warrantors in exchange for an option price, upon the happening of any of the put option events during the option period. The option period commences from the date of the agreement up to the day immediately preceding the date on which the hotel casino first starts its operation. The put option events mainly pertains to the successful commencement of operations of the hotel casino, which include, among others, the termination or suspension of gaming license due to the default of the warrantors, termination of WCI's lease over Site A as applicable, or failure to acquire government consent for operation of hotel casino.

The option price is equivalent to the aggregate of: (a) the consideration for the acquisition by Fortune of the 1.1 billion SUN shares as at the date of the agreement together with interest from the date of completion of the said acquisition up to the date of completion of the put option; and, (b) the aggregate of the shares subscription price for the subscription of 2.6 billion new SUN shares including interest as well from the date of Shares Subscription Completion up to the date of completion of the put option.

Travellers' management assessed that since the put option transfers significant risk to the Group, as warrantors, it shall be accounted for as a financial guarantee to be measured under PFRS 9 [see Note 3.1(n)]. Accordingly, the put option was initially recognized at the amount of premium received then, subsequently measured at the higher of the amount initially recognized or the amount using the ECL model [see Note 2.4(c)].

In accordance with the ECL model, the option price that WCI and Travellers is committed to pay was compared with the value of the collateral or the shares they will receive using the put option. Management determined that the committed option price as of December 31, 2024 amounted to P3.2 billion, which were traded on the PSE at P0.90 per share (P3.2 billion in total). As the option price is fully secured by the value of SUN shares and as management assessed that the probability of default to be remote, both WCI and Travellers assigned a nil value to the instrument as at December 31, 2024.

In 2025, as a result of the assignment by SUN of all of its rights and obligations relating to the Westside Integrated Resort Project to ECRC, the put option granted to Fortune has effectively been rendered inoperative.

(v) Pre-termination of the CDA and the Commencement of the Strategic Working Agreement

On August 30, 2025, SUN entered into agreements to pursue a strategic working agreement with the Travellers, WCI, WBHC, and ECRC to expedite the completion of the now-expanded Westside Resort Project. As such, the related CDA was pre-terminated.

To ensure the timely construction, development, completion and operation of the Westside Integrated Resort Project, ECRC has assumed all rights and obligations related to the project.

In accordance with the agreement, the termination and assignment are as follows:

(a) SUN irrevocably and unconditionally assigned, transferred, and conveyed to ECRC all of its rights, interests, and obligations under the CDA dated October 28, 2019 between SUN and WCI.

(b) SUN irrevocably and unconditionally assigned, transferred, and conveyed to ECRC all of its rights, interests, and obligations under the Lease Agreement dated February 21, 2020 among the Parent Company, SUN, and WCI.

(c) SUN irrevocably and unconditionally assigned, transferred, and conveyed to ECRC all of its rights, interests, and obligations under the construction and service agreements entered into by SUN with contractors, suppliers, service providers, and other third-party entities in connection with the Westside Integrated Resort Project, as may be expressly vetted and determined by ECRC; and,

(d) SUN and WCI mutually, irrevocably, and conclusively terminated the Operations and Management Agreement dated May 4. 2020.

As a result of the strategic working agreement, SUN transferred net assets to WBHC and ECRC amounting to P5.5 billion and P14.7 billion, respectively, in exchange for 40% ownership interest to the entities.

30.8 ECRC as Borrower, WCI as a Mortgagor, WBHC, WCI and AGI as Guarantors

On August 19, 2025, ECRC obtained a bridge loan facility amounting to P16.0 billion from a local bank. As part of the strategic working arrangement, WCI agreed to act as a real estate mortgagor of the facility and pledged its land, as a security for the said loan. Also for the same facility, WBHC, WCI and AGI agreed to act as guarantors of the facility, subject to a maximum aggregate liability of P30.0 billion, plus applicable interest, penalties, fees, and other charges. In the event of default by ECRC, the guarantors would immediately become jointly and severally liable for the outstanding obligations. As of December 31, 2025, no default event has occurred.

30.9 Others

As of December 31, 2025 and 2024, the Group has unused lines of credit from banks and financial institutions totaling P41.8 billion and P31.5 billion, respectively (see Note 17).

There are other commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying 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.

31. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI, interest-bearing loans, bonds payable, trade receivables and payables which arise directly from the Group's business operations. The financial debts were issued to raise funds for the Group's capital expenditures or working capital requirements. The Group does not actively engage in the trading of financial assets for speculative purposes.

The Group is exposed to a variety of financial risks in relation to financial instruments. The main types of risks are market risk (which includes other price risk), credit risk and liquidity risk.

31.1 Market Risk

(a) Foreign Currency Sensitivity

Most of the Group's transactions are carried out in Philippine pesos, U.S. dollars, Euros and U.K. pounds, which are the functional currencies of the individual subsidiaries making the transactions.

The currency exchange risk arises from transactions carried out in currencies other than the functional currency of the subsidiaries at each entity level.

Foreign currency denominated financial assets and liabilities, translated into Philippine pesos at period-end closing rate are as follows.

(Amounts in PHP)	U.S. Dollars	HK Dollars	Euros	U.K. Pounds
December 31, 2025				
Financial assets	6,015,444,186	2,891,416,132	152,181,266	375,628,907
Financial liabilities	(38,529,235,979)	(565,587,705)	(21,846,697,479)	(20,239,764,077)
	(32,513,791,793)	**2,325,828,427**	**(21,694,516,213)**	**(19,864,135,170)**
December 31, 2024				
Financial assets	2,374,101,661	2,333,342,682	249,644,950	314,852,956
Financial liabilities	(52,450,866,355)	(418,496,858)	(19,972,574,551)	(13,518,227,486)
	(50,076,764,694)	1,914,845,824	(19,722,929,601)	(13,203,374,530)

The table in the succeeding page illustrates the sensitivity of the consolidated income before tax for the period with respect to changes in Philippine pesos against foreign currency exchange rates. The percentages have been determined based on the average market volatility in exchange rates in the previous year and 12 months, respectively, estimated at 95% level of confidence.

(Amounts in PHP)	Reasonably possible change in rate	Effect in consolidated profit before tax
December 31, 2025		
U.S. Dollar	**+/- 10.37%**	**(2,478,636,311)**
HK Dollar	**+/- 10.47%**	**243,412,612**
Euros	**+/- 18.97%**	**(4,115,772,609)**
U.K. Pound	**+ / - 8.88%**	**(1,763,935,203)**
December 31, 2024		
U.S. Dollar	+/- 9.46%	(3,748,507,155)
HK Dollar	+/- 9.43%	180,509,839
Euros	+/- 45.40%	(8,953,907,760)
U.K. Pound	+/- 7.19%	(949,322,629)

However, if the Philippine peso had weakened against the U.S. dollar, HK dollar, Euro, and U.K. pound by the same percentages, then consolidated profit before tax would have changed at the opposite direction by the same amounts.

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting periods.

The Group periodically reviews the trend of the foreign exchange rates and monitors its non-functional currency cash flows as part of the Group's foreign exchange risk management strategy consistent with its use and/or entering into cross currency swap agreements.

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) *Interest Rate Sensitivity*

The Group's interest risk management policy is to minimize interest rate cash flow risk exposures to changes in interest rates. At present, the Group is exposed to changes in market interest rates through bank borrowings and cash and cash equivalents, which are subject to variable interest rates. The Group maintains a debt portfolio unit of both fixed and variable interest rates. All other financial assets are subject to fixed interest rates.

The sensitivity of the consolidated income before tax for the period to a reasonably possible change in interest rates of +/- 2.12% for Philippine peso and +/- 1.22% for U.S. dollar in 2025 and +/- 1.27% for Philippine peso and +/- 2.73% for U.S. dollar in 2024 with effect from the beginning of the period. These percentages have been determined based on the average market volatility in interest rates, using standard deviation, in the previous year and 12 months, respectively, estimated at 95% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held as of December 31, 2025 and 2024, with effect estimated from the beginning of the period. All other variables held constant, the consolidated income before tax would have decreased by P4,506.1 million and P3,127.7 million for the years ended December 31, 2025 and 2024, respectively. Conversely, if the interest rates decreased by the same percentage, consolidated income before tax would have been higher by the same amount.

31.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, which include granting loans and receivables to customers and other counterparties, selling goods to customers including related parties, and placing deposits.

The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of rentals, advance payments are received to mitigate credit risk.

The maximum credit risk exposure of financial assets and contract assets is the total carrying amount of the financial assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements is presented in the succeeding page

(Amounts in PHP)	Notes	**2025**	2024
Cash and cash equivalents	5	**47,370,541,026**	60,602,840,049
Trade and other receivable	6	**85,768,144,690**	83,049,599,540
Marketable debt securities	7	**10,591,949,667**	10,447,837,608
Contract assets	23.2	**34,215,902,532**	35,515,792,121
Due from related parties	6	**6,780,789,127**	6,580,451,192
Other financial assets	9	**6,138,566,692**	4,809,972,409
		190,865,893,734	201,006,492,919

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash and cash equivalents in banks in the Philippines are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million per depositor per banking institution, which was increased to P1.0 million effective March 15, 2025.

The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. Franchisees are subject to stringent financial, credit and legal verification process. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant portion of sales, advance payments are received to mitigate credit risk.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets).

The other receivables relate to receivables from both third and related parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables.

The expected loss rates are based on the payment profiles of sales. Further, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group identifies headline inflation rate and bank lending rate to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

ECL for advances to associates and other related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

The credit risk for guarantee and other deposits is considered negligible as the Group has ongoing transactions with the counterparties and the latter are considered to be with sound financial condition and sufficient liquidity.

Based on the Group's assessment, total loss allowance amounted to P1,439.6 million and P1,654.4 million as of December 31, 2025 and 2024, respectively, which is mostly coming from receivables from real estate sales.

Except for real estate sales, contract assets and rental receivables, the Group's financial assets are not covered with any collateral or credit enhancement. Accordingly, the Group manages credit risk by setting limits on the amount of risk in relation to a particular customer including requiring payment of any outstanding receivable before a new credit is extended. Such risk is monitored on a regular basis and subject to an annual or more frequent review. Approval for credit limits are secured from the credit manager.

The Group considers credit enhancements in determining the expected credit loss. Trade receivables from real estate sales are collateralized by the real properties sold while rental receivables are secured to the extent of advanced rental and security deposits received from lessees. Further, customers are required to issue post-dated checks, which provide additional credit enhancement.

The estimated fair value of collateral and other security enhancements held against trade receivables and contract assets are as follows:

(Amounts in PHP)	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2025			
Real estate sales receivables	63,346,630,393	128,581,540,998	-
Contract assets	34,215,902,532	75,868,344,266	-
Rental receivables	5,688,653,997	7,064,413,136	-
	103,251,186,922	**211,514,298,400**	**-**
2024			
Real estate sales receivables	40,443,807,833	75,756,257,540	-
Contract assets	35,515,792,121	86,662,465,873	-
Rental receivables	6,654,501,681	25,956,551,740	-
	82,614,101,635	188,375,275,153	-

Trade and other receivables that are past due but not impaired are as follows:

(Amounts in PHP)	2025	2024
Not more than 30 days	**1,928,370,724**	2,734,319,744
31 to 60 days	**2,126,318,455**	1,922,971,318
Over 60 days	**4,937,125,775**	6,118,914,553
	8,991,814,954	10,776,205,615

Moreover, the management has assessed that risk over the put option has not increased significantly, as the related probability of any of the put option event from happening is low or remote under the circumstances. Hence, in accordance with the general approach of ECL, the value of the put option was measured on a 12-month basis [see Note 30.7(iv)].

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include the cessation of enforcement activity and where the value of any assets that the Group may get from the customers is less than the outstanding contractual amounts of the financial assets to be written-off. In 2025, 2024 and 2023, the Group wrote off receivables amounting to P73.2 million, P42.7 million and P0.9 million, respectively.

31.3 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 a six-month and one-year period are identified monthly. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans, bonds, and preferred shares.

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

In addition, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fundraising activities may include obtaining bank loans and capital market issues.

As of December 31, 2025 and 2024, the Group's financial liabilities (excluding lease liabilities – see Note 13.3) have contractual maturities which are presented below.

(Amounts in PHP)	Within 6 Months	6 to 12 Months	1 to 5 Years	Later than 5 Years
December 31, 2025:				
Trade and other payables	54,304,277,206	16,508,309,986	-	-
Interest-bearing loans	30,471,691,212	31,355,928,078	177,666,695,229	46,449,739,123
Bonds payable	898,666,610	898,666,610	22,383,754,143	-
Advances from other related parties	-	352,194,954	-	-
Slot jackpot liability	767,389,124	-	-	-
Put option liability	-	-	248,391,682	-
Other liabilities	-	1,799,851,408	3,191,891,205	670,048,581
	86,442,024,152	**50,914,951,036**	**203,490,732,259**	**47,119,787,704**
December 31, 2024:				
Trade and other payables	58,573,696,450	14,178,450,105	-	-
Interest-bearing loans	13,550,956,792	40,190,853,698	193,844,464,747	19,142,418,772
Bonds payable	418,788,562	418,788,563	21,980,054,250	-
Advances from other related parties	186,975,673	1,004,242,464	-	-
Redeemable preferred shares	1,574,159,348	-	-	-
Guaranty deposits	18,458,277	18,458,276	268,624,570	440,985,109
Slot jackpot liability	772,287,098	-	-	-
Other liabilities	138,266,183	2,404,314,294	3,415,055,472	349,627,196
	75,233,588,383	58,215,107,400	219,508,199,039	19,933,031,077

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

31.4 Other Price Risk Sensitivity

The Group's market price risk arises from its investments carried at fair value. 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 investments held at fair value and their impact on the equity as of December 31, 2025 and 2024 are summarized below.

	Observed Volatility Rates		Impact on Equity	
(Amounts in PHP)	Increase	Decrease	Increase	Decrease
2025				
Investment in quoted equity securities at				
FVOCI	**+33.30%**	**-33.30%**	**15,441,574**	**(15,441,574)**
FVTPL	**+33.30%**	**-33.30%**	**1,959,475,755**	**(1,959,475,755)**
2024				
Investment in quoted equity securities at				
FVOCI	+30.78%	-30.78%	57,092,524	(57,092,524)
FVTPL	+30.78%	-30.78%	1,722,745,668	(1,722,745,668)

The maximum additional estimated loss in 2025 and 2024 is to the extent of the carrying value of the securities held as of these reporting dates with all other variables held constant. The estimated change in quoted market price is computed based on volatility of listed companies at the PSE for the past 12 months at 95% confidence level.

The investments in listed 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 also exposed to other price risk in respect of its financial instruments at marketable debt securities and derivative financial assets and liabilities arising from foreign exchange margins trading spot and forward. These financial instruments will continue to be measured at fair value based on quoted prices for marketable debt and equity securities, and index reference provided by certain foreign financial institution for derivative financial assets.

32. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

32.1 Carrying Values and Fair Values of Financial Assets and Financial Liabilities

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

		2025		2024	
(Amounts in PHP)	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial assets					
Financial assets at amortized cost:					
Cash and cash equivalents	5	**47,370,541,026**	**47,370,541,026**	60,602,840,049	60,602,840,049
Trade and other receivables	6	**92,554,165,393**	**93,675,187,596**	89,630,050,732	90,186,132,024
Other financial assets	9	**6,138,566,692**	**6,138,566,692**	4,809,972,409	4,677,206,154
		146,063,273,111	**147,184,295,314**	155,042,863,190	155,466,178,227
Financial assets at FVTPL:					
Marketable debt and equity securities	7	**15,933,574,335**	**15,933,574,335**	15,685,655,013	15,685,655,013
Derivative assets	7	**615,404,509**	**615,404,509**	368,629,909	368,629,909
		16,548,978,844	**16,548,978,844**	16,054,284,922	16,054,284,922
Financial assets at FVOCI – Equity securities	11	**483,074,040**	**483,074,040**	638,188,728	638,188,728
Financial liabilities					
Financial liabilities at amortized cost:					
Current:					
Trade and other payables	16	**67,281,329,388**	**67,214,003,227**	70,972,319,605	70,903,545,387
Interest-bearing loans	17	**58,396,634,309**	**56,427,487,727**	46,479,695,155	45,373,299,377
Lease liabilities	13.3	**205,113,172**	**205,113,172**	1,246,685,477	1,246,685,477
Advances from other related parties	29	**352,194,953**	**352,194,953**	1,004,242,464	1,004,242,464
Redeemable preferred shares	19	-	-	1,574,159,348	1,574,159,348
Customers' deposits	20	**9,125,995,440**	**9,125,995,440**	9,703,763,699	9,703,763,699
Other current liabilities	20	**1,799,851,408**	**1,799,851,408**	2,301,575,916	2,301,575,916
		137,161,118,670	**135,124,645,927**	133,282,441,664	132,107,271,668

(Amounts in PHP)	Notes	2025 Carrying Values	2025 Fair Values	2024 Carrying Values	2024 Fair Values
Financial liabilities					
Financial liabilities at amortized cost:					
Non-current:					
Interest-bearing loans	17	**194,482,790,969**	**190,108,467,345**	183,524,224,160	178,095,862,161
Bonds payable	18	**20,419,627,934**	**19,634,035,680**	20,049,554,649	19,369,933,610
Lease liabilities	13.3	**1,075,305,947**	**1,075,305,947**	17,248,683,855	17,248,683,855
Customers' deposits	20	**1,340,097,162**	**1,340,097,162**	2,370,902,526	2,370,902,526
Put option liability	20	**248,391,682**	**248,391,682**	-	-
Other non-current liabilities	20	**2,521,842,624**	**2,521,842,624**	2,818,087,867	2,790,477,262
		220,088,056,318	**214,928,140,440**	226,011,453,057	219,875,859,414
Financial liabilities at FVTPL –					
Slot jackpot liability	16, 20	**767,389,124**	**767,389,124**	772,287,098	772,287,098

See Notes 2.4 and 2.13 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 31.

32.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set off financial instruments in 2025 and 2024 and does not have relevant offsetting arrangements, except as disclosed in Note 29.3, 29.4 and 29.5. Currently, the Group's financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders. As such, the Group's outstanding receivables from and payables to the same related parties can be potentially offset to the extent of their corresponding outstanding balance. There are no offsetting arrangements as at December 31, 2025 and 2024.

33. FAIR VALUE MEASUREMENT AND DISCLOSURES

33.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

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

The level within which the financial asset or financial 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.

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.

33.2 Financial Instruments Measurements at Fair Value

The tables below show the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of December 31, 2025 and 2024.

(Amounts in PHP)	2025 Level 1	2025 Level 2	2025 Level 3	2025 Total
Financial assets:				
Financial assets at FVTPL:				
Debt and equity securities	**15,933,574,335**	**-**	**-**	**15,933,574,335**
Derivative asset	**-**	**615,404,509**	**-**	**615,404,509**
Financial assets at FVOCI –				
Equity securities	**46,371,094**	**299,800,000**	**136,902,946**	**483,074,040**
	15,979,945,429	**915,204,509**	**136,902,946**	**17,032,052,884**
Financial liabilities:				
Financial Liabilities at FVTPL –				
Slot jackpot liability	**-**	**767,389,124**	**-**	**767,389,124**

(Amounts in PHP)	2024 Level 1	2024 Level 2	2024 Level 3	2024 Total
Financial assets:				
Financial assets at FVTPL:				
Debt and equity securities	15,685,655,013	-	-	15,685,655,013
Derivative asset	-	368,629,909	-	368,629,909
Financial assets at FVOCI –				
Equity securities	185,485,782	315,800,000	136,902,946	638,188,728
	15,871,140,793	684,429,909	136,902,946	16,692,473,650
Financial liabilities:				
Financial Liabilities at FVTPL –				
Slot jackpot liability	-	772,287,098	-	772,287,098

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years.

Described below and in the succeeding pages are the information about how the fair values of the Group's classes of financial assets are determined.

(a) Equity Securities

As of December 31, 2025 and 2024, equity securities classified as financial assets at FVTPL or at FVOCI included in Level 1 were valued based on their market prices quoted in various stock exchanges and converted into Philippine peso amounts at the translation rates at the end of each reporting period.

Golf club shares classified as financial assets at FVOCI in 2025 and 2024 are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. Moreover, equity securities held in private companies are included in Level 3 since its market value is not quoted in an active market. The fair value was determined using the discounted cash flows model as the valuation technique. In determining the fair value, the management assumes a discount rate of 5.00%, terminal growth rate of 1.00% to 5.00%, using three-to-five year financial projections. Management assessed that based on the valuation technique used, the fair value of these financial instruments approximate their carrying values and any fair value changes are not material to the consolidated financial statements.

(b) Debt Securities

The fair value of the Group's debt securities which consist of corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

(c) Derivative Financial Instruments

The fair value of derivative financial instruments is measured at inputs other than quoted prices that are indirectly observable for the financial instruments and are categorized within Level 2. The fair value is derived from prices set in the derivative contracts.

33.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The tables in the succeeding page show the fair value hierarchy of the Company's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of December 31, 2025 and 2024.

(Amounts in PHP)	2025 Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	**47,370,541,026**	**-**	**-**	**47,370,541,026**
Trade and other receivables	**-**	**-**	**93,675,187,596**	**93,675,187,596**
Other financial assets	**4,697,600,000**	**-**	**1,440,966,692**	**6,138,566,692**
	52,068,141,026	**-**	**95,116,154,288**	**147,184,295,314**
Financial liabilities:				
Current:				
Trade and other payables	**-**	**-**	**67,214,003,227**	**67,214,003,227**
Interest-bearing loans	**-**	**-**	**56,427,487,727**	**56,427,487,727**
Lease liabilities	**-**	**-**	**205,113,172**	**205,113,172**
Advances from related parties	**-**	**-**	**352,194,953**	**352,194,953**
Customers' deposits	**-**	**-**	**9,125,995,440**	**9,125,995,440**
Other current liabilities	**-**	**-**	**1,799,851,408**	**1,799,851,408**
Non-current:				
Interest-bearing loans	**-**	**-**	**190,108,467,345**	**190,108,467,345**
Bonds payable	**19,634,035,680**	**-**	**-**	**19,634,035,680**
Lease liabilities	**-**	**-**	**1,075,305,947**	**1,075,305,947**
Customers' deposits	**-**	**-**	**1,340,097,162**	**1,340,097,162**
Put option liability	**-**	**-**	**248,391,682**	**248,391,682**
Other non-current liabilities	**-**	**-**	**2,521,842,624**	**2,521,842,624**
	19,634,035,680	**-**	**330,418,750,687**	**350,052,786,367**

(Amounts in PHP)	2024 Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	60,602,840,049	-	-	60,602,840,049
Trade and other receivables	-	-	90,186,132,024	90,186,132,024
Other financial assets	2,633,667,852	671,562,522	1,371,975,780	4,677,206,154
	63,236,507,901	671,562,522	91,558,107,804	155,466,178,227
Financial liabilities:				
Current:				
Trade and other payables	-	-	70,903,545,387	70,903,545,387
Interest-bearing loans	-	-	45,373,299,377	45,373,299,377
Lease liabilities	-	-	1,246,685,477	1,246,685,477
Advances from related parties	-	-	1,004,242,464	1,004,242,464
Redeemable preferred shares	-	-	1,574,159,348	1,574,159,348
Customers' deposits	-	-	9,703,763,699	9,703,763,699
Other current liabilities	-	-	2,301,575,916	2,301,575,916
Non-current:				
Interest-bearing loans	-	-	178,095,862,161	178,095,862,161
Bonds payable	19,369,933,610	-	-	19,369,933,610
Lease liabilities	-	-	17,248,683,855	17,248,683,855
Customers' deposits	-	-	2,370,902,526	2,370,902,526
Other non-current liabilities	-	-	2,790,477,262	2,790,477,262
	19,369,933,610	-	332,613,197,472	351,983,131,082

For financial assets with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 2 and Level 3 above 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 rely 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.

33.4 Investment Property Measured at Cost for which Fair Value is Disclosed

The fair value of the Group's investment properties earning rental income was determined through discounted cash flows valuation technique. 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 determined on the basis of current market rentals for similar properties in the same location and condition.

The Group determines the Level 3 fair value of idle properties through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adjusted for specific market factors such as location and condition of the property.

As of December 31, 2025 and 2024, the fair value of the Group's investment property amounted to P516,824.4 million and P486,888.7 million, respectively (see Note 14) and is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of investment properties earning rental income was determined using the income approach, which is performed with values derived using a discounted cash flow model. The income approach uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business opportunity and costs of capital. The most significant inputs into this valuation approach are the estimated annual cash inflow and outgoing expenses, anticipated increase in market rental, discount rate and terminal capitalization rate.

There were no transfers into or out of Level 3 fair value hierarchy in 2025 and 2024. The reconciliation of the carrying amount of investment properties included in Level 3 is presented in Note 14.

34. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objective is to ensure its ability to continue as a going concern; to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and to maintain strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position. The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

It monitors capital using the liabilities-to-equity ratio as shown below.

(Amounts in PHP)	**2025**	2024
Total liabilities	**407,703,120,855**	408,353,651,893
Total equity	**450,683,524,836**	415,725,264,541
Liabilities-to-equity ratio	**0.90:1.00**	0.98:1.00

The Group has complied with financial covenant obligations that require maintaining certain liabilities-to-equity ratios for both periods.

35. SUPPLEMENTAL INFORMATION ON CASH FLOWS

35.1 Reconciliation of Liabilities from Financing Activities

The reconciliation of liabilities arising from financing activities in 2025, 2024 and 2023 is presented below. The details of net cash flows are presented in the consolidated statements of cash flows.

(Amounts in PHP)	**Interest-bearing Loans** (see Note 17)	**Bonds Payable** (see Note 18)	**Redeemable Preferred Shares** (see Note 19)	**Total***
Balance as of January 1, 2025	230,003,919,315	20,049,554,649	1,574,159,348	251,627,633,312
Cash flows from financing activities:				
Payment of borrowings	(39,859,048,746)	-	-	(39,859,048,746)
Borrowings availed	58,032,799,492	-	-	58,032,799,492
Non-cash activities:				
Foreign currency adjustment	4,340,483,008	277,783,941	-	4,618,266,949
Amortization of transaction costs	417,707,486	92,289,344	-	509,996,830
Effect of deconsolidation	(56,435,277)	-	(1,574,159,348)	(1,630,594,625)
Balance at December 31, 2025	**252,879,425,278**	**20,419,627,934**	**-**	**272,299,053,212**
Balance as of January 1, 2024	191,110,622,896	31,114,591,251	1,574,159,348	223,799,373,495
Cash flows from financing activities:				
Payment of borrowings	(34,914,069,337)	(12,000,000,000)	-	(46,914,069,337)
Borrowings availed	70,643,991,802	-	-	70,643,991,802
Non-cash activities:				
Foreign currency adjustment	2,843,071,941	844,811,099	-	3,687,883,040
Amortization of transaction costs	320,302,013	90,152,299	-	410,454,312
Balance at December 31, 2024	230,003,919,315	20,049,554,649	1,574,159,348	251,627,633,312
Balance as of January 1, 2023	168,791,946,228	45,239,075,510	1,537,091,539	215,568,113,277
Cash flows from financing activities:				
Payment of borrowings	(32,919,938,375)	(13,607,000,000)	-	(46,526,938,375)
Borrowings availed	53,999,985,162	-	-	53,999,985,162
Non-cash activities:				
Foreign currency adjustment	1,493,926,439	(613,247,433)	-	880,679,006
Amortization of transaction costs	(255,296,558)	95,763,174	-	(159,533,384)
Accretion of redeemable preferred shares	-	-	37,067,809	37,067,809
Balance at December 31, 2023	191,110,622,896	31,114,591,251	1,574,159,348	223,799,373,495

**Excluding lease liabilities (see Note 13.3)*

35.2 Supplemental Information on Non-cash Investing and Financing Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023:

- In 2025 and 2023, the Group transferred Investment Properties with carrying amounts of P307.3 million and P956.4 million, respectively, to Inventories following a change in use. In 2024, the Group transferred Inventories to Investment Properties with carrying amounts of P458.0 million following a change of use (see Notes 8 and 14).

  In 2025, the Group transferred Property, Plant and Equipment with carrying amount of P161.6 million, to Investment Properties following a change in use.

- The Group recognized additional right-of-use assets and lease liabilities amounting to P213.3 million and P186.9 million, respectively, in 2025, P936.0 million and P960.6 million, respectively, in 2024, and P2,618.9 million and P2,292.3 million in 2023, respectively (see Notes 13.2 and 13.3).

- In 2025, the Group acquired VPI and was accounted for as an asset acquisition, resulting in the recognition of the respective assets and liabilities of VPI and its subsidiaries in the consolidated financial statements. The transaction includes application of previously granted advances to VPI amounting to P2.0 billion as part of the consideration [see Notes 1.1(s) and 1.2(b)]. There was no similar transaction in 2024 and 2023.

- In 2025, 2024 and 2023, the Group capitalized borrowing costs amounting to P4,157.5 million, P3,737.8 million and P3,971.3 million, respectively, as part of Inventories, Property, Plant and Equipment and Investment Properties (see Notes 17 and 18).

- In 2025, the Group acquired construction in progress for a total consideration of P14,983.9 million. The construction in progress pertains to assets intended for use in operations and is accordingly classified as Property, Plant and Equipment in the consolidated statement of financial position. The outstanding balance amounting to P3,548.9 million is presented under Trade and other payables in the 2025 consolidated statement of financial position. In the same year, the Group also absorbed advances to suppliers amounting to P2,025.0 million pursuant to the strategic working agreement. The balance remains outstanding as of December 31, 2025 and is presented as part of Trade and other payables in the 2025 consolidated statement of financial position (see Note 16). There were no similar transactions in 2024 and 2023.

- In 2025, the Group acquired 100% ownership of BNHGI. The subscription payable amounting to P1.6 billion is presented under Trade and Other Payables in the 2025 consolidated statement of financial position [see Notes 1.1(v) and 16]. There was no similar transaction in 2024 and 2023.

- In 2025, the Group recognized put option liability amounting to P206.1 million which forms part of the consideration in the acquisition of Los Danzantes [see Notes 1.2(c) and 3.1(p)]. There was no similar transaction in 2024.

- In 2023, the scheduled sale of Non-current asset classified as held for sale did not materialize due to change in business plans in the use of the assets. Consequently, the related assets amounting to P994.9 million are reclassified back as part of Property, Plant and Equipment, and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale (see Note 13).

36. EVENT AFTER THE END OF REPORTING PERIOD

On March 30, 2026, the new facility agreement was executed for the €300.0 million syndicated sustainability-linked term loan, as mandated and underwritten in December 2025. On April 27, 2026, a full draw-down was made to fully pay the existing loan [see Note 17(ll)].

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alliance Global Group, Inc. and subsidiaries (the Group) for the year ended December 31, 2025, on which we have rendered our report dated May 15, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Ramilito L. Nañola**
Partner

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BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

May 15, 2026

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

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ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
LIST OF SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

A. Statement of Management's Responsibility for the Consolidated Financial Statements

B. Independent Auditors' Report on the SEC Supplementary Schedules Filed Separately from the Basic Consolidated Financial Statements

C List of Supplementary Information

Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68

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Other Required Information

Reconciliation of Retained Earnings Available for Dividend Declaration

Map Showing the Relationship Between and Among the Company and its Related Entities

External Auditor Fee-Related Information

Alliance Global Group, Inc. and Subsidiaries
Schedule A - Financial Assets (Marketable Securities)
December 31, 2025

Financial Asset/Name of Banks		Amount Shown in Statement of Financial Position	Income Received and Accrued
Financial Assets at Fair Value Through Profit or Loss			
HSBC Private Bank	P	15,742,010,881	-
Bank of Singapore		-	-
Various marketable debt securities		-	-
Derivative financial assets		806,967,963	-
		16,548,978,844	-
Financial Assets at Fair Value Through Other Comprehensive Income			
Various unquoted equity instruments		149,494,672	-
Various quoted equity instruments		33,779,368	-
Various club shares		299,800,000	-
		483,074,040	-
Total Financial Assets	**P**	**17,032,052,884**	**-**

Alliance Global Group, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2025

Name and Designation of Debtor		*Balance at the Beginning of Period*	*Additions*	*Deductions*		*Ending Balance*		*Balance at the End of Period*
				Amounts Collected	*Impairment*	*Current*	*Non-current*	
Advances to Officers and Employees:								
Travellers - Officers and employees	P	111,725,250	-	18,719,167	-	P 93,006,083	-	P 93,006,083
Travellers - Other related parties		121,011,871	54,673,393	36,628,855	-	139,056,409	-	139,056,409
Megaworld - Officers and employees		3,450,534	6,203,797	2,955,018	-	6,699,313	-	6,699,313
Emperador - Officers and employees		32,923,698	873,188,399	867,590,328	-	38,521,769	-	38,521,769
GADC - Officers and employees		343,163,737	-	343,163,737	-	-	-	-
GADC - Other related parties		-	-	-	-	-	-	-
	P	**612,275,090**	**P 934,065,589**	**P 1,269,057,105**	**-**	**P 277,283,574**	**-**	**P 277,283,574**

Legend:
Megaworld - Megaworld Corporation
Travellers - Travellers International Hotel Group, Inc.
Emperador - Emperador Inc.
GADC - Golden Arches Development Corporation

Alliance Global Group, Inc. and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2025

Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Ending Balance*		*Balance at End of Period*
			Amounts Collected	*Amounts Written off*	*Current*	*Not current*	
Due from Related Parties							
New Town Land Partners, Inc.	P 2,028,969,984	-	P 131,606,323	-	P 1,897,363,661	-	P 1,897,363,661
Venezia Universal, Ltd.	3,362,634,504	-	P 1,319,197,848	-	2,043,436,656	-	2,043,436,656
Greenspring Investment Holdings Properties L	1,947,370,928	26,860,288	-	-	1,974,231,216	-	1,974,231,216
First Centro, Inc.	-	-	-	-	-	-	-
Alliance Global Brands, Inc.	-	-	-	-	-	-	-
Alliance Global Group Cayman Islands, Inc.	436,301,922	-	(6,017,957)	-	442,319,879	-	442,319,879
McKester Pik-nik International Limited	12,868,131,860	-	P 2,238,037,898	-	10,630,093,962	-	10,630,093,962
ProGreen AgriCorp, Inc.	-	-	-	-	-	-	-
Empire East Land Holdings Inc.	263,531,748	-	79,531,747	-	184,000,001	-	184,000,001
Travellers International Hotel Group, Inc.	2,079,566,400.00	-	P 1,549,590,808	-	529,975,592	-	529,975,592
	22,986,507,346	26,860,288	5,311,946,667	-	17,701,420,967	-	17,701,420,967

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2025

Title of Issue and Type of Obligation	*Amount Authorized by Indenture*	*Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position*	*Amount Shown Under Caption "Long-Term Debt" in Related Statement of Financial Position*	
Loans:				
Interest-bearing loans	P 228,289,650,000	P 51,837,635,838	P 102,074,302,741	a, b, c, d, e, f, g, k, l
Foreign borrowings:				
AG Cayman	$ 700,000,000	-	41,071,052,128	m
Megaworld	$ 380,505,415	5,574,228,654	10,343,103,253	a
Emperador	€ 300,000,000	-	20,681,384,724	h
Emperador	€ 15,556,063	984,769,817	87,633,168	j
Emperador	£ 256,016,645	-	20,225,314,955	i
		58,396,634,309	194,482,790,969	
Bonds Payable:		*58,396,634,309.00*	*194,482,790,969.00*	
Issuer:				
Megaworld	$ 350,000,000	-	20,419,627,934	n
		-	20,419,627,934	
		P 58,396,634,309	**P 214,902,418,903**	

a *Interest-bearing loans include loans obtained by Megaworld pertaining to the following:*

1.) Seven-year loan amounting to P6,000.0 million obtained by Megaworld in October 2025 from a local bank. The principal is payable quarterly in installment with the first principal payment due in January 2028. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

2.) Seven-year loan amounting to P4,000.0 million obtained by Megaworld in June 2025 from a local bank. The principal is payable quarterly in installment with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate equivalent to the higher of the sum of a reference rate and a certain spread or a prescribed floor rate.

3.) Seven-year loan amounting to P9,000.0 million obtained by Megaworld in December 2024 from a local bank. The principal is payable quarterly in installment with the first principal payment due in December 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

4.) Seven-year loan amounting to P4,000.0 million obtained by Megaworld in November 2024. The principal is payable quarterly in installment with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

5.) Five-year loan amounting to P10,000.0 million obtained in two tranches by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in March 2025. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

6.) Five-year loan amounting to $180.5 million obtained by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in June 2025. The interest is payable quarterly at a fixed rate. Megaworld entered a cross-currency swap to hedge the U.S. Dollar exchange rate, and a fixed-to-floating interest rate swap based on a 3-month BVAL reference rate plus a certain spread.

7.) Five-year loan amounting to P10,000.0 million obtained in two tranches by Megaworld in June 2023. The principal is payable quarterly in installment with with a twelve-month grace period. Interest in the loan is payable quarterly on a floating rate.

8.) Five-year loan amounting to $200.0 million obtained by Megaworld in April 2023 from a local bank.

9.) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2023 from a local bank.

10.) Five-year loan amounting to P10,000.0 million obtained by Megaworld in September 2022 from a local bank. Principal is payable quarterly in installments at the end of the fifth quarter from the drawdown date.

11.) Five-year loan amounting to P5,000.0 million obtained by Megaworld in August 2021 from a local bank. The loan is payable quarterly for a term of five years with the first principal payment due in November 2022. Interest is payable quarterly.

12.) Five-year loan amounting to P6,000.0 million obtained by Megaworld in May 2021 from a local bank. The loan is payable quarterly beginning August 2022. Interest is payable quarterly.

13.) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2021 from a local bank. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan shall commence in March 2022.

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt *(continuation)*
December 31, 2025

b *Interest-bearing loans include loans obtained by EELHI pertaining to the following:*

1.) Seven-year loan amounting to P1,000.0 million obtained by EELHI from a local bank in February 2021. The proceeds of the loan were used to fund the development of its various real estate projects. The principal of the loan is payable in 20 equal quarterly payments starting in May 2023 with a two-year grace period and interest is payable quarterly in arrears.

c *Interest-bearing loans obtained by SPI include the following:*

1.) Two six-year loans amounting to P1,000.0 million and P500.0 million were obtained by SPI from a local bank in November 2023, and December 2023, respectively. The principal amount is payable monthly after a grace period of three years from the date of availment. The loan bears fixed interest rate of 7.13% for both loans.

2.) Seven-year loan amounting to P500.0 million obtained by SPI from a local bank in 2022. The principal amount is payable on monthly basis after a grace period of three years from date of availment.

3.) Six-year loans amounting to P200.0 million, P100.0 million, and P400.0 million obtained by SPI in February 2021, August 2021, and October 2021, respectively, from a local bank. The principal amount is payable on a monthly basis after a grace period of three years from the date of availments.

4.) Seven-year loan amounting to P300.0 million obtained by SPI in 2020 from a local bank. The principal amount is payable on a monthly basis after a grace period of two years from the date of availment.

5.) Loans obtained by SPI from a local bank through assignment of trade receivables. The loans are being paid as the receivables are collected.

d *Interest-bearing loans obtained by GERI include the following:*

1.) Seven-year loan amounting to P1,000.0 million obtained by GERI from a local bank in November 2025. The interest is payable quarterly in arrears at a floating rate.

2.) Six-year loan amounting to P1,000.0 million obtained by GERI from a local bank in September 2025. The interest is payable quarterly in arrears at a floating rate.

3.) Five-year loan amounting to P1,000.0 million obtained by GERI from a local bank in August 2025. The interest is payable quarterly in arrears at a floating rate.

4.) Seven-year loan amounting to P1,500.0 million obtained by GERI from a local bank in May 2025. The interest is payable quarterly in arrears at a floating rate.

5.) Seven-year loan amounting to P1,000.0 million obtained by GERI from a local bank in October 2024. The interest is payable quarterly in arrears at a floating rate.

6.) Five-year loan amounting to P1,500.0 million and P500.0 million obtained by GERI in December 2023 and April 2024, respectively, from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

7.) Five-year loans amounting to P1,000.0 million obtained by GERI in October 2023 from a local bank.

8.) Five-year loans amounting to P1,000.0 million obtained by GERI in May 2023 from a local bank.

9.) Seven-year loan amounting to P500.0 million obtained by GERI in March 2021 from a local bank. The loan is payable quarterly for a term of seven years with a grace period of two years upon availment.

10.) Five-year loan amounting to P500.0 million obtained by GERI in 2020 from a local bank. The principal repayment on the loan shall commence in March 2022.

e *Five-year loan amounting to P1,500.0 million obtained by TLC in June 2023 from a local bank which will be used to finance capital expenditures related to various on-going real estate development projects.*

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt *(continuation)*
December 31, 2025

f *Ten-year loan obtained by MREIT from a local bank payable quarterly in installment beginning in the last quarter of the fifth year with a balloon payment at the end of the term. Interest is payable quarterly subject to repricing.*

g *Five-year loan amounting to P3,000.0 million obtained by MBPHI in 2023 from a local commercial bank to support its funding requirements of the construction of various projects.*

h *Five-year foreign-currency denominated loan obtained by EIL in 2019 from a syndicate of foreign financial institutions at a lower margin to prepay existing loans.*

i *Foreign-currency denominated loan obtained by WMG from a foreign bank. The loan is secured by way of floating charge against WMG's inventories.*

j *In 2017, DBLC assumed from BLC unsecured, interest-bearing and foreign currency-denominated loans totalling P3,000.0 million from certain financial institutions relating to Domecq Acquisition. In 2025, 2024 and 2023, DBLC obtained additional loans amounting to P557.8 million, P406.2 million and P464.5 million, respectively. In 2025, 2024 and 2023, DBLC paid portion of the loans amounting to P633.0 million, P900.8 million and P543.5 million, respectively.*

k *Interest-bearing loans obtained by AGI include the following:*

1.) Five-year loan amounting P4,150.0 million unsecured long-term loan from a local bank. The loan is payable quarterly for a term of five years commencing the following quarter from drawdown date, as provided in the loan agreement.
2.) Five-year loan amounting P3,000.0 million unsecured long-term loan from a local bank. The loan is payable quarterly for a term of five years commencing the following quarter from drawdown date, as provided in the loan agreement.
3.) Seven-year loan amounting to P5,000.0 million obtained by AGI in July 2020 from a local bank. The loan is payable quarterly commencing after the one-year grace period, as provided in the loan agreement. The loan bears a fixed rate for the first five years, subject to repricing at the end of the fifth year. The interest is payable quarterly in arrears.

l *Interest-bearing loans also include loans obtained by Travellers which includes the following:*

1.) In prior years, a local bank approved a credit line which grants Travellers to borrow P33,500.0 million. Total drawdowns made in prior years, including loans subsequently converted into long-term borrowings, amounted to P31,000.0 million.

In 2023, Travellers settled the rolled P500.0 million short-term loan and availed an omnibus loan from the same bank amounting to P5,000.0 million which shall mature in 2024. The loan was subsequently rolled over and is set to mature in 2026.

In 2024 and 2025, Travellers obtained additional long-term loans from the same bank amounting to P10,000.0 million and P9,000.0 million, respectively, which are scheduled to be repaid in 2031 and 2032.

2.) In 2022, Travellers availed a long-term facility from a local bank amounting to P13,500.0 million. In 2024, Travellers obtained additional financing amounting to P5,500.0 million in the form of a term loan from the same bank.

Travellers obtained various short-term loans in 2024 amounting to P5,000.0 million. The short-term loans were rolled and remained outstanding.

In 2025, ECRC obtained a 180-day interest-bearing secured bridge loan facility from the same bank with a maximum loanable amount of P30,000.0 million.

3.) In 2017, Travellers entered into various credit line agreements with a total maximum loanable amount of P10,000.0 million from a local bank. In 2021, Travellers availed another long-term facility with the bank amounting to P5,000.0 million.

In 2024 and 2025, Travellers obtained additional long-term loans amounting to P5,000.0 million and P4,700.0 million, respectively. Further, Travellers obtained and settled other various short-term loans in 2025 and 2024.

4.) In 2022, Travellers availed another long-term facility from a local bank amounting to P5,000.0 million.

5.) Travellers obtained various short-term loans in 2025 and 2024 from a bank, totaling to P1,200.0 million and P2,500.0 billion, respectively, which remain outstanding as of December 31, 2025 and 2024.

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt *(continuation)*
December 31, 2025

m *Five-year U.S. dollar-denominated loans obtained by AG Cayman in 2017 from a foreign bank, totaling to US$700.0 million with interest payable semi-annually in arrears. The loans are unconditionally and irrevocably guaranteed. In 2022, these loans were refinanced for another 5 years.*

n *On July 30, 2020, Megaworld issued seven-year term bonds totaling to U.S. $350.0 million. The notes carry a coupon rate of 4.125% per annum and interest is payable semi-annually in arrears on January 30 and July 30 and shall mature on July 30, 2027.*

Legend:
AGI - Alliance Global Group, Inc.
Megaworld - Megaworld Corporation
EELHI - Empire East Land Holdings, Inc.
GERI - Global-Estates Resorts, Inc.
EIL - Emperador International Ltd.
EDI - Emperador Distillers, Inc.
WMG - Whyte and Mackay Group Limited
DBLC - Domecq Bodega Las Copas, S.L.
GADC - Golden Arches Development Corporation
Travellers - Travellers International Hotel Group, Inc.
AG Cayman - Alliance Global Group Cayman Islands, Inc.
SPI - Suntrust Properties, Inc.
STLI - Stateland, Inc.
MBPHI - Manila Bayshore Property Holdings, Inc.
ECRC - Entertainment City Resorts Corporation

Alliance Global Group, Inc. and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2025

Title of issue and type of obligation	*Amount authorized by indenture*	*Balance at the beginning of year*	*Balance at the end*
-nothing to report-			

Alliance Global Group, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2025

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is Filed	*Title of Issue of Each Class of Securities Guaranteed*	*Total Amount Guaranteed and Outstanding*	*Amount Owned by Person for which this Statement is Filed*	*Nature of Guarantee*
Alliance Global Group Cayman Islands, Inc. by Alliance Global Group, Inc.	US$ 700.0 million, 5-year loans, floating interest rate	P 41,071,052,128	P 41,071,052,128	Guarantee of Principal and Interest

Commercial-in-Confidence

Alliance Global Group, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2025

				Number of shares held by		
Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related balance sheet caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Related parties*	*Directors, officers and employees*	*Others*
Common shares - P1 par value	12,950,000,000	8,766,091,679	2,203,548,165	6,184,768,632	63,688,212	2,517,634,835

ALLIANCE GLOBAL GROUP, INC.
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark,
188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2025

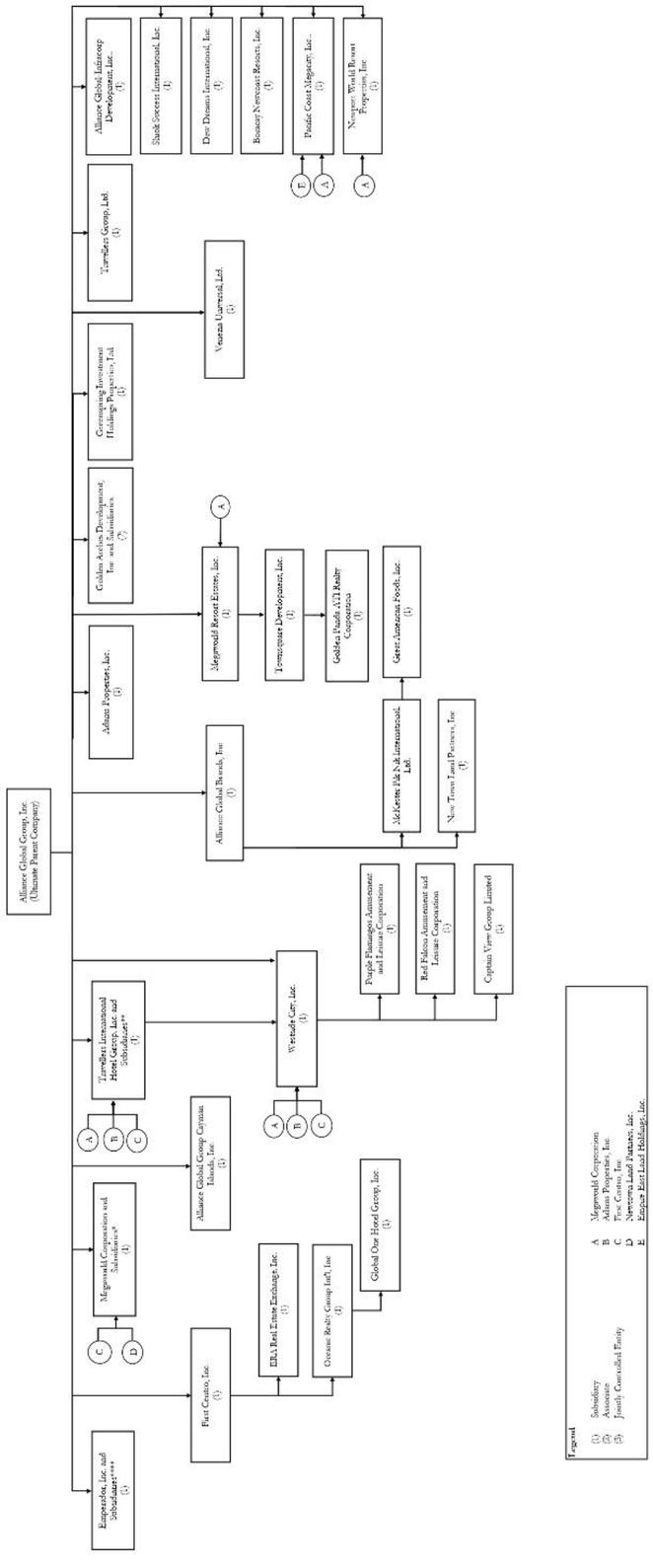
Unappropriated Retained Earnings at Beginning of Year		P 27,868,451,604
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(880,229,338)	
Retained Earnings appropriated during the reporting period		
Effect of restatements or prior-period adjustments	-	
Others	-	(880,229,338)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		**26,988,222,266**
Add: Net Income for the Current Year		**5,273,469,288**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	896,000	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS Accounting Standards	-	
Sub-total		896,000
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS Accounting Standards, previously recorded	-	
Sub-total		-
Balance carried forward		P 32,262,587,554

Commercial-in-Confidence

Balance brought forward		P 32,262,587,554
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	P -	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	(1,115,679,254)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS Accounting Standards/GAAP - gain (loss)	-	
Others	-	
Sub-total		(1,115,679,254)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 31,146,908,300**

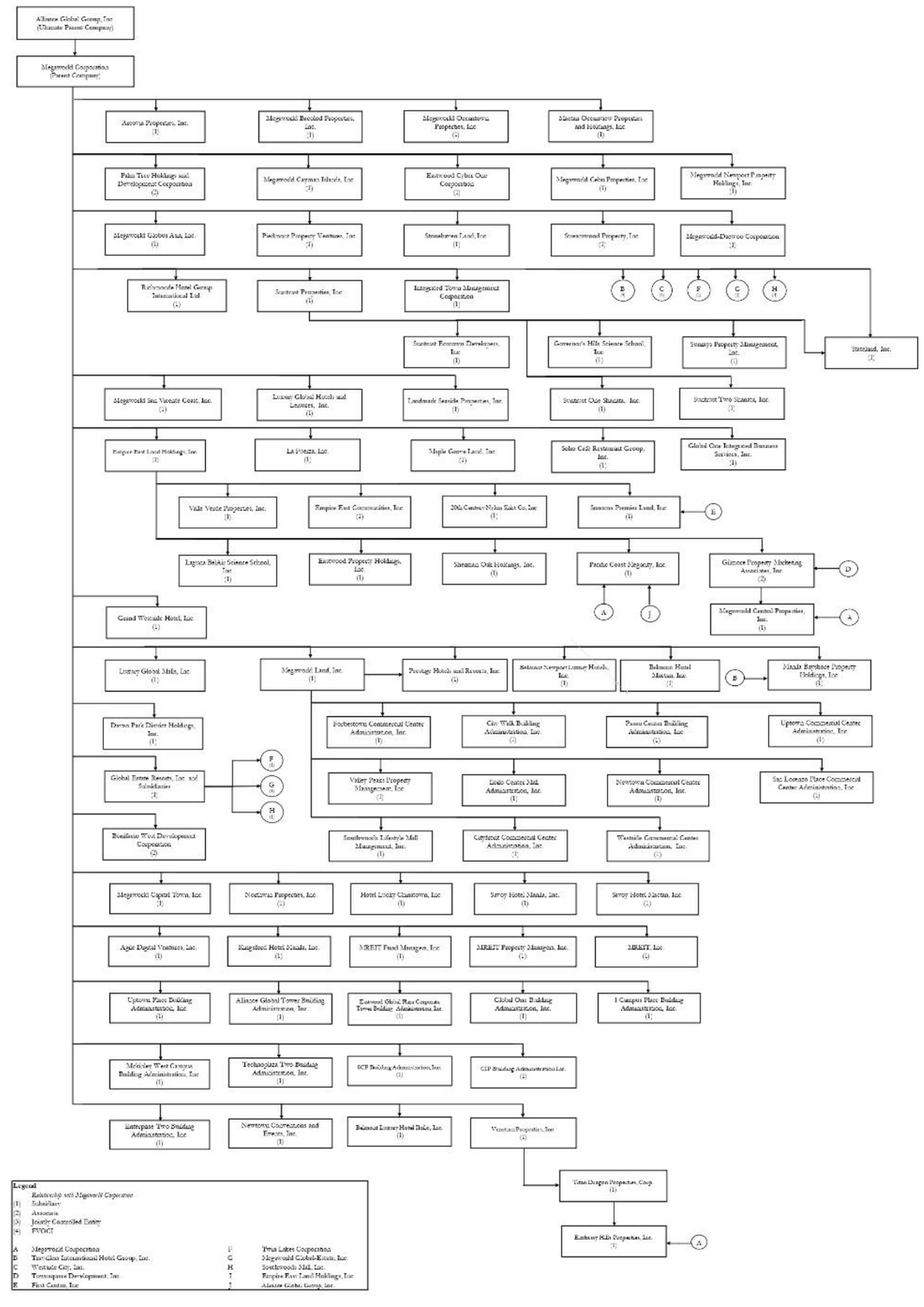
Supplemental Information

The Company's BOD has approved a series of share-repurchase programs since 2017. As of December 31, 2025, the Company has repurchased a total of 1.5 billion shares for P16.8 billion, inclusive of transaction costs (see Note 21.3).

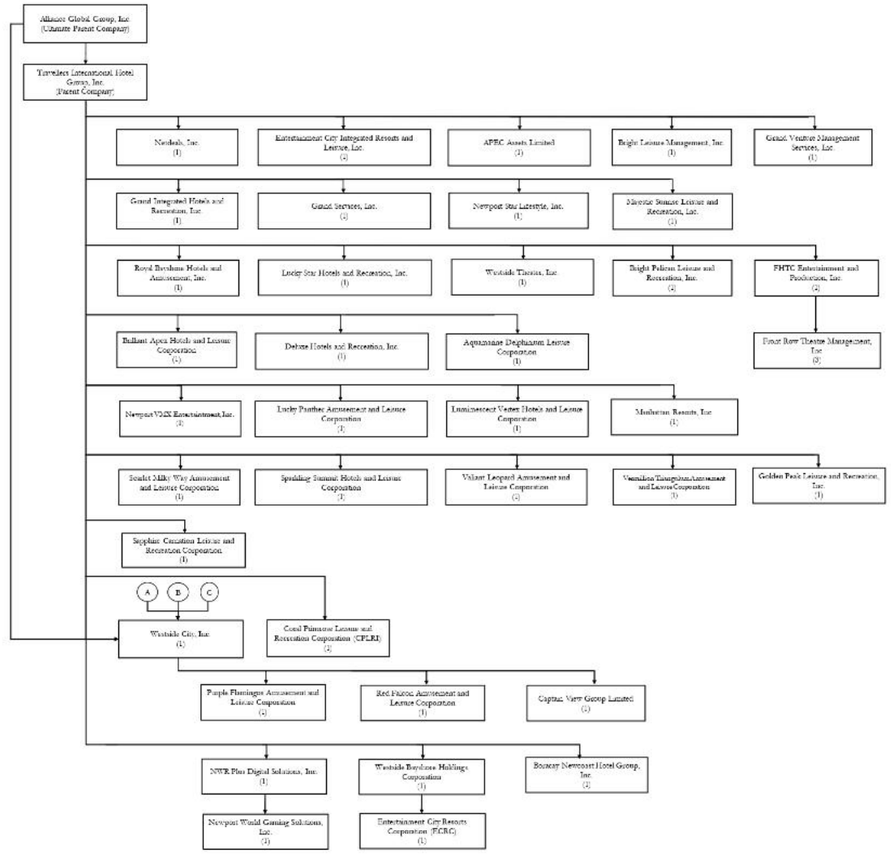


ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc. and its Related Parties
December 31, 2025

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc. and Megaworld Corporation Group
December 31, 2025



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc
and Travellers Group
December 31, 2025



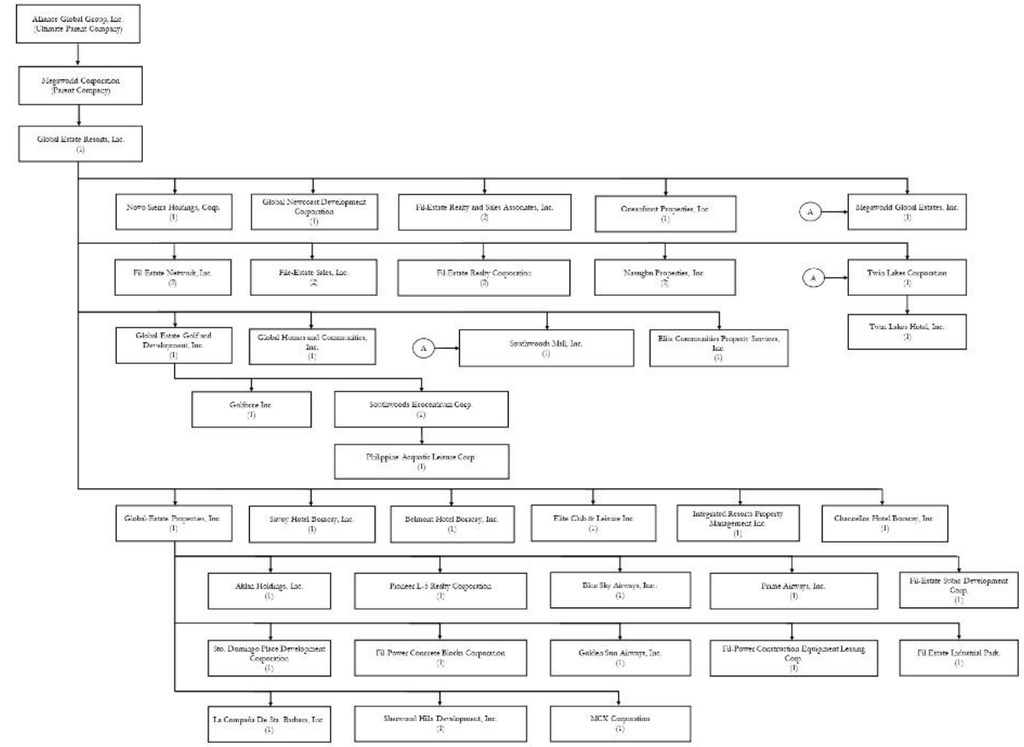
Legend

Relationship with Travellers International Hotel Group, Inc.

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	MegaworldCorporation	J	Twin Lakes Corporation
B	Adiaco Properties, Inc.	K	Megaworld Global Estates, Inc.
C	Fast Center, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Southwoods Mall, Inc.
E	Travellers International Hotel Group, Inc.	N	Sonsera Premier Land, Inc.
F	Manila Bayshore Property Holdings, Inc.	O	Gilmore Property Marketing Associates, Inc.
G	Westside City, Inc.	P	Kingsmoor Inc.
H	Tornuspine Development, Inc.	Q	Southeast Home Developers, Inc.
I	Megaworld Resort Estates, Inc.		
S	Empire East Land Holdings, Inc.		

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between and
Among Megaworld and Global Estate Resorts Inc. Group
December 31, 2025

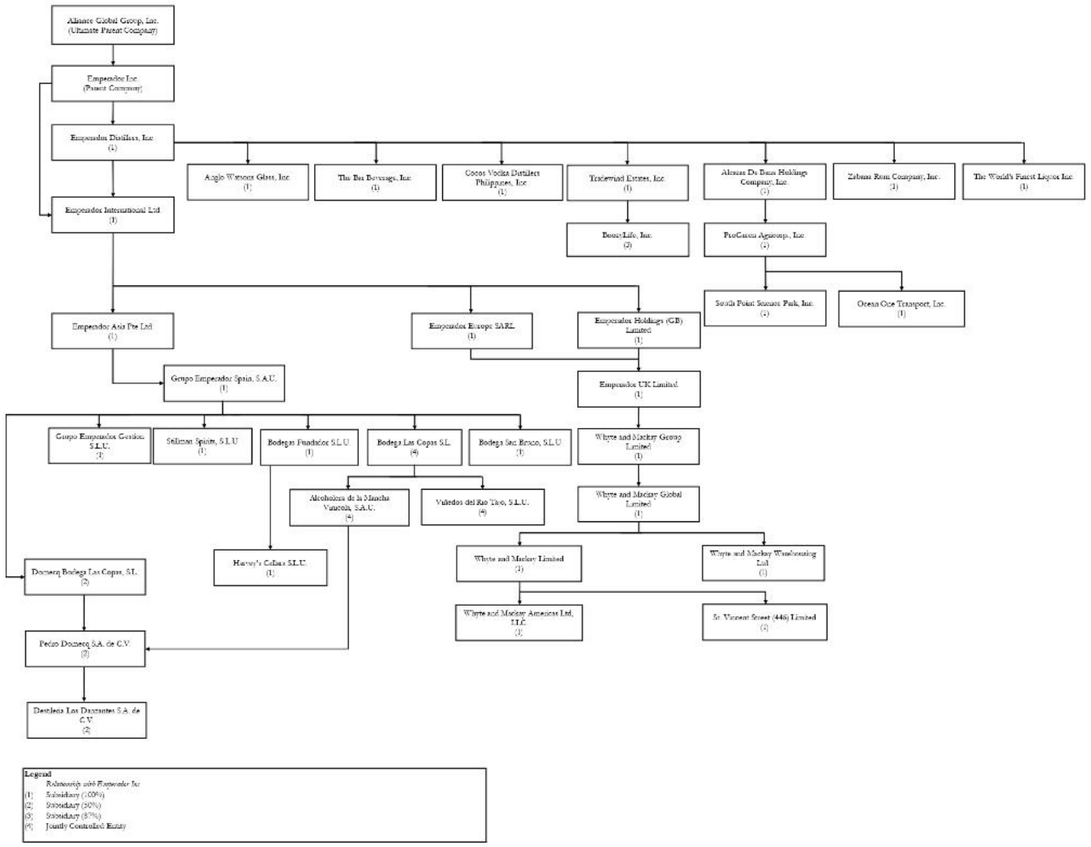


Legend

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	Megaworld Corporation	J	Twin Lakes Corporation
B	Adiaco Properties, Inc.	K	Megaworld Global Estates, Inc.
C	Fast Center, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Southwoods Mall, Inc.
E	Travellers International Hotel Group, Inc.	N	Sonsera Premier Land, Inc.
F	Manila Bayshore Property Holdings, Inc.	O	Gilmore Property Marketing Associates, Inc.
G	Westside City, Inc.	P	Kingsmoor Inc.
H	Tornuspine Development, Inc.	Q	Southeast Home Developers, Inc.
I	Megaworld Resort Estates, Inc.		
S	Empire East Land Holdings, Inc.		

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc. and Emperador Group
December 31, 2025



Legend
Relationship with Parent/or Inc
(1) Subsidiary (100%)
(2) Subsidiary (50%)
(3) Subsidiary (87%)
(4) Jointly Controlled Entity

P&A Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicators

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

T +63 2 8988 2288

The Board of Directors and the Stockholders
Alliance Global Group, Inc. and Subsidiaries
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alliance Global Group, Inc. and subsidiaries (the Group) for the year ended December 31, 2025 and 2024, on which we have rendered our report dated May 15, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS Accounting Standards) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the two years in the period ended December 31, 2025 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10770767, January 6, 2026, Makati City
SEC Group A Accreditation
Partner - No. 90741-SEC (until financial period 2025)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

May 15, 2026

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

Offices in Cavite, Cebu, Davao
BOA/ PRC Cert of Reg. No. 0002
SEC Accreditation No. 0002

grantthornton.com.ph

Alliance Global Group, Inc. and Subsidiaries
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City

Schedule of Financial Soundness Indicators
Annex 68-E
As of December 31, 2025

Ratio	Formula	2025	2024
Current ratio	Current assets / Current liabilities	2.57	2.62
Acid test ratio	Quick assets / Current liabilities (Quick assets include cash and cash equivalents, trade and other receivables and financial assets at fair value through profit or loss)	0.98	1.06
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings and bonds payable)	0.20	0.24
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings, bonds payable and equity-linked debt securities)	0.61	0.60
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.90	1.98
Interest rate coverage ratio	EBIT / Total Interest (Non-recurring gain or loss is excluded from EBIT)	3.70	3.77
Return on investment	Net profit / Total stockholders' equity	0.07	0.07
Return on investment of equity owners	Net profit attributable to owners of the Parent Company/ equity attributable to the owners of the Parent Company	0.06	0.06
Return on assets	Net profit/ total assets	0.04	0.03
Net profit margin	Net profit / Total revenues	0.16	0.12

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2025 and 2024
(Amounts in Philippine Pesos)

	2025	2024
Total Audit Fees	**P 77,050,822**	P 70,802,930
Non-audit service fees:		
Other assurance service	**692,360**	1,219,100
Tax service	**1,515,820**	2,865,980
All other service	**4,949,100**	4,981,600
Total Non-Audit Fees	**7,157,280**	9,066,680
Total Audit and Non-audit Fees	**P 84,208,102**	P 79,869,610

GRI CONTENT INDEX

Statement of Use	**Alliance Global Group, 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

General Disclosures			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	5, 10			
	2-2 Entities included in the organization's sustainability reporting	5, 10			
	2-3 Reporting period, frequency and contact point	5, 10			
	2-4 Restatements of information	57, 64, 68, 97, 101-102, 105, 109, 112			
	2-5 External assurance	This report has not undergone external assurance.			
	2-6 Activities, value chain and other business relationships	10, 12-13, 14-23			
	2-7 Employees	56-59			
	2-8 Workers who are not employees	59			
	2-9 Governance structure and composition	32-39			
	2-10 Nomination and selection of the highest governance body	33			
	2-11 Chair of the highest governance body	33			
	2-12 Role of the highest governance body in overseeing the management of impacts	32-39, 128-130			
	2-13 Delegation of responsibility for managing impacts	32-39, 128-130			
	2-14 Role of the highest governance body in sustainability reporting	5, 32-39			
	2-15 Conflicts of interest	131-132			
	2-16 Communication of critical concerns	131-132			
	2-17 Collective knowledge of the highest governance body	32-39			
	2-18 Evaluation of the performance of the highest governance body	32-39			

General Disclosures			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-19 Remuneration policies	33			
	2-20 Process to determine remuneration	33			
	2-21 Annual total compensation ratio		2-21	Information unavailable	The Group is still in the process of gathering the relevant information and is considering its inclusion in subsequent reporting periods.
	2-22 Statement on sustainable development strategy	6-9, 42-47			
	2-23 Policy commitments	11, 42-47, 128-132, 135-137			
	2-24 Embedding policy commitments	46-47, 52-53, 128-132			
	2-25 Processes to remediate negative impacts	128-130			
	2-26 Mechanisms for seeking advice and raising concerns	128-132			
	2-27 Compliance with laws and regulations	133-134			
	2-28 Membership associations	AGI and its subsidiaries are not actively involved, in a leadership or influential capacity, in any national or international advocacy groups.			
	2-29 Approach to stakeholder engagement	48-49			
	2-30 Collective bargaining agreements	61-62			

Material Topics			Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-1 Process to determine material topics	50-51			
	3-2 List of material topics	50-51			

Employee Experience			Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	56-60			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	56-60			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	56-60			
	401-3 Parental leave	56-60			

Human Rights and Labor Practices			Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	61-62			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	61-62			

Human Rights and Labor Practices			Requirement(s) Omitted	Reason	Explanation
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	61-62			
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	61-62			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	61-62			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	61-62			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	61-62			
Diversity, Equal Opportunity, and Non-discrimination			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	63-65			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	63-65			
	405-2 Ratio of basic salary and remuneration of women to men		405 a-b	Information incomplete.	EMI and other MEG subsidiaries have not provided disclosures for this data.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	63-65			
Employee Training and Development			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	66-67			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	66-67			
	404-2 Programs for upgrading employee skills and transition assistance programs	66-67			
	404-3 Percentage of employees receiving regular performance and career development reviews	66-67			
Workforce Health and Safety			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	68-69			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	68-69			

Workforce Health and Safety			Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	68-69			
	403-3 Occupational health services	68-69			
	403-4 Worker participation, consultation, and communication on occupational health and safety	68-69			
	403-5 Worker training on occupational health and safety	68-69			
	403-6 Promotion of worker health	68-69			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68-69			
	403-8 Workers covered by an occupational health and safety management system	68-69			
	403-9 Work-related injuries	68-69			
	403-10 Work-related ill health	68-69			
Community Impact of New Developments			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 71-80, 123			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	14-15, 71-80, 123			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	14-15, 71-80, 123			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	71-80			
	413-2 Operations with significant actual and potential negative impacts on local communities	71-80			
Community Relations			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 71-80, 123			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	14-15, 71-80, 123			
	203-2 Significant indirect economic impacts	14-15, 71-80, 123			
Community Relations			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	71-80			

Community Relations			Requirement(s) Omitted	Reason	Explanation
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	71-80			
Customer Health and Safety			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	81-83, 125-126			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	81-83, 125-126			
Data Privacy and Security			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	84-87			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	81-83, 125-126			
Responsible Marketing and Product Information			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	88-89			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	88-89			
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	88-89			
	417-3 Incidents of non-compliance concerning marketing communications	88-89			
Climate Action and Resilience			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 92-93			
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	14-15, 92-93			
GHG Emissions Management			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	94-98			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	94-98			
	305-2 Energy indirect (Scope 2) GHG emissions	94-98			
	305-3 Other indirect (Scope 3) GHG emissions	94-98			

GHG Emissions Management			Requirement(s) Omitted	Reason	Explanation
GRI 305: Emissions 2016	305-4 GHG emissions intensity	94-98			
	305-5 Reduction of GHG emissions	94-98			
	305-6 Emissions of ozone-depleting substances (ODS)		305-6 a-d	Information unavailable.	The Group is in the process of consolidating the required information from its subsidiaries.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	98			
Waste Management			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	99-102			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	99-102			
	306-2 Management of significant waste-related impacts	99-102			
	306-3 Waste generated	99-102			
	306-4 Waste diverted from disposal	99-102			
	306-5 Waste directed to disposal	99-102			
Water and Wastewater Management			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	103-105			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	103-105			
	303-2 Management of water discharge-related impacts	103-105			
	303-3 Water withdrawal	103-105			
	303-4 Water discharge	103-105			
	303-5 Water consumption	103-105			
Energy Efficiency			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	106-109			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	106-109			
	302-2 Energy consumption outside of the organization	106-109			
	302-3 Energy intensity	106-109			
	302-4 Reduction of energy consumption	106-109			

Energy Efficiency			Requirement(s) Omitted	Reason	Explanation
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services		302-5 a-c	Information unavailable.	AGI does not yet quantify end-user energy reductions as a standalone metric. The Group has initiated relevant programs, chiller optimization, rooftop solar, and green building certifications, but a standardized measurement methodology is still being developed for future reporting periods.
Materials Management			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	110-112			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	110-112			
	301-2 Recycled input materials used	110-112			
	301-3 Reclaimed products and their packaging materials		301-3 a-b	Information unavailable.	AGI does not yet have a standardized system to track reclaimed products and packaging by category. Data collection mechanisms are being developed for future reporting.
Land Use and Green Infrastructure			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	114-115			
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	114-115	304-1 b-d	Data is only available at the subsidiary level and has not been consolidated at the AGI Group level.	MEG's sites cover 3,521 ha across 11 townships. Full classification by habitat type and protected area status is being consolidated across all subsidiaries.
	304-2 Significant impacts of activities, products and services on biodiversity	114-115	304-2 a	Information incomplete.	Mitigation measures and greening programs are disclosed. Quantification of significant negative impacts is being developed for future reporting.
	304-3 Habitats protected or restored	114-115	304-3 b-c	Data is only available at the subsidiary level and has not been consolidated at the AGI Group level.	MEG has restored 415 ha: Miag-ao Iloilo (240 ha), San Jose Tarlac (173 ha), and Maple Grove (2 ha). Independent verification and subsidiary-level consolidation is ongoing.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		304-4 a		MEG has identified species in its conservation areas, including those under IUCN and national categories such as Least Concern to Critically Endangered. Please refer to MEG ASR 2025 for more information.
Economic Performance and Market Presence			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 118-122			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14-15, 118-122			
	201-3 Defined benefit plan obligations and other retirement plans		201-3 a-e	Information incomplete.	The Group is currently consolidating the necessary information from its subsidiaries.
	201-4 Financial assistance received from government	No government financial assistance has been received by the Group during the reporting period.			

Economic Performance and Market Presence			Requirement(s) Omitted	Reason	Explanation
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	118-122			
	202-2 Proportion of senior management hired from the local community		202-2 a-d	Information incomplete.	The Group is currently consolidating the necessary information from its subsidiaries.
Business Model and Product Innovation			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	14-15, 123			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	14-15, 123			
	203-2 Significant indirect economic impacts	14-15, 123			
Digitalization			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	124			
Product Quality and Safety			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	125-126			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	125-126			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	125-126			
Product and Service Lifecycle Management			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	126			
Enterprise Risk Management			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	128-130			
Business Ethics and Integrity			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	131-132			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	131-132			
	205-2 Communication and training about anti-corruption policies and procedures	131-132			
	205-3 Confirmed incidents of corruption and actions taken	131-132			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	131-132			

Regulatory and Economic Compliance			Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	133-134			
GRI 207: Tax 2019	207-1 Approach to tax	133-134			
	207-2 Tax governance, control, and risk management	133-134			
	207-3 Stakeholder engagement and management of concerns related to tax	133-134			
	207-4 Country-by-country reporting		207-4 a-c	Information unavailable.	This information is not yet available for disclosure.
Sustainable Procurement and Supplier Management			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	135-137			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	135-137			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	135-137			
	308-2 Negative environmental impacts in the supply chain and actions taken	135-137			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	135-137			
	414-2 Negative social impacts in the supply chain and actions taken	135-137			
Rights of Indigenous Peoples			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics		3-3 a-f	Not applicable	Not a material topic
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		411-1 a-b	Not applicable	Not a material topic
Public policy			**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics		3-3 a-f	Not applicable	Not a material topic
GRI 415: Public Policy 2016	415-1 Political contributions		415-1 a-b	Not applicable	Not a material topic

ANNEXES

Stakeholder Engagement

BUSINESS PARTNERS
(contractors, vendors, suppliers)

Concerns
Introduction to and implementation of sustainability practices and standards within operations

Engagement Channels
Emails, calls, meetings (F2F and virtual)

Responses
Started a distinct group named Operations Sustainability Department (OSD) under Audit and Procom

Concerns
Accreditation process and use of the procurement system

Engagement Channels
Emails, OTP calls, virtual engagements

Responses
- Transparent accreditation process
- Systematic online bidding
- Standardized payment procedures
- Training and Orientation on the Procurement System

EMPLOYEES

Concerns
Job security
Strengthen employee engagement
Enhance leadership programs
Strengthen MEGreen awareness

Engagement Channels
Detection of employee needs through employee engagement mechanisms
- DZHR
- Office-wide campaign
- Social Media

Responses
Strengthened employee engagement through:
- Launch of DZHR

Enhanced leadership programs through:
- Introduction of TEN Talks

Strengthened MEGreen awareness through:
- Launch of MEGreen to the employees
- Launch of Waste Segregation
- Launch of MEGreen Training

Concerns
Salaries and benefits
Health, wellness, and safety
Training and advancement
Recognition
Promotion

Engagement Channels
- Emails, meetings, social media

Responses
- Kamustahan sessions
- Continuous review of the existing structure against standards
- Engagement surveys
- Learning Sessions/Training Programs
- Recognition programs/Circle of Excellence
- Programs to support overall well-being (mental, physical, etc.)

COMMUNITY AND SOCIETY

Concerns
Maintaining the high level of diversity and inclusivity in the company
Labor insertion agreement

Engagement Channels
Agreements with professional training schools in viticulture, oenology, and administration for work/study internships
Labor insertion agreement for persons with disabilities or social exclusion

Responses
- Developed programs to collaborate with different insertion groups.
- Face-to-face training for students of the different agreements

Concerns
Preserve the historic downtown and promote a good neighborhood environment

Engagement Channels
Agreements with public administrations and the organization of a painting competition in the neighbourhood near the Bodegas Fundador facilities

Responses
Assignment of spaces for different activities of downtown associations in collaboration with the city council of Jerez in revitalization programs

Concerns
Poverty and hunger
Social improvement and help

Engagement Channels
Meetings and continuous communication with different NGOs/charities

Responses
- Maintained and reinforced the aid given to the Caritas Diocese of Jerez to fight poverty and hunger in the city
- Collaborated with the Red Cross and non-profit associations

Concerns
Current and aspiring scholars' application and retention requirements

Engagement Channels
Text messages, telephone calls, and Facebook Messenger

Responses
Provision of alternative documentation/s that they can submit in lieu of the lacking requirements and constant communication with them

Concerns
Limited resources and manpower of partner NGOs/charities

Engagement Channels
Email, telephone calls, text messages, and Viber

Responses
United resources and manpower to be able to achieve common mission and goals

Concerns
Sponsorships
Volunteerism
Scholarships

Engagement Channels
- Correspondences
- Emails
- Group discussions/ collaborations

Responses
- Social development/social impact programs
- Foundation activities and grants

CUSTOMERS

Concerns
Maintaining a high level of customer experience

Availability of communication channels

Engagement Channels
After-sales follow-up and customer survey

Responses
- Be in permanent contact with the customer to follow up on orders
- Establish contact with the Quality Department
- Organize transport according to the INCOTERM agreed upon with the customer
- Carry out after-sales follow-up of the product

Concerns
Coordination for events and activities, especially for those township-wide or big-scale with sponsorships

Engagement Channels
- Dedicated Viber group chats for each event and activity
- Constant email communications and meetings for alignments and discussions

Responses
- Establishment of the Township Alignment Group (TAG) to cope with the frequent proposals and potential partnerships
- Established channels of communication engagement upon the formation of TAG

Concerns
Service, convenience, safety and security, health and wellness

Engagement Channels
- Customer feedback surveys
- Meetings/engagements, social media

Responses
- Customer engagement activities
- KYC/AMLA training sessions
- Responsible Gaming

GOVERNMENT / REGULATORY BODIES

Concerns
Maintaining a high level of compliance with regulations

Regulatory compliance

Engagement Channels
Meetings and continuous communication
- Physical and virtual meetings and engagements
- Emails

Responses
Maintained transparent relationships and collaboration with the bodies of public administrations and regulatory bodies

Ensured compliance with requirements, secured necessary permits/clearances/ certificates, and maintained proper coordination with regulatory authorities

SHAREHOLDERS / INVESTORS

Concerns
Comprehensive and verifiable accounting of Scopes 1, 2, and 3 emissions

Engagement Channels
- Investor Conferences
- Annual Sustainability Report
- Annual Stockholders Meeting

Responses
- Emissions accounting and audit
- Conducted an internal audit and verification of emissions data from energy-related activities
- Employment of a Data Warehouse software developer that will ensure the accuracy and validity of data that will be used in the reports

SHAREHOLDERS / INVESTORS

Concerns
Disclosure of climate-related risks and opportunities, including carbon neutrality as a target

Engagement Channels
- Press releases
- Investor conferences
- Annual Sustainability Report
- Annual Stockholders Meeting

Responses
- Transition to renewable energy
- Transition of all contestable properties to renewable energy by 2027
- Establishment of Carbon Forests
  - Identified 1,240 hectares of forests (both within landbank and adopted externally)
  - Pilot in Miag-ao, Iloilo (240 hectares) with 72,694 trees planted and plans to add 72,000 trees to the same site for the next 2 years
- Carbon credits procurement
- Conducted bidding to procure carbon credits for unavoidable emissions (emissions from fuel)

Concerns
Financial returns, Good corporate governance, Sustainability

Ownership/Rebranding

Engagement Channels
Annual Stockholder Meetings, Investor briefings, Corporate website

Responses
Regular business updates through Annual Stockholders' Meetings, briefings, and conferences

Concerns
Access to senior management

Engagement Channels
One-on-one meetings, local and international conferences, virtual meetings and conferences, emails

Responses
- Set up regular and scheduled meetings between senior management (BU Heads) and investors
- Establish and maintain open communication channels to allow investors to reach out with questions or concerns
- Participate in industry conferences and investor forums where senior management can interact with current and potential investors
- Implement mechanisms for investors to provide feedback, through the investor relations team, on their concerns about the company
- Sponsor/arrange property tours/plant visits with analysts, current and potential investors and other stakeholders, for better appreciation of the Group's township development projects and other facilities.

UN SDG Contributions

Material Topic and Description	Relevant GRI Indicators	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Employee Experience AGI invests in competitive compensation, career growth, and a culture that attracts and retains talent across all subsidiaries.	**GRI 401** Employment	• Creates quality employment with fair wages and benefits. • Promotes long-term career development and workforce stability. • Supports work-life balance through flexible arrangements. 	• Risk of talent gaps in competitive labor markets. • Inconsistent employee experience across diverse subsidiaries. • Potential inequities in benefits and career advancement.	• Risk of talent gaps in competitive labor markets. • Inconsistent employee experience across diverse subsidiaries. • Potential inequities in benefits and career advancement.
Human Rights and Labor Laws AGI upholds labor rights, fair employment practices, and ethical workplace policies to protect employees and ensure compliance with labor standards.	**GRI 406** Non-discrimination **GRI 407** Freedom of Association and Collective Bargaining **GRI 408** Child Labor **GRI 409** Forced or Compulsory Labor	• Provides fair wages, ethical employment, and social protections. • Ensures safe and discrimination-free workplaces. • Upholds employee rights through collective bargaining agreements. 	• Risks of workplace discrimination, harassment, or labor rights violations. • Challenges in monitoring and ensuring supplier compliance with labor laws.	• Implements strict non-discrimination, fair labor, and anti-harassment policies. • Strengthens employee grievance mechanisms. • Conducts regular labor compliance training for HR and management.
Diversity, Equal Opportunity, and Non-Discrimination AGI fosters an inclusive workforce that values diversity across gender, age, and background at all levels of the organization.	**GRI 405** Diversity and Equal Opportunity **GRI 406** Non-discrimination	• Promotes equal access to employment and career growth. • Strengthens organizational performance through diverse perspectives. • Builds an inclusive culture that reflects AGI's communities. 	• Risk of systemic bias in hiring, promotion, and compensation. • Underrepresentation of marginalized groups in leadership.	• Enforces zero-tolerance anti-discrimination policies. • Conducts annual pay equity analyses. • Runs DEI-focused leadership development programs.
Employee Training and Development AGI builds workforce capability and resilience through structured learning programs aligned with business and sustainability objectives.	**GRI 404** Training and Education	• Enhances workforce skills and productivity. • Supports employee career growth and retention. • Prepares employees for evolving industry demands. 	• Unequal access to training opportunities across subsidiaries. • Risk of skills gaps if development programs are under-resourced.	• Standardizes training frameworks across entities. • Integrates sustainability literacy into learning programs. • Tracks training hours and evaluates program effectiveness.
Workforce Health and Safety AGI provides safe working environments, promotes employee well-being, and manages occupational health risks across all operations.	**GRI 403** Occupational Health and Safety	• Reduces occupational injuries, illnesses, and fatalities. • Improves productivity through healthier, safer workplaces. • Demonstrates duty of care to all workers. 	• Inherent safety risks in manufacturing, construction, and hospitality operations. • Risk of non-compliance with evolving OHS regulations.	• Maintains certified OHS management systems. • Conducts regular safety audits, drills, and hazard assessments. • Provides mental health and wellness support programs.
Community Relations and Impact of New Developments AGI assesses and manages the social and economic effects of township and infrastructure developments on surrounding communities	**GRI 203** Indirect Economic Impacts **GRI 413** Local Communities	• Creates economic opportunities and improved infrastructure in host communities. • Supports local employment through large-scale developments. • Contributes to urban planning and sustainable community growth. 	• Risk of displacement or disruption to existing communities. • Potential adverse environmental impacts from large-scale development.	• Conducts community consultations and social impact assessments before development. • Implements grievance mechanisms for affected communities. • Integrates green infrastructure and mixed-use design principles.

Material Topic and Description	Relevant GRI Indicators	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Community Relations AGI builds meaningful partnerships with communities through social investments, livelihood programs, and disaster resilience initiatives.	**GRI 413** Local Communities	• Improves quality of life through education, health, and livelihood programs. • Strengthens community resilience through disaster preparedness. • Builds long-term trust between AGI and its host communities. 	• Risk of programs misaligned with genuine community needs. • Inadequate engagement with indigenous and marginalized groups.	• Partners with accredited organizations for community programs. • Aligns social investments with the UN SDGs and national priorities. • Tracks and publicly reports on community development outcomes.
Customer Health and Safety AGI ensures that all products and services meet safety standards and do not pose risks to customer health and well-being.	**GRI 416** Customer Health and Safety	• Protects consumers from product-related health risks. • Builds customer trust through transparent safety standards. • Supports responsible consumption and product stewardship. 	• Risk of product safety incidents leading to consumer harm. • Reputational and legal exposure from safety non-compliance.	• Conducts mandatory product safety assessments before launch. • Maintains quality assurance systems and regulatory compliance. • Provides accessible customer complaint and redress channels.
Data Privacy and Security AGI protects personal data and ensures cybersecurity resilience across all digital operations in compliance with applicable privacy laws.	**GRI 418** Customer Privacy	• Protects customer, employee, and partner data from breaches. • Builds stakeholder trust through transparent data governance. • Supports the right to privacy as a fundamental human right. 	• Risk of data breaches, leaks, and unauthorized access. • Exposure to regulatory penalties under data protection laws.	• Enforces data privacy manuals and cybersecurity policies across subsidiaries. • Limits data access to authorized personnel through layered controls. • Conducts privacy impact assessments and regular security audits.
Responsible Marketing and Product Information AGI ensures marketing practices are ethical, transparent, and compliant with regulations, protecting consumers from misleading communications.	**GRI 417** Marketing and Labeling	• Enables informed consumer decision-making through clear product labeling. • Protects vulnerable groups from exploitative marketing. • Reinforces brand trust and regulatory compliance. 	• Risk of misleading advertising or non-compliant product labeling. • Reputational risk from marketing practices targeting vulnerable consumers	• Aligns marketing with FDA, Ad Standards Council, and industry codes. • Maintains internal marketing review and approval processes. • Monitors regulatory developments to ensure labeling accuracy.

Material Topic and Description	Relevant GRI Indicators	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Climate Action and Resilience AGI reduces its climate impact and strengthens business resilience against physical and transition risks related to climate change.	**GRI 305** Emissions	• Reduces greenhouse gas emissions contributing to global climate goals. • Builds long-term business resilience against climate-related disruptions. • Supports the national and global transition to a low-carbon economy. 	• Risk of stranded assets from carbon-intensive operations. • Exposure to physical climate risks such as flooding and extreme heat.	• Sets science-based GHG reduction targets. • Integrates climate risk into enterprise risk management. • Invests in renewable energy and energy efficiency across operations.
GHG Emissions Management AGI measures, discloses, and actively reduces Scope 1, 2, and 3 greenhouse gas emissions across its subsidiaries.		• Contributes to global emissions reduction and climate stabilization. • Drives operational efficiency through energy and fuel optimization. • Demonstrates accountability through transparent GHG disclosures. 	• Operational reliance on fossil fuels increases emissions exposure. • Scope 3 emissions across supply chains are difficult to monitor.	• Tracks Scope 1, 2, and 3 emissions with third-party verification. • Implements energy efficiency and fuel-switching initiatives. • Sets subsidiary-level GHG reduction targets aligned with Group goals.

Material Topic and Description	Relevant GRI Indicators	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Waste Management and Circular Economy AGI reduces waste generation, increases material recovery, and transitions toward circular economy principles across its operations.	**GRI 306** Waste	• Reduces waste sent to landfills through reuse and recycling. • Supports circular economy development in AGI's value chain. • Minimizes environmental pollution from hazardous and solid waste. 	• Risk of non-compliance with extended producer responsibility laws. • Inadequate waste infrastructure in some operating locations.	• Complies with RA 11898 and RA 6969. • Partners with accredited recyclers and waste service providers. • Tracks waste generation and diversion rates across subsidiaries.
Water and Wastewater Management AGI manages water withdrawal, consumption, and wastewater discharge responsibly to reduce environmental and community impacts.	**GRI 303** Water and Effluents	• Preserves water resources for ecosystems and communities. • Reduces water-related risks in water-stressed areas. • Ensures safe wastewater treatment before discharge. 	• Risk of water scarcity affecting production operations. • Potential contamination of local water sources from discharge.	• Implements water efficiency programs and monitors consumption. • Treats wastewater to regulatory standards before discharge. • Identifies water-stressed locations and sets reduction targets.
Energy Efficiency AGI reduces energy intensity, transitions to renewable sources, and improves energy management across its portfolio.	**GRI 302** Energy	• Lowers operational costs and carbon footprint through energy efficiency. • Advances the transition to clean and renewable energy. • Reduces dependence on fossil fuel-based grid electricity. 	• High energy demand from hospitality, real estate, and distillery operations. • Transition risk from evolving energy regulations and carbon pricing.	• Installs renewable energy systems including solar across properties. • Monitors energy consumption intensity by business unit. • Sets subsidiary-level energy efficiency targets and tracks progress.
Materials Management AGI promotes responsible sourcing, use, and recovery of materials to reduce environmental impact and support sustainable production.	**GRI 301** Materials	• Reduces raw material consumption and environmental extraction impacts. • Increases use of recycled and sustainably sourced materials. • Supports sustainable production and consumption patterns. 	• Risk of supply disruptions from material scarcity or price volatility. • Inadequate data on secondary materials across complex supply chains.	• Tracks material inputs and increases use of recycled content. • Works with suppliers to improve material transparency. • Explores innovative material substitution and eco-design opportunities.
Land Use and Green Infrastructure AGI ensures responsible land stewardship, biodiversity protection, and integration of green infrastructure in its township developments.	**GRI 304** Biodiversity	• Protects ecosystems and biodiversity in development footprints. • Enhances urban livability through parks, green corridors, and open spaces. • Supports sustainable urban planning aligned with national land use policy. 	• Risk of habitat loss or fragmentation from township expansion. • Inadequate environmental assessment in fast-track development contexts.	• Conducts Environmental Impact Assessments for all critical-area projects. • Identifies and protects critical habitats and IUCN Red List species. • Integrates green infrastructure and biodiversity measures into master plans.

Material Topic and Description	Relevant GRI Indicators	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Economic Performance and Market Presence AGI generates long-term financial value, creates direct and indirect employment, and contributes to the broader Philippine economy.	**GRI 201** Economic Performance **GRI 202** Market Presence	• Generates economic value distributed to employees, communities, and government. • Creates jobs and supports local procurement. • Strengthens the Philippine economy through diverse business operations. 	• Economic concentration risk from key business segments. • Exposure to macroeconomic and currency volatility.	• Diversifies revenue streams across real estate, spirits, hospitality, and QSR. • Tracks and discloses economic value generated and distributed. • Prioritizes local hiring and procurement where possible.

Material Topic and Description	Relevant GRI Indicators	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Business Model and Product Innovation AGI drives sustainable growth through innovation in products, services, and business models that respond to changing market and environmental demands.	**GRI 203** Indirect Economic Impacts	• Creates new value through innovative and sustainable product offerings. • Improves customer experience and operational efficiency. • Builds competitive advantage through research and development. 	• Risk of investing in innovations that fail to achieve commercial viability. • Environmental impacts from new product or service development.	• Integrates sustainability criteria into product innovation pipelines. • Monitors market trends and customer preferences to guide R&D. • Applies lifecycle thinking to assess innovation impacts.
Digitalization AGI leverages digital technologies to improve operational efficiency, customer experience, and sustainability performance management.	**Not applicable**	• Improves resource efficiency through data-driven operations. • Enhances customer service and accessibility through digital platforms. • Strengthens sustainability data collection and reporting. 	• Cybersecurity risks from increasing digital dependency. • Risk of widening digital divide among employees and communities.	• Invests in digital infrastructure and cybersecurity safeguards. • Deploys analytics platforms for sustainability and operations monitoring. • Provides digital literacy training for employees.
Product Quality and Safety AGI maintains rigorous quality standards across its products and services to protect consumer health and uphold brand integrity.	**GRI 416** Customer Health and Safety	• Protects consumers from unsafe or substandard products. • Builds customer loyalty through consistently high product quality. • Ensures compliance with food, beverage, and hospitality safety standards. 	• Risk of product recalls, safety incidents, or quality failures. • Regulatory and reputational exposure from non-compliance.	• Maintains GFSI, GMP, and ISO quality certifications across applicable entities. • Conducts regular product safety assessments and third-party audits. • Manages customer complaint channels and nonconformance tracking systems.
Product and Service Lifecycle Management AGI evaluates and manages the environmental and social impacts of its products and services across their full lifecycle.	**Not applicable**	• Reduces environmental footprint across the product lifecycle. • Promotes sustainable consumption through responsible product design. • Supports circular economy principles in product end-of-life management. 	• Complexity of tracking lifecycle impacts across diverse product categories. • Risk of greenwashing if lifecycle claims are unsubstantiated.	• Applies lifecycle assessment methodologies to priority product categories. • Designs products with material efficiency and end-of-life recovery in mind. • Collaborates with suppliers and customers to reduce value-chain impacts.
Enterprise Risk Management AGI identifies, assesses, and manages material risks across its operations to protect stakeholder value and ensure business continuity.	**GRI 2** General Disclosures	• Strengthens organizational resilience against financial, operational, and ESG risks. • Builds stakeholder confidence through transparent risk governance. • Enables proactive identification and management of emerging risks. 	• Risk of inadequate risk identification leading to unaddressed vulnerabilities. • Governance failures that expose the Group to financial or reputational harm.	• Maintains a Board-level risk oversight structure. • Conducts regular enterprise risk assessments across all subsidiaries. • Integrates climate and ESG risks into the enterprise risk framework.
Business Ethics and Integrity AGI upholds the highest standards of ethical conduct, anti-corruption, and transparent governance across all business activities.	**GRI 205** Anti-corruption	• Protects stakeholders from corrupt practices and unethical conduct. • Builds public and investor trust through transparent governance. • Supports a level playing field in markets where AGI operates. 	• Risk of corruption, bribery, or conflict-of-interest violations. • Reputational damage from ethics or compliance failures.	• Enforces Anti-Corruption and Code of Business Conduct policies. • Provides mandatory ethics and anti-corruption training for employees. • Operates confidential whistleblower and ethics reporting channels.

Material Topic and Description	Relevant GRI Indicators	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Regulatory and Economic Compliance AGI ensures full compliance with applicable laws, tax obligations, and regulatory standards, reducing legal risk and reinforcing institutional trust.	**GRI 207** Tax	• Supports public finance and infrastructure through responsible tax compliance. • Strengthens rule of law and good governance through regulatory adherence. • Reduces legal and financial risk for investors and stakeholders. 	• Risk of regulatory non-compliance resulting in fines or sanctions. • Challenges in keeping pace with evolving multi-jurisdictional regulations.	• Maintains internal compliance and audit programs across all subsidiaries. • Coordinates actively with regulators including DENR, LLDA, NPC, and industry bodies. • Reviews and updates policies to reflect changes in applicable laws.
Sustainable Procurement and Supplier Management AGI integrates environmental, social, and governance standards into its procurement and supplier relationships to manage supply chain risks.	**GRI 204** Procurement Practices **GRI 308** Supplier Environmental Assessment **GRI 414** Supplier Social Assessment	• Extends AGI's ESG commitments across the supply chain. • Supports local and MSME suppliers, strengthening economic linkages. • Reduces supply chain risks from environmental and labor violations. 	• Risk of ESG non-compliance among suppliers. • Limited leverage over small or fragmented supply bases.	• Screens suppliers on environmental and social criteria. • Requires sustainability declarations from key foreign suppliers. • Develops supplier capacity-building programs on ESG standards.

SOCIAL DATA

Employee Count

Disclosure		2023	2024	2025
EMI	Male	2,161	2,254	2,211
	Female	852	914	889
MEG	Male	2,842	3,429	3,461
	Female	3,659	4,217	4,342
TIHGI	Male	3,710	3,799	3,351
	Female	2,672	2,646	2,431
GADC / Other AGI employees	Male	19,783	21,899	6
	Female	21,275	23,124	6
Total employee count				
AGI Group	Male	28,496	31,381	-
	Female	28,458	30,901	-
	Total	56,954	62,282	-
AGI Group (excluding GADC)	Male	8,719	9,488	9,031
	Female	7,189	7,783	7,668
	Total	15,908	17,271	16,699
Percentage (%)				
AGI Group	Male	50	50	-
	Female	50	50	-
AGI Group (excluding GADC)	Male	55	55	54
	Female	45	45	46

Disclosure: 12 employees (6 male, 6 female) have been added under GADC in 2023 and 2024.

New employee hires

Disclosure		2023	2024	2025
By gender				
AGI Group	Male	13,785	12,846	-
	Female	14,080	13,068	-
AGI Group (excluding GADC)	Male	2,565	1,764	1,041
	Female	2,176	1,762	1,252
By age				
AGI Group	Below 30 years old	25,631	24,236	-
	30-50 years old	2,157	1,598	-
	Above 50 years old	77	80	-
AGI Group (excluding GADC)	Below 30 years old	3,121	2,400	1,594
	30-50 years old	1,544	1,054	665
	Above 50 years old	76	72	34
Total new employee hires				
AGI Group		27,865	25,914	2,293
AGI Group (excluding GADC)		4,741	3,526	
Hiring rate				
AGI Group		0.49	0.42	0.14
AGI Group (excluding GADC)		0.30	0.20	

Employee turnover

Disclosure		2023	2024	2025
By gender				
AGI Group	Male	6,386	7,582	-
	Female	6,859	7,849	-
AGI Group (excluding GADC)	Male	1,684	1,665	1,564
	Female	1,342	1,505	1,390
By age				
AGI Group	Below 30 years old	11,309	12,941	-
	30-50 years old	1,871	2,343	-
	Above 50 years old	65	147	-
AGI Group (excluding GADC)	Below 30 years old	1,709	1,619	1,314
	30-50 years old	1,258	1,415	1,421
	Above 50 years old	59	136	219
Total employee turnover				
AGI Group		13,245	15,431	2,954
AGI Group (excluding GADC)		3,026	3,170	
Attrition rate				
AGI Group		0.28	0.27	0.17
AGI Group (excluding GADC)		0.22	0.21	

Collective bargaining and human rights/labor law incidents

Disclosure	2023	2024	2025
Employees covered with collective bargaining agreements	49.76%	48.84%	45.30%
No. of legal actions or employee grievances involving forced or child labor	0	0	0

Disclosure: Data includes EMI only.

Diversity by gender across organizational levels

Disclosure		2023	2024	2025
Senior Management				
AGI Group	Male	291	315	-
	Female	184	212	-
AGI Group (excluding GADC)	Male	276	300	277
	Female	165	195	188
Middle Management				
AGI Group	Male	3,911	4,074	-
	Female	4,133	4,418	-
AGI Group (excluding GADC)	Male	1,869	1,917	1,883
	Female	1,590	1,580	1,528
Rank and File				
AGI Group	Male	24,278	26,992	-
	Female	24,118	26,271	-
AGI Group (excluding GADC)	Male	7,070	7,271	6,871
	Female	5,830	6,008	5,952

Diversity by age across organizational levels

Disclosure		2023	2024	2025
Senior Management				
AGI Group	Below 30 years old	11	10	-
	30-50 years old	286	301	-
	Above 50 years old	178	216	-
AGI Group (excluding GADC)	Below 30 years old	11	10	9
	30-50 years old	267	280	255
	Above 50 years old	163	205	201
Middle Management				
AGI Group	Below 30 years old	2,941	2,316	-
	30-50 years old	4,630	5,661	-
	Above 50 years old	473	515	-
AGI Group (excluding GADC)	Below 30 years old	382	409	379
	30-50 years old	2,685	2,663	2,625
	Above 50 years old	392	425	407
Rank and File				
AGI Group	Below 30 years old	41,043	44,836	-
	30-50 years old	6,839	7,759	-
	Above 50 years old	514	668	-
AGI Group (excluding GADC)	Below 30 years old	6,846	6,459	6,013
	30-50 years old	5,557	6,177	6,168
	Above 50 years old	497	643	642

Training Hours

Disclosure		2023	2024	2025
Total Training Hours Provided to Employees				
AGI Group	Male	722,217	588,857	-
	Female	729,492	532,914	-
	Total	1,451,710	1,121,771	-
AGI Group (excluding GADC)	Male	248,488	332,121	108,785
	Female	225,382	261,674	116,251
	Total	473,870	593,795	225,036
Average Training Hours Provided to Employees				
AGI Group	Male	25.34	18.76	-
	Female	25.63	17.25	-
	Average	25.49	18.01	-
AGI Group (excluding GADC)	Male	28.50	35.00	12.06
	Female	31.35	33.62	15.16
	Average	29.78	34.38	13.48

Performance reviews (in %)

Disclosure	2023	2024	2025
By Employee Category			
Senior Management	100	98.14	91.52
Middle Management	100	99.25	97.99
Rank and File	100	98.53	98.54
Total	100	99.20	98.23

ENVIRONMENTAL DATA

Emissions Data (in tCO_2e)

Scope 1 Emissions

Disclosure	2023	2024	2025
EMI	167,647.88	175,467.61	131,759.24
MEG	6,769.01	11,856.09	7,889.14
TIHGI	7,631.68	8,696.07	5,779.07
GADC	430.94	802.14	-
Total Direct (Scope 1) Emissions			
AGI Group	182,479.51	196,821.91	145,427.45
AGI Group (excluding GADC)	182,048.57	196,019.77	

Scope 2 Emissions

Disclosure	2023	2024	2025
EMI	17,775.98	13,238.34	15,813.68
MEG	142,131.17	163,014.85	182,535.48
TIHGI	100,243.73	98,724.82	9,458.51
GADC	90,693.65	130,107.68	-
Total Energy indirect (Scope 2) Emissions			
AGI Group	350,844.53	405,085.69	207,807.67
AGI Group (excluding GADC)	260,150.88	274,978.01	

Scope 3 Emissions

Disclosure	2023	2024	2025
EMI	119,435.59	25,879.60	3,688.85
MEG	326,688.40	381,221.43	411,005.46
TIHGI	13,980.83	14,682.90	14,364.28
GADC	9,240.63	13,256.46	-
Total Other indirect (Scope 3) Emissions			
AGI Group	469,345.45	435,040.39	429,058.59
AGI Group (excluding GADC)	460,104.82	421,783.93	

Emission intensities

Disclosure	2023	2024	2025
Emission intensity for Scope 1 and 2			
AGI Group	2.53	2.69	1.86
AGI Group (excluding GADC)	2.10	2.11	
Emission intensity for Scope 3			
AGI Group	2.23	1.95	2.26
AGI Group (excluding GADC)	2.18	1.89	

Waste Data (in MT)

Total waste generated

Waste category	2023	2024	2025
Non-hazardous	**1,118,108.98**	**167,040.81**	**126,693.56**
EMI	1,022,462.70	13,974.49	18,786.46
MEG	92,368.48	150,412.53	106,089.82
TIHGI	2,997.00	2,326.91	1,817.28
GADC	280.80	326.88	-
Hazardous	**10,290.21**	**57,718.78**	**1,784.50**
EMI	306.46	46,770.35	1,171.00
MEG	1,763.75	1,453.87	436.43
TIHGI	264.00	232.96	177.08
GADC	7,956.00	9,261.60	-
Total waste generated			
AGI Group	1,128,399.19	224,759.59	128,478.07
AGI Group (excluding GADC)	1,120,162.39	215,171.11	

Non-hazardous waste generated per disposal method

Disclosure	2023	2024	2025
Reusable	197,354.80	616.51	583.20
Recyclable	29,394.89	91,211.92	24,718.94
Composted	2,489.97	1,135.50	386.56
Incinerated	234.44	5.02	No data
Residuals/Landfilled	72,533.10	73,549.61	99,923.21
Landfill diversion	No data	23.74	No data
Recovered	No data	187.18	312.09
Other disposal methods (diverted)	476,075.78	311.33	2.0
Other disposal methods (directed to disposal)	340,026.00	No data	767.56
Total non-hazardous waste generated			
AGI Group	1,118,108.98	167,040.81	126,693.56
AGI Group (excluding GADC)	1,117,828.18	166,713.93	

Hazardous waste generated per disposal method

Disclosure	2023	2024	2025
Reusable	2.76	0.02	No data
Recyclable	940.00	2,687.47	217.18
Incinerated	No data	3,780.00	0.19
Residuals/Landfilled	2.87	42,870.31	1,563.91
Landfill diversion	No data	2.03	No data
Recovered	7,020.00	8,353.56	3.12
Other disposal methods (diverted)	5.07	2.41	No data
Other disposal methods (directed to disposal)	2,319.51	22.98	0.11
Total hazardous waste generated			
AGI Group	10,290.21	57,718.78	1,784.50
AGI Group (excluding GADC)	2,334.21	48,457.18	

Waste diverted from and directed to disposal per subsidiary

Subsidiary	Waste diverted from disposal			Waste directed to disposal		
	2023	2024	2025	2023	2024	2025
EMI	684,295.10	12,850.18	**16,914.92**	338,474.06	47,894.66	**3,042.54**
MEG	20,023.69	81,080.91	**8,705.51**	74,108.54	70,785.49	**97,820.74**
TIHGI	840.00	1,142.84	**602.66**	2,421.00	1,417.02	**1,391.70**
GADC	8,124.48	9,457.73	**-**	112.32	130.75	**-**
AGI Group	713,283.27	104,531.66	**26,223.09**	415,115.92	120,227.93	**102,254.98**
AGI Group (excluding GADC)	705,158.79	95,073.94		415,003.60	120,097.17	

Water Data (in ML)

Water withdrawal

Subsidiary	2023	2024	2025
EMI	4,919.63	5,464.97	5,819.14
MEG	8,769.78	12,241.78	9,405.98
TIHGI	1,863.00	1,514.96	1,165.68
GADC	2,135.00	2,485.65	-
Total water withdrawal			
AGI Group	17,687.41	21,707.36	16,390.80
AGI Group (excluding GADC)	15,552.41	19,221.71	

Water discharge

Subsidiary	2023	2024	2025
EMI	1,927.31	3,688.35	4,364.35
MEG	6,525.26	8,411.90	6,339.06
TIHGI	No data	1,136.22	874.26
GADC	1,993.00	2,319.94	-
Total water discharge			
AGI Group	10,445.57	15,556.41	11,577.67
AGI Group (excluding GADC)	8,452.57	13,236.47	
Water recycled and reused	**345.93**	**382.74**	**365.18**

Water consumption

Subsidiary	2023	2024	2025
EMI	2,992.32	1,776.62	1,454.79
MEG	2,244.52	3,829.87	3,066.93
TIHGI	No data	378.74	291.42
GADC	142.00	165.71	-
Total water consumption			
AGI Group	5,378.84	6,150.94	4,813.14
AGI Group (excluding GADC)	5,236.84	5,985.23	

Energy Data (in GJ)

Total energy consumption

Disclosure	2023	2024	2025
Energy consumption within the organization			
EMI	2,415,411.82	3,541,151.49	3,207,014.42
MEG	789,624.97	962,725.60	969,109.94
TIHGI	634,060.80	658,021.42	599,387.42
GADC	466,276.94	671,814.91	-
AGI Group	4,305,374.54	5,833,713.42	4,775,511.78
AGI Group (excluding GADC)	3,839,097.61	5,161,898.51	
Energy consumption outside the organization			
EMI	36,706.99	15,505.17	16,023.92
MEG	1,143,458.26	1,580,620.68	1,547,322.49
TIHGI	17,190.91	20,494.89	16,946.63
GADC	-	-	-
AGI Group	1,197,356.17	1,616,620.74	1,580,293.04

Energy intensities

Disclosure	2023	2024	2025
Energy intensity for energy within the organization			
AGI Group	20.42	26.09	25.19
AGI Group (excluding GADC)	18.21	23.09	
Energy intensity for energy outside the organization			
AGI Group	5.68	7.23	8.33

Energy consumption within the organization

Disclosure	2023	2024	2025
Renewable sources	1,321,052.67	1,410,947.11	2,581,727.43
Gasoline	8,729.14	8,998.64	8,886.75
LPG	319,894.49	297,360.36	120,646.91
Diesel	261,766.80	267,485.55	237,486.00
Natural gas	415,717.07	419,906.60	300,394.62
Fuel oil	281,628.24	226,070.20	259,497.43
Gas oil	77,602.57	63,128.09	44,082.69
Coal	61,344.93	1,195,167.89	744,120.88
Petrol	2,110.03	623.60	1,034.51
Burning oil	No data available	92.65	261.78
Propane	No data available	172,617.08	132,266.53
Electricity	1,555,528.61	1,771,315.65	345,106.26
Total energy consumption within the organization			
AGI Group	4,305,374.54	5,833,713.42	4,775,511.78
AGI Group (excluding GADC)	3,839,097.61	5,161,898.51	

Energy consumption outside the organization

Disclosure	2023	2024	2025
Renewable Energy	429,412.02	428,370.46	925,120.50
Gasoline	773.35	1,322.59	889.86
Diesel	41,648.10	151,037.28	108,046.31
LPG	83,070.51	137,275.69	127,312.20
Grid Electricity	642,452.18	898,614.72	418,739.24
Total energy consumption	**1,197,356.17**	**1,616,620.74**	**1,580,293.04**

Materials Data (inMT)

Materials used by the organization

Disclosure	2023	2024	2025
Renewable Materials	**28,395.54**	**31,183.58**	**37,427.14**
EMI	13,349.23	7,979.62	8,233.08
MEG	8,301.31	16,680.33	21,953.56
TIHGI	6,745.00	6,523.63	7,240.50
GADC	-	-	-
Non-Renewable Materials	**428,143.27**	**370,062.02**	**575,924.84**
EMI	198,719.97	149,146.11	153,453.24
MEG	223,161.30	212,917.46	417,435.75
TIHGI	2,962.00	4,848.45	5,035.85
GADC	3,300.00	3,150.00	-
Total materials used			
AGI Group	456,538.82	401,245.60	613,351.98
AGI Group (excluding GADC)	453,238.82	398,095.60	

Recycled input materials

Disclosure	2023	2024	2025
Total recycled input	-	23,228.45	30,564.66
Percentage of recycled input materials used to manufacture the organization's primary products and services			
AGI Group	0.00%	5.79%	4.98%
AGI Group (excluding GADC)		5.83%	

ECONOMIC DATA

Economic Value Generated and Distributed (in Php million)

Disclosure	2023	2024	2025
Economic value revenue	**210,814**	**223,564**	**189,608**
Economic value distributed			
Operating costs	105,170	111,140	82,476
Employee wages and benefits	19,081	21,557	17,937
Payments to suppliers, other operating costs	34,164	37,257	35,873
Dividends given to stockholders and interest payments to loan providers	12,289	13,919	12,892
Taxes given to the government	9,610	10,526	9,420
Community investments	122	154	74
Economic value retained	**30,379**	**29,011**	**30,936**

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