

COVER SHEET

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

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Form Type

1	7	-	A

(For December 31, 2025)

Department requiring the report

S	E	C

Secondary License Type, If Applicable

Certificate of Permit to Offer Securities for Sale

COMPANY INFORMATION

Company's Email Address

dinainting@allianceglobal.com.ph

Company's Telephone Number/s

8709-2038 to 41

Mobile Number

N/A

No. of Stockholders

989

Annual Meeting
Month/Day

3rd Thursday of June

Fiscal Year
Month/Day

DECEMBER 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

DINA INTING

Email Address

dinainting@allianceglobal.com.ph

Telephone Number/s

8709-2038 to 41

Mobile Number

N/A

Contact Person's Address

7th Floor, 1880 Eastwood Avenue, Eastwood City Cyberpark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. *For the fiscal year ended* **December 31, 2025**
2. *SEC Identification Number* **AS093-7946**
3. *BIR Tax Identification No.* **003-831-302-000**
4. *Exact name of issuer as specified in its charter* **ALLIANCE GLOBAL GROUP, INC.**
5. **METRO MANILA, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
6. *(SEC Use Only)*
Industry classification code
7. **7th Floor, 1880 Eastwood Avenue, Eastwood City**
CyberPark 188 E. Rodriguez Jr. Avenue, Bagumbayan, 1110
Quezon City *Address of principal office*
8. **(632) 87092038 to 41**
Registrant's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.
10. *Securities registered pursuant to Sections 8 and 12 of the SRC, or secs. 4 and 8 of the RSA*

*Title of Each Class Number of Shares of Common Stock Outstanding
and Amount of Debt Outstanding
As of December 31, 2025*

Common	10,269,827,979
Treasury shares	<u>1,503,736,300</u>
Outstanding	8,766,091,679

11. *Are any or all of these securities listed on Philippine Stock Exchange?* **Yes.**
12. (a) *AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months.*
(b) *AGI has been subject to such filing requirements for the past ninety (90) days.*
13. *The aggregate market value of the voting stock held by non-affiliates of AGI as of December 31, 2025, based on the closing price of its common stock of Ten Pesos (₱10.00) on the Philippine Stock Exchange on April 8, 2026, is ₱25,176,348,350.00.*

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PART I - BUSINESS AND GENERAL INFORMATION

1. BUSINESS

a. Organization And Business Development In The Past Three Years

a.1. The Company

Alliance Global Group, Inc. (“AGI” or “the Company”) is one of the largest conglomerates in the Philippines, with established interests in real estate development, food and beverage manufacture and distribution, integrated tourism-entertainment development, and quick-service restaurants businesses. The Company and its subsidiaries, associates and jointly-controlled entities (the “**Group**”) operate a diversified range of businesses that focuses on providing and developing innovative products and services attuned to the evolving needs, demands and aspirations of its target markets..

Incorporated on October 12, 1993, AGI began operations in 1994 as a flint glass-container manufacturer after it acquired a glass manufacturing plant in Canlubang, Laguna. AGI initially listed its shares in the Philippine Stock Exchange (“**PSE**”) in 1999; after which in the same year, it broadened its primary business and became a holding company. Immediately, the Company began its diversification into the food and beverage and real estate industries, and, in 2005, into the quick-service restaurant business. In 2007, it reorganized to consolidate businesses controlled by Dr. Andrew L. Tan and family (“**Tan family**”), specifically in the distilled spirit manufacturing and property development. In 2008, the Company entered into integrated tourism development, with gaming activities, by partnering with a leading multinational leisure, entertainment and hospitality group. In 2011, AGI expanded its integrated tourism estate development outside of Metro Manila, particularly in the Calabarzon and Visayan regions, and in 2014, in Mindanao.

In the years 2013 to 2017, the Group expanded its spirits manufacturing business abroad through acquisitions of rich heritages in Spain, United Kingdom and Mexico. The Group acquired vineyard lands, aged liquids and assets in Spain, and brandy and sherry wine assets, which include the oldest bodegas in Spain, the first brandy in Jerez and in Mexico and other well-known brandy and sherry brands which the Group now owns. The Group acquired and now owns the 6th largest Scotch Whisky manufacturer in the world (*Source: 48th Scotch Whisky Industry Review, 2025*) with a history of more than 175 years and ownership of some of the most iconic Scotch Whisky brands in the industry, thus fortifying the distilled spirits business segment. In 2025, the Group further amplified and strengthened its premiumization and internationalization strategy as it acquired majority interest in a premium artisanal mezcal manufacturer in Mexico.

The Group have been doing realignments and acquisitions also in the real estate segment where it continues to introduce innovative concepts such as ‘integrated lifestyle community’ and ‘transit-oriented developments’ in addition to its ‘live-work-learn-play’ townships within and outside of Metro Manila while the expansion of hotels and non-gaming facilities and offerings and quick-service restaurants is ongoing. AGI began diversifying into infrastructure in 2017 and, in 2018, received an original proponent status (“**OPS**”) for its Fort Bonifacio-Makati Sky Train Project.

The Tan family beneficially owns a majority interest in AGI.

b. Subsidiaries¹

EMPERADOR INC. (“EMI” or “Emperador”) is a publicly-listed holding company which operates an integrated global business of manufacturing, bottling and distributing distilled spirits and other alcoholic beverages, particularly brandy and Scotch Whisky, through its subsidiaries from the Philippines, United Kingdom, Spain, and Mexico. At present, EMI and its subsidiaries (collectively referred to as “**EMI Group**”) has a wide range of products in its portfolio across multiple price points

¹ Please see Note 1 to the Consolidated Financial Statements for a comprehensive list of subsidiaries, associates, and joint ventures falling under the major subsidiaries, which represent the Group’s business segments.

– from accessible to luxury — and an international reach to at least 116 countries. The Group’s brandy and Scotch Whisky portfolios include some of the oldest and best-recognized brands in the world, including brands with centuries-old legacies. EMI Group has acclaimed renown as the world’s largest brandy producer, leading the local brandy segment in the Philippines and Spain, and as the world’s sixth largest Scotch whisky producer (*48th Scotch Whisky Industry Reviews 2025*).

Emperador has established its identity in the Philippine alcoholic beverages business as producer of high-quality liquor and innovative products – predominated by its own brand ‘Emperador Brandy’ which was introduced in 1990 through its wholly-owned subsidiary **Emperador Distillers, Inc.** (“**EDI**”), the Philippines’ largest liquor company and the world’s largest brandy producer². This strong presence was further fortified by ensuing offshore acquisitions.

EMI has grown from a Philippine company to a global player with heritage brands under its portfolio. It has enriched its heritage with the acquisitions of century-old businesses in Jerez, Spain, known as the world capital of sherry wine and home of the Brandy De Jerez, and in Scotland, United Kingdom, home of Scotch whisky, which themselves were acclaimed as being the first and oldest facility in Spain and the sixth largest Scotch whisky producer in the world, respectively. These were immediately followed by the acquisition of popular brands and half-century-old business in Mexico that traced its roots in Jerez, and lately, of artisanal mezcal business in Mexico

EMI was incorporated on November 26, 2001 and listed its shares on the Philippine Stock Exchange (“PSE”) on December 19, 2011. On July 14, 2022, EMI successfully listed on the Main Board of the Singapore Exchange Securities Trading Ltd. (“SGX-ST”)– the first PSE-primary listed company to conduct a secondary listing on the SGX-ST. This secondary listing marked the latest step in its ambitious plans for future international growth. EMI’s shares are currently trading in both exchanges under the symbol ‘EMI’.

From August to September 2013, AGI, EDI and EMI, which were substantially a shell company at the time, entered into a reverse acquisition in a series of transactions whereby AGI acquired majority control over EMI and EMI acquired full ownership of EDI. In 2013, EMI transformed into a holding company, increased its capital base to P20.0 billion and changed its corporate name to Emperador Inc. As of December 31, 2025, EMI has P20.0 billion authorized capital stock, 16.2 billion shares of which are issued and 15.74 billion shares outstanding (net of treasury shares), with consolidated total assets of P178.3 billion.

EDI, a wholly-owned subsidiary of EMI, is the leading brandy manufacturer and distributor in the Philippines³ and owns the leading brandy band in the world⁴. It produces its own label brands, namely, ‘Emperador’ Brandy, ‘Andy Player’ whisky, ‘The BaR’ flavored alcoholic beverage and ‘So Nice’, and ‘Smirnoff Mule’ under license from Diageo North America, Inc. It distributes the Group’s products in the Philippines, namely, the Scotch whisky and Brandy de Jerez products, ‘New York Club No. 1 vodka’ and ‘Pik-Nik’ shoestring-shaped potato snacks. It also distributes ‘Ernest & Julio Gallo’ wines in the Philippines. Since 2020, EDI has established a significant distribution footprint in at least sixty (60) countries. EDI continues to collaborate across these countries.

EDI was incorporated on June 6, 2003 and was acquired by AGI from **The Andresons Group, Incorporated** (“**TAGI**”) and the Tan Family on February 16, 2007. EDI has an authorized capital stock of 22 billion shares, of which 12.5 billion shares are outstanding and all held by EMI as of to-date.

EDI operates two manufacturing plants in Laguna. The main plant is owned by, and is being leased from, its wholly-owned subsidiary **Tradewind Estates, Inc.** (“**TEI**”) while the annex plant was acquired in May 2012. TEI was incorporated on September 22, 2000 and was acquired by EDI from its previous owner, Alliance Global Brands, Inc. (a wholly-owned subsidiary of AGI), in March 2016. EDI owns two distillery plants in Batangas that are being leased out to and operated by **Progreen Agricorn, Inc.** (“**Progreen**”), its wholly-owned domestic subsidiary. EDI procures its new bottles from **Anglo Watsons Glass, Inc.** (“**AWG**” or “**AWGI**”), another wholly-owned domestic subsidiary of EDI,

² 2025 International Wines and Spirits Record (“**IWSR**”) drinks market analysis, 2024 dataset

³ Nielsen Retail Measurement as of December 31, 2024

⁴ Drinks International The Millionaires’ Club 2024 (dataset 2019-2023)

which caters principally to EMI Group's requirements. AWG operates a flint glass container manufacturing plant in Laguna on a 24-hour shift which it leases from AGI. A subsidiary of TEI acquired in July 2018, **Boozylife, Inc. ("Boozy")** is engaged in the on-demand delivery of alcoholic and non-alcoholic beverages.

The World's Finest Liquor Inc. ("TWFLI"), is a wholly-owned subsidiary of EDI that was incorporated in May 2022 to engage in, among others, the retailing and marketing of the Group's products, including but not limited to alcoholic and non-alcoholic beverages, in its specialty retail stores. **Ocean One Transport, Inc.**, a wholly-owned subsidiary of Progreen, was incorporated in the Philippines on January 11, 2023, for the purpose of engaging in ocean, coastwise and inland commerce, and generally in the carriage of freight, goods, cargo in bulk, passengers, mail and personal effects by water between various ports and to engage generally in waterborne commerce.

Emperador International Operations

EIL, a wholly-owned subsidiary of EMI, is a business company incorporated in the British Virgin Islands on December 13, 2006. It is an investment and holding company which is the parent company of the Group's offshore subsidiaries that handle the Scotch whisky, Jerez and Mexican brandies and sherry wine operations. At present, voting rights to EIL is 84% and 16% directly owned by EMI and EDI, respectively. Thus, EIL is 100% beneficially-owned by EMI.

Emperador Spain

Emperador Asia Pte Ltd. ("EAsia"), a wholly-owned subsidiary of EIL, was incorporated in Singapore. It wholly owns **GES**, a public liability company in Spain, incorporated on September 28, 2011.

Grupo Emperador Spain S.A.U. ("GES") is a wholly-owned subsidiary of EAsia. Its main activities are the production of wines, fortified wines, brandies and all types of alcoholic drinks, as well as the purchase and operation of any type of land and, in particular, vineyards. The Spain group acquired vineyard estates in Toledo, called Daramezas and Bergonza, and in Madrid, called Monte Batres, in 2013-2014. And from thereon, the Spain group started growing. GES group includes subsidiaries operating in Spain and Mexico.

In 2013, GES acquired **Bodega San Bruno, S.L.U. ("BSB")**, a wholly-owned subsidiary incorporated on January 10, 2013, whose business activities involved the plantation, growing and operation of vineyards. The acquisition included Bodega San Bruno, the San Bruno trademark, vineyards, and sizable inventory of high-quality well-matured brandy from **Gonzalez Byass S.A. ("Gonzales Byass")**, one of the largest and oldest liquor and wine conglomerate in Spain.

In 2014, GES invested in **Bodega Las Copas ("BLC")**, a 50%-50% joint venture with Gonzalez Byass. Presently, BLC and its wholly-owned subsidiaries are engaged in the planting, cultivation and operation of vineyards, and the conversion and production of alcohol and spirits. The main industrial facilities are located at Jerez de la Frontera in Cadiz and Tomelloso in Ciudad Real.

On February 29, 2016, **Bodegas Fundador S.L.U. ("Bodegas Fundador")**, a wholly-owned subsidiary of GES, incorporated on September 28, 2011, acquired the Spanish brandy and sherry business from Beam Suntory Inc. The purchase included Spain's largest and oldest brandy cellars established in 1730 with sizeable brandy inventory aged more than 50 years; four iconic brands including 'Fundador Brandy de Jerez' and 'Terry Centenario' (Spain's number one selling brandy), production and bottling facilities, vineyards, distillery and winery facilities. The completion of the purchase marked the birth of the world's biggest brandy company, and a new era began not only for Emperador and Fundador but for the whole brandy and sherry industry in Spain. Bodegas Fundador was consolidated starting March 2016.

Bodegas Fundador's wholly-owned subsidiary, Harvey's Cellars, S.L.U. (formerly Destilados de la Mancha S.L.) held the Queen Elizabeth II Royal Warrant, granted as a mark of recognition to companies who have regularly supplied goods or services to the Royal Household until March 31, 2025.

On January 19, 2017, GES acquired the Grupo Garvey brands and associated inventories, casks and real estate properties. Bodegas Garvey, founded in 1780 by the Irish aristocrat William Garvey

and based in Jerez de la Frontera, is one of the oldest brandy and sherry companies in Spain.

On March 30, 2017, BLC and its two subsidiaries, Pedro Domecq S.A. de C.V. and Bodega Domecq S.A. de C.V. (absorbed in 2019 by Pedro Domecq SA de CV), completed the acquisition of the 'Domecq' brand portfolio and related assets from **Pernod Ricard SA**, which was signed on December 1, 2016. In a restructuring that followed later that year, the Domecq brandy portfolio, which include the trademark to the first Mexican brandy 'Presidente', and wine business were integrated into **Domecq Bodega Las Copas SL** ("**Domecq BLC**" or "**DBLC**") effective September 1, 2017. Domecq BLC is a subsidiary of GES incorporated on December 20, 2017. It wholly owns **Pedro Domecq SA de CV** ("**Pedro Domecq**") (incorporated in Mexico on March 15, 2017) is involved in the manufacturing, bottling and selling of spirits. On January 31, 2025, Pedro Domecq had acquired 60% ownership in **Destileria Los Danzantes SA de CV** ("**Los Danzantes**"), producer and owner of premium artisanal mezcal brands in Mexico.

Grupo Emperador Gestion, S.L.U., a wholly-owned subsidiary of GES, was incorporated on October 11, 2016. It provides consulting, management and administration services to the Spain group.

Stillman Spirits, S.L.U., a wholly-owned subsidiary of GES, was incorporated on March 20, 2019. It imports UK products into Europe, following UK's exit from the European Union. It manages The Dalmore Boutique in Madrid (Spain), exclusive boutique, including a retail area, which hosts some of the most exclusive whiskies in the world and a Whisky Lounge for tastings where 66 VIP clients and their close guests can enjoy their Dalmore whiskies. The boutique officially opened in October 2024 with a formal programme hosted by Master Distiller Richard Paterson OBE. During the event, he presented special whiskies to British Ambassador to Spain, Sir Alexander Ellis.

Emperador Europe

Emperador Europe SARL ("EES"), a wholly-owned subsidiary of EIL, is a private limited liability company incorporated in Luxembourg in September 2014. The objective of the company is the holding of participations in any form whatsoever and all other forms of investments.

Emperador Holdings (GB) Limited ("EHGB" or "EGB"), the ultimate UK parent undertaking and controlling entity, is a wholly-owned subsidiary of EIL. EGB is a private company incorporated under the laws of England and Wales on June 19, 2014. It operates as an investment and holding company and wholly owns EUK.

Emperador UK Limited ("EUK"), a subsidiary of EGB, is a private limited company incorporated in Scotland on May 6, 2014. It is the immediate parent of WMG.

Whyte and Mackay Group Limited ("WMG" or "Whyte and Mackay"), incorporated on August 7, 2001 in Scotland, is the smallest consolidating group under EGB. WMG and subsidiaries were folded into the EMI Group on October 31, 2014 upon completion of a deal signed on May 9, 2014 between EUK and United Spirits (Great Britain) Limited, an indirect wholly-owned subsidiary of **United Spirits Limited** ("USL") of India (at this time, the world's largest spirits company by volume).

WMG wholly owns **Whyte and Mackay Global Limited ("WM Global")** which was incorporated on December 4, 2018 in Scotland. The main trading entity is WM Global's wholly-owned subsidiary, **Whyte and Mackay Limited ("WML")**, which was incorporated on January 20, 1927 in Scotland, whose principal activity is the production, marketing and distribution of distilled potable alcoholic drinks which include Scotch whisky, vodka, liqueurs and other alcoholic drinks. WM Global also wholly owns **Whyte and Mackay Warehousing Ltd. ("WMW")**, incorporated in Scotland for the, principal activity of warehousing and blending of bulk whisky for related and third-party customers, and **Whyte and Mackay Americas Ltd, LLC ("WMA")**, incorporated in the United States of America, a direct subsidiary of WML handling Whyte and Mackay's business portfolio in US market. There are forty-six dormant companies within WMG Group that are retained for branding purposes. Whyte and Mackay is headquartered in Glasgow and has significant malt and grain production capability from its four malt distilleries and one large grain distillery. In 2022, WML acquired **St. Vincent Street (446) Limited**, the landlord of its bottling premises at Grangemouth.

On December 4, 2014, with the completion of the Whyte and Mackay acquisition as a condition precedent to its entry, Singapore sovereign wealth fund **GIC Private Ltd. ("GIC")**, through its private equity arm, **Arran Investment Pte. Ltd. ("Arran")** initially invested P17.6 billion in EMI split into 70%-equity and 30%-equity-linked securities debt ("ELS"), which is convertible to equity between 2 to 7 years. In 2017, additional new shares were issued to Arran in consideration for the three-year accrued interest on the ELS. On February 5, 2020, Arran partly converted a portion of its ELS into EMI shares ("Tranche 1 Shares"). On December 3, 2021, Arran elected to exercise its conversion right in respect of the remaining balance of the ELS ("Tranche 2 Shares"), which is expected to be converted anytime up to August 12, 2026. While the Tranche 2 shares remain unissued, they shall continue to earn variable interest which is at same rate and terms as EMI's dividends to shareholders. As of December 31, 2025, Arran held about 9.5% in EMI's outstanding issued shares.

Whyte and Mackay is the sixth largest producer of Scotch whisky in the world by capacity (*Source: 48th Scotch Whisky Industry Review, 2025*) with a history of 175 years and ownership of some of the most iconic Scotch brands in the industry, including British luxury brands 'The Dalmore Single Highland Malt', 'Jura Single Malt', 'Tamnavulin Single Malt', 'Fettercairn Single Malt', and 'Whyte & Mackay Blended Scotch Whisky'. The products are distributed in approximately 116 countries across the world including a strong presence in the global travel retail space. Some of these products are being distributed in the Philippines by EDI.

Philippine Subsidiaries

AWGI, a wholly-owned subsidiary of EDI, was incorporated in the Philippines on July 22, 1999. EDI acquired AWGI from its previous owner, AGI, in 2012. AWGI's business is the manufacture of flint glass containers, servicing mostly the Group's bottle requirements. It operates a glass manufacturing plant at the Canlubang Industrial Estate in Canlubang, Laguna, Philippines which runs on a 24-hour shift. The manufacturing plant is being leased from AGI.

TEI, a wholly-owned subsidiary of EDI, was incorporated in the Philippines on September 22, 2000. EDI acquired TEI from its previous owner, Alliance Global Brands, Inc. (a wholly-owned subsidiary of AGI), in March 2016. TEI owns and leases to EDI a manufacturing complex in Sta. Rosa, Laguna which serves as EDI's main plant. On July 4, 2018, TEI acquired controlling interest in **Boozy**, a local e-commerce company engaged in the on-demand delivery of alcoholic and non-alcoholic beverages.

Alcazar De Bana Holdings Company, Inc. ("Alcazar"), a wholly-owned subsidiary of EDI, was incorporated in the Philippines on July 20, 2016. It currently wholly owns **Progreen**, a domestic corporation whose primary purpose is to engage in the production, distillation, distribution and trading of alcohol and all types of ethyl alcohol; raw materials including molasses, sugarcane and other agricultural products; alcohol co-products, by-products or end-products; and, in connection thereof, to conduct renewable energy activity; as well as alcoholic beverages, wines, liquors, among others. Progreen operates the two domestic distillery plants in Batangas that it leases from EDI. Progreen started its commercial operations in November 2016. It wholly owns **South Point Science Park, Inc.**, a domestic corporation incorporated to engage in management and maintenance of office, commercial, industrial and institutional developments in a science park, which is engaged in port operations, and **Ocean One Transport, Inc.**, which was incorporated for the purpose of engaging in ocean, coastwise and inland commerce, and generally in the carriage of freight, goods, cargo in bulk, passengers, mail and personal effects by water between various ports and to engage generally in waterborne commerce.

The World's Finest Liquor Inc. ("TWFLI"), a wholly-owned subsidiary of EDI, was incorporated in the Philippines on May 17, 2022 to engage in, among others, the business of retailing, merchandising, marketing, warehousing, trading, e-commerce or otherwise dealing with all kinds of products, services, goods, chattels, wares, merchandise and commodities of all kinds, including but not limited to alcoholic and non-alcoholic beverages. In 2025, TWFLI operates fifteen (15) retail stores including The Dalmore Flagship store, Brandy Museum, Fundador Café, McKinley and Davao Whisky Parks, and The World's Finest Liquor stores in various airports, malls and hotels in the Philippines.

Megaworld Corporation

MEGAWORLD CORPORATION ("MEG" or "Megaworld"), a publicly-listed company since June 15,

1994, is one of the leading property developers in the Philippines and is primarily engaged in the development of large scale mixed-use planned communities or townships, which are comprised of residential, commercial, and office developments and integrated leisure, entertainment and educational/training components. Founded on August 24, 1989 by Dr. Andrew L. Tan, Megaworld initially established a reputation for building high-end residential condominiums and commercial properties located in convenient urban locations with easy access to offices as well as leisure and entertainment amenities in Metro Manila. In 1996, responding to growing demand for integrated lifestyle communities, Megaworld pioneered the live-work-play began the development of mixed-use communities, primarily for the middle-income market, with the launch of Eastwood City, its first mixed-use township development. MEG and its subsidiaries have since then grown and diversified their roster of townships to thirty-six (36): four in Fort Bonifacio, seven in Metro Manila, sixteen in Luzon, seven in Visayas, and two in Mindanao.

Megaworld and its subsidiaries ("**Megaworld Group**" or "Megaworld") have real estate portfolio under the 'Megaworld', 'Global Estate Resort', 'Empire East' and 'Suntrust' brands that include residential condominium units, subdivision lots and townhouses as well as office projects and retail space. Megaworld Group has the following three primary business segments: (i) real estate sales of residential developments, (ii) leasing of office space, primarily to business process outsourcing ("BPO") enterprises and retail space and (iii) management of hotel operations. As of December 31, 2025, it owns or has development rights to over 5,670 hectares of land located throughout the Philippines. Since its incorporation in 1989, Megaworld and its affiliates have launched over 800 residential developments, including condominium buildings, residential and commercial lots, alongside more than 1.5 million square meters of gross leasable office space, over 500,000 square meters of mall retail space, and more than 6,000 hotel room keys across 15 homegrown hotels.

The company and its subsidiaries, have won recognition and awards over the years from prestigious organizations locally and internationally that recognized not only the organization itself, its subsidiaries and its foundation, but also its executives and leadership team, as well as its institutional initiatives, campaigns and events.

Megaworld also engages in other property related activities such as project design, construction oversight and property management. Through its wholly-owned subsidiaries, MEG owns, manages and operates its homegrown hotel brands – '**Richmonde**' in Pasig City, Quezon City and Iloilo City; '**Belmont**' in Pasay City and Boracay; '**Savoy**' in Pasay City, Lapu-Lapu City, Cebu and Boracay; and '**Lucky Chinatown**' in Manila City.

Megaworld has P45.7 billion authorized capital stock and P33.81 billion paid-up capital (both common and preferred stock) as at end-2025. Its consolidated total assets amounted to P489.1 billion as at December 31, 2025.

From 46% direct ownership interest in MEG in 2007, the Group increased its direct ownership interest in MEG which is now at 54.02% by end-2025 through stock subscription, exercise of stock rights and warrants, and purchases in the market.

Global-Estate Resorts, Inc. ("GERI"), a publicly listed domestic company incorporated on May 18, 1994, is likewise one of the leading property developers in the country and is engaged primarily in the development of integrated tourism and leisure estates and integrated lifestyle communities consisting of residential, office, retail, hotel and/or golf components. It has a vast land bank where key developments include Boracay Newcoast in Malay, Aklan; Twin Lakes in Laurel, Batangas; Sta. Barbara Heights in Iloilo; Southwoods City in Laguna and Cavite; Alabang West in Las Piñas, Metro Manila; Eastland Heights in Antipolo, Rizal; The Hamptons Caliraya in Lumban-Cavinti, Laguna; Arden Botanical Estate in Trece and Tanza, Cavite and Sherwood Hills in Trece, Cavite; and The Fifth in Pasig City, Metro Manila; Lialto Beach and Golf Estates in Lian, Batangas and Nascala Coast in Nasugbu, Batangas. GERI undertakes its development business by itself or through joint ventures with landowners. Its joint venture corporations are **Twin Lakes Corporation** (incorporated on March 2, 2011), **Oceanfront Properties, Inc.** (incorporated on October 12, 2010 to develop parts of Boracay Newcoast) and **Southwoods Mall, Inc.** (incorporated on July 18, 2013). The township developments are marketed by a subsidiary **Megaworld Global-Estate, Inc.** (incorporated on March 14, 2011) and an in-house marketing group.

Hotel developments in Boracay and Twin Lakes are operated by its subsidiaries **Twin Lakes Hotel**,

Inc. (incorporated on September 28, 2018), **Savoy Hotel Boracay, Inc.** (incorporated on January 24, 2017), **Belmont Hotel Boracay, Inc.** (incorporated on March 18, 2019), **Chancellor Hotel Boracay, Inc.** (incorporated on April 16, 2024) and **Global Newcoast Development Corporation** (formerly "Fil-Estate Urban Development Corporation") (incorporated on March 6, 2000).

AGI acquired 60% interest in GERI in January 2011 and rebranded it to engage in the development of integrated tourism and leisure estates. With the capital infusion, GERI was able to pay its interest-bearing loans and pursue its development plans. In 2013, GERI doubled its authorized capital stock, of which Megaworld subscribed to 25% of the said increase; this together with indirect holdings translates to MEG's 24.7% beneficial ownership in GERI at end-2013. In 2014, GERI was consolidated under Megaworld when the latter acquired AGI's stake in GERI. As at end-2025, Megaworld holds 82.49% of GERI. GERI has P20 billion authorized capital stock, P10.986 billion of which was subscribed and paid-up as of December 31, 2025. Total assets reported as at end-2025 amounted to P64.7 billion.

Empire East Land Holdings, Inc. ("Empire East" or "ELI"), a publicly-listed domestic company incorporated on July 15, 1994, is one of the leading developers of mid-cost residential properties. It specializes in multi-cluster condominium projects and multi-phase subdivision developments in key locations in Metro Manila, Laguna and Rizal. Laguna Bel-Air is ELI's flagship township project while Pioneer Woodlands in Mandaluyong is its first transit-oriented development. Transit-oriented developments ("TOD") and urban resort communities have been the signature concepts of ELI in recent years. **Eastwood Property Holdings, Inc.**, a wholly-owned subsidiary, serves as ELI's marketing arm that markets ELI's projects and those of other related parties. ELI is 81.73% owned by Megaworld. ELI has P31.495 billion authorized capital stock, P14.803 billion (14.803 billion shares) of which was issued and P14.701 billion (14.676 billion shares) outstanding as at December 31, 2025. Total assets reported as at end-2025 amounted to P49.9 billion.

Suntrust Properties, Inc. ("SPI"), incorporated on November 14, 1997, develops master-planned self-sustaining residential communities and condominiums in Cavite, Laguna, Batangas, Baguio, Davao, Metro Manila and Palawan that provide affordable homes for the low- to moderate-income families. The developments focus on space-saving and functionality features. In March 2011, MEG acquired 50% majority interest in SPI. In 2013, MEG acquired 100% ownership by buying out the minority interests of Empire East and another related party. In July 2018, SPI acquired **Stateland, Inc.**, a 42-year old real estate company known for building affordable quality homes and well-developed communities in Cavite, Laguna and Metro Manila. The acquisition brings 150 hectares of raw land and other allied properties that spread across more than 200 hectares into the group.

MREIT, Inc. ("MREIT"), is a publicly-listed real estate investment trust ("REIT") incorporated on October 2, 2020. MREIT was designated by MEG, its parent and sponsor, to operate as its flagship REIT company, the primary focus of which is office and retail leasing to a diversified tenant base, with a high-quality portfolio of 14 office, hotel, retail and other assets across the Philippines and an aggregate gross leasable area ("GLA") of 280,175 sqm as of December 31, 2021, which has since increased to 481,414 square meters as of December 31, 2025. On October 1, 2021, MREIT conducted an initial public offering and listed its shares in the PSE. MREIT is 54% owned by Megaworld as of December 31, 2025 and 44.96% owned by the public. MREIT has P8.0 billion authorized capital stock, P3.72 billion (3.72 billion shares) of which was issued and outstanding as of December 31, 2025. Total assets reported as at end-2025 amounted to P76.6 billion.

Travellers International Hotel Group, Inc.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. ("Travellers"), incorporated on December 17, 2003, is the developer and operator of **Newport World Resorts** ("NWR, an integrated tourism resort in the Philippines. NWR is the first integrated leisure and resort property in the Philippines that combines privately-operated gaming facilities with hotel, retail, dining, entertainment and other leisure amenities. Travellers was awarded, in June 2008, one of the first licenses issued by the **Philippine Amusement and Gaming Corporation ("PAGCOR")** to construct and operate integrated leisure and gaming facilities to an international standard with the goal of enhancing tourism in the Philippines. NWR, which was the first site to be completed, opened in August 2009.

NWR is an approximately 11.5-hectare integrated tourism resort that is strategically located across the Ninoy Aquino International Airport Terminal 3 ("**NAIA-3**") in Pasay City, Manila and near NAIA Terminals 1 and 2 and directly linked to highways leading to Makati City. NWR is a 24-hour, one-

stop, world-class leisure and entertainment facility within Newport City, a mixed-use community of integrated residential condominiums, hotels, restaurants, shops and offices. NWR features a themed shopping and entertainment center, five hotels (4 of which are five-star international branded hotels), and the Marriott Grand Ballroom, a **MICE** (meetings, incentives, conventions and exhibitions) venue with over 8,000 sqm of function space.

The 21,168 sqm Newport Mall offers a retail mall, four cinemas and a 1,710-seat performing arts theater (the “Newport Performing Arts Theater”). The Marriott Hotel Manila is the first hotel to open in October 2009 with 342 rooms and suites, to which 228 rooms were later added in the Marriott West Wing in November 2016. Holiday Inn Express Newport City (as rebranded in February 2018) opened in November 2011. The Marriott Grand Ballroom, a world-class events and convention center, formally opened its doors to the public in March 2015. In 2018, NWR opened Grand Wing, a portion of its Phase 3 development project dedicated to gaming activities. In October 2018, Hilton Manila Newport World Resorts (formerly “Hilton Manila”), officially opened with 357 rooms. Also in 2018, Travellers opened the first international hotel in Iloilo City- the Courtyard by Marriott Iloilo with 326 rooms. In January 2019, Sheraton Manila Hotel made its comeback to the Philippines after 22 years and officially opened its doors to the public, adding 392 rooms. And during the last quarter of 2021, Hotel Okura Manila, an 185-room Japanese brand hotel began its commercial operations. In 2021, Travellers completed the renovation Garden Wing, its Phase 1 gaming facilities. In second half of 2025, Travellers turned over Courtyard to Megaworld.

Travellers has P10 billion authorized capital stock (common and preferred shares), of which P1.93 billion is outstanding as at end-2025. AGI’s beneficial ownership interest in Travellers is accounted through its direct holding of 42.12% common shares and indirect holding through the holdings of its subsidiaries Megaworld, First Centro, Inc. and Adams Properties, Inc. (“Adams”) which directly hold 2.66%, 3.92% and 19.58%, respectively. AGI directly holds 20.23% of Travellers’ outstanding preferred shares while Adams directly holds the 66.48% (39.89%). Travellers has consolidated total assets of P153.8 billion as at end-2025.

Newport World Resorts Properties, Inc.

NEWPORT WORLD RESORTS PROPERTIES, INC. (“NWRPI”), a wholly-owned domestic corporation, was incorporated on February 6, 2023, to invest in, acquire and own, hold, use, assign or dispose of property, including shares of stock, bonds, debentures, notes and other securities or obligations of any corporation or association, among others. It has an outstanding share purchase agreement entered into on May 30, 2023 to consolidate the interests of Genting Hong Kong Ltd. and its subsidiaries or affiliates in Travellers, its subsidiary and affiliates upon fulfillment of certain conditions.

Newport has P1.9 billion authorized capital stock (common and preferred shares), of which 1.0 billion common shares with P1 par value were subscribed by AGI at a premium, and 0.2 billion preferred shares with P1 par value were subscribed by MEG at a premium as at end of 2025.

Golden Arches Development Corporation

GOLDEN ARCHES DEVELOPMENT CORPORATION (“GADC”), a strategic partnership with the George Yang group, is the master franchise holder of McDonalds’ in the Philippines. GADC is granted the license in the Philippines to, among other things, own, develop and operate restaurants and engage in the sub-franchising of restaurants under the McDonald’s brand in accordance with the multi-unit franchise agreement with **McDonald’s Corporation (“MCD”)**, a company incorporated in Delaware with principal offices in Illinois, USA. GADC was incorporated on July 16, 1980. It has P99.44 million authorized and paid-up common capital stock, 49% of which is held by AGI and the rest by GTY Food Trends, Corp., a company wholly owned by Mr. George Yang’s son, Mr. Kenneth Yang. Its consolidated total assets amounted to P50.4 billion at end-2025.

AGI acquired its 49% interest in GADC on March 17, 2005 from **McDonald’s Restaurant Operations, Inc. (“MRO”)**, a subsidiary of MCD, both of which are foreign corporations incorporated in the USA. MRO holds all of GADC’s preferred shares. In 2025, GADC was granted by MCD a new license term for another 20 years. Certain changes were also agreed in terms of the shareholder’s contractual arrangement. As a result, effective March 17, 2025, GADC was deconsolidated and ceased to be a business segment as it became an associate from that date, yet AGI’s ownership

interest over GADC has not changed.

Alliance Global-Infracorp Development, Inc.

ALLIANCE GLOBAL-INFACORP DEVELOPMENT, INC. (“Infracorp”), a wholly-owned domestic corporation, is AGI’s foray into infrastructure development aimed at providing transport solutions that will improve connectivity across the Group’s properties. Incorporated in 2017, its primary purpose is to bid for, invest in, and/or implement infrastructure-related projects, such as but not limited to monorails, airports, expressways, toll roads, and reclaimed land development. In relation to these activities, Infracorp may also acquire, lease, develop or otherwise engage in income-generating ventures involving real property and other rights related to its infrastructure projects. It will handle infrastructure projects, particularly mass transport systems, that will enhance the value of the Group’s real estate and tourism developments. The diversification into infrastructure building is aligned with the government’s goal of ushering in a golden age of infrastructure in the country.

On May 17, 2018, Infracorp received an Original Proponent Status (“OPS”) for its Fort Bonifacio-Makati Sky Train project – a 1.87km public transit system connecting Line 3 Guadalupe Station to Uptown Bonifacio. The project is currently under review and evaluation at NEDA.

a.3 Bankruptcy or Similar Proceedings and Significant Assets not in Ordinary Course

The Company and its subsidiaries have not been involved in any bankruptcy, receivership or similar proceedings. Likewise, there have been no other material reclassifications, mergers, consolidations, or purchases or sales of significant assets not in the ordinary course of business.

b. Business Description

AGI is a holding company with interests in the food and beverage business (manufacturing and trading of consumer products), real estate (investment in and development of real estate, leasing of properties, hotel operations and tourism resorts businesses), tourism-entertainment and gaming, and quick service restaurant (McDonald’s) businesses. Through its subsidiaries and associates, the Company focuses on developing and providing products and services that cater to the needs, demands and aspirations of its target markets. The Company remains agile and responsive to market trends and economic conditions, reinforcing its position as one of the country’s largest and most diversified conglomerates. Through its diverse portfolio and strategic investments, the Group is well positioned for long-term sustainable growth.

b.1. Principal Products or Services and their Markets

EMI

EMI group manufactures its own brands and attributes its leading position to: (i) strong brand equity gained through brand building; (ii) targeted marketing; and (iii) local and global distribution network. The group’s brand portfolio is well diversified and extends across a broad range of price points within both the Scotch whisky and brandy segments.

Vendors may sell the products at higher or lower prices than EDI’s suggested retail prices, depending on outlet margin requirements and their operating costs. The Government does not regulate the price of alcoholic beverages in the Philippines. However, manufacturers of alcoholic beverages in the Philippines are required to pay an excise tax on alcohol production based on the percentage of alcohol contained in the beverage and net retail price.

Philippine Portfolio

‘**Emperador Brandy**’, the first brandy label, was launched in 1990 in the Philippines and is currently the leading Philippine brand in the brandy segment⁵. In 2010, the first light brandy, ‘**Emperador Light**’ was introduced in response to a growing market for alcoholic beverages with lower alcohol content and targeted at younger alcoholic beverage consumers, and in 2019, a lighter variant, the ‘**Emperador**

⁵ Based in part on data reported by NielsenIQ through its Retail Measurement for Wines & Spirits Category for the period ending November 2025, for the Philippines. (Copyright © 2026. Nielsen Consumer LLC)

Double Light, was introduced for that *'dobleng saya, dobleng tagumpay'* feeling. **'Emperador Light Spanish Edition'** was launched in 2023 in UAE. In March 2013, EDI introduced **'Emperador Deluxe Spanish Edition'**, a premium brandy imported from Spain that is created specifically to appeal to the Philippine palate. In August 2021, **'Emperador Coffee Brandy'** was launched bringing more fun to coffee and more enjoyment to brandy for that *'sarap maka-feel good'* feeling that reached globally. In 2022, newly improved **'Emperador Original'** with a 58.72 proof was introduced, offering the classic depth, richness, body, and strength but still within the smoothness range preferred by Filipinos. Currently, it has the strongest alcohol content in the Emperador portfolio. In second quarter of 2023, **'Chaser Sparkling Apple Iced Tea'** was launched as the perfect pair to the favorite **'Emperador'** in the **'EMPI+Chaser'** bundle, highlighting the versatility of **'Emperador'** whether neat, on ice, mixed or with a chaser. In 2023, Emperador elevates its *Tagumpay* brand story to the next generation as it launched *"Angat sa Tagumpay"* advertising campaign and *"Sakto sa Bulsa"* advertising and below-the-line campaign, as it expanded availability of its banner brand Emperador Original **"Lapad-375ml bottle"** in the smaller pack segment nationwide. In 2024, Emperador launched several Emperador Double Light campaigns and had digital promotions. In March 2025, Emperador further strengthened its category leadership with the launch of **'CLVB Emperador'** (or simply, **'CLVB'**), an innovation positioned as the *"Spirit of the New Era."* **'CLVB'** delivers a very smooth, delicious taste with no burn or harshness at 45 proof—making it the lightest and most welcoming variant in the Emperador family.

'Emperador' continues to win **international recognition**. In 2019, **'Emperador Brandy'** won the silver medal in the Distilled San Diego Spirits Competition, while **'Emperador Light'** won the bronze medal. Emperador achieved another significant milestone with its recognition as the World Branding Awards 2025 *"Brand of the Year"* in the Alcoholic Beverages – Spirits category, conferred in Osaka, Japan. This global distinction affirms the brand's sustained leadership, resilience, and relevance amid shifting consumer behaviors across the Asia-Pacific region.

The premium and imported lines, **'Emperador Deluxe Special Reserve'** and **'Emperador Grand Supreme'** are sold exclusively at EDI's retail store.

'Andy Player Whisky', a popular drink in the '80s, was revived in October 2015. The whisky blend has a unique character, rich aroma and complex taste which include orange marmalade and maple syrup. **'Andy Player Extra Smooth Whisky'**, was launched in August 2024. With an ABV of just 25.5%, it serves as an excellent entry drink to the world of whisky. It is currently making waves in the Visayas and Mindanao regions, targeting Gen Z drinkers who prefer a light and smooth beverage.

'The BaR', was initially launched in 2009. **'The BaR'** is marketed as a ready-to-serve flavored alcoholic beverage with low alcohol content. In the third quarter of 2012, EDI introduced **'The BaR'** cocktails line primarily targeted at younger alcoholic beverage consumers and female customers. In 2018, **'The BaR Premium Gin'**, infused with botanicals from Spain that gives it a delicious burst of flavor not found in local gin products, was launched. This world-class premium gin line comes in three variants- Pink, Lime and Premium Dry. In August 2020, **'The Bar Fruity Mix'** was launched as more young Filipino drinkers appreciate light alcoholic beverages. It is a fruit-forward and ultralight alcohol that comes in two flavors.

'So Nice' is an ultralight alcohol that gives consumers a refreshing and flavorful drinking experience. This clear, colorless, distilled spirit is available in three variants –green grape, grapefruit and original. It was launched in November 2020 catering to Filipino youth who prefer a lighter drink at an affordable price.

'Smirnoff Mule', is the number one ready-to-drink beverage in the ready-to-drink category.⁶ A full-flavored blend of Smirnoff Vodka, ginger beer, and lime, it delivers a refreshingly smooth taste with a bold kick at 6% ABV. Smirnoff Mule is being manufactured and distributed by EDI under a licensing agreement with Diageo North America, Inc.

'The New York Club No. 1 Vodka' is an extremely smooth vodka produced and bottled in the USA. Evoking the vibrancy of New York City's nightlife, this vodka is so crisp, so clean, so smooth. It is distilled six times from the finest ingredients for that extra smoothness, and filtered to perfection, making a versatile drink for every occasion.

⁶ NeilsenIQ, 2025 dataset

'Charles & James Light' is a light blended spirit that is distilled and aged in oak barrels and expertly crafted for exceptional richness. It is smooth and light, specifically made for the Filipino palate. Charles & James is the stepping stone to the world of whisky. It is the country's fastest-growing imported whisky⁷.

'Zabana Philippine Rum' is an award-winning brand of rums created by Filipino master blenders from the purest sugarcane sourced across the country. Its rums range from the entry level **'Zabana 8'** and **'Blanco'**, mid-level **'Zabana XO'** and **'Zabana White'** premium **'Zabana Small Batch Tropical Spiced'**, **'Sherry Oak Cask'** and **'1997'** to ultra-premium **'Zabana Single Barrel'**. Over the years, these rums have accumulated a number of recognitions from award-giving bodies such as Cathay Pacific Hong Kong International Wine & Spirit Competition, International Spirits Challenge, Monde Selection and SIP Awards. In 2024, the brand was renamed **Cazabana**.

EDI also imports and distributes the Group's products from the distilleries in Spain and Scotland. In 2015, EDI introduced its Scotch Whisky variants in the local market in the local market. It also began distributing **'Fundador Brandy'**, the Philippine best-selling imported premium brandy, in March 2016 and launched locally **'Tres Cepas Light'** in December 2016, EDI also started distributing **'Harveys Bristol Cream'** and **'Fundador Double Light'** in 2017.

EDI also distributes **'Pik-Nik'** brand shoestring potato snacks and **Gallo wines**. The **'Pik-Nik'** brand is owned by AGI Group.

Spanish Portfolio

From **Bodegas Fundador**, the following iconic brands manufactured and distributed from Spain are under EMI Group beginning March 1, 2016:

'Fundador' is a Brandy de Jerez, from the brandy capital of Spain. Fundador means the 'founder', as it was the first Spanish brandy to be marketed, this happened in 1874 by Pedro Domecq Loustau. It is sold in over 70 countries worldwide, and the no. 1 imported premium brandy in the Philippines. The brand has an excellent range ending with the high premium brand **'Fundador Supremo 30 Palo Cortado'** and **'Sherry Cask Collection – The Fundador Supremo'**.

'Fundador Supremo' is a Solera Gran Reserva Collection aged in our Sherry Cask, unique in the world and which has belonged to our winery for centuries. A unique creation which represents a true innovation within the category of Brandy de Jerez. The **'Sherry Cask Collection'** by Fundador Supremo reveals the depth of the most luxurious flavours provided by time in wood, thus creating an Ultra-Premium category Brandy.

The ageing in Sherry Casks, unique in the world and of very high value, which have contained very old Palo Cortado, Oloroso, Amontillado or Pedro Ximénez, give the brand the exclusivity and originality it deserves.

In 2023, the **Fundador Supremo 30 YO Palo Cortado** was launched to the market with only 30 bottles. It has been positioned at the top of the range due to its rarity. Fundador Supremo 30 YO Palo Cortado aged in casks that have previously contained a 30 YO Palo Cortado wine. Of all sherry wines, Palo Cortado is the most famous and mysterious. Its uniqueness and exquisiteness have reached such an extent that it has been the subject of several documentaries that try to understand its origin and complexity. Palo Cortado is a type of fortified wine.

'Fundador Light' has a balanced and clean aroma with a fragrance of wood seasoned sherry and a smooth light taste of brandy from our cellars in Jerez. **'Fundador Double Light'** is an exceptional spirit from sherry casks in our cellars in Jerez, Spain. It guarantees double smoothness and double satisfaction in every bottle with a lower alcohol-by-volume of 25.8% compared to 28% of **'Fundador Light'**. It is the ultimate expression of **'Fundador Light'** with a different concept. It has more ageing profile and character that is an effect of the double casks.

'Fundador Doble Madera' is a Brandy de Jerez Solera Reserve, inspired by the brandies originally crafted in the 19th century, where the prolonged aging makes the holandas acquire the most important and unique characteristics of wood.

⁷ Ibid.

'Fundador Triple Madera' is a Brandy de Jerez Solera Gran Reserve obtained through a very long ageing process that triples the standards of brandy production. A unique expression that reveals the depth of the elements contributed by the wood to a powerful bouquet from the long periods of aging.

'Fundador Sherry Cask' is a Sherry Cask Solera and Solera Reserva, which is the classic Fundador version's update. After almost 40 years, its image and liquid were refreshed in 2021 through a simultaneous launch in Spain, UK, Italy, México and USA, whose result is Brandy perfect to drink neat or mix with Cola or any other beverage. Aged in Sherry Casks that have previously contained Sherry wine, this Brandy is the combination of experience and innovation that has the credibility to reinvent the Brandy category.

"Fundador Super Special" is the most affordable Fundador variant in a 1-liter bottle that has the same world-class Fundador taste profile that consumers look for and adore. It also has the lightest alcohol-by-volume content within Fundador's portfolio at 23.5% making it very easy to drink, and perfect for day-to-day small or big occasions. It is currently the best-selling Fundador expression in the Philippines. It stands out for its balanced and clean aroma, with subtle hints of seasoned American oak previously cured with Oloroso Sherry. On the palate, it offers a smooth, light and approachable brandy style from our historic cellars in Jerez, with a pleasant, well-balanced finish.

'Terry Centenario' is the largest brandy brand in Spain. and the undisputed leader of the category. In 2026, the brand underwent a comprehensive visual identity refresh, bringing the product closer to a fresher, more contemporary and youthful image, while preserving and reinforcing its most distinctive brand assets. The new design highlights the signature of Fernando Terry, the brand's historic origin in El Puerto de Santa María, and its highly recognizable and iconic Terry Horse logo, strengthening brand recognition and emotional connection with consumers.

The name "Centenario" evokes the turn of the twentieth century when the Terry family began producing brandies in its bodegas in El Puerto de Santa María a heritage that continues to define the brand's premium and distinguished positioning today. With iconic net unique visual identity and strong brand equity, 'Terry Centenario' remains the leading brand in the Spanish Brandy category, holding a with 24.2% market share, exceeding the combined market shares of its two main competitors⁸.

'Terry White', a new expression, a new category, a new Classic "White Brandy" was born in 2017 to renew the brandy category in Spain by shaking the market through a modern concept of a white spirit. Through mixology platform, this disruptive concept was launched to a fashionable position for a spirit drink for a future halo of Brandy de Jerez.

'Tres Cepas' is a market leader in Equatorial Guinea. In 1902, the brand 'Tres Cepas' was launched in the market and became a successful brand. The year 2016 saw the renaissance of the brand in the Philippines, and a special expression of **'Tres Cepas Light'**, with a different concept and bottle, was launched in December at a very affordable introductory price. Tres Cepas Spirit is a delicate selection of wines carefully distilled and aged in Bodegas Fundador's wineries in Jerez, smooth with mineral notes and beautiful amber tones. In 2017, **'Tres Cepas VS'** was launched. It is an ultimate expression, as the master blended and carefully tasted the oldest soleras and selected barrels with special characters and notes to make a unique blend for this Very Special Tres Cepas.

'Harveys' is the world's number 1 selling Sherry wine and the undisputed leader in the UK, a position built on more than a century of heritage, consistency and consumer trust. Founded in 1886 and pioneer of the Cream Sherry category, Harveys has become an international benchmark, combining tradition with accessibility and versatility.

As part of Bodegas Fundador's long-term premiumization strategy, the brand is evolving to reinforce value creation and elevate its image within the Sherry category. In this context, **'Torre de Macharnudo by Harveys'** will be launched in Spain in 2026 as a strategic step to replace Harveys Premium range, strengthening the brand's premium credentials through a more refined design, limited production and a clear focus on quality and origin. This repositioning aligns Harveys with the premium segment, enhances consumer perceived value and delivers a strong improvement in profitability, with a +62% margin increase in Fino and an average +25% gross margin growth across the rest of the range, consolidating Harveys not only as a volume leader, but also as a value-driven, premium brand.

⁸Based in part of the data reported by NIQ for the Total Brandy category for November 2025 rolling year, for Total Spain Off and On-Trade. Copyright © 2025 NielsenIQ Spain.

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Beyond sherry and brandy, Bodegas Fundador also crafts distinctive heritage spirits rooted in Jerez tradition. "**Espléndido**" is the spirit of Garvey: refined, timeless and beautifully unexpected.

'**Vermut Marinero by Garvey**' was launched in Spain in 2021, entering a new unexplored category. This product proposal is very different from other competitors: a red vermouth with a touch of Atlantic salt, elaborated from the most selected sherry wines and characterized by a smoothness and a flavour resulting from the Palomino Fino grape macerated with seaweed. A product totally unique and 100% suited for the aperitif moment.

Mexican Portfolio

From the **Domecq brands of brandies and wines** come these Mexican brandies, which are also distributed in USA. In Brazil, 'Domecq Brandy' is a strong brand which covers all markets in Brazil. The arrival of the Spanish brandy powerhouse, Casa Pedro Domecq, in 1947 changed the brandy landscape in Mexico. The company put the country's forgotten vineyards to work and began capitalizing on Mexico's thirst for inexpensive spirits. It launched Brandy Presidente in 1958. By the 1980s, brandy, not tequila, became Mexico's favorite drink after beer. Marketing played a role in brandy's success as it was marketed as an aspirational drink, a drink with noble Spanish heritage.

'**Presidente**' was the first Mexican brandy, launched in 1958. It is produced from a blend of the best grapes of the Hermosillo region of Mexico. Presidente is the leading imported brandy based on sales volume in US in 2023⁹, coming from second position in 2022¹⁰

'**Presidente Light**' was brought in from Spain and launched in the Philippines in 2022. Presidente Light Brandy boasts of notes of caramel, toffee, dried raisins, orange marmalade with a very subtle hint of chocolate. A light brandy that is very smooth on the palate.

'**Don Pedro**' has been more than 50 years in the market, launched during the 1960s. Its name celebrates the company's founder, Don Pedro Domecq.

'**Azteca De Oro**' has been more than 36 years in the market. These brands are also distributed in USA. In Brazil, 'Domecq Brandy' is a strong brand which covers all market in Brazil.

From **Destileria Los Danzantes** are artisanal premium mezcal brands – '**Los Danzantes**', '**Alipus**' and '**Encantado**' - acquired in January 31, 2025.

Scotch Whisky Portfolio

Scotch whisky is Scotland's leading indigenous product and is now established as the leading international spirit drink, making it one of Britain's most important exports. It is a distilled spirit made (distilled and matured) in Scotland using *only* cereals, water and yeast. Most whiskies mature far longer than the legal minimum of three years, and the maturation period varies for different whiskies. The age statement on a bottle reflects the amount of time the youngest whisky in that bottle has spent maturing in a cask.

Whyte and Mackay has built on its foundations as a leader in the Scotch Whisky industry.

The award-winning whisky makers' collection now features three **Single Malt Scotch** brands ranked

⁹ From an article published on February 25, 2025 in www.statista.com/statistics/986273/leading-imported-brandy-brands/us/

¹⁰ From an article dated July 29, 2022 in www.trendhunter.com/trends/brandy-presidente

in the top twenty worldwide, by industry authority The IWSR. Fettercairn, is the 4th strategic international brand in the portfolio, which is a scarce ultra premium proposition establishing its reputation as a hidden gem of Single Malt.

Looking in the near-term; The Dalmore is the fastest growing Top 10 Single Malt Brand 2018 – 2023 (+17.7% 18-23). Fettercairn has entered the worldwide Top 50 Single Malt Brands and doubled its sales value since 2020, Jura – The UK's Number 1 Single Malt – is the 3rd fastest growing brand in the Top 20 (+20% versus 2019), whilst Tamnavulin is now the fastest growing brand in the Top 20 (19-23, +23%) and Number 2 in the UK (volume). WMG is living by its mission to be a driving force in whisky, renowned for building brands that stand out.

'**The Dalmore**' continues to enjoy exceptional performance, a 'Masterpiece of Malt'. The '**Dalmore Decades**' featured a once-in-a-lifetime collection of whiskies celebrating whisky making artistry across six decades. The campaign broke records for Sotheby's Asia, achieving \$1.1M at auction. The collection secured prestigious features in Paris, Los Angeles, London, Taipei and Shanghai. The 'Dalmore Decades' set a new standard in luxury spirits marketing, with a boutique in Hainan, elite performance on Tmall and Whyte and Mackay's first Non-Fungible Tokens (NFTs) partnership. In 2022 The Dalmore launched **The Luminary Collection**, a partnership with renowned Japanese architect Kengo Kuma and design institution V&A Dundee – Scotland's first design museum. The innovative product harnessed Japanese and Scottish Oak Casks, to mature the rare 48 Year Old whisky, as a tribute to the two luminaries behind the project Kengo Kuma and Richard Paterson OBE. A collectible Limited Edition was developed by their proteges Master Whisky Maker Gregg Glass and Maurizio Mauciolla, which sold at pace in global outlets. In 2024, Luminary No.2 was launched, featuring Melodie Leung as the luminary partner. This edition includes a stunning glass sculpture that encapsulates the movement of the spirit within the stills at the Distillery. The **Cask Curation Series** was also launched as a celebration of the technical expertise within the curation of exquisite rare casks that is at the heart of the whisky making artistry for which The Dalmore is renowned. **Edition 2: Port Edition** celebrated the exclusive relationship with Portugal's finest winemakers, Symington Family Estates – and their Graham's Port. In Global Travel, The Dalmore launched the **Portfolio Series** – a stunning presentation of three whiskies created in collaboration with an artist, and a further initiative of the landmark partnership with V&A Dundee, Scotland's design museum. In 2025, The Dalmore launched 'The Dalmore Luminary 2025 Edition-Rare', and rare Single Malt Whisky, aged 52 Years, housed within a bespoke sculptured designed by Dobbin and auction by Sotheby's, in support of the V&A Dundee. The Collectible was a rare Single Malt Whisky, Aged 17 Years, inspired by 'The Rare' and strictly limited to just 20,000 bottles available globally. The Dalmore's second headline release of 2025 was The Cask Curation Series – The Red Wine Cask Edition, limited to 150 sets worldwide and Aged at 24,34 and 43 years. The Dalmore collaborated on an exclusive partnership with ultra-private media title Sports World which saw NBA Superstar Kyle Kuzma on the front cover, and an in-depth multi-page interview and social content, discussing his love and passion for red wine, the South of France and The Dalmore. Two truly authentic partners for The Dalmore, which resonated with senior figures in aligned luxury brands and sports figures alike, unlocking a series of new opportunities.

The Dalmore's Richard Paterson, was awarded as Officer of the Order of the British Empire (OBE) by Queen Elizabeth II celebrating his visionary contribution to the industry over the past five decades. The "Most Excellent Order of the British Empire" is an order of British Chivalry created in 1917 by King George V. Titles in the Order are awarded to members of the public for significant contributions in their field of work (Scotch Whisky Industry). The Dalmore Master Whisky Maker Gregg Glass was awarded the honor of Distiller of the Year, Scotland, by the prestigious Icons of Whisky Awards 2023. The Dalmore was recognized by Icons of Whisky, with a number of commendations, including Communicator of the Year resultant from Cask Curation. The launch was awarded luxury launch of the year, for Global Travel Retail too.

WMG offers Single Malt and Blended Scotch whiskies, liqueurs and vodkas, under the following key brands:

'**The Dalmore Single Malt Scotch Whisky**' sits at the apex of the category in which it competes. It is positioned as a luxury brand, at the pinnacle of the luxury spirits category, and broadening its presence within the luxury consumer goods category.

The Dalmore's powerful stag emblem is built on a heritage that is rooted in the saving of King Alexander III of Scotland from being gored by a raging stag with a single arrow in 1263 by an ancestor of Mackenzie clan. The grateful king granted him the right to bear a stag's head in his coat of arms and so every bottle of The Dalmore is adorned with this noble emblem: a stag's head with twelve points to its antlers, signifying 'royalty'. The Mackenzie family ran the Dalmore distillery from the mid 1800's until Whyte and Mackay took over. It is considered the most revered single malt whisky in the world.

'**The Dalmore Principal Collection**' consists of eight expressions (12 Year Old, 12 Year Old Sherry Cask, 15 Year Old, 18 Year Old, 21 Year Old, King Alexander III, Cigar Malt, Port Wood Reserve) as well as 14 Year Old which is a US market exclusive. Our **Global Travel Retail range** comprises nine expressions (King Alexander III Travel Retail, 20 Year Old, 28 Year Old, Trio, Quartet and Quintet and three expressions within the Voyage of Time Collection which is a Taiwan duty free exclusive only).

Our **Rare & Prestige range** has five expressions (25 Year Old, 30 Year Old, 35 Year Old, 40 Year Old & 45 Year Old). In addition to these, we have Limited Editions which are a feature of this scarce and precious Single Malt, and include Cask Curation, the Portfolio Series, Distillery Select, Vintages and Luminary Series.

'**The Dalmore Quintessence**' is the first and only single malt whisky in the world with five red wine cask finish. Master Distiller Richard Paterson travelled to California to hand select the five different casks in which this exceptional whisky would be matured; Zinfandel, Pinot Noir, Syrah, Merlot and Cabernet Sauvignon, each bringing their individual nuances to create a totally unique single malt.

'**The Dalmore Distillery Select**' launched in 2024 as a collection of three limited edition whiskies available exclusively via The Dalmore website, and boutiques.

'**The Dalmore Portfolio Series**' is a collection of three limited edition whiskies, designed for global travelers. Each offer a red wine finish, and are an example of the multi cask curation, for which The Dalmore has become renowned. The series is presented in vibrant packaging created in creation with a leading emerging artist, selected by partner V&A Dundee – Scotland's design museum. In 2024 the series unveiled its inaugural edition, in partnership with artist Fraser Gray.

'**The Dalmore Vintages**' are a celebration of the whisky making artistry for which The Dalmore has become renowned. Each November the master whisky makers reacquaint themselves with the rare cask laid down to mature at the Distillery. The Vintages are a celebration of those casks that are unusual, and offer a different expression of The Dalmore's house style. In 2024, two editions were released to domestic markets.

'**The Dalmore Luminary Series**' is a four-year series that celebrates the worlds of whisky and architectural design. Each release is a collaboration with a luminary, leading light, in architecture, alongside The Dalmore's master whisky makers. Each edition is led by a very rare piece sold at auction with renowned auction house, Sotheby's. The first edition featured Kengo Kumo of Japan. The second edition featured Melodie Leung of Zaha Hadid Architects. An accompanying Limited Edition 'collectible' is produced by the Luminaries and made available to domestic markets and global travel.

'**Jura Single Malt Scotch Whisky**' is a premium Scotch whisky that is considered a premium and mainstream single malt whisky. It is produced at the only distillery on the Isle of Jura, a very remote island off the west coast of Scotland. This brand is built upon building shared connection, with a creative platform that encapsulates this whisky made by a tiny Scottish island community 'More Than A Whisky'.

'**Jura Sherry Cask – 12 and 15**' is an Asian exclusive, which launched in Taiwan in 2023, and built distribution in China in 2024. Casks are hand selected from Jerez for the very best Sherry casks. A full finish in our Oloroso Sherry combines well with our Jura Spirit and account for 75% of the balanced flavour of our 'Jura Sherry Cask'. It is rich, fruity, and vibrant - with notes of chocolate, almond, and ripe plum. In 2024, Jura 15 Sherry Cask Edition launched as the second in the range, exclusively to Asia markets.

‘Jura 12 Years’ boasts a rich depth of flavour. The 12 Year Old is the key brand in the Jura signature series. Matured in American white oak ex-bourbon barrels for 12 years and finished in Oloroso Sherry casks from Jerez, Spain. This 12 Year Old offers refined, succulent tropical aromas of chocolate, walnut, and citrus fruit.

‘Jura 14 Year Old - Rye Cask’ is a 2022 release from Jura Whisky and celebrates Jura’s bright community spirit; a close-knit group of around 212 warm and welcoming individuals, inspired by life on their island and all those who have a hand in making it. Matured in American White Oak ex-bourbon barrels, this spirit was then further matured in hand selected American rye whisky barrels to add depth and complexity with layered spice, aromatic, herbal and floral characteristics. The rye casks add distinctive layers of cinnamon, vibrant vanilla, cacao and warm honey flavours.

‘Jura 18 Year Old’ is matured in American white oak- ex-bourbon barrels and finished in Premier Grand Cru Classe Bordeaux barrels, imparting rich flavour of red barriers, rich caramel and a touch of sea salt.

‘Jura Cask Editions’ consists of three expressions; (i) Jura American Bourbon Cask, matured in American Bourbon barrels for a fresh and fruity finish. With layers of ripe citrus fruit, vanilla and salted caramel; (ii) Jura Caribbean Rum Cask, finished in select Caribbean rum casks for a smooth, creamy and fruity finish. With layers of tropical fruit, sweet citrus and a hint of vanilla spice; and (iii) Jura Cognac Cask, finished in select Cognac barriques from France for a smooth and fruity finish. With layers of ripe peach, hazelnut and sweet spice.

‘Jura Rare & Prestige’ collection showcases a selection of old and rare stocks from the brand’s whisky making history. The six expressions range from Perspective No.1, Tide 21 Year Old, 28 Year Old, 1993 Vintage, 1990 Vintage and 1989 Vintage.

‘Tamnavulin Single Malt Scotch whisky’ was launched in 2016, initially in the UK. The Tamnavulin Distillery was built in 1966 and was acquired by WMG in 1993. ‘Tamnavulin’ is the epitome of a Speyside malt; rich, smooth, elegant and refreshing. Tamnavulin is the Gaelic translation for ‘Mill on the Hill,’ named in part after the 16th century woollen mill which sits on the site of the distillery. This Speyside is double cask. Matured in American Oak Barrels and finished in Amoroso Oloroso Sherry casks for a rich, full-bodied, sweet and mellow taste. EDI started distributing this product in the Philippines in 2018.

‘Tamnavulin Double Cask’ begins in American ex-bourbon casks, adding smoothness to our sweet, fruity spirit. Then, when the time is right, the whisky is finished in seasoned sherry casks. It has notes of Rich, warm aromas of apple, toffee and honey with sweet marzipan and subtle tangy marmalade, Fresh, mellow with pear creamy peaches and pineapple and a hint of Demerara sugar.

‘Tamnavulin Sherry Cask Edition’ is matured in American Oak Barrels and enhanced by a finesse in three different sherry casks. This classic revelation from the Speyside Valley is marked with notes of vanilla pod, glazed nectarines, and hints of sticky toffee pudding.

‘Tamnavulin American Cabernet Sauvignon Cask Edition’ is finished in American Cabernet Sauvignon red wine casks. It has notes of Forest fruits, with fresh baked brioche, cacao and sweet spice dusting, alongside Sweet coconut and vanilla, with hints of gingerbread and blackberry.

‘Tamnavulin French Cabernet Sauvignon Cask Edition’ starts life in American ex-bourbon casks and is finished in French Cabernet Sauvignon red wine casks. It has notes of delicious, crisp orchard fruits, with poached pear and almonds, alongside warm nectarine flavours with subtle notes of plum and gingerbread.

‘Tamnavulin German Pinot Noir Cask Edition’ is finished in German Pinot Noir red wine casks and has notes of Turkish delight, caramelised peaches and Seville orange, alongside tasting notes of vanilla, ginger, figs and cherries.

‘Tamnavulin Spanish Grenache Cask Edition’ is finished in Spanish Grenache red wine casks. It has notes of freshly cut flowers, caramelised oranges, marzipan and vanilla custard, alongside tasting notes of White chocolate and red berries followed by toffee apple, peach and coffee.

‘Tamnavulin Single Malt Scotch Whisky Vintage Collection’, a rare range with expressions from

the years 2000, 1979, 1973 and 1970, together with a new Tempranillo finish, was launched in 2018 and is exclusively available in Asia.

'Tamnavulin White Wine Cask Edition' showcases the distinctive orchard fruit character of the Speyside distillery, which complements the flavours enhanced by the white wine finish. In line with Tamnavulin's tradition of double matured whiskies, this expression began its life in American White Oak barrels, before undergoing its second maturation in Sauvignon Blanc white wine casks.

Tamnavulin Port Cask Edition was released in 2024 offering notes of ruby and fruits. This new product innovation was aimed at the chain retail channel.

'Tamnavulin Red Wine Cask Edition' starts life in American oak barrels, but before it gets bottled, it enjoys a stay in French Cabernet Sauvignon wine casks, imparting a whole heap of warming dark fruit and sweet spice notes.

'Fettercairn' launched a new permanent collection of whiskies in 2024, reflecting the investment and availability of casks at key age-statements. The coming of age of stocks enables the brand to invest in a core range to replace the limited editions that were released in short runs 2018-2023. The domestic range features a 12 Year Old, 16 Year Old, 22 Year Old Scottish Oak, and is led by Fettercairn 16 Year Old. A differentiated range for Travel Retail, which is an important growth driver for the brand, features 14 Year Old, 17 Year Old and the 25 Year Old. The Fettercairn Rare & Prestige collection features a 28 Year Old, a 40 Year Old, a 46 Year Old and a 50 Year Old expression.

'Fettercairn 24 Year Old' showcases the tropical house style as it evolves in time. A significant age statement it encapsulates how the distinctive character of this whisky develops in 24 years, with intricate flavours of Madagascan vanilla and red liquorice alongside the rich tropical fruits with a sweet, spiced finish.

'Fettercairn Very Rare 50 Year Old' was released in extremely limited volumes, and bespoke crafted presentation case. Distilled in 1966 it offers antique notes of vanilla, pear and nectarine.

Fettercairn 200th Anniversary Collection was created in 2024 to mark the 200th Anniversary of the Distillery, and features six rare and very rare whiskies. Each whisky was selected to commemorate significant milestones in the distillery's history. The set was presented in a hand-crafted case of Scottish Oak, produced by famed cabinet maker John Galvin. The collection is strictly limited to 10 sets, for the domestic markets.

'Whyte and Mackay Blended Scotch Whisky' is produced using a unique triple maturation process that ensures a smoother, richer taste. In 2019, a new innovative product, **'Whyte & Mackay Light'**, was launched in the UK to allow consumers to enjoy a great whisky taste whilst consuming lower units of alcohol. At 21.5% ABV, this product was a first in the UK and received widespread acclaim for quality and for the important messaging it represents. This new lighter spirit drink has been enriched by sweet Sherry casks and freshly emptied Bourbon barrels and tastes great – smooth with a subtle hint of smoke and perfectly enjoyed straight over ice, or with your favorite mixer.

'Woodsman Blended Scotch Whisky' was launched in 2018 as a more contemporary proposition for younger consumers. It was designed to work well with mixers and with its modern bottle design, it has attracted new consumers into the Blended Scotch market.

'Shackleton' is a Blended Malt brand launched in 2017. It was inspired by a 1907 whisky which was extracted after 100 years under ice. A conservation team carefully extracted crates of whisky left behind by renowned polar explorer Sir Ernest Shackleton. Whyte and Mackay master blender Richard Paterson carefully selected 20 of the finest highland malts to recreate the antique whisky supplied to the British Antarctic Expedition. It has hints of vanilla, ginger and licorice on the nose, with a taste of on demerara sugar, manuka honey and dried pineapples, and a whisper of bonfire smoke in the finish.

John Barr, Cluny and Claymore are all blended Scotch whiskies, a combination of malt whiskies and grain whiskies from a number of different distilleries.

'Glavya', a liqueur made from a blend of aged Scotch whiskies, a selected range of spices,

Mediterranean tangerines, cinnamon, almonds and honey. It has a deep golden colour and a distinctive flavor. In 2022 Glayva launched a new consumer campaign in the UK, driving consumer recruitment by putting the award-winning flavour proposition front and centre.

‘Invergordon’ is a new brand launched in 2024. It is a single grain whisky produced at Whyte & Mackay’s whisky production facility in North Scotland. The brand was designed to be distinctive in the broader whisky/ey category and offered three aged statements: 14, 18 and 21 Year Old. It is currently available exclusively in the USA, where it has secured national distribution.



MEG

Megaworld's pioneering "live-work-play-learn" concept for integrated mixed-use communities, or commonly known as townships in the Philippines, has enabled it to launch over 800 residential developments, including condominium buildings, residential and commercial lots, alongside more than 1.5 million square meters of gross leasable office space, over 500,000 square meters of mall retail space, and more than 6,000 hotel room keys across 15 homegrown hotels. "Townships" integrate lifestyle convenience of having high quality residences in close proximity to office, commercial, educational, and leisure and entertainment facilities. The strategy is to lease all commercial and retail properties and sell all residential units. In instances where residential units are not all sold out upon completion of the project, Megaworld rents out these unsold units on a lease-to-own basis or lease with an option to buy.

A description of each of the group's 36 townships follows.

1. **Eastwood City** is Megaworld's first township and the Philippines' first IT cyberpark and the first to be granted special economic zone status by the Philippine Economic Zone Authority (PEZA). It sits on 18.5-hectare land - home to a thriving residential, business, and lifestyle district that features 21 residential towers, 12 BPO office buildings, 4 commercial centres, and one hotel. Key retail establishments such as Eastwood Mall and Citywalk 1 & 2 provide shopping and leisure experiences, reinforcing Eastwood City's position as a premier urban destination.
2. **Forbes Town** is a 5-hectare township in Fort Bonifacio, Taguig City, that offers an upscale residential and commercial environment inspired by resort-style living. It features 12 high-end residential condominiums, complemented by Forbes Town Road and Burgos Circle, which host dining, retail, and entertainment options. The township's strategic location within Fort Bonifacio provides accessibility to key business districts and lifestyle hubs, making it a preferred address for high-end urban living.
3. **McKinley Hill** is Megaworld's largest township in Metro Manila, which spans 50 hectares and is designed with Spanish-Mediterranean and Italian-inspired architecture. The township features an exclusive residential village, premium office towers, and key commercial and lifestyle developments such as the Venice Grand Canal Mall and McKinley Hill Stadium. It is home to foreign embassies, international schools, and business hubs, making it a self-sustaining business district with a well-integrated live-work-play environment.
4. **Newport City** is a 25-hectare integrated tourism estate located across NAIA Terminal 3 in Pasay City. It features **Newport World Resorts**, which is a fully integrated leisure and entertainment complex renowned for its first-class gaming facilities, restaurants, world-class hotels and upscale shopping outlets. It hosts international hotel brands such as: Manila Marriott Hotel, Holiday Inn Express Manila Hotel, Hilton Manila, Sheraton Manila and Hotel Okura Manila under Travellers; and Belmont Luxury Hotel and Savoy Hotel which are condotel projects of Megaworld. It also features Travellers' Marriott Grand Ballroom, the largest events venue in the Philippines. The township also houses residential condominiums, office developments, and lifestyle destinations, including Newport Mall, which offers high-end retail and dining experiences. Runway Manila, a pedestrian bridge linking Newport City to the NAIA Terminal 3 airport, enhances connectivity, positioning the township as a key destination for business and tourism.
5. **Uptown Bonifacio** is a 15.4-hectare master-planned township in Fort Bonifacio, Taguig City, designed to reflect cosmopolitan living. It features high-rise luxury residential condominiums, state-of-the-art office towers, and premier commercial establishments which include Uptown Mall and Uptown Parade. Uptown Bonifacio is one of Megaworld's fastest-growing townships as it is strategically located near international schools, corporate headquarters, and the future Mega Manila Subway.
6. **McKinley West** is a 34.5-hectare upscale township located in Fort Bonifacio, Taguig City, adjacent to McKinley Hill and Forbes Park. It is the home to McKinley West Village, a premier gated community that offers expansive lots and world-class amenities. The township also features residential developments such as The Albany, St. Moritz, and Park McKinley West. It's office district houses modern corporate headquarters and commercial spaces that complement the residential lifestyle with retail establishments, dining options, and recreational facilities. McKinley West provides seamless connectivity to Bonifacio Global City (BGC) and major thoroughfares, making it a prime address for professionals and investors.
7. **The Mactan Newtown** is a 30-hectare integrated township in Lapu-Lapu City, Cebu, designed as

a premier business, residential, and tourism hub. The development features 10 residential projects, five office towers, a retail and lifestyle center, and two hotels, including the Savoy Hotel Mactan. The township also houses the Newtown School of Excellence and Mactan Newtown Beach, reinforcing its identity as a self-sustaining live-work-play-learn tourism estate. Future developments include the Mactan Newtown Beach Mall, Mactan Expo, and World Museum, further enhancing the township's retail, events, and cultural offerings.

8. **Iloilo Business Park** is a 72-hectare mixed-use township in Mandurriao, Iloilo City, envisioned as the region's premier business, financial, and lifestyle district. The development includes 10 residential projects, 10 BPO office towers, a full-scale mall, and two hotels. The township is also home to the Iloilo Convention Center, positioning it as a key economic driver in Western Visayas.
9. **ArcoVia City** is a 12.3-hectare mixed-use township along E. Rodriguez Avenue in Pasig City. The township integrates residential, commercial, and office developments within a well-planned urban environment. It features 18 Avenue de Triomphe, ArcoVia Palazzo, and ArcoVia Park Place, as well as the 31-story ArcoVia Hotel. The township also highlights Arco de Emperador, a 19-meter monument symbolizing success and perseverance. Retail and commercial establishments, such as The View Deck and Arco Parade, further enhance the community's dynamic lifestyle.
10. **Davao Park District** is an 11-hectare mixed-use township in Lanang, Davao City, designed as Davao's first central business district. The development includes four residential projects, corporate office towers, and a lifestyle hub, creating a modern urban environment. Notable projects within the township include the Davao Finance Center and One Republic Plaza, which serve as key corporate landmarks. The township also features The Clock Tower, adding to its distinct identity as a prime business and residential address in Davao.
11. **Suntrust Ecotown** is a 350-hectare industrial township in Tanza, Cavite, positioned as an eco-friendly business and logistics hub. It integrates industrial zones, commercial areas, residential developments, and leisure spaces, creating a self-sustaining economic hub. The township prioritizes sustainable infrastructure, including waste management systems and energy-efficient facilities, making it an ideal location for industrial locators and investors.
12. **Boracay Newcoast** is a 150-hectare master-planned tourism estate on the eastern side of Boracay Island that offers a balance of residential, commercial, and leisure developments. The township houses 11 residential projects, four hotels, and a commercial and entertainment district. It is home to the 18-hole Fairways & Bluewater golf course, a 2.6-kilometer main road, and a kilometer-long coastline with three private coves. Boracay Newcoast is designed as an eco-sustainable community that integrates modern infrastructure, a centralized sewage treatment plant, and underground utilities, which makes it a premier resort and investment destination.
13. **Twin Lakes** is a 1,200-hectare master-planned tourism estate in Laurel, Batangas, that offers a distinct European-inspired countryside living experience. Designed as the Philippines' first vineyard resort township, it features residential villages, resort accommodations, commercial hubs, and a vineyard plantation. The development is nestled in a high-altitude location, providing a cooler climate and panoramic views of Taal Lake and Volcano. Twin Lakes integrates nature, leisure, and wellness, making it a premier residential and tourism destination in Southern Luzon.
14. **Southwoods City** is a 561-hectare township spanning Carmona, Cavite, and Biñan, Laguna that was master-planned as a live-work-play community. It features residential villages, office developments, commercial centers, and leisure facilities which includes the Jack Nicklaus-designed Southwoods Golf and Country Club. Strategically located near major highways, Southwoods City is positioned as a business and lifestyle hub in the South.
15. **Alabang West** is a 62-hectare exclusive residential township located in Las Piñas City. Designed as a premier suburban enclave, it features 785 residential lots, complemented by upscale lifestyle amenities such as a clubhouse, fitness center, swimming pools, sports courts, and landscaped parks. The township's commercial hub is envisioned as a lifestyle destination, integrating retail, dining, and entertainment spaces to enhance the live-work-play experience.
16. **The Upper East** is a 34-hectare township in Bacolod City, inspired by New York's Upper East Side, that is set to become the city's new central business district (CBD). It features 10 residential projects, office towers, and a transport hub, with 35% of the township dedicated to open spaces. Key developments include Upper East Mall, Landers Superstore, and McDonald's Upper East which is the largest McDonald's in the region. The township integrates smart city technologies, such as underground cabling, LED streetlights, fiber-optic connectivity, and a flood-free drainage

system, reinforcing its identity as a future-ready, sustainable community.

17. **Northill Gateway** is a 50-hectare mixed-use township located along the Bacolod-Silay Airport Access Road that was designed as a business, leisure, and residential hub. The township features four residential projects, a boutique hotel, and a commercial district, blending Bacolod's heritage with modern urban infrastructure. Positioned as a key gateway between Bacolod and Silay, Northill Gateway offers strategic accessibility for businesses and investors.
18. **Sta. Barbara Heights**, is a 173-hectare master-planned township in Sta. Barbara, Iloilo that integrated four residential phases, a commercial district, and leisure amenities. The development features a five-hectare Village Center and Country Club, the first of its kind in Iloilo. It is connected by the six-lane Iloilo International Avenue, providing direct access to Iloilo International Airport. Future developments include a business park and an international school, positioning Sta. Barbara Heights as a prime gateway to Iloilo's commercial expansion.
19. **Capital Town** is a 35.6-hectare mixed-use township located in San Fernando, Pampanga, envisioned as the region's premier central business district. As Megaworld's first township in Central Luzon, it integrates residential, commercial, cultural, and institutional developments while preserving Pampanga's historical significance. The township features a 6.3-hectare Shophouse District, a three-level Capital Mall, and several high-rise residential condominiums, including Chelsea Parkplace, Bryant Parklane, Montrose Parkview, and Saint Marcel Residences. Sustainable and cultural landmarks such as the Pasudeco Sugar Mill Museum, Rainwater Park, and the statue of Gen. Maximino H. Hizon further enhance its identity. The township is strategically located 70 kilometers from Manila and 30 minutes from Clark International Airport, providing excellent connectivity for businesses, investors, and residents. Capital Town will also feature the 16-story Savoy Hotel Capital Town further supporting its position as Pampanga's emerging business and lifestyle hub.

Westside City is a 31-hectare integrated tourism estate in Parañaque City, strategically located within Entertainment City. Designed as a world-class leisure and gaming hub, it features luxury residential condominiums, local and international hotel brands, and a grand opera house. The township also houses a premier casino and entertainment complex, making it a key contributor to the country's tourism and gaming industries. Comprising distinct districts—Kingsford, Sunset, and South Beach—Westside City offers a seamless blend of upscale living, business, and entertainment in a dynamic urban environment.

20. **Maple Grove** is a 140-hectare sustainable urban township in General Trias, Cavite, designed with eco-friendly infrastructure and green spaces. The development includes residential and commercial districts, office spaces, and a greenhouse-themed mall. Notable features include a 2-hectare Rainwater Park with a flood detention facility, dedicated bike lanes, and tree-lined roads, reinforcing its position as Cavite's first green Central Business District.
21. **Eastland Heights**, is a 640-hectare integrated lifestyle township in Antipolo City, Rizal, designed around the concept of ecotherapy. The development is 1,000 feet above sea level, offering panoramic views of the Sierra Madre. It features exclusive residential communities, a 36-hole golf course, a retail hub, and a private international school, positioning it as a premier wellness and nature-oriented township.
22. **The Hamptons Caliraya** is a 300-hectare lakefront lifestyle township in Cavinti, Laguna, inspired by the luxurious waterfront communities of The Hamptons, New York. It features private residential estates, a golf course, and marina complex which offers high-end leisure and recreational living. The township provides direct access to Caliraya Lake, making it an ideal location for watersports, golf, and luxury tourism.
23. **Highland City** is a 24-hectare elevated township in Cainta, Rizal, envisioned as a modern "city in the sky". The development integrates residential towers, commercial spaces, and retail hubs within a master-planned urban setting. With wide open spaces, tree-lined roads, and a central park, Highland City is designed as a self-sustaining residential and business hub in the Eastern Metro Manila corridor.
24. **Arden Botanical Estate** is a 251-hectare nature-inspired township spanning Trece Martires and Tanza, Cavite. Developed as an eco-friendly and sustainable community, it features residential villages, a commercial district, an adventure park, and a botanical garden. The township incorporates sustainable infrastructure like stormwater recycling, permeable pavements and electric trams, reinforcing its commitment to environmental conservation.
25. **Lucky Chinatown** is a 5-hectare mixed-use development in Binondo, Manila, serving as a cultural and commercial hub that bridges tradition with modernity. Anchored by Lucky Chinatown Mall, the development offers a diverse retail experience, lifestyle attractions, and entertainment options. It also features residential and office spaces, along with heritage-inspired elements such as the Chinatown Museum, creating a unique and immersive experience in the

world's oldest Chinatown.

26. **Paragua Coastown** is a 462-hectare eco-tourism township in San Vicente, Palawan, positioned as a sustainable tourism and lifestyle hub. It features beachfront hotels, private villas, a wellness center, a cultural events space, and a town center, all designed with low-impact, eco-friendly architecture. Located 10-15 minutes from San Vicente Airport, Paragua Coastown is set to become a premier international tourism destination.
27. **Northwin Global City** is an 85-hectare mixed-use township development spanning Marilao and Bocaue, Bulacan, positioned as the province's first global business district. The township will serve as a key economic hub, integrating corporate office towers, a commercial district, residential developments, hotels, malls, and educational institutions. Designed as an iTownship, it will incorporate green infrastructure, wide sidewalks, underground utility cabling, fiber-optic connectivity, and solar-powered streetlights. Northwin Global City is strategically located 20 kilometers from Metro Manila, accessible via the NLEX Marilao Exit, and will host a station for the Manila-Clark Railway Project, providing seamless connectivity to Clark, Metro Manila, and the future New Manila International Airport. Northwin Global City is set to transform Bulacan into a thriving business and lifestyle destination.
28. **Winford Resort Estate** is a 3-hectare integrated urban resort development in Manila, envisioned as a premier lifestyle and entertainment destination. The estate includes high-end residential towers, retail and commercial spaces, and future mixed-use developments. Positioned near Manila's historic districts, Winford Resort Estate combines modern urban living with upscale leisure and entertainment options, redefining the city's luxury lifestyle experience.
29. **Sherwood Hills** is a 340-hectare township in Cavite where the Jack Nicklaus-designed Sherwood Hills Golf Club is located. The development integrates private residences with leisure and recreational facilities, creating a high-end lifestyle community. Its strategic location near Metro Manila and major highways makes it a sought-after address for golf enthusiasts and investors.
30. **Baytown Palawan** is a 5.4-hectare mixed-use township in Puerto Princesa, Palawan, featuring residential condominiums, hotel developments, and commercial spaces. Positioned as Megaworld's second township in Palawan, it is located along Puerto Princesa South Road, just 3.7 kilometers from the international airport. The township offers scenic bay views and is set to become a business and tourism hub in Puerto Princesa.
31. **Ilocandia Coastown** is an 84-hectare tourism and eco-lifestyle township development located in Laoag City, Ilocos Norte that is envisioned as a sustainable beachfront community. As Megaworld's first township in Northern Luzon, it will integrate residential, commercial, and hospitality components that caters to both local and international tourists. The development features a 1.4-kilometer beach line along the West Philippine Sea, with planned upscale residential villages, a shophouse district, a commercial center, and a town center that will include office spaces, hotels, and event venues. Approximately 30% of the township is dedicated to open spaces, ensuring a sustainable and environmentally conscious urban landscape.
32. **Lialto Beach and Golf Estate** is a 150-hectare exclusive beachfront and golf township in Lian, Batangas, that will feature an 18-hole golf course, private estates, a beach clubhouse, and a resort community. It will boasts 900 meters of beachfront along the West Philippine Sea, making it an ideal destination for resort-style living and high-end tourism. Located just three hours from Metro Manila and one hour from Tagaytay, it offers a balance of luxury, nature, and recreation.
33. **San Benito Private Estate** is a 24.4-hectare luxury residential and wellness township in Lipa, Batangas, featuring premium residential estates, a wellness-focused hotel, and commercial spaces. Approximately 50% of the development is dedicated to open spaces, with views of the Malepunyo Mountain Range. Located 30 minutes from Lipa City Hall and two hours from Metro Manila, it is designed to be a tranquil, health-centric retreat for residents and visitors.
34. **The Upper Central** is a 117-hectare township in Cagayan de Oro City, envisioned as a modern, mixed-use urban district. The development integrates multiple residential projects, commercial districts, shophouses, and mixed-use developments with 40% of the township dedicated to open spaces. Strategically located along J.R. Borja Road, the township offers future connections to DPWH bypass roads and is approximately 39 kilometers from Laguindingan International Airport. It also features bike lanes, an adventure park, and pedestrianized commercial strips, reinforcing its sustainable and well-connected urban master plan.
35. **Nascala Coast** is a 116-hectare beachside property in Nasugbu, Batangas. Nascala Coast will seamlessly blend residential villages and beachside condominium clusters, vibrant commercial

hubs, and dynamic leisure destinations—anchored by the natural beauty of the coast and mountains that surround it. Strategically master-planned as a sustainable, integrated tourism and leisure estate, **Nascala Coast** offers a seamless escape just 2.5 hours from Metro Manila and roughly an hour away from Tagaytay. Easily accessible via South Luzon Expressway (SLEX), Manila-Cavite Expressway (CAVITEX), or the Ternate-Nasugbu Highway, **Nascala Coast** promises to be a standout tourism and leisure development that offers a refreshing change of pace from the city life.

The **GERI group** has a diversified real estate inventory including residential and commercial lots, residential condominium units, condominium hotel units, and golf club shares. It has eight integrated tourism developments across the country covering more than 3,300 hectares of land. Its property developments include the following:

1. **Boracay Newcoast** is the first and only tourism estate development with world-class resort offerings in the northeast side of Boracay. It sits on 150-hectare of land and will house a private residential village, specialty boutique hotels, shop houses and a massive commercial center called Newcoast Station and international hotel brands. Its Fairways & Bluewater Newcoast, a premier luxury eco-friendly vacation hotel, has over 250 well-appointed guestrooms, each with a spectacular view of an 18-hole par-72 golf course, the only one in the island. Fairways & Bluewater Newcoast features three private white sand beach coves. (See under Townships)
2. **Twin Lakes** is the first and only vineyard resort community in the Philippines, located in the rolling terrains of Tagaytay overlooking the world-famous Taal Lake. The master-planned integrated tourism estate that sits on a 1,200-hectare property will feature real vineyard and chateaus, residential condominiums and villages, hotels, nature park as well as commercial and retail hubs. (See under Townships)
3. **Sta. Barbara Heights** is a vast township rising on a 173-hectare property beside the Sta. Barbara Golf Course, known as Asia's oldest golf course, located in Sta. Barbara, Iloilo. (See under Townships)
4. **Southwoods City** is a 561-hectare mixed-use development with golf course situated on the boundaries of Biñan, Laguna and Carmona, Cavite. (See under Townships)
5. **Alabang West** is a 62-hectare residential and commercial development in Las Piñas City. (See under Townships)
6. **Eastland Heights** is a 640-hectare township development along Marcos Highway with some areas overlooking Metro Manila's panoramic skyline. (See under Townships)
7. **The Hamptons Caliraya** is a 300-hectare sprawling community surrounding Lake Caliraya in Lumban-Cavinti, Laguna. The Hamptons Village is a high-end residential area with 112 lots ranging from 504-1281 sqm. (See under Townships)
8. **Arden Botanical Estate** is a 251-hectare property in Trece and Tanza, Cavite that will be highlighted by flower farms and gardens.
9. **The Lindgren** is a 17-hectare residential village offering lots ranging from 159sqm to 252sqm. (See under Townships)
10. **Mountain Meadows** is 260-hectare residential subdivision in Cagayan de Oro with a 4-hectare commercial area at the entrance of the project.
11. **Newport Hills** is a 127-hectare integrated residential and golf development in Lian, Batangas.
12. **Lialto Beach and Gold Estates** is a sprawling integrated lifestyle community on a 150-hectare beachside property in Lian Batangas.
13. **Nascala Coast** is a 116-hectare beachside property in Nasugbu, Batangas that will seamlessly blend residential villages and beachside condominium clusters, vibrant commercial hubs, and dynamic leisure destinations. (See under Townships)

ELI's real estate portfolio is composed of multi-cluster mid- to high-rise condominium projects and multi-phase subdivision developments in key locations in Metro Manila and the South. **ELI** set the trend for transit-oriented developments ("TOD") where condominium communities are directly linked to mass-transit systems for faster and more efficient mobility in the metro. **ELI**'s portfolio also includes ready-for-occupancy ("RFO") units available in its various high-rise development projects in Metro Manila. These include the following:

1. **Laguna BelAir** is **ELI**'s flagship township project located outside of Metro Manila. The 156-hectare horizontal development in Sta. Rosa, Laguna is a complete community setting featuring several residential phases with American-inspired homes, commercial blocks, recreational amenity zones, a science-oriented school and a parish church. The project has spearheaded

various residential and commercial developments in Santa Rosa City which is now dubbed as the “New Makati City of the South.”

2. **The Sonoma** is the second township project outside Metro Manila. It is a 50-hectare horizontal development in Sta. Rosa City, Laguna. The community is centered by a clubhouse, complete with luxurious swimming pools, open courts, function rooms and other recreational facilities. Select residential lots remain available, allowing buyers to construct Asian Modern-themed single-detached homes in accordance with subdivision guidelines.
3. **The Cambridge Village** along East Bank Road in Pasig-Cainta boundary, is an 8-hectare micro-city community development that features resort-style recreational amenities, ground level retail stores, an expansive central park, and a parish church. All residential clusters have been completed, with limited RFO units remaining available, ranging from studios, 1-bedroom loft and 2-bedroom flats.
4. **The Rochester**, a seven-tower, mid-rise urban resort community strategically located near C5 Road and Bonifacio Global City. The residents are currently enjoying resort-style amenities like the community clubhouse with bar area, alfresco lounge, function room, fitness gym, 25-meter lap pool and a kiddie pool, pocket gardens, a children's play area and multi-purpose open court. All towers have been completed and delivered, with the remaining RFO inventory contributing to ongoing sales absorption.
5. **San Lorenzo Place** is a luxurious 4-tower high-rise development on a 1.33-hectare property along EDSA corner Chino Roces Avenue, Makati City standing on a podium with an upscale shopping mall directly linked to MRT-3 Magallanes station. The project offers an unparalleled accessibility to major business districts such as Makati, Bonifacio Global City and Ortigas Center and Manila Bay Area with high-end amenities such as swimming pools, tennis court, fitness gym, jogging paths, gardens, function room, daycare center and clubhouse at the sixth level. All towers have been completed and fully sold, reflecting sustained demand for transit-oriented residential developments in prime business districts.
6. **Pioneer Woodlands** is a prime 1.27-hectare development and is one of Metro Manila's highly coveted TOD addresses that offers a transit-oriented lifestyle to its residents as it is connected directly to MRT-3 Boni station. It is located along EDSA corner Pioneer Street in Mandaluyong City, providing premium mobility and accessibility to the central business districts of Makati, Ortigas and Bonifacio Global City. The project caters to both end-users and investors seeking accessible urban residences. The project has 6 high-rise towers, recreational amenities at the 5th level. Towers 1 to 5 have been completed and sold out, while Tower 6 remains under construction with limited units available.
7. **Little Baguio Terraces** is a 4-tower mid- to high-rise residential community along Aurora Boulevard and N. Domingo Street, San Juan City. This TOD is between Gilmore and J. Ruiz station of LRT-2, that offers easy access to the top academic institutions in Manila's "University Belt" and the Katipunan area in Quezon City, as well as commercial and lifestyle destinations in Greenhills and New Manila. Residents currently utilize the recreational facilities located at the podium level. It is designed to cater to young professionals, students and growing families. The project has been fully completed with limited RFO units remaining available.
8. **Kasara Urban Resort Residences** is a 1.8-hectare five-star six-tower resort community located between Eagle Avenue and P. E. Antonio Street near C5 Road in Ugong, Pasig City. About 60% of this property features an open-air play area, a fitness facility, jogging paths, a kiddie pool, waterfalls, a koi pond, bubblers, landscaped gardens, a function hall with bar area at the clubhouse and a lake-inspired swimming pool which is the highlight of this development. Towers 1,2,3 and 5 have been completed and ready for occupancy, while Towers 4 and 6 are currently under construction. The project has limited remaining inventory across both RFO and pre-selling units.
9. **Mango Tree Residences** is a two-tower (completed) high-rise community situated on a 3,000-square meter elevated and hilly terrain property along M. Paterno and J. Ledesma Streets in San Juan City with a limited number of RFO units remaining available. This development is bordered by decades-old mango trees and landscaped perimeter gardens that further complemented the development's residential character. The project is designed with a low-density configuration, limiting the number of units to only 6 to 12 per floor to enhance privacy and exclusivity.
10. **Covent Garden** is a two-tower Transit-Oriented Development on a 5,033-sqm property located along Santol Street Extension in Santa Mesa, Manila and is of walking distance to LRT-2 V. Mapa station and the Metro Skyway Stage 3 Extension, was intelligently maximized and gives the occupants access to elevated open spaces and recreation areas. Both South Residences

and North Residences are RFO, with South Residences exhibiting high occupancy levels and North Residences with limited remaining inventory. Unit offerings range from Studio, One-Bedroom and Two-Bedroom configurations to Bi-Level Suites, addressing a broad spectrum of homeowners and investor preference.

11. **The Paddington Place** is a four-tower Transit-Oriented Development on an 8,816 sqm property along Shaw Boulevard, Mandaluyong City, is conveniently walkable towards the MRT-3 Shaw Boulevard station. Construction activities continue in accordance with the scheduled timeline, with turnover expected to commence at the end of 2027.
12. **Empire East Highland City**, ELI's largest development in scale to-date, is a 22.8-hectare elevated sustainable township along Felix Avenue at the boundary of Pasig City and Cainta, Rizal. It is accessible to LRT-2 Marikina Station and the upcoming MRT-4 Cainta Junction Station. The project features an 8,000-sqm Highland Park hosting lush greeneries, church and Highland Mall. On the much elevated side is the 37-tower condominium complex called Highland Residences, The Chartered Club which is the center of the neighborhood and the man-made Highland Forest. The first four residential towers under the Arcadia phase, the first residential phase, are currently under fullscale construction and are scheduled for turnover in the fourth quarter of 2029. (See under Townships)
13. **South Science Park** is a 51-hectare mixed-used development in Gimalas, Balayan, Batangas in Southern Luzon region.

Suntust projects provide affordable homes in well-planned and secured community developments. Its communities feature commercial centers, clubhouses and other amenities, schools and 24-hour security. These include the following:

Cavite

1. **Cybergreens** is a one-of-a-kind community in Cavite that offers a perfect balance of modern convenience and nature. It is a community with broadband-ready garden villa and where residents can go online outdoors via Wi-Fi access. This 123,123 sqm. Community is already sold out.
2. **Cyberville** is located inside Sunrise Hills Subdivision in Brgy. Santiago General Trias, Cavite, this 20.06-hectare modern community is equipped with family-friendly amenities like flower, botanical and rock gardens, playgrounds, court and a clubhouse where residents can celebrate their intimate family affairs.
3. **The Gentri Heights** offers modern-Asian homes in a 41.33-hectare property in General Trias, Cavite, neighbored by first-rate schools, business hubs, churches and top industrial zones
4. **Governor's Hills** is a Californian-Mediterranean-style homes with choices such as Jazmine, Sophia, Ysabella, Katrina and Casa Verona that also comes with beautiful amenities. Governor's Hills also offers good education for students through its very own Governor's Hills Science School. This 89-hectare community offers nine villages, situated in Biclantan, General Trias, Cavite.
5. **Rivabella** is a 3-hectare landscape community located in Sherwood Hills beside the golf clubhouse in Trece Martirez, Cavite that makes use of an Italian concept for its spacious, well-designed homes. This is already sold out.
6. **Suntrust Verona** is located in Silang, Cavite which is inspired by its namesake, the Italian City of Verona. It is a 63-hectare enclave that is made up of three residential phases and showcases a variety of single-detached duplex homes-all exquisitely designed and embraced by lush nature spaces.
7. **Washington Place**, a 40-hectare prime property along Aguinaldo Highway in Dasmariñas, Cavite that boasts of modern-themed architectural designs with two basketball courts and serenity garden.
8. **Washington Heights** is Suntrust's first mid-rise condominium project in Cavite, it is set to transform the thriving landscape of the community. Nestled within the iconic Washington Place along Aguinaldo Highway in Dasmariñas, Cavite, this four-tower development spans over 7,300 sqm and enjoy the convenient access via South Luzon Express Way (SLEX) and Cavite-Laguna Expressway (CALAX).

Laguna

9. **Suntrust Sentosa** is a two-phased residence in 21.8-hectare lot in Calamba City, Laguna that is inspired by the popular island resort in Singapore. It boasts not only one but two Merlion replicas in its community façade.
10. **Sta. Rosa Heights** is composed of Spanish –themed homes that also comes with a 20,030-

square meter leisure area that includes a clubhouse named Vista del Santa Rosa, Lagoon type pool, basketball court, jogging lanes and children's playground. It is sold out.

11. **Sta. Rosa Hills**, a 7-hectare property, is sold out.
12. **The Mandara** is a 14-hectare Asian-inspired community near Tagaytay that transforms into a gateway leading to the best of Sta. Rosa, Laguna. It is already sold out.
13. **San Francisco Heights**, a 23.46-hectare Mediterranean-inspired community. Its breathtaking amenities inspired by the wonders of San Francisco, California. It is situated in Calamba, Laguna.
14. **Gran Avila** is the latest economic housing project in Calamba, Laguna. It encompasses 16.25 hectares of modern-themed development divided into five phases.

Batangas

15. **Siena Hills** is a 51-hectare Italian-themed community that's peacefully nestled in Lipa City.
16. **Avila Heights** is a townhouse community situated in 7,500 sqm property in Sto. Tomas, Batangas.

Pampanga

17. **The Arcadia** is a 22.6-hectare property located at Porac, Pampanga. Equipped with numerous nearby destinations that cater to your business, educational, or leisure needs, this residential community is ready to be Pampanga's home of the future. Marvel at the luxurious and pristine countryside living through its modern contemporary homes and resort-inspired amenities that will surely suit your lifestyle.

Negros Occ.

18. **The Fountain Grove** is a 24.52- hectare residential enclave located inside Northhill Gateway in Talisay City (see Townships). It is the perfect balance between contemporary design and lush nature.
19. **La Riviera** is a 23.55-hectare property along the Western Nautical Highway in Barangay Tinampa-an, Cadiz City, Negros Occidental. The project is envisioned to be a prime mixed-used residential community.

Tagum

20. **The Palm City** is rising soon a 27.7-hectare property in Tagum. It offers carefree yet sophisticated lifestyle as if you are on a vacation all year round.

Davao City

21. **One Lakeshore Drive** is a condominium in Davao City that brings together the serenity of a lifestyle by the lake and the vitality of Mindanao's first-ever live-work-play-learn township, the Davao Park District (see Townships). Rising soon is **Two Lakeshore Drive** and **The Eastpark Residences** as well.

Baguio City

22. **Suntrust 88 Gibraltar** is Mediterranean inspired condo-homes situated in the heart of the country's Summer Capital, and is already sold out.
23. **The Mist Residence** gifted with multitude of charming and profound beauty with a scenic view on a 2,499.48 sqm lot in Bakakeng Central, Baguio City.
24. **The Sofia Terraces** is elevated in a sloped terrain, that paints a magnificent picture of the City of Pines, with a panoramic view of the city's mesmerizing lights in the nighttime, and an awe-striking pine tree hillside in the daytime. It has a land area of 3,232 sqm specifically designed to blend in with the terrain. Sofia terraces will be your own escape from the bustling city to a picturesque mountainside that puts you at the peak of serenity, and lets you enjoy the weather and misty air of Baguio City, right within your own community.
25. **Le Dominique** is a contemporary French Chateau Inspired Design that shows intricate details of mansard roof, natural stones and softer shades of earthy browns accentuated by pastel colors. It captures the chateausque style that compliments the natural surroundings of the city of pines. It is located in Dominican Hill, Baguio City with total land area of 4,758sqm and an estimated 303 residential and 6 commercial units.

Metro Manila

26. **Suntrust Treetop Villas**, a 6,122-sqm low-dense community in Madaluyong City, is sold out.
27. SPI condominiums in Manila namely **Suntrust Adriatico Gardens**, **UN Gardens** and **Suntrust Parkview** are already sold out. **Suntrust Solana** which is a two-tower condominium on a 3,214-sqm lot in Ermita, Manila is a modern contemporary inspired community.
28. **Suntrust Kirana**, a four-tower "ecopolis" on 7,083-sqm property is a *beautiful ray of light* in Pasig City.
29. **Suntrust Shanata** is a 33,421-sqm project of 12-cluster towers in Novaliches, Quezon City.
30. **Suntrust Asmara** is a three-tower condominium community with a low-density design

located along E. Rodriguez Avenue, Quezon City on an 8,459 sqm lot.

31. **Suntrust Amadea** is a two-tower condominium project in 4,174.35-sqm in Paligsahan, QC.
32. **Suntrust Capitol Plaza**, a 33-storey tower located in the heart of Diliman, Quezon City, is emerging as a landmark and one of the city's tallest residential structures. It is designed in the 1920s Palazzo style with a façade enlivened by cornices and corbelled arches and a lobby with a circular foyer with columns and a grand, sweeping staircase.
33. **Suntrust Ascentia** ascends you to a higher standard of quality urban living, letting you live in the middle of the renowned Sta. Ana Manila. This modern contemporary tower is envisioned to rise as a landmark that represents Sta. Ana's timeless beauty and elegant heritage. Inspired by the Filipino traditional motifs of the 1970s, this 5,210 sqm condominium community showcases state-of-the-art amenities and well-crafted studio, 2-bedroom and 3-bedroom units designed for residents' comfort and convenience.

Palawan

34. **Sonrisa Gardens** is a 34,955 sqm property located at Brgy. San Pedro, Puerto Princesa, that signifies a life adorned with joy, happiness and boundless positivity. The name "Sonrisa" means smile in Spanish that encapsulates the very essence of this prestigious development. It is set against a backdrop of panoramic vistas and captivating views and offers a tapestry of serenity and endless possibilities. This property is distinguished by its lush gardens and open spaces that promote a serene lifestyle while providing easy access to urban conveniences.

Travellers

Newport World Resorts ("NWR"), Travellers' first integrated leisure and lifestyle complex, combines hospitality, entertainment, leisure, shopping and gaming into a one-stop, non-stop destination. NWR operates gaming facilities at the Garden Wing, which includes Newport Club (a members-only lifestyle club, with a private gaming area, dining options and other fabulous lifestyle features), and at the Grand Wing and Holiday Inn Express Manila Newport City, with an aggregate area of 63,251 square meters that covers all casino area including BOH, circulation and common areas but excludes food and beverage areas. As of the end of 2025, NWR has 503 casino tables (including itables) and 2,325 slot machines (including islots) and 177 electronic gaming machines (EGMs). NWR also features the upscale **Newport Mall** (111 retail stores and food and beverage outlets with a mix of high-end boutiques and mass market option), **Newport Cinemas**, the 1,710-seat **Newport Performing Arts Theater** (a majestic venue for concerts, plays, musicals and exclusive productions), **the Horizon Center** (a commercial and office building leased to tenants) and hotels.

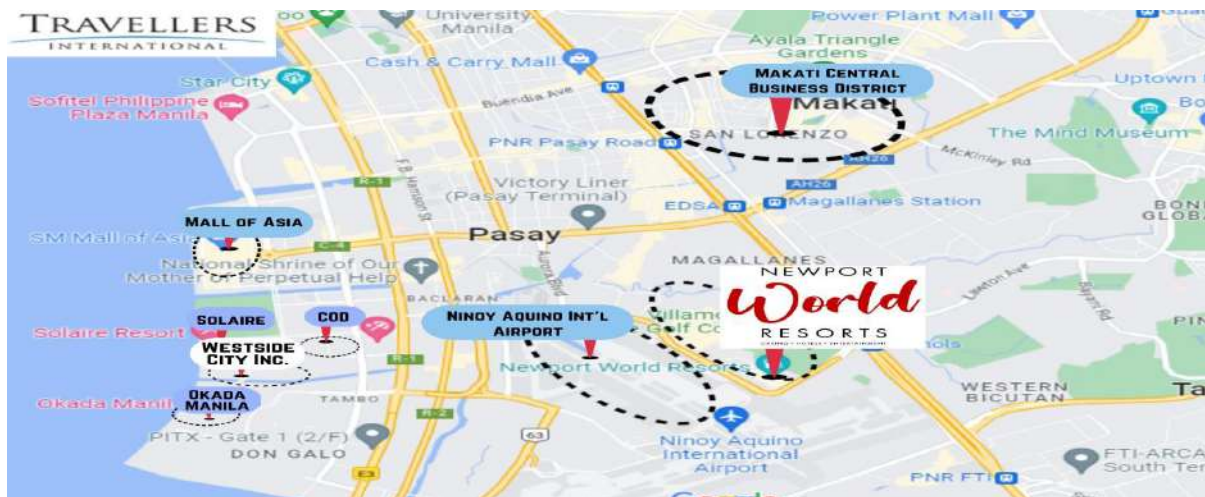
Five hotels are currently in operation at NWR – i) the five-star 570-room **Marriott Hotel Manila** opened in October 2009, ii) the five-star 357-room **Hilton Manila Newport World Resorts** opened in October 2018, iii) the five-star 392-room **Sheraton Manila Hotel** opened in January 2019, iv) the mid-range 737-room **Holiday Inn Express Manila Newport City** opened in February 2018 and v) the 185-room **Hotel Okura Manila** opened in December 2021.

NWR also boasts of the **Marriott Grand Ballroom**, a MICE venue with a 3,000-square meter pillarless ballroom. It is a versatile luxury space within Metro Manila and has taken center stage as the preferred venue for conventions and social affairs including internationally acclaimed performances, making full use of the impressive high-tech column-free ballrooms. The facility holds 20 individual meeting rooms and its ballroom features 6 VIP multi-use skyboxes, offering a large array of flexibility in hosting multiple events.

RunWay Manila, a 220-meter pedestrian link bridge that connects NAIA Terminal 3 and the Newport City, opened in April 2017. It stands 65 meters above Andrews Avenue at Pasay City, is a fully enclosed, air-conditioned bridge with moving walkways and elevators. It is designed to accommodate up to 2,000 persons at any time, or up to 216,000 individuals per day.

Travellers opened a portion of the gaming facilities of Phase 3, which includes the ground floor gaming area and food and beverage outlets. The opening of the second floor Grand Wing gaming area followed in 2019 and portions of the third floor Grand Wing gaming areas in 2024.

Location map of the two RW sites



GADC

McDonald's is one of the world's most recognized brands. All McDonald's restaurants in the Philippines are operated either by GADC or by independent entrepreneurs or franchisees under a sub-franchise agreement. The McDonald's System in the USA is adopted and used in the domestic restaurant operations, with prescribed standards of quality, service and cleanliness. Compliance with these standards is intended to maintain the value and goodwill of the McDonald's brand worldwide. McDonald's restaurants offer a range of quality products in all its restaurants at value prices, served fresh, hot and fast across all its channels by its friendly and courteous crew and managers, 24/7. The McDonald's menu includes iconic, global core menu items like **Big Mac**, **Quarter Pounder with Cheese**, **Cheeseburger** and **World Famous Fries**, as well as local favorites' that cater to the unique Filipino taste like **Chicken McDo**, **McSpaghetti**, and **Burger McDo**. The inclusion of local menu items in McDonald's Philippines' menu is designed to appeal to a broad target market across various socio-demographics and age groups. McDonald's also offers McCafe, a range of coffee products which include specialty espresso-based coffee products. To continue surprising and delighting customers, new menu items are introduced either as permanent or limited time menu offers.

Over the years, McDonald's has been at the forefront of the industry in elevating the customer experience by making customer favorites more accessible and convenient through relevant innovations across its channels- Digital, Delivery and Drive-Thru. These channels have been key in enabling McDonald's brand to connect with customers at various touchpoints, providing optimal convenience through a modernized experience. With deliberate focus and strategic investments on its channels, McDonald's has ensured relevance with customers amidst rapid changes in customer preferences, as well as market and industry conditions. It is this commitment to consumer relevance that has allowed the company to survive and even thrive during the pandemic, while laying the foundation for recovery and growth in the future.

Pik-Nik

Pik-Nik is an all-American fresh-fried potato snack line that includes Shoestring Potatoes, cheese balls and cheese curls, potato chips and French-fried onion salty snacks manufactured and distributed internationally from USA by a wholly-owned subsidiary of AGI. Pik-Nik is the market leader in shoestring potato snack in the USA and is made with no preservatives or artificial ingredients. The products are packed in resealable, "stay-fresh" canisters so they stay fresh and crunchy right to the bottom of the can. These canisters, along with the specialized ingredients and production process, give the products excellent shelf life. Pik-Nik has been in the market for over 80 years since it was first introduced in the USA in the 1930s in San Jose, California, and it continues to be the consumers' favorite shoestring snack in the US. Pik-Nik is being manufactured in the USA and sold both in the USA and internationally, with the Philippine distribution under EDI.

b.2. Foreign Sales

EMI

EDI local products have established international distribution in at least 60 countries outside the

Philippines.

Bodegas Fundador operates as a global brandy and sherry company. The global brandy and wine business is further fortified by the Domecq trademarks that fall under Spain and Mexico and have commercial reach to South America, particularly Brazil and Colombia, and USA. In 2025, Bodegas Fundador and Domecq expanded its combined sales performance in Spain and USA, while remaining strong in Latin America and Europe.

Whyte and Mackay's overriding objective is to operate as a global branded drinks company which delivers sustainable rates of growth and returns that increase overall shareholder value. The Group operates in the UK and increasingly in international markets including the Travel Retail sector. Asia-Pacific, UK, North America and Europe remain to be its strong markets. Sales in India is growing traction. Whyte and Mackay continues to invest across the business for future growth. It maintains a strong level of Strategic Marketing support across its expanding brand portfolio and increased its commercial resources in key disciplines and geographies. Moreover, Whyte and Mackay invested in the assets of the business to improve efficiency and flexibility and has continued to invest in barrels, ensuring its spirit quality remains at the highest levels.

The group attributes its leading position to: (i) strong brand equity gained through brand building; (ii) targeted marketing; and (iii) local distribution network and, now a global reach to 116 countries.

Map showing EMI group's global reach:



MEG

Foreign sales of real estate products contributed approximately 14%, 17% and 18% of Megaworld's consolidated sales and revenues for 2025, 2024 and 2023, respectively. Foreign sales (see b.3. below) broken down by major markets are as follows:

Market	2025	2024	2023
North America	45%	25%	41.1%
Europe	50%	68%	46.1%
Asia	2%	4%	6.4%
Middle East	3%	3%	6.4%
Total	100%	100%	100%

GERI has a broad market base that consists of end-users and investors. It targets the A and B markets with special niche products such as the integrated-tourism estates and integrated lifestyle communities with residential, commercial and leisure components. GERI's sales to foreign market accounted for 11% and 10% of GERI's consolidated real estate sales for the years 2025 and 2024, respectively.

ELI has minimal foreign sales.

Travellers

Based on Travellers' rated members (those members with gaming activity), the principal foreign market

consistently contributing for 2025 were from East Asia and Southeast Asia. In addition to these, foreign guests in NWR hotels came from United States, China, Korea, Singapore, Thailand, Japan, Canada, Malaysia, Taiwan and Australia.

Pik-Nik

Pik-Nik products are being sold locally in USA and exported to other countries. The domestic volume in the USA depleted 5% due to price increases and general competitive nature of the US snack food business while international sales volume decline is attributed to consumers' discretionary spending.. Midwest and Southeast regions remained the stronger contributors, with Northwest gaining traction.

b.3. Distribution Methods

EMI

EMI's products are distributed in at least 116 countries globally. Products are sold through general trade, modern trade, on-premise, self-owned stores and online platforms. Promotion strategy depends upon the brand and considers price, communication, and promotional activities.

EDI has a nationwide distribution network operated through sales offices and distribution outlets strategically located in the country that provides it with a distinct competitive advantage. EDI builds its on-premise sales operations to expand its market to hotels and restaurant businesses in the Philippines, given the expansion of its pouring brands and world class brands. EDI continues to adapt to the changes in purchasing behavior by making its products available on various e-commerce channels such as Lazada, Shopee and Panda Mart, among others. 'Emperador' has established international distribution to at least 60 countries outside the Philippines.

Bodegas Fundador has a small team that sells to distributors around the world. It partners with the best players in the distribution market, having long term agreements with country and regional wine and spirit distributors in place. EDI distributes 'Fundador' products in the Philippines, while Whyte and Mackay distributes them in UK and Canada. This combination assures a deep sell-out market presence around the world.

In 2018, the first Fundador Café was created in the Philippines which is located at Venice Grand Canal at McKinley Hill. It offers hot and cold drinks and blended ones infused with Fundador products and sweets with Harvey Bristol Cream variances.

In January 2022, Asia's first-ever brandy museum opened its doors in Iloilo City. It is an immersive museum where visitors will have a unique journey of senses through a faithful recreation of the Fundador bodega in Spain. The tour is capped at the museum I where guests can enjoy the barista's take on popular beverages spiked with Emperador Coffee Brandy

In 2024, the world's largest duty-free store, Hainan- China- created a landmark whisky museum. WMG's The Dalmore is proudly featured alongside examples of its peerless catalogue of rare releases.

In December 2022, the first outdoor liquor park of its kind in Asia opened in McKinley West in Taguig City, near Forbes Park. The 4,000sqm McKinley Whisky Park is bringing a whole new whisky experience to patrons through a curated selection of whisky products and concoctions, along with a wide array of food choices, games, and entertainment that could be enjoyed in an open-air setting.

The Davao Whisky Park was subsequently opened to offer consumers in the South the same excitement and luxurious experience enjoyed by its patrons in Manila.

The WMG business has a strong, international Route to Market. In UK, a dedicated sales team covers all trade channels and customers. It also has a dedicated Global Travel Retail team which manages its brands in a channel where WMG have a strong presence and that is critical for single malt whisky equity building and sales. In other markets Whyte and Mackay has established a network of distribution partners that represent the brands in each territory. The goal is to develop long-term partnership with a strong local distributor in every market, with selection based on strength and commitment in the channels offering the greatest opportunity in each market. In 2016, Whyte and Mackay appointed E&J Gallo as their exclusive importer into the USA for certain key brands. In 2024, The Dalmore launched a

Direct To Consumer channel via www.TheDalmore.com with a specially curated range to drive direct consumer engagement, as an additional channel to the direct Route to Market in the UK.

The Dalmore has exclusive retail stores in strategic locations. It recently launched flagship stores at the luxurious Rosewood Hotel in Cambodia and at Caleido in Madrid's financial district. These exclusive locations feature a programme of in-store events designed to engage consumers, media and VVIPs.

The Group focused on the different core positioning of each product range that have specific target consumers, using a combination of digital and traditional marketing approaches.

MEG

Megaworld adopts an integrated approach to marketing and sales across its business units, supported by its township development model. In the residential segment, it targets both end-users and investors, including overseas Filipino buyers. Sales are primarily driven through pre-selling strategies, digital marketing platforms, and flexible financing arrangements. Residential developments are located within integrated townships that provide access to commercial, office, and transport infrastructure.

In its office segment, Megaworld employs a leasing strategy focused on multinational corporations and business process outsourcing firms. It offers Grade A office spaces within strategically located, PEZA-accredited developments. Lease agreements are typically long-term in nature, providing stable and recurring rental income. Office developments are supported by infrastructure, green-certified building features, and the use of renewable energy, in line with tenant requirements.

For its retail segment, Megaworld develops and leases commercial spaces within its townships. Tenant mix is curated to serve residents, office occupants, and nearby communities. Retail offerings include dining, lifestyle, and service-oriented establishments that support in-person consumption and contribute to sustained foot traffic.

In the hospitality segment, Megaworld operates hotels within its townships through Megaworld Hotels & Resorts. These hotels cater to business and leisure travelers, including corporate clients and participants in meetings, incentives, conferences, and exhibitions (MICE). Demand is supported by the presence of office, retail, and residential components within the same developments.

Megaworld's integrated township developments combine residential, office, retail, and hospitality components within a single master-planned environment. This model supports demand across its business units and enables it to generate revenues from property sales, leasing, and hospitality operations. Sustainability initiatives, including green-certified developments and the use of renewable energy, are incorporated across its projects

GERI promotes and markets its real estate products to a wide range of clients by its in-house marketing group and marketing subsidiary, Megaworld Global-Estate, Inc. ("MGEI"). Real estate products in GEPI and GEGDI developments are sold thru third party real estate brokers.

ELI employs a diversified, multi-channel sales and distribution strategy designed to maximize market reach and ensure consistent absorption across its portfolio. It markets its residential inventories, both pre-selling and ready-for-occupancy units, through its in-house sales teams and registered real estate sales persons, licensed real estate brokers and other external sales partners.

Recognizing evolving consumer behavior, ELI continues to strengthen its digital infrastructure, including:

- Fully digitalized reservation and documentation systems
- Virtual project presentations and online sales transactions
- Corporate and project-specific websites
- Targeted digital advertising and social media campaigns
- Virtual tours and online lead-generation platforms

These initiatives are complemented by traditional marketing channels such as on-site presentations, showroom operations, outdoor advertising, and event sponsorships.

ELI continues to refine its distribution framework in response to market dynamics, ensuring operational resilience and sustained sales performance.

Travellers

NWR engages in direct relationship-based marketing, which is targeted at specific market segments. The marketing team focuses on market research, surveys, promotions and events that can drive visitations and convert them to returning guests. The sales team is responsible for sales revenues and channel performance. In addition, NWR advertises in various types of media both domestically and overseas, including television, radio, newspapers, magazines, social media and billboards to promote general market awareness.

NWR uses a mix of different channels to reach the specific targets on gaming, lifestyle, and entertainment, such as:

- o Direct sales - that comprises of three levels to provide clients with full service: (i) traditional sales, (ii) a business development team and (iii) in-house VIP host services.
- o Indirect sales through junkets – to source high-end players in different regions.
- o Indirect sales through travel and tour operators – these accredited operators create group travel packages with discounts, to bring in guests in NWR as part of their itineraries, and in return, receive commissions.
- o City shuttles - free, convenient, hassle-free shuttle transport for member-players and member-consumers to NWR. The key locations are Quezon City, Batangas, Manila, Taguig, Marikina and Laguna.

NWR uses a comprehensive membership management and customer database system.

NWR uses Dynamic Reporting System (“DRS”), a fully integrated real-time table games and slots monitoring system.

GADC

McDonald’s products are sold through McDonald’s restaurants nationwide. There are 851 restaurants nationwide as of end-2025, 60% of which are owned by GADC while 40% are franchised. Seventy-two new restaurants opened in 2025 across the country; while thirteen were permanently closed during the year. The highest concentration of McDonald’s stores is in NCR, followed by the Southern Tagalog region. In most of its locations, McDonald’s products can be ordered and delivered 24 hours a day through the “McDelivery” mobile app or “McDelivery” website “www.mcdelivery.com.ph” and through services from Grab Food, Food Panda and other third-party food aggregator apps. More than 77% of restaurants are open 24/7 (24 hours every day).

b.4. New Products Or Services

The Group continuously pursues innovations to introduce new products or improve existing ones. The Group has supported its business growth through plant and store expansions, new construction projects and retail service amenities.

EMI

‘CLVB’, launched in March 2025, strengthened Emperor’s category leadership. It is a ground-breaking innovation positioned as the “Spirit of the New Era.” Designed to engage the next generation of drinkers, ‘CLVB’ delivers a very smooth, delicious taste with no burn or harshness at 45 proof—making it the lightest and most welcoming variant in the Emperor family.

‘The Dalmore Luminary 2025 Edition’ - The Rare – was an extremely rare Single Malt Whisky, Aged 52 Years. This was presented at auction by Sotheby’s, in support of partner V&A Dundee, Scotland’s design museum. The Collectible was a rare Single Malt Whisky, Aged 17 Years, inspired by ‘The Rare’ and strictly limited to just 20,000 bottles available globally.

‘The Cask Curation Series – The Red Wine Cask Edition’. The Dalmore showcased what can be achieved with red wine maturation. This release was highly limited to only 150 sets worldwide, with

three Single Malt Whiskies included, this time Aged 24, 34 and 43 Years, finished in Châteauneuf-du-Pape casks.

‘The Dalmore Anthology’ was launched featuring three exquisite whiskies aged 13, 16, and 19 Years, each finished in Pedro Ximenez Sherry casks.

From **Destileria Los Danzantes** are artisanal premium mezcal brands – **‘Los Danzantes’**, **‘Alipus’** and **‘Encantado’** - acquired in January 31, 2025.

MEG

The **Megaworld SIGNATURE COLLECTION**, a curated portfolio of ultra high-end residences, marks MEG’s strategic entry into the most elevated tier of residential real estate where ownership is defined by privacy, permanence, and provenance. This new category features one-of-one residences: either individually designed developments located in scarce, trophy enclaves across the Philippines, or select residences that uniquely showcase first-of-its-kind innovations, amenities, or even collaborations and partnerships.

The Imperial Wing is a new development in Lucky Chinatown which adds three levels of fresh retail spaces, bringing the mall’s total gross leasable area to 36,000 square meters. The new wing is seamlessly connected to the main mall via the Chinatown Walk on the ground floor and two air-conditioned walkways on the 2nd and 3rd levels. It also has direct access to the Chinatown Museum and is conveniently located behind Lucky Chinatown Hotel.

Nascala Coast is a 116-hectare beachside property in Nasugbu, Batangas. Strategically master-planned as a sustainable, integrated tourism and leisure estate, Nascala Coast offers a seamless escape just 2.5 hours from Metro Manila and roughly an hour away from Tagaytay. Easily accessible via SLEX, CAVITEX, or the Ternate-Nasugbu Highway, Nascala Coast promises to be a standout tourism and leisure development that offers a refreshing change of pace from the city life.

The Shoppes at Park McKinley West is a two-story retail hub at the podium of the Park McKinley West condominium complex. It will be highlighted by a curated mix of international retailers, first-in-the-Philippines concepts, and homegrown dining and lifestyle brands such as Ogawa Traditional Japanese Restaurant, Tartufo, Royal Indian Curry House, One World Deli, George & Onnie’s, Café 17, Nightshade Cocktails & Bar, Hanamaruken, and Yakinuku Sudaku, among others.

The Sugartown is a 97-hectare development along the Bacolod-Silay Airport Road in Talisay City, Negros Occidental. The Sugartown will host premium residential developments by both Megaworld and its wholly-owned subsidiary Suntrust Properties, Inc., commercial and retail developments, and will be highlighted by its own town center, commercial district, and unique tourism facilities. This township, the first of its kind in Talisay City, is designed as a comprehensive mixed-use development, drawing inspiration from a long line of successful integrated estates and communities that Megaworld has pioneered and developed through decades. The Sugartown is located less than five minutes away from the Bacolod-Silay Airport, also less than five minutes away from the Talisay City Hall, and around 15 minutes away from the Bacolod City Government Center. Its location is also just a few minutes away from the two Megaworld townships: five minutes away from Northhill Gateway and 12 minutes away from The Upper East.

Travellers

In 2025, the **Gordon Ramsay Fish & Chips**, a Gordon Ramsay brand, launched its first location in Asia while **Street Burger** (also a Gordon Ramsay brand) opened its second outpost in the region as both restaurants opened side by side on the ground floor of Belmont Hotel at Megaworld’s The Mactan Newtown which reflected the Group’s commitment to bringing globally loved brands to key growth destinations across the country.

GADC

In 2025, the business prioritized regaining guest counts against a backdrop of intensifying competition and more cautious consumer spending. In response, McDonald’s Philippines sharpened its focus on Value—anchored on **Sulit Busog Meals** relaunch. and the McDonald’s App. This refreshed offer line-up for Sulit Buosg now accounts for 23% of total meals. Meanwhile, the McDonald’s App continued to

scale its user base through rotating, always-on deals and the introduction of the MyMcDonald's Rewards Loyalty Program, giving customers more reasons to visit beyond deal redemption. As a result, loyalty-driven engagement has enabled the app to contribute 12% of total systemwide guest count.

Aligned with the Accelerating the Arches framework, McDonald's Philippines sustained strong brand momentum through aggressive support for **Chicken with Much Malaki, Much Masarap** taste campaign, continuous burger innovation via recurring LTOs such as Burger Dunk, and ongoing coffee excitement with new Iced Coffee McCafé flavors like Salted Caramel.

Beyond reinforcing core menu strength, the **return of fan favorites** such as Matcha McFlurry, Twister Fries, McSpicy, and Cajun McNuggets Sauce reignited consumer excitement. These limited-time offers created a strong sense of urgency, prompting customers to visit stores to enjoy the items before they were gone.

The delivery channel sustained its competitive edge in the e-commerce landscape through always-on programs across McDelivery and key third-party platforms including foodpanda and GrabFood, delivering positive guest count performance. At the same time, continued focus on accessibility and speed drove further gains in the Drive-Thru segment. McDonald's Philippines successfully expanded its footprint with the opening of 66 new Drive-Thru locations, enhancing convenience for customers. Complementing this expansion, the launch of the Drive-Thru 2-Minute Challenge introduced a gamified experience that invited customers to participate, reinforcing speed credentials and boosting engagement.

Last but not the least, with the goal of building stronger relationships with kids and families, the McDonald's Kiddie Crew Workshop returned during summer and was able to recruit almost 51,500 kids while the 2025 Stripes Run drew a record breaking number of more than 12,000 runners! Proceeds of Stripes Run were donated to the Ronald McDonald House Charities Philippines.

b.5. Competition

In general, the Group believes that the high quality of all the products it sells/offers can effectively compete with other companies in their respective areas of competition.

EMI

The group competes against established spirits companies. The principal competitive factors with respect to EMI's products include brand equity, product range and quality, price, ability to source raw materials, distribution capabilities and responsiveness to consumer preferences, with varying emphasis on these factors depending on the market and the product. EMI believes it has a track record of proven strength on these areas. Its ability to strengthen the selling power and premium image of EMI brands and to differentiate EMI from its competitors affects sales and profit margins. The Group believes it has a track record of proven strength on these areas.

The Philippine brandy market is dominated by our own 'Emperador' and 'Fundador', and 'Alfonso Brandy' which is being imported/distributed by Montosco Inc. With respect to gin, rum and other alcohol products, EMI primarily competes with other local gin and rum companies that also produce ready-to-serve alcoholic beverages as well as imported labels. The whisky segment in the Philippines is not well tapped at present, and EMI aims to revive this segment. EMI believes that its products are strongly positioned within their respective markets, as measured by market share and brand recognition. EMI believes its 'Emperador' brand is a status brand in the Philippines, and is associated with a certain level of success and sophistication that its potential customers aspire to. EMI believes that its **range of well-established** and highly recognized **brands** present significant barriers to new competitors, and are particularly important to its ability to both attract and maintain consumers.

The Fundador brands face strong competition in the Spanish market and internationally in the brandy and sherry businesses, among which are Osborne and Torres. In response, Fundador is strengthening its focus on **international expansion** as a strategic leverage to **build more** global brands. EMI aims to enhance its market presence and position Fundador as a leader in **premium** beverages worldwide. EMI management remains committed to monitoring market dynamics and competitor strategies to ensure we maintain and expand our competitive edge.

WMG, on the other hand, competes in the UK market and internationally. Competitors use brand strength together with price and product range to compete. The major Scotch whisky brand owners are Diageo, Pernod Ricard, William Grant, Edrington and Bacardi who are all materially larger than WMG. WMG can compete as it has **differentiated brands** in a fragmented Malt whisky market and their Blended Scotch brands are competitively priced. WMG management monitors market prices on an on-going basis and takes steps to safeguard the overall competitive position.

Pik-Nik

Pik-Nik is still the number one brand of shoestring potatoes in the US. A Philippine local brand, Oishi, has fielded string potato snacks from potato starch in the local market.

MEG

The Philippine real estate industry is characterized by a high level of competition across residential, office, retail, and hospitality segments. Market dynamics are shaped by factors such as project location, pricing, product quality, financing options, construction standards, and the ability to execute and manage large-scale developments, as well as broader macroeconomic conditions including interest rates, economic activity, and consumer demand.

Megaworld operates within this environment through its **integrated township developments** and **diversified portfolio** of real estate assets across Metro Manila and key regional growth areas. The Company competes with established and emerging developers in township development, including Ayala Land, Inc. (ALI), Robinsons Land Corporation (RLC), Filinvest Land, Inc. (FLI), and Rockwell Land Corporation (Rockwell), which also undertake large-scale mixed-use estates integrating residential, commercial, office, and lifestyle components.

Residential operations span multiple market categories, including high-end, upper mid-market, middle-income, and affordable housing, supported by various brands and subsidiaries. At the high-end segment, Megaworld competes with developments of ALI's Ayala Land Premier, Rockwell, Shang Properties, Inc. (Shang), and Federal Land, Inc. (Federal Land), where differentiation is based on location, design, exclusivity, and brand positioning. The upper mid-market segment includes competition with Alveo Land of ALI and developments of Rockwell, while the middle-income segment, through Empire East Land Holdings, Inc. (Empire East), competes with SM Development Corporation (SMDC), RLC's Robinsons Communities, and DMCI Homes. The affordable to economic segment, through Suntrust Properties, Inc. (Suntrust) and Stateland, Inc. (Stateland), competes with Amaia Land and BellaVita of ALI, 8990 Holdings, Inc. (HOUSE), and PHINMA Property Holdings Corporation (PHINMA Properties). Residential developments are generally located within integrated townships, providing access to commercial, office, and lifestyle components and supporting demand from both end-users and investors.

Office developments consist primarily of Grade A buildings located in **key business districts** and compete with ALI's Ayala Land Offices, SM Offices, and RLC's Robinsons Cyberscape. Tenant considerations include location, lease terms, building specifications, and compliance with regulatory requirements such as PEZA accreditation. The Company's office portfolio includes Grade A, PEZA-accredited, and **green-certified** buildings designed for institutional tenants. MREIT serves as the Company's real estate investment trust platform for income-generating office assets and competes with listed REITs and office landlords, including AREIT, Inc. (AREIT), RL Commercial REIT, Inc. (RCR), Filinvest REIT Corp. (FILRT), DDMP REIT, Inc. (DDMPR), and VistaREIT, Inc. (VREIT), with competition focused on portfolio quality, occupancy levels, tenant mix, and lease stability.

Retail developments operate alongside major mall operators such as SM Supermalls, Ayala Malls, and Robinsons Malls. Megaworld's malls are generally lifestyle-oriented and smaller in scale compared to traditional regional malls, serving residents, office occupants, and nearby communities within its townships through a curated mix of dining, lifestyle, and service-oriented establishments.

Hospitality operations, through Megaworld Hotels & Resorts, compete with international and domestic hotel operators, including Marriott, Hilton, Shangri-La, Seda Hotels, Crimson Hotels, and SM Hotels. Megaworld Hotels & Resorts primarily operates **homegrown brands** such as Richmonde Hotel, Belmont Hotel, Savoy Hotel, and Kingsford Hotel. Certain properties have entered into arrangements with **international operators**, including the rebranding of Belmont Hotel Mactan under the Mercure brand and the planned rebranding of Grand Westside Hotel under the Mövenpick brand.

Integrated township developments combine residential, office, retail, and hospitality components within a single master-planned environment, supporting demand across the Company's business units. The Company's competitive position remains subject to changes in economic conditions, interest rates, and demand in the real estate, leasing, and tourism sectors.

GERI considers Ayala Land Premiere, Alveo, Filinvest Premiere, Landco and SM Prime among its significant competitors in its real estate development business. GERI competes with other developers in the acquisition of land or development rights to land in key growth areas in the country.

It aims to be the leading developer of integrated tourism and leisure estates in the Philippines. Its tourism projects are **strategically located** in Boracay, Laurel and Lian and Nasubu, Batangas and Cavinti, Laguna and feature strategic master-planned communities integrated with resort amenities.

GERI believes that its land bank, real estate development experience, innovative real estate offerings and the solid financial backing of its parent, Megaworld Corporation, are its competitive advantages. Its massive land bank in tourist destinations such as Boracay Island, Laurel, Lian and Nasugbu, Batangas gives it a lead over its competitors and has enabled GERI to be a pioneer in master-planned integrated tourism developments.

ELI. Overall, what remain to be Empire East's competitive advantages are its price and payment terms, strategic locations, and innovative development concepts. These factors keep the ELI a strong player in the dynamic property industry.

Travellers

NWR competes with both Philippine and foreign owned hotels and resorts. With respect to the gaming business, competition comes from casinos operated by government and other private companies.

In particular, there are facilities already built by three developers other than NWR that have been granted licenses by PAGCOR in Entertainment City, all of which are already open to the public. These three other licensees are: Melco Resorts and Entertainment (Philippines) Corporation; Tiger Resorts, Leisure and Entertainment, Inc., Bloomberry Resorts Corporation. In addition, Westside Resort is currently being developed in Entertainment City.

While it has the first-mover advantage, NWR continues to develop other leisure and entertainment attractions to complement its gaming business expanding its hotel offerings by partnering with various international hotel brands, making its integrated resort a suitable family destination.

In addition, PAGCOR operates 9 gaming facilities across the Philippines and 34 satellite gaming facilities (which are smaller casinos and slots clubs). The Philippine gaming market also includes many other private casino and gambling operations, including seven licensed private casino operators in special economic zones ("Ecozones"). The Philippine gaming market is also comprised of other gambling competitors specializing in horse racing, cock fighting, lotteries, sweepstakes, online gaming operators and other smaller-scale gaming operators.

GADC

McDonald's restaurants compete with a large and diverse group of restaurant chains and individual restaurants that range from independent local operators to well-capitalized national and international QSRs and convenience stores. GADC considers Jollibee Foods Corporation as its main competitor. 'Jollibee', a home-grown brand with more restaurants nationwide than McDonald's, offers Filipino-influenced dishes of chicken, burgers, spaghetti, and other menu items. Another competitor is 'KFC', a global brand from USA whose most popular product is its Original Recipe fried chicken served with gravy, rice and side dishes. Other competitors include 'Popeye's', 'Mang Inasal', 'Wendy's', 'Kenny Rogers', 'Burger King', 'Shakey's' and 'Pizza Hut'. Since 2005, GADC had opened more than 700 new restaurants and initiated marketing campaigns such as new product launches, promotions, emotive advertising campaigns and value initiatives. It also embarked on digital transformation journey that aims to continuously innovate and provide an elevated omni-channel customer experience (dine-in, take-out, delivery, drive-thru). GADC competes on taste, food quality, price or value for money, safety, cleanliness, accessibility, convenience, and customer service.

b.6. Sources and Availability of Raw Materials

EMI

The principal raw materials for the manufacture of the alcoholic beverage products are grapes from the group's vineyards and other suppliers, wine, grain and malts, distilled neutral spirit, brandy distillates (made from grapes), and water. It also requires a regular supply of glass bottles and packaging materials. Raw materials are sourced from subsidiaries and third-party suppliers. All of the water for blending in the Philippine operations is sourced from two deep wells located in the Santa Rosa, Laguna manufacturing facility. The facilities in Laguna are located on top of one of the best fresh water supplies in the Philippines. There is also a filtration system for the water it uses at its Laguna facilities.

EDI sources its bottles from AWGI, which produces a majority of the new glass bottles while the rest are imported or sourced using recycled returned bottles. EDI sources final packing materials, such as carton boxes and closures, from at least three different suppliers. AWGI canvasses suppliers once a year to seek the most competitive prices for its raw materials. While terms for different suppliers vary, AWGI generally orders raw materials to meet its projected supply requirements for one year and prices are subject to review on an annual basis. For imported raw materials, new purchase orders for supplies are generally sought two months prior to the expiration of existing purchase orders. For raw materials sourced in the Philippines, orders are finalized one month before existing orders terminate. The number of suppliers for major raw materials varies based on their capabilities and compliance. In addition, major raw material suppliers typically maintain a warehouse in close proximity to the plant to cover possible delays in shipments and to prevent delivery interruptions.

For production facilities in Scotland, the UK is the major source of cereals and dry goods such as bottles, labels, closures and cartons while casks are sourced from the USA (previously used for bourbon maturation) and from Spain (previously used for sherry maturation).

For production facilities in Spain, grapes come from own vineyards and from third parties as needed. For Mexico, grapes are sourced from various suppliers and *aguardientes* from Spain, Chile, Argentina and Australia.

EMI has not experienced and does not anticipate any significant difficulty in obtaining adequate supplies of raw materials and dry goods at satisfactory prices under its supply arrangements. There have been recent disruptions in global supply chains that extended lead times but these do not have material adverse impact on operations. EDI, Whyte and Mackay and Bodegas Fundador have long term relationships with their suppliers to meet the current business requirements.

MEG

Megaworld sources construction materials required for its real estate developments through contractors and a network of local suppliers. These materials include cement, steel, aggregates, and other construction and finishing materials necessary for project execution.

It does not rely on any single supplier for a material portion of its operations. Materials are generally available from multiple sources under normal market conditions, allowing flexibility in procurement and supporting project timelines.

Procurement of construction materials is typically conducted through a competitive bidding process among qualified suppliers and contractors, in accordance with Megaworld's procurement policies. This approach supports cost efficiency and ensures that materials meet required specifications and standards.

Availability and pricing of construction materials may be affected by market demand, supply chain conditions, and fluctuations in commodity prices. To address these factors, Megaworld engages multiple contractors and suppliers and implements procurement practices consistent with project requirements.

It also considers sustainability in its construction activities, including the use of energy-efficient materials and construction methods, in compliance with applicable environmental regulations and industry standards

Travellers

Travellers has a large base of contractors and suppliers that provide construction, engineering and consulting services, and is not dependent on any one contractor or supplier. In 2025, the ten largest suppliers – Angel Singapore (Asia) Pte. Ltd, JC Seafoods Supply, Aristocrat Technologies Macau Limited, Jacraj Construction Supplies Trading, Best Matrix (HK) Limited, Ceuta Mitologica S.L., Roboss Inc., Fluids Systems and Design Inc., Green Amenities Supply Corporation and Excell Contractors & Developers, Inc.,- accounted for 37% of the total purchases for the year.

GADC

Suppliers for McDonald's products are engaged following the McDonald's Corporation's global supply chain, which allows the purchase of food, beverages and restaurant supplies at competitive prices and quality consistent across all McDonald's markets worldwide. McDonald's works with third-party quality assurance laboratories around the world to ensure that its standards are consistently updated and upheld. In addition, McDonald's works closely with suppliers not just for assured supply but encouraging innovation, best practices sharing and continuous improvement. GADC also contracts the services of third parties for its other food supplies. GADC procures the services of a supply distribution center that provides purchasing, warehousing, delivery and other logistical support for the requirements of all of the McDonald's restaurants in the Philippines. GADC develops product specifications and continually monitors supplies to ensure compliance with McDonald's standards.

Pik-Nik

Pik-Nik uses only fresh potatoes from California and Oregon, pure vegetable oil, the finest seasonings and never any preservatives. The suppliers of potatoes for Pik-Nik have two to seven-month contracts.

b.7. Customer Dependence

The Group's businesses are **not dependent upon a single or a few** customers or tenants, the loss of which would not have a material adverse effect on the Company and its subsidiaries taken as a whole. There is also no customer that accounts for, or based upon existing orders will account for, 20% or more of sales.

b.8. Transactions With and/or Dependence On Related Parties

The Company and its subsidiaries, in the **ordinary course of business**, engage in transactions with affiliates at **arm's length** through **transparent** and **ethical** means. The Group strictly adheres to its policy that related party transactions are entered on **terms comparable** to those available from unrelated third parties and fair market value, with the goal of ensuring fairness and protecting best interests of the Group's stakeholders as well as preventing potential conflicts of interest. Inter-company transactions between and among the Company and its subsidiaries are eliminated in the consolidation process and thus are no longer reflected in the consolidated financial statements. These primarily consisted of the following:

- Cash advances for financial requirements. Entities within the Group obtain advances from time-to-time from the parent and/or other entities and associates for working capital or investment purposes. There are also certain expenses that are paid in behalf of other entities.
- Lease of manufacturing facilities. AGI leases the glass manufacturing plant property to AWGI.
- Lease of parcels of land.
- Lease of office spaces. MEG and MREIT leases out office and parking spaces to AGI, subsidiaries, and affiliates, while Empire East leases out warehouse facility to EMI subsidiary.
- Purchase and sale of real estate, services and rentals. Real estate properties are bought or sold based on price lists in force with non-related parties. Services are usually on a cost-plus basis allowing a margin ranging 20%-30%. Commissions for marketing services are based on prevailing market rates.
- Purchase and sale of raw materials, finished goods and services. These are done arm's length between subsidiaries in the normal course of business and settled through cash.
- Supply of glass bottles. AWGI supplies the new bottle requirements of EDI.
- Receivables from subsidiaries/franchisees. GADC supplies restaurant equipment, food, paper and promotional items to all franchisees at normal market prices through a third-

party service provider.

Major related party transactions have been disclosed in Note 29 to the Audited Consolidated Financial Statements appearing in this report.

b.9. Licenses, Trademarks, Franchises

In the Philippines, certificates of registration of trademarks issued by the Philippine Intellectual Property Office prior to the effective date of the Philippine Intellectual Property Code in 1998 are generally effective for a period of 20 years from the date of the certificate, while those filed after the Philippine Intellectual Property Code became effective are generally effective for a shorter period of 10 years, unless terminated earlier.

EMI

EDI owns registered trademarks which are of material importance to the success of its business since they have the effect of developing brand identification and maintaining consumer loyalty. 'EDI's principal trademark is 'Emperador', which it purchased from Condis in 2007, in addition to associated patents, copyrights and goodwill and bottle designs for its brandy products. Its trademark for 'Emperador' has a fresh period of ten years expiring in 2035 after its renewal in 2025 with the Philippine Intellectual Property Office ("Philippine IPO"). It also registered the trademark for 'The BaR' flavored alcoholic beverage products in 2008 for a period of ten years, while the Andy Player trademark has a fresh period of ten years expiring in 2035 after its renewal in 2025.

EDI trademarks for its brands, 'Emperador Brandy', 'Andy Player' and 'The BaR', are also registered in more than 30 countries, including, the European Union, USA, Canada, Australia, Japan, Vietnam, Taiwan, Hong Kong, Indonesia, Singapore, Laos, Cambodia, and Myanmar.

Whyte and Mackay owns approximately 800 trademarks worldwide, which include trademarks for its products: 'The Dalmore', 'Isle of Jura', 'Whyte & Mackay', 'Shackleton', 'Tamnavulin', 'Glayva', 'Claymore', 'John Barr' and 'Cluny' brands.

GES owns 8 registered trademarks in Spain and BFSL around 850 registered trademarks worldwide for its brands 'Fundador', 'Tres Cepas', 'Terry Centenario' and 'Harveys'. On January 19, 2017, GES acquired trademarks of well-known brands 'San Patricio', a dry Fino Sherry, and 'Espléndido' brandy. In 2017, DBLC acquired trademarks in two main geographies, Mexico and Spain. Registered in Mexico are trademarks for brandies 'Presidente', 'Don Pedro' and 'Azteca de Oro', wines and canes in Mexico and brandies in USA; and in Spain are trademarks for brandies 'Brandy Domecq' and 'Don Pedro' in Brazil and Colombia and sherry wine in Benelux. In 2025, mezcal trademarks were added to the group.

Trademarks are typically renewed every 10 to 20 years cycles, depending on the validity term of the particular trademark.

MEG

Megaworld owns the registered trademark over its name and new logo which was registered on 7 November 2019 and is valid until 7 November 2029. Megaworld has 119 registered trademarks over the names of its development projects. GERI has trademark registrations and/or applications for its corporate name and key projects. Although the brand is important, Megaworld and its subsidiaries do not believe that their operations or its subsidiaries' operations depend on any trademarks or any patent, license franchise, concession or royalty agreement.

Travellers

Travellers holds a PAGCOR license to operate casinos and engage in gaming activities in two sites – in Newport City (Site B) where NWR is situated, and in Entertainment City (Site A) where Westside City is being developed. The term of the license is 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.

On March 18, 2013, **Westside City Inc.** ("WCI") entered into a deed of accession (the Deed of Accession), which was accepted, agreed and consented to by PAGCOR. Pursuant to the Deed of Accession, WCI acceded to the rights, title, interests and obligations of Travellers under the Provisional License and other relevant agreement with PAGCOR. Accordingly, PAGCOR recognized and included

WCI as a co-licensee and co-holder of the Provisional License and other relevant agreements.

Further, on June 10, 2013, Travellers and WCI entered into a cooperation agreement (the Cooperation Agreement) which designates the parties' respective rights, interests and obligations under the Provisional License and other relevant agreements. Specifically, the parties agreed that WCI would have all the rights and obligations under the Provisional License with respect to Site A (Westside Resort) and that Travellers would have all the rights and obligations with respect to Site B (Newport City).

Accordingly, on June 28, 2013, PAGCOR issued an Amended Certificate of Affiliation and Provisional License certifying Travellers and WCI as co-licensees and co-holders of the Provisional License and other relevant agreements. On 23 September 2014, Travellers subscribed to common and preferred shares in WCI making it the effective owner of ninety five percent (95%) of WCI.

Travellers also has a non-exclusive non-transferable right and license within Metro Manila to the use of Marriott trademarks for hotel services and other related goods and services offered in connection with the hotel.

It has registered trademarks over "Passion," "Newport Performing Arts Theater", "Grand Opera House", "Grand Opera House Manila", "Ginzadon", "Newport Performing Arts Theater Bar", "The Terrace", "Laugh Laff Fun", "Musikat Records", "Oak Tree Inn", "The Grand Theatre of Manila", "Chill", "Grand Fiesta Manila", "The World of Luck", "Franks Craft Beers Manila", "Westford Inn", "Full House Theater Company", "Victoria Harbour Cafe", "Westside City", "Westside Theatre", "Herald Theatre", "Fortissimo Theatre", "Galaxy Theatre", "Excelsior Theatre", "Diamond Theatre", "Apollo Theatre", "Bohemia Theatre", "Crown Theatre", "OPPA Original Pilipino Performing Arts", "House Manila", "Front Row Theatre Management", "Silogue All Day Pinoy Comfort Food", "The Grand Bar and Lounge", "El Calle", "El Calle Food and Music Hall", "Newport Garden Wing", "Newport Grand Wing", "Silk Road Southeast Asian Cuisine", "Brain Boost Coffee Energy In A Cup", "Port Bar", "Kusina Sea Kitchens", "Freestyle Pool Bar", "Vega Pool Club", "Limitless", "BOLAHAN", "Eats-a-wrap", "Horizon Center", "Hua Yuan Brasserie Chinoise", "Madison Lounge & Bar", "Casa Buenas", "Make Each Moment Count", "Delishvery", "The L.O.V.E. Project", "Pinas Muna Tayo", "Frontliners Month", "Garden Wing Café", "Good News Muna", "The Exclusives Store", "Vubble", "Ktalks", "Unabakuna", "Jardin Garden Club", "Newport Parklet", "Thrillmakers Marketplace", "Good Jab", "ILOVEarth", "K-walks", "KWalks", "Newport World Resorts", "Newport Mansion", "Lucky Bites", "Level App", "The Whisky Library", "Grand Slots Club", "Children of Newport World Resorts Foundation", "Newport World Resorts Foundation Inc.", "KTALK", "ILOVEarth", "Play On @ NWR", "Play On Online Gaming", "Game On @ NWR", "Grand Club", "Fun Fiesta Jackpot Newport World Resorts", "Newport World Resorts Manila Millions Poker", "GTM Grand Theater Manila", "World Slots Online", "World Table Online", "Mactan World Resorts", "Boracay World Resorts", "The Mansion at Newport", "EPIC World", "NWR Plus", "Narra Palm Hotel and Villas", "The Narra Palm Hotel and Villas", "Lucky World", "Win World", "Fortune World", "Arena World", "Sonata Lounge", "EPIC Rewards Lifestyle", "Narra Palm Resort & Villas", "123 World", "Westside Resort & Casino", "Westside Resort", and their related devices which will expire on various dates in 2026-2035, and are renewable thereafter.

GADC

GADC has non-exclusive rights as a franchisee to use and adopt the McDonald's intellectual property in the Philippines, including trademarks, service marks, patents, copyrights, trade secrets and other proprietary information, some of which, including the trademarks for "McDonald's," the golden arches logo, Ronald McDonald and "Big Mac." The multi-unit franchise agreement contains provisions regulating GADC's use of such trademarks in accordance with McDonald's Corporation's franchise system. Following the expiration of the previous franchise term, GADC was granted a new 20-year franchise term with effect from 17 March 2025 under the multi-unit franchise agreement with MCD. It provides for a royalty fee based on a certain percentage of gross sales from the operations of all Company's restaurants, including those operated by the franchisees. Individual license arrangements granted to sub-franchisees generally include a lease and a license to use the McDonald's System with a provision that it is subject to the expiration or early termination of the master franchise agreement.

b.10. Government Approval Of Principal Products Or Services

The Group is in compliance with, and not aware of any material deviation from, all applicable government approvals, including environmental, health and safety regulations.

EMI

Philippine local government legislations require a **license to sell** alcoholic beverages and prohibit the sale of alcoholic beverages to persons under 18 years of age or within a certain distance from schools and churches.

Advertising and marketing of alcoholic beverages are regulated by the **Ad Standards Council ("ASC")**, the advertising industry body in-charge of screening and regulating content of advertising materials across all medium. EMI strictly follows the alcohol advertisement regulations issued by the ASC, in advertising its products in all platforms. EMI ensures that its communications target only those of legal drinking age and advocates to its consumers that EMI's high-quality products should be enjoyed responsibly.

Approvals from the **Food and Drug Administration ("FDA")** are required before EMI can manufacture a new product. In addition, all new products must be registered with the BIR prior to production.

The recently implemented Ease of Doing Business and Efficient Government Service Delivery Act of 2018 or RA No. 11032, will have a positive impact on the amount of time it takes to acquire Licenses to Operate, Certificates of Product Registration, and any other permits and registrations relevant to the business which it will receive from the FDA. The maximum period set by this law for all government agencies is twenty (20) working days for "applications or requests involving activities which pose danger to public health, public safety, public morals, public policy, and highly technical application" with one extension allowed, if the same is provided for in the citizen's charter of the relevant government agency.

The group is **in compliance**, and not aware of any material deviation, with all applicable regulatory, environmental, health and safety regulations. All the products are **registered and approved** by FDA. EMI monitors compliance of all stages of its production process with pertinent hygiene practices to ensure the high quality of its finished products. The production plants have **Good Manufacturing Practice ("GMP") certificates** from the FDA - issued on June 2, 2021 and renewed on April 14, 2026 (valid until October 3, 2030) for the Biñan Laguna production plant, and on April 19, 2022 (valid until June 6, 2026) for the Santa Rosa Laguna production plant.

WMG has an **environmental policy** which commits it to ensure that its activities are conducted in ways which comply with the law and, so far as is reasonably and commercially practicable, do not harm the environment. Its five distilleries and associated warehouses are extensively regulated under **Customs and Excise licenses and regulations**, Environmental Agency regulations on water abstractions, effluent discharges, air emissions and Health and Safety legislation.

Whyte and Mackay is **in compliance**, and **not aware of any material deviation**, with all applicable regulatory, environmental, health and safety regulations.

Bodegas Fundador has a **firm commitment** to the planet, the environment and society - solid and determined - as reflected in its own strategic plan, management systems, values, objectives and corporate policies, as well as most importantly: the participation, involvement and efforts of all the employees of Bodegas Fundador. It is committed to guarantee the transformation and care of our planet based on respect for a sustainable economy, a lasting environment and a fair society. These principles are part of our Corporate Social Responsibility policy where, among other objectives, we intend to satisfy the needs of all our stakeholders such as shareholders, employees, customers, the environment, administrations, suppliers, etc., as the fundamental basis of our own process of transformation and, at the same time, collaborating to create a fairer and more sustainable environment and society.

It is aware that its raw materials come from nature and its processes can result in environmental impacts on soil, water and air. Its activities would not be feasible without the support of the environment in which it operates and therefore consider it necessary to preserve the environment for its business to be viable long term. By that, it is its main interest to take care and respect the environment as one of the pillars of its business culture.

Bodegas Fundador builds this **business culture** in systems of management that constitute the unifying axis from which it articulates a process of continuous improvement in key business aspects:

the safety and health of employees, with the standard ISO 45001, quality of products with the standard ISO9001, and the environment with the standard ISO14001, corporate social responsibility with IQnet SR10, food safety with three of the most demanding standards in the industry, FSSC 22000, IFS and BRC food safety management systems, providing consumers assurance that our products are made under the strictest of quality controls that guarantee safety, accumulating more than 20 years of experience in these standards.

Bodegas Fundador implements its own **Lean Management program**, a model of management born in Japanese automation industry, whose results have been such that the model has finished transcending the barriers of this industry to other sectors of activity with equally successful outcome. Through the implementation of Lean program, it gets continuous and sustainable improvement in (among others) aspects such as safety and health, quality, the environment, the commitment of employees, team work or the efficiency of the processes, which synergize with other management systems mentioned above.

The group is **in compliance**, and **not aware of any material deviation**, with all applicable regulatory, environmental, health and safety regulations.

MEG

Various government approvals need to be secured as part of the normal course of business, such as **Environmental Compliance Certificate**, development permits, license to sell, among others.

A **barangay clearance** and **development permit** from the local government unit (“**LGU**”) must be secured before commencing land development works. Before the start of structural construction activities, a **building permit** must be secured from the LGU. A Certificate of Registration and a License to Sell, both from the **Department of Human Settlements and Urban Development** (“**DHSUD**”), must be secured before launching any selling activities. All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with and approved by the DHSUD and the relevant LGU of the area where the project is situated. Approval of such plans is conditional on, among other things, the developer’s financial, technical and administrative capabilities. Alterations of approved plans, which affect significant areas of the project, such as infrastructure and public facilities, also require prior approval of the relevant government body or agency.

Subdivision or condominium units may be sold or offered for sale only after a **License to Sell** has been issued by the DHSUD. As a requisite for the issuance of a License to Sell by the DHSUD, developers are required to file with the DHSUD surety bond, real estate mortgage or cash bond to guarantee the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance with the applicable laws, rules and regulations. Real estate dealers, brokers and salesmen are also required to register with the DHSUD before they can sell lots or units in a registered subdivision or condominium project. Real estate brokers are required by DHSUD to take licensure examinations and attend continuing professional education programs.

Project permits and Licenses to Sell may be suspended, cancelled or revoked by the DHSUD, by itself or upon a verified complaint from an interested party, for reasons such as non-delivery of title to fully-paid buyers or involvement in fraudulent transactions. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the DHSUD’s rules of procedure and other applicable laws.

The MEG Group **routinely secures** the required government approvals for its projects during the planning and construction and marketing stages of project development, including operations of its business and properties. The group is not aware of any pending governmental regulation that is expected to materially affect its business. The group believes it **has obtained the required** government approvals relevant for each project at its current state of development.

Travellers

NWR operates its gaming activities through the **license granted by PAGCOR**, a government-owned and controlled corporation, which was granted the franchise to operate and license gaming casinos, gaming clubs and other similar recreation or amusement places, gaming pools, whether on land or

sea, within the Philippines. The franchise of PAGCOR was extended for another 25 years after July 11, 2008, its original term.

The activities and operations of NWR are closely monitored by PAGCOR Monitoring Team (PMT) which maintains an office inside NWR where officials are stationed 24 hours a day. Travellers is in continuous close coordination with PAGCOR regarding compliance with its gaming concession and all applicable Philippine laws. It is also required to provide periodic reports to PAGCOR.

Shopping malls are regulated by the local government unit of the city or municipality where the shopping mall is located. Retail stores in shopping malls must secure a **business permit** before operating and must comply with the fire safety provisions and other applicable local ordinances. Operators of restaurants and other food establishments in shopping malls must also obtain a **sanitary permit** from the same local government unit where the shopping mall is located.

The operation of hotels is regulated by the **Department of Tourism**. NWR's hotels, Marriott Hotel Manila, Holiday Inn Express Manila Newport City, Sheraton Manila Hotel, Hilton Manila Newport World Resorts, Hotel Okura Manila and Courtyard by Marriott Iloilo have each been granted a Certificate of Accreditation by the Department of Tourism.

GADC

There are no special government approvals necessary for new food products apart from the standard Department of Trade and Industry permits for customer promotions.

b.11. Effect Of Existing Or Probable Government Regulations

Value Added Tax is a business tax imposed and collected from the seller in the course of trade or business on every sale of properties (real or personal), lease of goods or properties (real or personal) or rendering of services. It is an indirect tax, thus, it can be passed on to the buyer. Current rate is 12% of net retail/sale price or service revenue.

On December 17, 2017, **Republic Act No. ("RA") 10963**, known as the **Tax Reform for Acceleration and Inclusion ("TRAIN Law")** was approved effective January 1, 2018. One of the amendments introduced is the lowering of threshold amount for VAT on sale of residential lot and sale of house and lot. Sale of residential lots with gross selling price of ₱1.5 million or less, and residential house and lots with gross selling price of ₱2.5 million or less are not subject to VAT; provided that beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers, sale of real property utilized for socialized housing as defined by RA No. 7279, sale of house and lot, and other residential dwellings with selling price of not more than P2 million.

On March 26, 2021, **Republic Act No. ("RA") 11534**, known as the **Corporate Recovery and Tax Incentives for Enterprises Act ("CREATE Act")** was approved effective April 11, 2021. It introduced reforms to corporate income tax and incentives system, with significant ones retroactive to July 1, 2020. The Group considered this as a non-adjusting event and did not adjust the 2020 financial statements in accordance with the Act's provisions, but the impact was taken up in subsequent periods. The major provisions include, among others:

- Reduction in income tax rate to 25% (from 30%) effective July 1, 2020 for domestic and foreign-resident corporations;
- Reduction in income tax rate to 20% for corporations with net taxable income not exceeding P5million and with total assets not exceeding P100million, excluding land where business office, plant and equipment are situated;
- Reduction in minimum corporate income tax to 1% (from 2%) from July 1, 2020 until June 30, 2023;
- Reduction in interest expense pairing to 20% (from 33%) of interest income subjected to final tax;

Tax exemption of dividends received from foreign corporation provided that such funds are reinvested in business operations (working capital, capital expenditures, dividend payments, investment in domestic subsidiaries, infrastructure project) of the domestic corporation in the Philippines within the next taxable year, provided further that the domestic corporation directly holds at least 20% of outstanding shares of the foreign corporation for a minimum of two years at time of dividend distribution.

- The amendments to VAT-exempt sales of real properties under Section 109(1)(P) of the NIRC was vetoed by the President of the Philippines. As such, the changes to said provision from Republic Act No. 10963 or the “Tax Reform for Acceleration and Inclusion (TRAIN)” remained. Beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business; sale of real property utilized for socialized housing as defined by Republic Act No. 7279, and sale of house and lot, and other residential dwellings with selling price, per Rev. Regs. No. 8-2021 issued on June 11, 2021, of not more than Php3,199,200.

EMI

Philippine local government legislations require a license to sell alcoholic beverages and prohibit the sale of alcoholic beverages to person under 18 years of age or within a certain distance from schools and churches. In addition, approvals from the FDA are required before the Company can manufacture a new product. In addition, all new products must be registered with the BIR prior to production.

In addition to VAT, the alcohol products which are manufactured in the Philippines for domestic sales or consumption, including imported items, are subject to excise taxes. The brandy products which are produced from locally processed distilled spirits from the juice, syrup or sugar of the cane are levied an excise tax on per proof liter. [A proof liter is a liter of proof spirits, which are liquors containing one-half of their volume of alcohol with a specific gravity of 0.7939 at 15°C].

RA No. 11467 was signed into law on January 22, 2020 and takes effect on January 1, 2020. Pursuant to R.A. No. 11467, excise taxes on distilled spirits shall be levied, assessed and collected as follows:

- a. Effective on January 1, 2020:
 - An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
 - In addition to the ad valorem tax, a specific tax of P42.00 per proof li.
- b. Effective on January 1, 2021:
 - An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
 - In addition to the ad valorem tax, a specific tax of P47.00 per proof li.
- c. Effective January 1, 2022:
 - An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
 - In addition to the ad valorem tax, a specific tax of P52.00 per proof li.
- d. Effective January 1, 2023
 - An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and In addition to the ad valorem tax, a specific tax of P59.00 per proof liter.
- e. Effective January 1, 2024
 - An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
 - In addition to the ad valorem tax, a specific tax of P66.00 per proof li.
- f. Effective January 1, 2025, the specific tax of P66.00 per proof liter shall be increased by six percent (6%) every year thereafter, while the ad valorem tax shall remain the same.

Medicinal preparations, flavoring extracts, and all other preparations, except toilet preparations, of which, excluding water, distilled spirits form the chief ingredient, are subject to the same tax as the chief ingredient.

The tax shall be proportionally increased for any strength of the spirits taxed over proof spirits, and the tax shall attach to this substance as soon as it is in existence as such, whether it be subsequently separated as pure or impure spirits, or transformed into any other substance either in the process of original production or by any subsequent process..

The net retail price shall mean the price at which the distilled spirits is sold on retail in at least five (5) major supermarkets in Metro Manila, excluding the amount intended to cover the applicable excise tax and the value-added tax. For distilled spirits which are marketed outside Metro Manila, the net retail price shall mean the price at which the distilled spirits is sold in at least five (5) major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the value-added tax. This shall initially be provided by the manufacturer through a sworn statement and shall be validated by the Bureau of Internal Revenue (BIR) through a price survey. The net retail price shall be determined by the BIR through a biannual price survey under oath.

The suggested net retail price means the net retail price (excluding excise tax and value-added tax) at which locally manufactured or imported distilled spirits are intended by the manufacturer or importer to be sold in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three months from the product launch, the BIR will validate the suggested net retail price of the new brand against the net retail price and determine the correct tax on a newly introduced distilled spirits. After the end of nine months from such validation, the BIR shall revalidate the initially validated net retail price against the net retail price as of the time of revalidation in order to finally determine the correct tax on a newly introduced distilled spirits.

Understatement of the suggested net retail price by as much as 15.0% of the actual net retail price results in the manufacturer's or importer's liability for additional excise tax equivalent to the tax due and the difference between the understated suggested net retail price and the actual net retail price.

Wines are levied, assessed and collected an excise tax of P50 per liter effective January 1, 2020, increasing by 6% every year thereafter. [Previously, specific tax rate increased by 4% every year from January 1, 2014.]

Republic Act 10963 or the **Tax Reform for Acceleration and Inclusion ("TRAIN") Law**, which amends certain provisions in the Philippine Tax Code, took effect on January 1, 2018. Section 47 of the TRAIN Law, imposes an excise tax on sweetened beverages.

On July 25, 2018, **Revenue Regulations (RR) No. 20-2018** provided for the implementing rules and guidelines on the imposition of new taxes on sugar-sweetened beverages. Under RR 20-2018, sweetened beverages are defined as "non-alcoholic beverages of any constitution (liquid, powder, or concentrates) that are pre-packaged and sealed in accordance with the Food and Drug Administration standards that contain caloric and/or non-caloric sweeteners added by the manufacturers." For sweetened beverages that use purely caloric sweeteners, and purely non-caloric sweeteners, or a mix of caloric and non-caloric sweeteners, the tax rate per liter of volume capacity was P6. As for sweetened drinks using purely high fructose corn syrup or in combination with any caloric or non-caloric sweetener, the specific tax was P12 per liter.

The particular products covered by the new excise tax were the following: sweetened juice drinks; sweetened tea; all carbonated beverages; flavored water; energy and sports drinks; other powdered drinks not classified as milk, juice, tea, and coffee; cereal and grain beverages; as well as other non-alcoholic beverages that contain added sugar, while products using purely coconut sap sugar and purely steviol glycosides were exempt from the excise tax, as long as these comply with the specifications as stated in the Philippine National Standard/Bureau of Agricultural and Fisheries Products Standards 76:2010 ICS 67.180 or latest updated standards.

EMI's sweetened non-alcoholic products, Club Mix Lime Juice and Club Mix Apple Tea, are covered.

EDI currently substantially passed on to consumers and form part of the sales prices.

Brandy de Jerez Regulations

In Spain, the Andalusian Regional Department of Agriculture, Fisheries and Rural Development

approved the **Order dated October 26, 2023**, which contains the new Terms of Reference (Product Specification) for the Geographical Indication “Brandy de Jerez”. This Order was subsequently amended by the **Order of March 26, 2024**, replacing the former Order dated June 28, 2018. These regulations lay down the technical specifications of the products, compliance with which, must be verified to enable use of the protected name. Furthermore, the new *Operational Regulation of the Regulatory Board of “Brandy de Jerez”* has been approved by an **Order dated February 16, 2018** issued by the Andalusian Regional Department of Agriculture, Fisheries and Rural Development, replacing the former Order dated June 13, 2005, and remains in force.

The Geographic Indication “Brandy de Jerez” is protected in the European Union, through its registration as a Protected Geographical Indication (PGI). The current EU regulatory framework is established by **Regulation (EU) 2024/1143 of April 11, 2024**, on geographical indications for wines, spirit drinks, and agricultural products, which constitutes a harmonized system at EU level and amends and partially replaces, inter alia, Regulation (EU) 2019/787.

The following EU Regulations amending Regulation (EU) 2019/787 were **adopted in 2021** and remain applicable where not superseded by Regulation (EU) 2024/1143:

COMMISSION DELEGATED REGULATION (EU) 2021/1334 of May 27, 2021 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards allusions to legal names of spirit drinks or geographical indications for spirit drinks in the description, presentation and labelling of other spirit drinks

COMMISSION DELEGATED REGULATION (EU) 2021/1335 of May 27, 2021 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards the labelling of spirit drinks resulting from the combination of a spirit drink with one or more foodstuffs.
COMMISSION DELEGATED REGULATION (EU) 2021/1465 of July 6, 2021 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards the definition of allusions to legal names of spirit drinks or geographical indications for spirit drinks and their use in the description, presentation and labelling of spirit drinks other than the spirit drinks to which allusion is made.

The following EU Regulations amending Regulation (EU) 2019/787 have been **adopted in 2022**, and remains applicable where not superseded:

COMMISSION DELEGATED REGULATION (EU) 2022/1303 of 25 April 2022 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards the definition of and requirements for ethyl alcohol of agricultural origin.
In order to be considered a Brandy de Jerez, it must be produced according to the methods laid down by the Regulatory Council. The area of production, ageing, and bottling must be exclusively within the so-called Sherry Triangle, defined by the municipalities of Jerez de la Frontera, Sanlúcar de Barrameda, and El Puerto de Santa María. Bottling must take place exclusively in registered and authorized wineries.

The production process is based on the traditional Criaderas and Solera ageing system, using oak casks previously seasoned with Sherry wines, which impart specific organoleptic characteristics depending on the type of Sherry used. Wine spirits of higher alcoholic strength may be used, provided that the distillates or holandas do not exceed 50% of the alcoholic content of the final product. The holandas must always represent at least 50% of the final brandy.

Brandy de Jerez can be classified into three categories according to its ageing period:

1. Brandy de Jerez Solera – ageing for more than six months expressed in UBEs (Basic Ageing Unit)
2. Brandy de Jerez Solera Reserva - ageing for more than one year expressed in UBEs.
- Brandy de Jerez Gran Reserva - ageing for more than three years expressed in UBEs.

Spanish Royal Decree 164/2014, of March 14, which establishes complementary rules for the production, designation, presentation and labeling of certain spirits.

Sherry Regulations

The Andalusian Regional Department of Agriculture, Fisheries, and Rural Development has approved the Order dated February 20, 2024, containing the new Product Specification for the Protected

Designation of Origin "Jerez-Xérès-Sherry." This regulation contains the technical specifications of the products, whose compliance must be verified in order to use the protected name.

The Protected Designation of Origin Jerez-Xeres-Sherry is protected in the European Union, under the European system of geographical indications. The applicable EU legal framework is currently established by Regulation (EU) 2024/1143 of April 11, 2024, which amends and partially replaces Regulation (EU) 1308/2013, establishing a harmonized system for geographical indications for wines, spirit drinks, and agricultural products.

This Regulation (EU) 1308/2013 was amended in 2024 by: Regulation (EU) 2024/1143 of the European Parliament and the Council, dated April 11, 2024, regarding geographical indications for wines, spirits, and agricultural products, as well as guaranteed traditional specialties and optional quality terms for agricultural products, which amends Regulations (EU) No. 1308/2013, (EU) 2019/787, and (EU) 2019/1753, and repeals Regulation (EU) No. 1151/2012.

The *Commission Delegated Regulation (EU) 2019/33*, of October 17, 2018, which completes *Regulation (EU) No. 1308/2013* of the European Parliament and the Council, regulates applications for protection of designations of origin, geographical indications and traditional terms of the wine sector, the opposition procedure, restrictions on use, amendments to the specifications, cancellation of protection and labeling rules, insofar as these provisions remain applicable under the framework.

The *Commission Delegated Regulation (UE) 2019/934* of 12 March 2019 complements Regulation (EU) No 1308/2013 regarding authorised oenological practices, zones in which alcohol content may be increased, production and preservation restrictions, minimum alcoholic strength of by-products, and the publication of OIV files, insofar as it remains applicable.

As of December 8, 2023, the new European wine labelling rules introduced by Regulation (EU) 2021/2117 apply, establishing as mandatory: :

- Provision of nutritional information (may be electronic, except for energy value, which must appear on the physical label).
- Listing of allergens (must always appear on the physical label).

Spanish excise duty

Total duty and excise tax payment made up about 60% of the average price of a bottle of brandy (which are in the range of more than 36° alcoholic degrees). For Spirits (less than 36° alcoholic degrees), taxes represent about 50% of the average price of a bottle. For Sherry Wines, we are in two ranges again, less than 15° alcoholic degrees on 20% of the final prices and higher on 23% of a final price of a bottle of Sherry Wine. These ratios were updated at the end of 2016 by the Spanish Government, at a 5% increase from 2015.

The regulations governing special taxes are *Law 38/1992*, of December 28, on Special Taxes and *Royal Decree 1165/1995*, of July 7, which approves the Regulation on Special Taxes.

By order *HAC / 998/ 2019*, of September 23, 2019, the Spanish Ministry of Finance modified the accounting of products subject to Special Manufacturing Taxes, whose entry into force was on January 1, 2020 with extension until 31st December 31, 2020. On December 26, 2024, Order *HAC/1505/2024* was published, which amends Order *HAC/998/2019*, regulating the obligation to keep accounting entries for products subject to Excise Duties. This amendment establishes that, for the first half of 2025, accounting entries may be made in accordance with the regulations in force until December 31, 2024.

On the other hand, Order *HAC/626/2020*, of 6 July 6, 2020, has modified the Order *HAC / 1271* of December 9, 2019, has approved the rules of development of the provisions of article 26 of the Regulation of Special Taxes, approved by Royal Decree 1165/1995, of July 7, on the new fiscal seals planned for derived beverages (Brandy and Spirits) , whose entry into force has been on January 1, 2020.

Finally, Royal Decree 399/2021, of June 8 amends in its First Final Provision the Regulation on Excise Duties, approved by Royal Decree 1165/1995, of July 7. The first paragraph of letter a) of section 2 and section 11 are amended, and section 12 and the last paragraph of section 13 of article 26 of the Regulation of Excise Duties, approved by Royal Decree 1165/1995 are repealed:

Placement of the seals in any visible place on the container in such a way that they cannot be reused and allowing the reading of the electronic security code that they incorporate, as well as the request for the electronic cancellation of the security codes for the deactivation of tax marks.

Amendment of the Food Chain Law

In 2021, the Spanish Food Chain Law has been amended by Law 16/2021 of December 14, in order to include the provisions of an EU Directive on unfair commercial practices in relations between companies in the agricultural and food supply chain. Among others, it requires from now onwards that the agreed price of the sale of products always covers production costs, to sign written contracts with regard to commercial transactions of more than 2,500 euros, broadens the catalog of prohibited unfair commercial practices and reinforces the sanctioning procedure.

In 2025, although no further amendments to the Food Chain Law itself have been adopted, its application has been reinforced through increased controls and sanctions by the Spanish Agency for Food Information and Control (AICA). In addition, the regulatory framework has been complemented by Law 1/2025 on the prevention of food loss and waste, which introduces new obligations for operators in the food supply chain, particularly regarding surplus management and contractual planning, and which further reinforces the objectives of balance, transparency and fairness within the agri-food chain.

Advertising

The advertising activity in Spain is subject to a wide range of regulations, both at national and regional level. In particular, the alcoholic beverages industry is one of the most regulated sectors in terms of advertising, along with tobacco and underage advertising, aimed to protect public health, in an attempt to address the abuse of alcoholic beverages by promoting moderate and responsible consumption. Consequently, advertising alcoholic beverages has greater limitations when it comes to conducting advertising campaigns through the existing available media platforms.

The Spanish alcohol related advertising regulation applicable to all the Spanish territory are the following: (a) Law 34/1988, of November 11, 1988, on General Advertising ("**General Advertising Law**"); and (b) Law 13/2022, of 7 July 2022, on General Audio-visual Communication ("**General Audio-visual Communication Law**").

Both General Advertising Law and General Audio-Visual Communication Law include provisions for the purposes of (a) preventing the advertising of alcoholic beverages over 20° alcoholic degrees by television or where the sale or consumption of such alcoholic beverages is not allowed; (b) allowing the advertising of alcoholic beverages of 20° or under 20° alcoholic degrees by television only during the time between 8:30 p.m. and 5 a.m. of the following day; and (c) preventing the advertising of alcoholic beverages under 20° alcoholic degrees by any advertising media platform when it is directed at minors, encourages immoderate consumption or associates consumption with improved physical performance, social success or health.

Any breach of the General Audio-visual Communication Law may result in fines depending on whether the relevant breach is deemed minor, serious or very serious. Likewise, pursuant to the General Advertising Law certain third parties will be entitled to claim, among others, the cessation of the advertising allegedly deemed as unlawful and also damages arising therefrom in case of willful misconduct.

In 2024, Spain introduced a preliminary draft law aimed at further regulating alcohol advertising to protect minors and reduce consumption. On 11 March 2025, the Council of Ministers approved the Draft Law on the prevention of alcohol consumption and its effects on minors. The 2025 draft law prohibits alcohol consumption by minors in schools, child care centers, residences, and youth-targeted events. It restricts sale and vending to minors, limits retail exposure of alcoholic beverages, and bans all advertising or promotion aimed at minors, including use of youth figures or imagery appealing to them. Alcohol advertising is also prohibited within 150 meters of schools, healthcare and social centers, parks, and children's leisure areas, with an exception for beverages under 0.5% alcohol(CNMC) has recommended clarifications to align the law with audiovisual and telecommunications regulations.

Scotch Whisky Regulations

Scotch Whisky Regulations 2009

In UK, the *Scotch Whisky Regulations 2009* ("SWR") came into force on November 23, 2009,

replacing the Scotch Whisky Act 1988 and the Scotch Whisky Order 1990. Whereas the previous legislation had only governed the way in which Scotch Whisky must be produced, the SWR also set out rules on how Scotch Whiskies must be labelled, packaged and advertised, as well as requiring Single Malt Scotch Whisky to be bottled in Scotland, labelled for retail sale, from November 23, 2012. The SWR made clear that Scotch Whisky must be wholly matured in Scotland (i.e., it may not be matured in any country other than Scotland). They also require that all maturation must take place in an excise warehouse or in another permitted place regulated by Her Majesty's Revenue and Customs ("HMRC"). HMRC is appointed by the SWR as the competent authority for verification of Scotch Whisky.

Permitted place is defined in Regulation 4 of the SWR and includes any place to which spirits in an excise warehouse are moved for:

- Re-warehousing in another excise warehouse;
- Such temporary purposes and periods as HMRC allow;
- Scientific research and testing;
- Storage at other premises where under the Customs and Excise Acts goods of the same class or description may be kept without payment of excise duty; and
- Such other purpose as HMRC may permit.

It is only if all maturation of Scotch Whisky takes place under some form of HMRC control that they will be able to certify that the spirit is Scotch Whisky and, if any age is claimed, that the Scotch Whisky has been matured in the permitted size of oak casks for the period claimed.

The SWR also provide that the only type of whisky that may be manufactured in Scotland is Scotch Whisky. This is to prevent the existence of two "grades" of whisky in Scotland - one "Scotch Whisky" and the other "Whisky – product of Scotland". This is to ensure protection of "Scotch Whisky" as a distinctive product.

Regulation 3(2) defines five categories of Scotch Whisky which must appear clearly and prominently on every bottle of Scotch Whisky sold:

1. Single Malt Scotch Whisky – a Scotch Whisky distilled at a single distillery (i) from water and malted barley without the addition of any other cereals, and (ii) by batch distillation in pot stills. From 23 November 2012, Single Malt Scotch Whisky must be bottled in Scotland.
2. Single Grain Scotch–Whisky - a Scotch Whisky distilled at a single distillery (i) from water and malted barley with or without whole grains of other malted or unmalted cereals, and (ii) which does not comply with the definition of Single Malt Scotch Whisky.
3. Blended Scotch–Whisky - a blend of one or more Single Malt Scotch Whiskies with one or more Single Grain Scotch Whiskies.
4. Blended Malt Scotch–Whisky - a blend of Single Malt Scotch Whiskies, which have been distilled at more than one distillery.
5. Blended Grain Scotch–Whisky - a blend of Single Grain Scotch Whiskies, which have been distilled at more than one distillery.

Regulation 8 of the SWR makes it compulsory for every Scotch Whisky to bear on the front of the bottle and on any individual packaging the category to which the Scotch Whisky belongs. The category must appear as prominently as other description of the Scotch Whisky.

It is an offence to promote a Scotch Whisky as belonging to a category to which it does not belong. Regulation 6 of the SWR makes it illegal to label, package, sell or advertise any drink as "Scotch Whisky" or "Scotch" in such a way as to suggest indirectly that the drink is Scotch Whisky when it does not qualify as such.

Regulation 7 of the SWR also makes it illegal to export any type of Scotch Whisky in an oak or other wooden cask. It is permitted to continue to export Scotch Whisky in bulk using inert containers such as appropriate plastic drums or steel containers.

However, Regulation 7 of the SWR also makes it illegal for Single Malt Scotch Whisky to be exported from Scotland other than in a bottle labelled for retail sale.

SWR provided added legal protection for the traditional regional names with Scotch Whisky production, ie 'Highland', 'Lowland', 'Speyside', 'Campbeltown', and 'Islay'. These names can only appear on whiskies wholly distilled in those regions. A distillery name must not be used as a brand

name on any Scotch Whisky which has not been wholly distilled in the named distillery. Labelling must not by any other means mislead consumers as to where the Scotch Whisky has been distilled. It is permissible to use other Scottish locality or regional names provided the Scotch Whisky has been entirely distilled in that place.

SWR maintain the long-standing rule on the use of age statements, i.e. the only age which may be stated is the age of the youngest Scotch Whisky in the product. When distillation or vintage year will be used, then only one year may be mentioned together with the year of bottling or age statement which must appear in the same field of vision as the year of distillation or vintage, and all of the whisky in the product must have been distilled in that vintage year.

There are a range of enforcement measures available for breach of the SWR from warning notices to criminal prosecutions. Provisions are also included for civil enforcement by interested parties.

UK excise duty

Prior to August 1, 2023, total duty and excise tax payment made up about 70% of the average price of a bottle of whisky, at a rate of £28.74 per litre of pure alcohol and so the Spirit Duty you paid on a 1 litre bottle of 40% ABV is 40% of £28.74, or £11.50. Effective August 1, 2023, the duty rate on spirits was increased by 10.1%, the biggest hike in more than 40 years¹¹, to £31.64 per litre of pure alcohol, meaning that of the £15.22 average price of a bottle of Scotch Whisky, £11.40 is collected in taxation through duty and VAT¹². The tax burden on the averaged priced bottle of Scotch Whisky has risen from 70% to 75% (*Source: Scotch Whisky Association's Newsroom articles in its website*).

In the Autumn Budget of October 2024, the Chancellor announced a further increase of 3.65% shall come into effect from February 2025 with duty per litre of alcohol for all products over 22% ABV being £32.79, and the tax burden to consumers at least £12 per bottle.¹³

The Scottish Government has implemented a minimum price per unit of alcohol on product sold in Scotland. In April 2024, the Scottish Parliament voted to keep minimum unit pricing and increase the minimum unit price from 50p to 65p per unit. This new level came into effect as of September 30, 2024, meaning no alcoholic drink sold in Scotland can be legally priced below £0.65 per unit.

In the 2025 Autumn Budget, the UK Government announced that all alcohol duty rates will be increased in line with Retail Price Index (RPI) inflation for 2026, effective February 1, 2026. The RPI inflation rate used for uprating was 3.66%. Therefore, effective February 1, 2026, the duty per litre for alcohol for all products over 22% ABV will be £33.99.

The Alcohol Duty Stamp Scheme (ADSS) required spirits with an alcohol content of 35% or more to carry a physical duty stamp on each bottle. This scheme was formally abolished with effect from May 1, 2025.

USA Tariffs

On October 18, 2019, the U.S. began to impose additional tariffs on certain products imported from the European Union (including the UK). In particular, Single Malt Scotch Whisky imported into the U.S. had to pay an import tariff in addition to the existing ones of 25% ad valorem, that is, 25% of the value of the product declared in customs.

The US suspended tariffs on UK goods, including Scotch whisky, for four months starting March 4, 2021. In June 2021, a UK-U.S. deal on future aerospace subsidies was agreed which suspended the 25% tariff on single malt Scotch Whisky for a further five years.

On April 2, 2025, U.S. President Trump, announced two new types of tariffs – a sweeping 10% tariffs on all imports, and the reciprocal tariffs on more than 60 trade partner-countries with USA (based on US trade deficit and their exports). European Union's imports to USA would face a reciprocal tariff of

¹¹Source: Scotch Whisky Association's newsroom.articles dated March 15, 2023, March 3, 2024, and January 10, 2025

¹² VAT is applied to the price including duty on duty-paid sales to UK customers only. There is no VAT charged to customers outside the UK.

¹³Scotch Whisky Association's newsroom article dated January 10, 2025.

20% while UK-made products would face a 10% import duty.¹⁴ If imposed, whilst WMG would work with importers and distributors to minimize disruption, it would have an impact on our financial results.

The 10% tariff on Scotch whisky imports remains in force. In September 2025, the Scottish First Minister participated in discussions in Washington D.C. alongside the SWA and DISCUS to advocate for a tariff agreement which would restore a zero-for-zero duty framework for spirits.¹⁵

Commercial and Cooperation Agreement between the European Union and the European Atomic Energy Community, on the one side, and the United Kingdom of Great Britain and Northern Ireland, on the other side

The EU and the UK signed a Commercial and Cooperation Agreement on December 24, 2020, in force on January 1, 2021, in order to regulate their relationships due to the Brexit, with regard to trade of goods and services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fishing, coordination of social security, judicial cooperation and police in criminal matters, thematic cooperation and participation in European Union programs.

As of January 1, 2021, the UK leaves the Single Market and the Customs Union of the EU. As a result, it no longer benefits from the principle of the free movement of goods. Even with the new agreement in place, companies will face new trade barriers, which will lead to increased costs, new controls and will require adjustments to integrate supply chains from the EU and UK.

Both Parties have agreed to create an ambitious free trade area without tariffs or quotas applied to products, with regulatory and customs cooperation mechanisms, as well as provisions to guarantee a level playing field for open and fair competition, as part of a larger partnership economical. The provisions set out in the Agreement do not govern trade of goods between the EU and Northern Ireland, since these will be governed by the Protocol on Ireland and Northern Ireland included in the Exit Agreement of the UK ("Brexit").

In particular with regard to Bodegas Fundador pending applications for registered trademarks in the EU, as a result of Brexit, no corresponding UK rights will be automatically created from EU trademark applications, so it will be necessary to file a UK application.

UK Competition Act 1998

Our Company's activities in the UK are subject to the provisions of the Competition Act 1998 ("**CA 98**").

Consistent with the competition/antitrust laws of many other countries, the CA 98 prohibits:

- agreements between undertakings that have the object or effect of restricting competition; and
- the abuse of a dominant market position.

The CA 98 applies throughout the UK, including Scotland.

The prohibitions under the CA 98 are broadly the same as those that apply under European Union ("**EU**") competition law. As a result of Brexit, EU competition law no longer applies in the UK. However, the UK has retained into UK competition law various EU "block exemptions". These include the Vertical Agreements Block Exemption, which applies to distribution and other vertical agreements. The Vertical Agreements Block Exemption expired on 31 May 2022 and the UK's principal competition authority, the Competition and Markets Authority ("**CMA**"), consulted on how competition law should apply to vertical agreements after that date. The Competition Act 1998 (Vertical Agreements Block Exemption) Order 2022 ("**VABEO**") came into force on 1 June 2022. Whilst the 2022 Vertical Block Exemption Regulation in the EU and the VABEO have similar concepts and provisions there is some divergence. Companies operating in both the UK and the EU will have to comply with both the VABEO and the EU regulations. The VABEO expires on 1 June 2028, six years earlier than the EU regulation, in order that the UK government can review and action market developments in that time. There could therefore be more divergence in the future which could cause compliance challenges for parties operating in both the EU and the UK.

¹⁴ KDKA News, April 8, 2025. www.cbsnews.com/Pittsburgh/news/trump-tariffs-europe-wine-scotch-whisky/ Also, Money Watch updated April 3, 2025. www.cbsnews.com/news/which-products-most-affected-tariffs/

¹⁵ Scotch Whisky Association, 'First Minister joins SWA in Washington DC to press for zero tariff trade' 9 September 2025. Link: [First Minister joins SWA in Washington DC to press for zero tariff trade](#)

Digital Markets, Competition and Consumers Act 2024

The Digital Markets, Competition and Consumers Act 2024 (“**DMCC Act**”) came into force in 2024 to strengthen the enforcement of consumer protection law and introduce new consumer rights.

The DMCC Act will be relevant to WML to the extent it offers products directly to consumers, given its consumer protection focus. The DMCC Act amends and updates the list of commercial practices which are considered unfair in all circumstances, including falsely stating a product will only be available for a limited time and using content to promote a product where it has paid for the promotion without making that clear to the consumer. The DMCC Act includes new regulations related to subscription contracts but since we do not offer subscriptions to any consumers and there is no contemplation of us doing so in the future, many of the provisions are not relevant.

The DMCC Act enhances the CMA’s enforcement powers by giving the CMA direct enforcement powers against businesses who do not comply with consumer protection law without requiring a court order including issuing directions and fines. The CMA can now impose penalties of up to 5% of the business’s global annual turnover or £150,000 (whichever is higher) for a breach of an undertaking or 1% of a business’s global turnover or £30,000 for providing false or misleading information to the CMA.

Additionally, the DMCC Act increases the threshold for a target’s UK turnover from £70 million to £100 million as well as expanding the CMA’s merger review powers. There is a new threshold for merger review where one party has (i) an existing 33% (or more) share of supply of goods or services in the UK and (ii) UK turnover exceeding £350 million, and another party has a “UK nexus” (it is registered in or carries on activities in the UK or supplies goods/services to UK customers). Previously, both the buyer and target must have overlapping UK activities or the target must have had substantial UK operations. This change expands the CMA’s jurisdiction over transactions between non-competitors.

Data (Use and Access) Act 2025

The Data (Use and Access) Act 2025 (DUAA) makes significant changes to the UK’s data protection and data access framework, which regulates how organisations can collect, store, share and use person information.¹⁶

The Act expands lawful bases for processing personal data, introducing ‘Recognised Legitimate Interests’ (RLI), which provide for a more secure and defined set of processing purposes where legitimate interests can be relied upon without the same level of balancing scrutiny. For the following recognised purposes, organisations do not need to perform a full balancing test for legitimate interests: (i) crime prevention; (ii) safeguarding; (iii) emergency response; and (iv) other government or public-interest functions.

The Act clarifies the conditions for organisations to make decisions based solely on automated processes. This includes circumstances such as routine eligibility checks for services or benefits and automated risk scoring in financial, insurance, or fraud-detection contexts. However, where an organisation uses automated processes, individuals affected must be notified in a clear and understandable manner. Individuals affected will also have the right to request a human review of the decision and challenge decisions on the grounds that they are unfair, inaccurate, or inappropriate.

The DUAA clarifies the time limits for an organisation to respond to subject access requests, including a ‘stop the clock’ rule whereby an organisation can pause the response time if they need more information from the requester.

In summary, DUAA 2025 modernises the UK’s data protection framework, providing organisations with greater clarity and flexibility in using personal data while reinforcing transparency, accountability and individual rights.

MEG

Presidential Decree (“PD”) 957, RA 4726 and Batas Pambansa (“BP”) 220 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision projects for residential, commercial, industrial and recreational purposes.

¹⁶ GOV.UK, ‘Data (Use and Access) Act 2025: data protection and privacy changes’ 27 June 2025. Link: [Data \(Use and Access\) Act 2025: data protection and privacy changes - GOV.UK](#)

The Department of Human Settlements and Urban Development (“DHSUD”) and the Human Settlements Adjudication Commission (“HSAC”), which were created pursuant to Republic Act No. 11201, are the administrative agencies of the Government which, together with local government units (“LGUs”), enforce the aforesaid laws relating to real estate development and sale, and have jurisdiction to regulate the real estate trade and business and/or adjudicate disputes relating thereto.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with the DHSUD and the pertinent LGU of the area in which the project is situated. Approval of such plans is conditional on, among other things, the developer’s financial, technical and administrative capabilities. Alterations of approved plans, which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government body or agency.

The development of subdivision and condominium projects can commence only after the relevant government body has issued the required development permit.

The issuance of a development permit is dependent on, among other things: (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project and (ii) issuance of the barangay clearance, the DHSUD locational clearance, Department of Environment and Natural Resources (“DENR”) permits and Department of Agrarian Reform (“DAR”) conversion or exemption orders, as discussed below.

Developers who sell lots or units in a subdivision or a condominium project are required to register the project with and obtain a license to sell from the DHSUD. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the DHSUD. As a prerequisite for the issuance of a license to sell by the DHSUD, developers are required to file with the DHSUD certain securities to guarantee the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance with the applicable laws, rules and regulations.

Project permits and licenses to sell may be suspended, cancelled or revoked for grounds such as involvement in fraudulent transactions, misrepresentation about the subdivision project or condominium project in any literature which has been distributed to prospective buyers. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with applicable laws, rules and regulations.

On the other hand, the HSAC, which is an attached agency of the DHSUD, is tasked to adjudicate disputes relating to real estate developments, homeowners associations, and local and regional planning and zoning. The HSAC is vested with exclusive and original jurisdiction to hear and decide cases involving subdivisions, condominiums, memorial parks and similar real estate developments and transactions, homeowners associations, the implementation of the balanced housing development provision of Republic Act No. 7279, as amended, and laws and regulations being implemented by the DHSUD.

Further, **RA No. 7279 (“Urban Development Housing Act”)**, as amended by **RA No. 10884 (“Balanced Housing Development Program Amendments”)**, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total subdivision area or total subdivision project cost and at least five (5%) of condominium area or project cost, at the option of the developer; within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the DHSUD. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with either the LGU or any of the housing agencies in socialized housing development.

RA 6552, or the Maceda Law, was promulgated to protect real estate buyers on installment basis (including residential condominium units but excluding industrial and commercial lots) by giving the buyers a total of at least 60-day grace period within which to pay any unpaid installments without any interest. RA No. 6552 also requires the sellers of real estate to give the buyers a refund of at least 50% of total payments made should the sale be cancelled provided the buyers have paid at least two years of installments. RA No. 6552 covers the business of the Company as it applies to all transactions or contracts involving the sale or financing of real estate through installment payments.

Republic Act No. 9646 or the **Real Estate Service Act of the Philippines**, strictly regulates the practice of real estate brokers by requiring licensure examinations and attendance in continuing professional education programs. Real estate dealers, brokers and salesmen are likewise required to register and secure a certificate of registration with the DHSUD before they can sell lots or units in a registered subdivision or condominium project. The certificate of registration is renewed on a yearly basis.

Pursuant to the **Anti-Money Laundering Act of 2001** ("AMLA"), as recently amended by **Republic Act No. 11521**, which took effect on January 30, 2021, real estate developers ("REDs") are now covered institutions. Thus, REDs are now required to report covered and suspicious transactions to the AMLC within the period prescribed by the law and its implementing rules and regulations. For REDs, a covered transaction involves a single cash transaction involving an amount in excess of Php7,500,000.00 or its equivalent in any other currency. Suspicious transactions are as defined under the AMLA and under Republic Act No. 10168 or the Terrorism Financing Prevention and Suppression Act of 2012, and their respective implementing rules and regulations. REDs are required to file with the AMLC a Covered Transaction Report ("CTR") within five (5) working days from occurrence thereof, and a Suspicious Transaction Report ("STR") within the next working day from occurrence thereof.

Shopping malls are regulated by the local government unit of the city or municipality where the shopping mall is located. Shopping mall operators must secure a mayor's permit or municipal license before operating. Shopping mall operators must also comply with the provisions of **RA No. 9514 or the Fire Code**, and other applicable local ordinances. Shopping malls that have restaurants and other food establishments as tenants must obtain a sanitary permit from the Department of Health. Shopping malls that discharge commercial wastewater must apply for a wastewater discharge permit from the DENR. As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism ("DOT"). A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the DOT.

Hotels and resorts follow national accreditation standards as promulgated by the DOT under **Memorandum Circular No. 2012-02** in May 2012, pursuant to the Tourism Act of 2009. The Memorandum Circular adopts the star grading system, with five levels of accommodation standards which are equivalent to one to five stars. For instance, a one-star rating will be granted to hotels which achieve 251 to 400 points (25% to 40% of the standards) and a five-star rating will be granted to hotels which achieve 851 to 1,000 points (85% to 100%) of the standards. Once an application for accreditation is filed, the DOT sends an inspection team to conduct an audit of the establishment and determine compliance its classification. The Certificate of Accreditation issued by the DOT is valid for two years, unless sooner revoked. The rights over the accreditation are non-transferable.

Certain investment properties are registered with **PEZA**, and this provides significant benefits to tenants. PEZA requirements for registration of an IT park or building differ depending on whether it is located in or outside Metro Manila. These requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR. The PEZA is a government corporation that operates, administers, and manages designated special economic zones ("Ecozones") around the country. Ecozones are selected areas with highly developed or which has the potential to be developed into agro-industrial, commercial, banking, tourist/recreational, investment and financial centers. An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. There are several activities eligible for PEZA registration and incentives including, but not limited to, IT services, Tourism and Retirement activities. PEZA-registered enterprises located in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty free importation of equipment, machinery and raw materials. Retirement Ecozone developers/ operators and retirement Ecozone facilities enterprises are entitled to fiscal and non-fiscal incentives.

The Group routinely secures the required government approvals for its projects during the planning and construction and marketing stages of project development, including operations of its malls and leased properties. The MEG Group is not aware of any pending government regulation that is expected to materially affect its business. The MEG Group believes it has obtained the required government approvals relevant for each project at its current state of development.

Travellers

Republic Act No. 10927 was passed and became effective in July 2017 designating casinos as covered persons under **Republic Act No. 9160 (“Anti Money Laundering Act”)**, as amended. The Casino Implementing Rules and Regulations was issued by the Anti-Money Laundering Council (“AMLC”) and Appropriate Government Agencies (“AGA”) in October 2017. The said regulation imposed AML-related obligations on all casinos, including, among others, the collection of minimum personal information from patrons, the conduct of the required due diligence measures on all patrons depending on the exhibited risk level of patrons upon onboarding or as a result of ongoing monitoring transactions, the reporting of Covered Transactions or those single casino cash transactions involving an amount more than Five Million Pesos (Php5,000,000.00) and Suspicious Transactions based on the grounds enumerated in the law, and the submission to regular and special compliance examinations of AML Operations by the appropriate government regulators. Several other guidelines were issued by PAGCOR in the conduct of appropriate due diligence measures on patrons based on transactional patterns as well as the administrative sanctions that may be imposed on the casinos for violation of the AML regulatory framework. In 2024, casinos were required to conduct enhanced due diligence for all junket operators and players, which required the recording of transactions between junket operators and their respective players.

Travellers is subject to 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues, as provided under the Provisional License Agreement with PAGCOR. Although the Bureau of Internal Revenue (BIR) issued *Revenue Memorandum Circular No. 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, the Supreme Court, on August 10, 2016, in *Bloomberry Resorts and Hotel, Inc. vs. BIR*, confirmed the legality of the aforesaid provision of the Provisional License subjecting NWR to 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues, when it affirmed that “exemptions granted for earnings derived from the operations conducted under the franchise specifically from the payment of any tax, income or otherwise, as well as any form of charges, fees or levies, shall inure to the benefit of and extend to corporation(s), association(s), agency(ies), or individual(s) with whom the PAGCOR or operator has any contractual relationship in connection with the operations of the casino(s) authorized to be conducted under this Franchise, so it must be 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.” This Decision has been affirmed with finality in the Supreme Court Resolution dated November 28, 2016, when it denied the Motion for Reconsideration filed by the BIR. Consistent with the decision of the Supreme Court, last June 2018, PAGCOR advises that 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 extend to all PAGCOR contractees and licensees.

Travellers is registered with PEZA as a Tourism Economic Zone. Its PEZA-registered activities include the former Maxims Hotel, Newport Entertainment and Commercial Center, Marriott Hotel Manila, Holiday Inn Express Manila Newport City (formerly Remington Hotel), Marriott Grand Ballroom, Marriott West Wing, Hotel Okura Manila (formerly, Maxims II) and the Courtyard by Marriott Iloilo. As such, it is entitled to certain tax incentives. Hilton Manila Newport World Resorts and Sheraton Manila Hotel, through NWR’s subsidiaries, are also included in Travellers’ PEZA-registered activities.

GADC

RA 10963, known as the Tax Reform for Acceleration and Inclusion (“TRAIN”), the first package of the comprehensive tax reform program (“CTRP”) envisioned by Pres. Duterte’s administration, seeks to correct a number of deficiencies in the tax system to make it simpler, fairer and more efficient. It took effect on January 1, 2018. Among its provisions is the imposition of excise tax on sugar-sweetened beverages (“SSB”), a measure meant to encourage consumption of healthier products to help promote a healthier Philippines. The products covered by the SSB excise tax under TRAIN are sweetened juice drinks, sweetened tea, all carbonated or non-alcoholic beverages with added sugar, including those with caloric and non-caloric sweeteners, flavored water, energy drinks, sports drinks, other powdered drinks not classified as milk. This additional per liter cost of volume capacity for soft drinks and juice drinks prompted GADC to reevaluate pricing of certain products. Changes in consumer spending and further pricing re-alignments remain as possibilities going forward. GADC will continue to prioritize its value strategy.

Also, based on RR13-2018, the amortization of the input VAT shall only be allowed until December 31, 2021, after which taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized: Provided, that in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or fee.

Others

Republic Act No. 10667, otherwise known as the **Philippine Competition Act** was passed into law on July 21, 2015 and took effect on August 8, 2015. It is the first antitrust statute in the Philippines, enacted to attain a more equitable distribution of opportunities, income and wealth by enhancing economic efficiency; promoting free and fair competition in trade, industry and all commercial economic activities; preventing economic concentration and penalizing all forms of anti-competitive agreements. The law applies to any person or entity engaged in any trade, industry or commercial economic activity in the Philippines. Moreover, the law applies to international trade activities which have direct, substantial and reasonably foreseeable effects on the trade, industry or commerce in the Philippines.

On March 21, 2016, the *Implementing Rules and Regulations* (“IRR”) of RA No. 10667 was issued to set forth the guidelines for the implementation of the said law.

The Group takes into account the provisions of RA No. 10667 and ensures that its business decisions and operations are within the parameters set forth by the Philippine Competition Act and that its business objectives are aligned with the constitutional goals for the national economy.

RA No. 10173, or the **Data Privacy Act**, was enacted in 2012 to protect personal information in the information and communications systems in both the government and private sectors. It aims to protect the right to privacy while promoting free flow of information for growth and innovation. This law is intended to provide parameters for the collection, processing, retention and disposal of personal data. The law also provided for the creation of the National Privacy Commission (NPC), the government agency mandated to administer and implement RA No. 10173 and to monitor and ensure the country's compliance with the international standards of data protection. In September 9, 2016, the Implementing Rules and Regulations (IRR) for RA No. 10173 was issued.

The law mandates that processing of personal data should, in all cases, adhere to the general data privacy principles of transparency, legitimate purpose and proportionality. Violation of the provisions of the law is subject to civil and criminal penalties, which may range from P500 thousand to P5.0 million in fines and eighteen months to six years imprisonment term. Personal data refers to both personal information and sensitive personal information. Personal information refers to any information that can identify or ascertain the identity of an individual, including name and image of the individual. Sensitive personal information refers to information which has material impact on the well-being of the individual, including personal information about an individual's race, ethnic origin, marital status, age, color, religious and political affiliations, health, education, genetic, sexual life, information related to any court proceeding involving the individual, information issued by the government agencies peculiar to the individual and other information which may be specifically established by a law to be classified.

On March 1, 2021, the National Privacy Commission (NPC) announced that the validity of existing Data Protection Officer (DPO) registrations of Personal Information Controllers (PICs) and Personal Information Processors (PIPs) is extended to June 30, 2021. The validity of existing registrations was previously extended from March 8, 2020 to August 31, 2020, and thereafter to March 7, 2021.

The Group is already compliant with RA No. 10173. It published its privacy policy and has implemented the necessary security measures to ensure the protection of the personal data that it is collecting and processing from its various stakeholders. Moreover, it is continuously working internally to monitor its compliance with RA 10173 and the rules, regulations and issuances of the NPC.

Republic Act (RA) No. 11595, otherwise known as **An Act amending Republic Act No. 8762 or the Retail Trade Liberalization Act of 2000 or RTLA** which took effect on 21 January 2022. On 9 March 2022, the Department of Trade and Industry (DTI), in coordination with National Economic and Development Authority (NEDA) and the Securities and Exchange Commission (SEC), issued the Implementing Rules and Regulations (IRR) to RA 11595. The new law lowers the required paid-up capital for foreign retail enterprises and eases restrictions on foreign retailers to engage in retail trade in the country. Foreign retailer means a foreign national, partnership, association, or corporation of

which more than forty percent (40%) of the capital stock outstanding and entitled to vote is owned and held by such foreign national, engaged in retail trade.

Some of the salient provisions introduced by RA 11595 are:

- It removed the categories under the RTLA and lowered the minimum paid-up capital requirements for foreign retailers. The minimum paid-up capital required of a foreign retailer is Twenty-Five Million Pesos (Php25,000,000.00). Further, the foreign retailer's country of origin must provide reciprocity to Filipinos.
- For foreign retailers having more than one (1) physical store, the new law decreased the minimum investment per store to Ten Million Pesos (Php10,000,000.00)
- Foreign retailers that prequalified prior to the effectivity of the new law whose foreign ownership exceeds eighty percent (80%) are no longer required to publicly offer thirty percent (30%) of their shares of stocks in the Philippines.
- Foreign retailers should determine the nonavailability of a competent, able, and willing Filipino citizen before engaging the services of a foreign national. Foreign retailers are also encouraged to have a stock inventory of products that are made in the Philippines.

Republic Act No. 11058 or the **Occupational Safety and Health Standards Law** was signed into law on August 17, 2018. It mandates employers, contractors or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency. An employer, contractor or subcontractor who willfully fails or refuses to comply with the Occupational Safety and Health Standards shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

RA No. 9367, otherwise known as the **Biofuels Act of 2006**, provides for the mandatory use of biofuels. RA No. 9367 mandates that there shall be a minimum 1% biodiesel blend and 5% bioethanol blend by volume in all diesel and gasoline fuels, being distributed and sold in the country, provided that the biodiesel and bioethanol blends conform to the standards set forth under the Philippine National Standards. In order to encourage investments in the biofuels industry, the government, in addition to applicable incentives and benefits under the existing laws, rules and regulations, provided for an incentive scheme which includes 0% specific tax on local and imported biofuels component per liter of volume, VAT exemption on the sale of raw material used in the production of biofuels, exemption from wastewater charges for water effluents for the production of biofuels and potential financial assistance from government financial institutions.

At present, the government, through the Sugar Regulatory Administration, Department of Energy, Bureau of Internal Revenue and Bureau of Customs, is working hand in hand with the private sector to further develop the biofuels industry, with the vision of producing enough biofuels for local and international distribution.

b.12. Research And Development

While research and development is important to the Group, the amounts spent on regular research and development activities for the past three years have not amounted to a significant percentage of revenues. There are no new products or design being developed that would require a significant amount of the Group's resources.

b.13. Compliance With Environmental Laws

All Philippine development projects, installations and activities located in areas surrounding the Laguna Lake are subject to regulatory and monitoring powers of the Laguna Lake Development Authority ("LLDA"). Since the glass plant and the brandy manufacturing complex are located in this area, permits to operate are being renewed with LLDA on a yearly basis.

Development projects that are classified by Philippine law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental

Compliance Certificate (“ECC”) prior to commencement. The DENR through its regional offices or through the Environmental Management Bureau (“EMB”), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (“EIS”) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“IEE”) to the proper DENR regional office. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

Republic Act No. 11898 or the Extended Producer Responsibility (EPR) Act of 2022 lapsed into law on July 23, 2022, and amended Republic Act No. 9003 or the Ecological Solid Waste Management Act of 2000. It is an Act institutionalizing the extended producer responsibility on plastic packaging waste. Through EPR, “obliged enterprises,” or through their Producer Responsibility Organizations, will have to recover or offset their generated plastic product footprint by 20 percent (20%) in 2023 to 80 percent (80%) by 2028. The EPR Law covers plastic packaging such as single or multi-layered plastics such as sachets, rigid plastic packaging products like food and drink containers, single use plastic bags, and polystyrene. Penalties for the non-compliance of EPR duties range from P5 million to P20 million, or “twice the cost of recovery and diversion of the footprint or its shortfall, whichever is higher”.

In Scotland, WMG has an environmental policy which commits it to ensure that its activities are conducted in ways which comply with the law and, so far as is reasonably and commercially practicable, do not harm the environment. In Spain, Grupo Emperador considers it necessary to preserve the environment for its business to be viable long term and it is its main interest to take care and respect the environment as one of the pillars of its business culture.

The Company and its subsidiaries have not incurred material costs to comply with environmental laws.

b.14. Number Of Employees

As of December 31, 2025, the Group has a total workforce of 16,699 personnel categorized by business segment as follows:

	End- 2025	Anticipated Hiring in 2026
Travellers	5,782	86
Megaworld -including Global One.... 5,366	7,805	
GERI..... 1,188		
Empire East 708		51
Suntrust..... 543		39
Emperador	3,100	
Emperador UK 707		
Emperador Spain.... 265		
Domecq Mexico. 136		
Others	12	
Total	16,699	16,875

The Group intends to hire additional employees in accordance with operational requirements.

The Group gives full and fair consideration to the employment of disabled persons and women for suitable jobs, as well as their training, career development and promotion within the Group.

In 2024 Whyte and Mackay attained accreditation in the UK as a Great Place to Work based upon a survey of colleagues’ opinions on management and cultural practices. The management are committed to maintaining a positive working culture and employee engagement and will repeat the

survey in Autumn 2026 with the hope of retaining our accreditation.

Except as discussed below, none of the Company's or its other subsidiaries' employees are formally covered by a collective bargaining agreement ("CBA") and represented by a labor union.

AWG has a renewed five-year collective bargaining agreement with its production employees covering the period up to January 15, 2030, while Progreen entered into a five-year CBA with its rank-and-file employees assigned in the Balayan production plant covering the period up to October 31, 2025. In December 2023, Progreen's management and union successfully concluded the re-negotiation of the economic provisions of the CBA. The two-year re-negotiated CBA is effective beginning January 6, 2024 up to January 5, 2026. The negotiation of the CBA, which expired on January 5, 2026, has not yet resumed due to potential changes within the employees' union. The employees also agree to follow certain grievance procedures and to refrain from strikes during the term of the agreement.

Whyte and Mackay have a Joint Negotiation Committee with both UNITE and GMB trade unions. This Joint Negotiation Committee covers wages and benefits for all operational/operator employees at our main operational plants. The previous agreement covered pay awards for January 2024 and January 2025. Currently discussions are underway to agree remuneration terms effective from 2026. As negotiations are still in progress, it is not possible to confirm if the agreement will be for a single or multiple year period. Bodegas Fundador, along with the rest of the companies in Jerez region, has a Collective Labor Agreement with the members of the union board and employees. In October 2022, an agreement was reached for a new Collective Labor Agreement up to 2021-23. Negotiations for another agreement, valid for the coming years, began in early 2024 and in May 2025, an agreement was reached and a new Collective Labor Agreement was signed, effective from January 1, 2024, to January 1, 2028, providing stability and improvements for the sector.

Megaworld, EDI and WML each maintain a funded, tax-qualified, non-contributory retirement plan that is being administered by a trustee bank covering all regular full-time employees. GADC has a funded, defined benefit contribution retirement plan covering all regular full-time employees, which also allows for voluntary employee contribution. GERI maintains an unfunded, non-contributory defined benefit plan covering all regular employees. Travellers currently in the process of registering its non-contributory retirement plan with the Bureau of Internal Revenue. The remaining entities in the Group have no established corporate retirement plans. (See Note 28.2 to the Consolidated Financial Statements).

SPI has funded, non-contributory retirement plan that is being administered by a trustee bank covering all regular full-time employees.

The Group has not experienced any disruptive labor disputes, strikes or threats of strikes, and management believes that the Group's relationship with its employees in general is satisfactory. The Group promotes fair and open labor-management relations, ensuring a stable and productive workplace that would provide a stable business continuity, efficiency and employee engagement.

b.15. Major Business Risks and Management

Risks are integral part of business. Opportunity for advancement cannot be achieved without taking risks. This is why the Company and its subsidiaries adopted a policy whereby risks are identified before they cause significant trouble for the business. They carefully prepare structured/strategic plans to anticipate the inherent risks in their activities and set up methods to mitigate the effects of these risks. Risks are prioritized based on their impact to business, and probability of occurrence. There is a monitoring system that keeps track of the indicators and the actions/corrections undertaken. Feedbacks, both internal and external, are important for current and emerging risks.

The Group's risk management is coordinated with the Board of Directors and focuses on actively securing short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes.

The major risks that the present business faces include:

1. *Hazards and natural or other catastrophes.* The Group's assets are always exposed to losses or impairment through fire and natural or man-made disasters and accidents that may materially disrupt operations and result in losses. In particular, damage to project structures resulting from such natural catastrophes could also give rise to claims from third parties or for physical injuries or loss of property. EDI, Whyte and Mackay, Bodegas Fundador, Pik-Nik and GADC also run the risk of contamination through tampering of ingredients, bottles or products that could result in product recall or food poisoning which in turn could create negative publicity that could adversely affect sales. Safety precautionary measures have been undertaken and installed within the operating system. Adequate insurance policies are likewise taken to cover from these risks or mitigate effect of uninsured losses.
2. *Regulatory developments.* The Group operates in highly regulated business environment. For example, in the property development and integrated tourism industries, it is required that a number of permits and approvals be obtained for development plans at both the national and local levels. Travellers is subject to gaming regulations for its casino operations. In the alcohol industry, there are restrictions on advertising, marketing and sales of alcoholic beverages to consumers and restrictions governing the operation of manufacturing facilities. In the QSR industry, GADC is subject to retail trade and other industry specific regulations.

The Group's results of operations could be affected by the nature and extent of any new legislation, interpretation or regulations, including the relative time and cost involved in procuring approvals for projects. If the group fails to meet safety, health and environmental requirements, it may also be subject to administrative, civil and criminal proceedings initiated by the Government, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against the Group, as well as orders that could limit or halt its operations. The Group, thus, keeps abreast of current happenings and immediately institute measures to contain any adverse effect on the group.

3. *Money laundering, win rate and cheating at gaming areas.* The gaming industry is characterized by an element of chance. Win rates for gaming operations depend on a variety of factors. Casino and gaming activities are cash intensive and involve significant amounts of revenue daily. Customers may seek to influence their gaming returns through cheating or other fraudulent methods. Fraudulent activities, could cause Travellers and its customers to experience losses, harm its reputation and ability to attract customers, and materially and adversely affect its business, goodwill, financial condition and results of operations. Travellers takes numerous preventive and security measures for the handling of chips, cash and gaming equipment. It uses special technologies to prevent and detect potential fraudulent and counterfeiting activities as well as high value and suspicious transactions.

In 2017, casino operators have been included in the coverage of the Anti-Money Laundering Act ("AMLA"). Any violation of the AMLA, as amended, which designated casinos as "covered persons" or the Casino Implementing Rules and Regulations may result to the imposition of penalties and could have an adverse effect on Travellers' reputation. In 2021, real estate developers became covered institutions under the AMLA. They are required to report covered and suspicious transactions to the AMLC within the period prescribed by the law and its implementing rules and regulations. A 'covered' transaction involves a single cash transaction involving an amount in excess of P7.5 million or its equivalent in any other currency. 'Suspicious' transactions are as defined under the AMLA and under Republic Act No. 10168 or the Terrorism Financing Prevention and Suppression Act of 2012, and their respective implementing rules and regulations.

Travellers and the Megaworld group have taken appropriate steps to fully comply with the law. Internal control policies and procedures, employee training, and compliance programs are also continuously being implemented

4. *Supply of raw materials and packaging materials.* Materials used in production demand high quality and specialty. The raw materials that GADC and EMP Group use, such as distilled neutral spirit, brandy distillates, chicken, beef and paper, are largely commodities and are subject to price volatility caused by changes in supply and demand, weather conditions, fuel costs for transportation and production, agricultural uncertainty and government controls. Megaworld,

GERI and Travellers source construction materials such as lumber, steel and cement for its ongoing projects, and may also experience shortages or increases in prices. Rising price changes will result in unexpected increases in production or construction costs and decreases in gross margins if such increased costs cannot be passed on to consumers or buyers. If these costs are passed on, any increase in prices could materially affect demand for and the relative affordability of such products. Purchasing, therefore, keeps posted about supply sufficiency in the market and always looks out for new potential sources.

5. *Consumer tastes, trends and preferences.* Consumer preferences may shift due to a variety of factors, including changes in demographic and social trends, leisure activity patterns and a downturn in economic conditions, which may reduce customers' willingness to purchase premium branded products or properties. In addition, concerns about health effects due to negative publicity regarding alcohol or fast food consumption, negative dietary effects, project location, regulatory action or any litigation or customer complaint against companies in the industry may have an adverse effect on results of operations. Any significant changes in consumer preferences and failure to anticipate and react to such changes could result in reduced demand for consumer products or projects and erosion of its competitive and financial position. Likewise, the launch and ongoing success of new products is uncertain as is their appeal to customers. Product innovation and responsiveness to changing consumer tastes and trends, therefore, have been important aspects of the Group's ability to sell their products.
6. *Competition.* Each of the Company's primary business operations is subject to intense competition. Some competitors may have substantially greater financial and other resources than EMP, MEG, GERI, Travellers or GADC, which may allow them to undertake more aggressive marketing and to react more quickly and effectively to changes in the markets and in consumer preferences. In addition, the entry of new competitors into any of the Company's primary business segments may reduce the Company's sales and profit margins. Product innovation and premiumization have been the Group's key response to competition.
7. *Interests of joint development partners.* Megaworld and GERI obtain a significant portion of its land bank through joint development agreements with landowners, as part of its overall land acquisition strategy and intends to continue to do so. A joint venture involves special risks where the venture partner may have economic or business interests or goals inconsistent with or different from those of the Group.
8. *Global economic, political, and social environment.* Portion of the Group's revenue comes primarily from foreign countries. Any global economic disruption or contractions could impact the number of foreign customers who visit our property or the amount of which they may be willing to spend. Changes brought about by fears of war and future acts of terrorism may severely disrupt international travel, reduce demand for luxury amenities and leisure activities and may have significant impact in our operational results. Demand for hotel, trade shows, conventions, and other entertainment activities that the Group offers are sensitive to swings in the global economy, which impacts discretionary spending

The recent COVID-19 pandemic, for instance, had caused economic and social disruptions due to the lockdown measures and safety protocols implemented by the governments to restrict mobility of people, and these affected the conduct of Group's businesses. The Group had conducted its businesses during this time in compliance with the safety protocols and guidelines/regulations issued by the governments. The higher-than-expected global inflations towards the second semester of 2022, and logistics and supply chain disruptions from that year, have caused increased input costs which called for immediate actions from the Group's affected entities. These did not cause significant impact to the Group as a going concern and the global situation has been improving.

9. *Cyber security.* The Group relies on information technology and other systems to maintain and transmit large volumes of customer information and transactions, employee information and information concerning the Group's operations. The systems and processes that have been implemented to protect this information are subject to the ever changing risk of compromised security. These risks include cyber and physical security breaches, system failure, computer viruses, and negligent or intentional misuse by customers, company employees or employees of third-party vendors. The Group is continuously working towards developing a proactive

approach in dealing with potential and emerging security threats to prevent any untoward incidents from happening. This includes strict implementation of, and adherence to, information security policies such as firewall security and data privacy policies, and timely software or system upgrades.

A further discussion on financial risk management objectives and policies is presented in the Notes to the consolidated financial statements.

2. PRINCIPAL PROPERTIES

The following are the principal properties owned or leased by the Group, including those reserved for future developments as of December 31, 2025:

Description	Location	Owned/Limitations on Ownership
Lots & Facilities		
Brandy manufacturing facility	Santa Rosa, Laguna	Owned
Brandy manufacturing facility-Annex	Biñan, Laguna	Owned
Land	Biñan, Laguna	Owned
Land	Centro Baybay, Legazpi	Owned
Land	Davao City	Owned
Land	Tanza, Cavite	Owned
Land	Mandaue, Cebu	Owned
Land	Mandurriao, Iloilo City	Owned
Alcohol distillery plants	Nasugbu and Balayan, Batangas	Owned
Glass manufacturing plant	Canlubang Industrial Estate, Calamba, Laguna	Owned
Warehouse Town – a warehouse complex	Caloocan City	Owned
Vineyard estates	Spain	Owned
Bottling centers, wineries, Complex, distillery, warehouses	Spain	Owned
Industrial facilities	Spain	Owned by Joint venture
Malt distilleries (4), grain distillery (1)	Scotland, UK	Owned
Bottling facility	Scotland, UK	Owned
Maturation facility	Scotland, UK	Owned
Warehouses	Scotland, UK	Owned; leased
Winery	Mexico	Owned
Several parcels for McDonald's use	Various locations	Owned
Lot – Citiwood Heights	EDSA, Quezon City	Owned
Condominium Units and Subdivision Lots Under Development – Megaworld		
Arcovia Park Place (Arcovia Residential Condo 3)	Arcovia, Pasig City	Owned
Vion Tower 1	Pasong Tamo, Makati City	Joint Venture
La Victoria Global Residences	Mactan Newtown, Cebu	Owned
Park McKinley West (Phase 1,2)	McKinley West, Fort Bonifacio	Joint Venture
18 Avenue de Triomphe	Arcovia City, Pasig City	Owned
Herald Parksuites (Two Regis Tower 2)	The Upper East, Bacolod City	Owned
Arcovia Palazzo-Altea	Arcovia City, Pasig City	Owned
Arcovia Palazzo-Benissa	Arcovia City, Pasig City	Owned
Kingsquare Residence	Sta. Cruz, Manila	Owned
La Cassia Residences	General Trias, Cavite	Owned
The Pinnacle	Iloilo City	Owned

Description	Location	Owned/Limitations on Ownership
The Pearl Global Residences	Mactan Newtown, Cebu	Owned
One Manhattan	The Upper East, Bacolod City	Owned
Bayshore Residential Resort 2 Ph. 2	Westside City, Parañaque City	Joint Venture
Bryant Parklane	Pampanga City	Owned
Firenze Residences	Iloilo Business Park, Iloilo City	Owned
Grand Westside Hotel	Westside City, Parañaque City	Joint Venture
Montrose Parkview	Pampanga City	Owned
Northwin Main Street 1A	Bulacan	Joint Venture
One Crown Suites	Manila	Owned
Porto Hotel District and Mercato Shophouse District	Palawan	Owned
Savoy Hotel Capital Town	Pampanga City	Owned
Savoy Hotel Palawan	Palawan	Owned
Sunny Coast Residential Resort	Westside City, Parañaque City	Joint Venture
Two Regis	The Upper East, Bacolod City	Owned
Vion West (Vion Tower 2)	Pasong Tamo, Makati City	Joint Venture
9 Central Park	Uptown Bonifacio, Taguig	Owned
Arcovia Hotel	Arcovia, Pasig City	Owned
Belmont Hotel Iloilo	Iloilo Business Park, Iloilo City	Owned
CostaVida Residential Resort	Mactan Newtown, Cebu City	Owned
Kesington Sky Garden	The Upper East, Bacolod City	Owned
Kingsford Hotel Bacolod	The Upper East, Bacolod City	Owned
Laurent Park	Manhattan Garden, Quezon City	Joint Venture
Maple Park Residences	Maple Groove, Cavite City	Joint Venture
Ocenafront Premier Residences	Paragua Coastown, Palawan	Joint Venture
One Portwood	Newport City	Owned
Paragua Beach Village Phase 1	Paragua Coastown, Palawan	Joint Venture
Paragua Sands Hotel	Paragua Coastown, Palawan	Joint Venture
Positano Mactan	Mactan Newtown, Cebu City	Joint Venture
Saint Marcel	Capital Town, Pampanga	Owned
The Bellagio	Baytown Palawan	Owned
Uptown Modern	Uptown Bonifacio, Taguig City	Joint Venture
Condominium Units in Completed Projects–Megaworld		
One Central	Makati City	Owned
Greenbelt Madison	Makati City	Owned
Greenbelt Chancellor	Makati City	Owned
Greenbelt Radisson	Makati City	Owned
Greenbelt Excelsior	Makati City	Joint Venture
Greenbelt Hamilton 1 & 2	Makati City	Owned
Paseo Parkview Suites 1,2	Makati City	Owned
Two Central	Makati City	Owned
Paseo Heights	Makati City	Owned
Three Central	Makati City	Owned
The Manhattan Square	Makati City	Joint Venture
Viceroy 1-4	McKinley Hill	Owned
115 Upper McKinley	McKinley Hill	Joint Venture
McKinley Hill Garden Villas	McKinley Hill	Joint Venture
Tuscany Private Estate	McKinley Hill	Joint Venture
Stamford Executive Residences	McKinley Hill	Owned

Description	Location	Owned/Limitations on Ownership
Morgan Suites Executive Residences	McKinley Hill	Owned
The Venice Luxury Residences - Alessandro	McKinley Hill	Owned
The Venice Luxury Residences – Bellini	McKinley Hill	Owned
The Venice Luxury Residences – Carusso	McKinley Hill	Owned
The Venice Luxury Residences – Domenico	McKinley Hill	Owned
The Venice Luxury Residences – Emanuele	McKinley Hill	Owned
The Bellagio 1,2,3	Forbes Town Taguig City	Joint Venture
Forbeswood Heights	Fort Bonifacio	Joint Venture
Forbeswood Parklane 1 & 2	Fort Bonifacio	Joint Venture
8 Forbestown Road	Fort Bonifacio	Joint Venture
One Uptown Residence	Fort Bonifacio	Joint venture
8 Newtown Boulevard	Mactan Newtown, Cebu City	Owned
One Pacific Residence	Mactan Newtown, Cebu City	Owned
150 Newport Boulevard	Newport City	Joint Venture
The Parkside Villas	Newport City	Joint Venture
The Residential Resort at Newport	Newport City	Joint Venture
Palm Tree Villas -1 & 2	Newport City	Joint Venture
Eastwood Le Grand 1 - 3	Eastwood City	Owned
Eastwood Parkview 1 & 2	Eastwood City	Owned
81 Newport Boulevard	Newport, Pasay City	Joint Venture
101 Newport Boulevard	Newport, Pasay City	Joint Venture
One Eastwood Avenue 1 & 2	Eastwood City, Quezon City	Owned
Grand Eastwood Palazzo	Eastwood City	Owned
One Central Park	Eastwood City	Owned
One Orchard Road Tower 1 - 3	Eastwood City	Owned
The Eastwood Excelsior	Eastwood City	Owned
The Eastwood Lafayette 1,2,3	Eastwood City	Owned
One Lafayette Square	Makati City	Owned
Two Lafayette Square	Makati City	Owned
Marina Square Suites	Manila City	Owned
Greenhills Heights	San Juan City	Joint Venture
Golfhill Gardens	Quezon City	Owned
Manhattan Parkway 1-3	Quezon City	Joint Venture
Manhattan Heights– Tower A - D	Quezon City	Joint Venture
Manhattan Parkview 1-3	Quezon City	Joint Venture
Manhattan Parkview Garden	Quezon City	Joint Venture
Golf Hills Terraces	Old Balara, Quezon City	Joint Venture
Kentwood Heights	Cubao, Quezon City	Owned
Narra Heights	Cubao, Quezon City	Owned
Mckinley West Subdivision	McKinley West, Taguig City	Joint Venture
Savoy Hotel Mactan Newtown	Mactan Newtown, Cebu City	Owned
El Jardin Del Presidente 1,2	Quezon City	Owned
8 Wack Wack Road	Mandaluyong City	Owned
Wack Wack Heights	Mandaluyong City	Owned
Cityplace Binondo A&B	Manila City	Owned
One Beverly Place	San Juan	Joint Venture
One Madison Place 1-3	Iloilo City	Owned
The Venice Luxury Residences - Fiorenzo	Fort Bonifacio	Owned
Greenbelt Parkplace	Makati City	Owned

Description	Location	Owned/Limitations on Ownership
Bayshore Residential Resort 1	Westside City, Parañaque City	Joint Venture
Bayshore Residential Resort 2 Ph 1	Westside City, Parañaque City	Joint Venture
Eastwood Park Residences	Eastwood, Quezon City	Owned
Forbeshill Model House 1	Northhill Gateway, Bacolod City	Owned
Forbeshill Model House 2	Northhill Gateway, Bacolod City	Owned
Kingsford Hotel	Westside City, Parañaque City	Joint Venture
Manhattan Plaza	Pedro Gil Manila	Owned
Olympic Heights (1-3)	Eastwood, Quezon City	Owned
The Salcedo Park (1& 2)	Makati City	Megaworld Globus
The Woodridge 1&2	McKinley Hill, Taguig City	Owned
Savoy Hotel	Newport, Pasay City	Joint Venture
Brentwood Heights	Parañaque City	Owned
Sherwood Heights	Parañaque City	Owned
Uptown Ritz Residence	Fort Bonifacio, Taguig City	Joint Venture
St. Moritz Private Estate 1 &2	McKinley West, Fort Bonifacio	Joint Venture
One Machester Place 1 & 2	Mactan Newtown, Cebu	Owned
Salcedo SkySuites	Makati City	Owned
Noble Place	Binondo, Manila City	Joint Venture
The Florence 1-3	McKinley Hill	Owned
Uptown Parksuites 1 & 2	Fort Bonifacio, Taguig City	Joint Venture
The Albany Luxury Residences-Kingsley	McKinley West, Fort Bonifacio	Joint Venture
Lafayette Park Square	Iloilo City	Owned
The Palladium	Iloilo City	Owned
The Ellis	Makati City	Owned
Eastwood Global Plaza Luxury Residences	Eastwood, Quezon City	Owned
Saint Honore	Iloilo City	Owned
One Regis	The Upper East, Bacolod City	Owned
The Verdin	General Trias, Cavite	Owned
St. Mark Residences (VEN-Giovanni)	McKinley Hill	Owned
The Albany Luxury Residences- Yorkshire	McKinley Hill	Joint Venture
San Antonio Residences	Gil Puyat Ave., Makati City	Owned
Saint Dominique	Iloilo City	Owned
Manhattan Plaza Tower 2	Quezon City	Joint Venture
Chelsea Parkplace	Pampanga City	Owned
Arden Westpark Village	Trece Martires City, Cavite	Joint Venture
Maple Grove Commercial District	General Trias, Cavite	Owned
Uptown Arts	Uptown Bonifacio, Taguig	Joint Venture
Arden Botanical Village	Trece Martires City	Joint Venture
Gentry Manor	Westside City, Parañaque City	Joint Venture
Maple Groove Park Village (lot B)	Maple Groove, Cavite City	Joint Venture
Park McKinley West Phase 1	McKinley West, Taguig City	Joint Venture
Rental Properties - Megaworld(1)		
Paseo Center	Makati City	Owned
The World Centre	Makati City	Owned
California Garden Square Retail	Mandaluyong City	Owned
City Place Retail Mall	Manila City	Owned
Lucky Chinatown Mall	Manila City	Owned

Description	Location	Owned/Limitations on Ownership
One Beverly Place Retail	San Juan	Owned
Corinthian Hills Retail	Quezon City	Owned
Global One	Eastwood City	Owned
Techno Plaza 1	Eastwood City	Owned
Techno Plaza 2 Units	Eastwood City	Joint Venture
1800 Eastwood Avenue	Eastwood City	Owned
1880 Eastwood Avenue	Eastwood City	Owned
Cyber One Units	Eastwood City	Owned
IBM Plaza	Eastwood City	Owned
ICITE	Eastwood City	Owned
Eastwood Citywalk	Eastwood City	Owned
Eastwood Mall	Eastwood City	Owned
Cyber Mall	Eastwood City	Owned
E-Commerce Plaza	Eastwood City	Owned
Eastwood Global Plaza Corporate Center	Eastwood City	Owned
Commerce and Industry Plaza	McKinley Hill	Ground Lease
One Campus Place	McKinley Hill	Ground Lease
8 Campus Place	McKinley Hill	Ground Lease
8 Upper McKinley	McKinley Hill	Owned
Science Hub Towers	McKinley Hill	Ground Lease
The Venice Piazza	McKinley Hill	Ground Lease
Three World Square	McKinley Hill	Owned
Two World Square	McKinley Hill	Owned
One World Square	McKinley Hill	Owned
McKinley Parking building	McKinley Hill	Owned
Venice Corporate Center	McKinley Hill	Ground Lease
The Venice Canal Mall	McKinley Hill	Ground Lease
Woodridge Residences	McKinley Hill	Joint Venture
Tuscany Retail	McKinley Hill	Joint Venture
Southeast Asian Campus	McKinley Hill	Ground Lease
Burgos Circle	Fort Bonifacio, Taguig City	Joint Venture
Uptown Parade	Uptown Bonifacio, Taguig City	Joint Venture
Uptown Place Mall	Uptown Bonifacio, Taguig City	Joint Venture
One World Center	Mactan Newtown, Cebu	Owned
Two World Center	Mactan Newtown, Cebu	Owned
Richmonde Tower	Iloilo Business Park, Iloilo City	Owned
One Global Center	Iloilo Business Park, Iloilo City	Owned
Emperador Steel Parking Building	Fort Bonifacio, Taguig City	Ground Lease
Uptown Place Towers	Uptown Bonifacio, Taguig City	Joint Venture
8 Newtown Boulevard	Mactan Newtown, Cebu	Owned
One Techno Place	Iloilo Business Park, Iloilo City	Owned
Two Global Center	Iloilo Business Park, Iloilo City	Owned
Festive Walk Mall Annex	Iloilo Business Park, Iloilo City	Owned
Festive Walk Office Tower	Iloilo Business Park, Iloilo City	Owned
Festive Walk Mall	Iloilo Business Park, Iloilo City	Owned
Festive Walk Parade 2B	Iloilo Business Park, Iloilo City	Owned
Mactan Alfresco	Mactan Newtown, Cebu	Owned
Tower One Plaza Magellan	Mactan Newtown, Cebu	Owned
One West Campus	McKinley West, Taguig City	Joint Venture

Description	Location	Owned/Limitations on Ownership
Two West Campus	McKinley West, Taguig City	Joint Venture
Three West Campus	McKinley West, Taguig City	Joint Venture
Five West Campus	McKinley West, Taguig City	Joint Venture
Six West Campus	McKinley West, Taguig City	Joint Venture
Eight West Campus	McKinley West, Taguig City	Joint Venture
Ten West Campus	McKinley West, Taguig City	Joint Venture
McKinley West Steel Deck Parking	McKinley West, Taguig City	Joint venture
331 Building	Makati City	Owned
Three Techno Place	Iloilo Business Park, Iloilo City	Owned
81 Newport Square	Newport City, Pasay City	Joint Venture
Davao Finance Center	Davao Park District, Davao City	Owned
Arcovia Parade Retail 1 & 2	Arcovia City, Pasig City	Owned
Two Techno Place	Iloilo Business Park, Iloilo City	Owned
Pacific World Tower	Mactan Newtown, Cebu	Owned
The Newtown School of Excellence	Mactan Newtown, Cebu	Owned
World Commerce Place (Uptown Eastgate)	Uptown Bonifacio, Taguig City	Joint Venture
One Fintech Place	Iloilo City	Owned
Two Fintech Place	Iloilo City	Owned
One Le Grand Tower	McKinley West, Taguig City	Joint Venture
Enterprise One	Iloilo Business Park, Iloilo City	Joint Venture
Enterprise One	Iloilo Business Park, Iloilo City	Owned
International Corporate Plaza	Iloilo Business Park, Iloilo City	Joint Venture
International Finance Center	Uptown Bonifacio, Taguig City	Joint Venture
No. 1 Upper East Avenue	The Upper East, Bacolod City	Owned
No. 5 Upper East Avenue	The Upper East, Bacolod City	Owned
One Corporate Place	Cavite City	Owned
One Republic Plaza	Davao Park District, Davao City	Owned
Pasudeco Tower 1	Pampanga	Owned
Hotels		
The Richmonde Hotel (2)	Mandaluyong City	Owned
Eastwood Richmode Hotel(2)	Quezon City	Owned
Belmont Luxury Hotel	Newport City, Pasay City	Joint Venture
Richmonde Hotel Iloilo	Iloilo Business Park, Iloilo City	Owned
Hotel Lucky Chinatown	Manila City	Owned
Belmont Hotel Mactan	Mactan Newtown, Cebu	Owned
Condotels under development		
Belmont Hotel Mactan	Mactan Newtown, Cebu	Owned
Belmont Hotel Iloilo	Iloilo Business Park, Iloilo City	Owned
Completed Projects – Empire East		
Little Baguio Gardens	San Juan, Metro Manila	Owned
Laguna BelAir 1 and 2	Don Jose, Sta. Rosa, Laguna	Joint Venture
Governors Place	Mandaluyong City	Joint Venture
Gilmore Heights	Gilmore Ave. cor N.Domingo, Quezon City	Joint Venture

Description	Location	Owned/Limitations on Ownership
Kingswood Tower	Makati City	Joint Venture
San Francisco Gardens	Mandaluyong City	Joint Venture
Greenhills Garden Square	Santolan Road, Quezon City	Owned
Central Business Park	Manggahan, Pasig City	Owned
Xavier Hills	Quezon City	Joint Venture
California Garden Square	DM Guevarra Mandaluyong City	Owned
The Rochester	Pasig City	Owned
Laguna BelAir 3	Biñan, Laguna	Owned
Laguna BelAir 4	Sta. Rosa City	Owned
San Lorenzo Place	Makati City	Joint Venture
The Sonoma	Sta. Rosa City	Joint Venture
The Cambridge Village	Cainta, Rizal	Owned
Covent Gardens	Sta. Mesa, Manila	Owned
Mango Tree Residences	San Juan City	Owned
Little Baguio Terraces	San Juan, Metro Manila	Joint Venture
Ongoing Projects- Empire East		
Pioneer Woodlands	Mandaluyong City	Joint Venture
The Paddington Place	Mandaluyong City	Owned
Kasara Urban Resort Residences	Eagle St., Pasig City	Owned
Southpoint Science Park	Gimalas, Balayan, Batangas	Owned
Empire East Highland City	Pasig City and Cainta, Rizal	Joint Venture
Subdivisions, condominiums, condotels, townhouses and leisure development projects- GERI:		
8 Sto. Domingo Place	Quezon City	Joint Venture
Caliraya Springs	Cavinti, Laguna	Joint Venture
Cathedral Heights	Quezon City	Joint Venture
Fairways & Bluewater	Boracay, Aklan	Owned
Eastland Heights	Antipolo City	Joint Venture
Goldridge Estate	Guiguinto, Bulacan	Joint Venture
Holiday Homes	Gen. Trias, Cavite	Joint Venture
Magnificat Executive Village	Lipa, Batangas	Joint Venture
Mango Orchard	Naic, Cavite	Joint Venture
Manila Southwoods	Carmona & GMA Cavite	Joint Venture
Monte Cielo De Naga	Naga City	Joint Venture
Monte Cielo De Peñafrancia	Naga City	Joint Venture
Newcoast Shophouse District	Malay, Aklan	Joint Venture
Pahara at Southwoods	GMA, Cavite	Joint Venture
Palmridge Point	Talisay, Batangas	Joint Venture
Alabang West	Las Piñas City	Joint Venture
Plaridel Heights	Plaridel, Bulacan	Joint Venture
Puerto Del Mar	Lucena City	Joint Venture
Residencia Lipa	Lipa, Batangas	Joint Venture
Riverina	San Pablo City	Joint Venture
Savoy Hotel Boracay*	Malay, Aklan	Owned
Sta. Barbara Heights Residential Estate	Sta. Barbara, Iloilo	Joint Venture
Sta. Barbara Heights Shophouse District	Sta. Barbara, Iloilo	Joint Venture
Domaine Le Jardin	Laurel, Batangas	Owned
Windsor Heights	Tagaytay	Joint Venture

Description	Location	Owned/Limitations on Ownership
Vineyard Residences	Laurel, Batangas	Owned
Holland Park	Biñan, Laguna	Joint Venture
Tulip Gardens	Biñan, Laguna	Joint Venture
Oceanway Residences	Malay, Aklan	Owned
Belmont Hotel Boracay*	Malay, Aklan	Owned
Chancellor Hotel Boracay*	Malay, Aklan	Owned
Ocean Garden Villas	Malay, Aklan	Owned
Lucerne at Domaine Le Jardin	Laurel, Batangas	Owned
The Belvedere	Laurel, Batangas	Owned
Vineyard Manor	Laurel, Batangas	Owned
Twin Lakes Hotel*	Laurel, Batangas	Owned
The Hamptons Caliraya	Cavinti, Laguna	Joint Venture
Queensborough	Mexico, Pampanga	Joint venture
The Fifth	Pasig City	Joint Venture
Parkridge Estate	Antipolo City	Owned
Town Center North Boutique Hotel District	Malay, Aklan	Joint Venture
Bocaray Newcoast Village	Malay, Aklan	Joint Venture
The Upland Estates	GMA, Cavite	Joint Venture
Arden Botanical Estate	Trece Martires City, Cavite City	Joint Venture
Fairways and Bluewater Villas*	Boracay, Malay, Aklan	Owned
Sherwood Hills	Trece Martires City, Cavite City	Joint Venture
Countrywoods	Laurel, Batangas	Owned
Capitol Plaza	Quezon City	Co-development
Lialto Beach and Golf Estates	Lian, Batangas	Joint Venture
Rental Properties- GERI		
Southwoods Mall	Biñan, Laguna	Owned
Southwoods Office Towers	Biñan, Laguna	Owned
Twin Lakes Shopping Village	Laurel, Batangas	Owned
Renaissance 1000 (Office Tower)	Pasig City	Owned
Alabang West Parade	Las Piñas City	Owned
D'Olive	Antipolo City	Owned
Newcoast Beachwalk	Malay, Aklan	Owned
Mercato at Sta. Barbara	Sta. Barbara, Iloilo	Owned
Hotels under Travellers		
Marriott Hotel Manila	Newport City	Owned
Holiday Inn Express Manila Newport City	Newport City	Owned
Hilton Manila	Newport City	Owned
Sheraton Manila Hotel	Newport City	Owned
Hotel Okura Manila	Newport City	Owned
Courtyard by Marriott Iloilo	Iloilo City	Owned

Notes:

⁽¹⁾ Lease terms and rental rates vary depending on the property and the lessee.

⁽²⁾ The Richmond Hotel and Eastwood Richmond Hotel are operated by a subsidiary of Megaworld.

* Hotel operations under GERI.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

MARKET PRICE AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

a. Market Information

The Company's common shares are traded on the Philippine Stock Exchange under the symbol of AGI. The closing price of the said shares on March 31, 2026 is P8.98. The trading prices of the said shares for each quarter within the last two years and subsequent interim period are set forth below (Source: PSE Research Dept):

	2024				2025				2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
High	11.78	10.40	9.79	9.90	8.99	9.74	9.19	9.00	9.37
Low	9.46	8.25	8.50	8.58	5.90	5.76	6.99	6.20	7.12

b. Shareholders

As of March 31, 2026, the Company has 986 stockholders, including nominees, holding 8,743,418,279 common shares and the Top Twenty Stockholders were as follows:

Rank	Stockholder	No. of Shares Held	Per Cent to Total
1	The Andresons Group, Incorporated	4,888,263,994	55.908
2	PCD Nominee Corporation (Non-Filipino) ¹	1,470,251,822	16.816
3	PCD Nominee Corporation (Filipino)	1,021,786,994	11.686
4	Altavision Resources, Inc.	887,678,334	10.153
5	Yorkshire Holdings, Inc.	255,773,508	2.925
6	Eastwood Property Holdings, Inc.	112,600,000	1.288
7	Andrew L. Tan	63,684,349	0.728
8	Andresons Global, Inc.	30,088,596	0.344
9	Megaworld Cebu Properties, Inc.	10,000,000	0.114
10	Lucio W. Yan &/or Clara Y. Yan	1,000,000	0.011
11	First Centro, Inc.	364,200	0.004
12	Jianhua Su	202,500	0.002
13	American Wire & Cable Co., Inc.	200,000	0.002
14	Praful Rana	123,300	0.001
15	Ramon C. Garcia	100,000	0.001
16	Rupesh S. Narvekar	100,000	0.001
17	Pacifico B. Tacub	90,000	0.001
18	Sang Won Lee	52,500	0.001
19	Victoriano G. Sy, Jr.	32,749	0.000
20	AF-Consult LTD (Philippines) Branch Office	29,400	0.000

Please refer to Item 11 on page 88 for stockholders holding 5% or more.

¹PCD Nominee Corporations (Non-Filipino and Filipino) is comprised of several nominees and the participants with 5% or more are indicated in Security Ownership on p99.

c. Dividends in the Two Most Recent Years And Subsequent Interim Period

It is the Company's policy to periodically declare a portion of its unrestricted retained earnings as dividend usually in the third quarter of each year. The declaration of dividends depends upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends out of its unrestricted retained earnings only. Unrestricted retained earnings

represent the net accumulated earnings of the Company, with its capital unimpaired, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Cash dividends are subject to the approval by the Board of Directors ("BOD"). Stock dividends are subject to the approval by both the BOD and at least two-thirds (2/3) of the outstanding capital stock of the stockholders at a stockholders' meeting called for such purpose.

On December 10, 2024, the Company declared cash dividends of Php0.10 per share payable on January 24, 2025 to all stockholders of record as of December 27, 2024. On December 5, 2025, the Company declared cash dividends of Php0.10 per share payable on January 16, 2026 to all stockholders of record as of December 22, 2025.

d. Recent Sales or Issuance of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction, Within the Past Three Years

Following the Securities and Exchange Commission's confirmation of exemption from registration under Philippine Securities Law, and the Philippine Stock Exchange's approval to list warrants, the Company conducted a warrants offering from December 4 to 11, 2025, which resulted in the issuance of 2,203,548,165 Warrants on December 19, 2025. The Warrants were offered to existing shareholders at Fifty centavos (Php0.50) per warrant, with an exercise ratio of one (1) warrant to one (1) common share at an exercise price of Php12.00 per share, excluding the warrants' offer price. The subscribed Warrants may be converted after the twelfth (12th) month from the issue date, within the first 2 trading days of each month thereafter, but no later than the date immediately preceding the fifth (5th) anniversary of the issue date.

The Company does not have any recent sales or issuance of unregistered or exempt securities, including issuance of securities constituting an exempt transaction in the past three years.

5. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis must be read in conjunction with the submitted audited consolidated financial statements and the related notes to the consolidated financial statements.

a. Key Performance Indicators – Top Five

In Million Pesos	2025	2024	2023	2022	YoY 2025	%	YoY 2024	%	YoY 2023	%
REVENUES AND INCOME	189,608	223,564	210,814	183,612	(33,957)	(15.2)	12,750	6.0	27,202	14.8
NET PROFIT ["NP"]	30,603	27,919	30,349	25,189	2,684	9.6	(2,431)	(8.0)	5,160	20.5
NET PROFIT TO OWNERS ["NPO"]	20,725	17,364	19,615	16,108	3,361	19.4	(2,252)	(11.5)	3,508	21.8
EBITDA	59,251	60,527	59,298	51,132	(1,276)	(2.1)	1,230	2.1	8,166	16.0
NP rate ["NPR"] %	16.14	12.49	14.40	13.72						
NPO rate ["NPOR"] %	10.93	7.77	9.30	8.77						
EBITDA Margin %	31.25	27.07	28.13	27.85						
Return on investment/assets [NP/TA] %	3.57	3.39	3.88	3.37						
Excluding QSR's consolidated numbers*:										
Revenues and income	176,229	176,414			(184)	(0.1)				
NP	26,998	26,488			511	1.9				
NPO	17,260	17,182			78	0.5				
EBITDA	54,555	54,117			438	0.8				
NPR	15.32	15.01								
NPOR	9.79	9.74								
EBITDA Margin %	30.96	30.68								
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	YoY 2025	%	YoY 2024	%	YoY 2023	%
TOTAL ASSETS	858,387	824,079	782,543	748,020	34,308	4.2	41,536	5.3	34,523	4.6
CURRENT ASSETS	395,780	393,684	380,854	375,183	2,095	0.5	12,831	3.4	5,671	1.5
CURRENT LIABILITIES	153,764	150,121	161,112	158,523	3,643	2.4	(10,991)	(6.8)	2,588	1.6
Current ratio	2.57x	2.62x	2.36x	2.37x						
Quick ratio	0.98x	1.06x	0.97x	1.09x						
	2025	2024	2023	2022	YoY 2025	%	YoY 2024	%	YoY 2023	%
Profit before tax and interest ["EBIT"]	49,364	48,681	48,586	39,833	683	1.4	95	0.2	8,753	22.0
Interest expense	12,024	12,927	10,821	8,517	(902)	(7.0)	2,106	19.5	2,303	27.0
Interest coverage rate [EBIT]	4.11	3.77	4.49	4.68						
Interest coverage rate [EBITDA]	4.93	4.68	5.48	6.00						
Excluding QSR's consolidated numbers*:										
EBIT	45,365	45,478			(113)	(0.2)				
Interest expense	11,843	11,996			(153)	(1.3)				
Interest coverage rate [on EBIT]	3.83	3.79								
Interest coverage rate [on EBITDA]	4.61	4.51								

*For a more fitting comparison, the deconsolidated segment [GADC] was stripped out from the 2025 and 2024 comparative periods line-by-line, including the P3.4 billion gain in its deconsolidation, yet included AGI's share in GADC's NPO in both comparative periods. GADC was consolidated for a short period in 2025, i.e. up to March 16, 2025.

- o Revenue growth – measures the percentage change in revenues over a designated period of time. Performance is measured both in terms of amount and volume, where applicable.
- o Net profit growth – measures the percentage change in net profit over a period of time.
- o Net profit rate – computed as percentage of net profit to–revenues – measures the operating efficiency and success of maintaining satisfactory control of costs.
- o Return on asset investment [or capital employed] – the ratio of net profit to total assets – measures the degree of efficiency in the use of resources to generate net income.
- o Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities.
- o Interest coverage ratio – computed as profit before interest expense, tax expense, depreciation and amortization ("EBITDA") divided by interest expense – measures the business' ability to meet its interest payments.

b. Discussion and Analysis of Operations

b.1. Results Of Operations for the Last Three Years

The **global economic environment** from 2023 to 2025 transitioned into a period of subdued growth against high inflation, high interest rates and disrupted supply chains (caused by geopolitical volatility). Real GDP growth worldwide slowed down to 3.3% in 2023 and remained steady at % 3.4% in 2024 and 2025 while global inflation rate average has been seen leveling downward from 6.8% in 2023 to 5.8% in 2024 to 4.1% in 2025.¹⁷ World consumer price index, however, remained high from 125 points in 2023 down to 122.0 points in 2024 to 127.2 points in 2025.¹⁸ These external headwinds impacted consumer sentiment, cost structures, and international trade dynamics.

Meanwhile, the **Philippine economy** posted steady GDP growth of 5.6% in 2023 and 2024 before it eased to 4.4% in 2025.¹⁹ Inflation in the Philippines showed notable downward trend to 1.7% in 2025, a significant improvement from 3.2% in 2024 and 6.0% in 2023, yet consumer prices remained high. Consumer price index reached 128 points for the year 2025 as compared to 126 points for 2024 and 122 points for 2023.

With these global and domestic economic challenges persisted, the **AGI Group** consistently demonstrated resilience and adaptability. Through its diverse businesses, solid brand equity, and strategic agility, the Group delivered strong performance in the last three years. Leveraging its established brands and financial discipline, the Group sustained positive consolidated topline results over the last three years. The Group' bottom line was also moving on an upward growth trajectory which was halted in 2024 by the effects of still-high inflation, high interest rates and weak foreign currency but recovered growth in 2025.

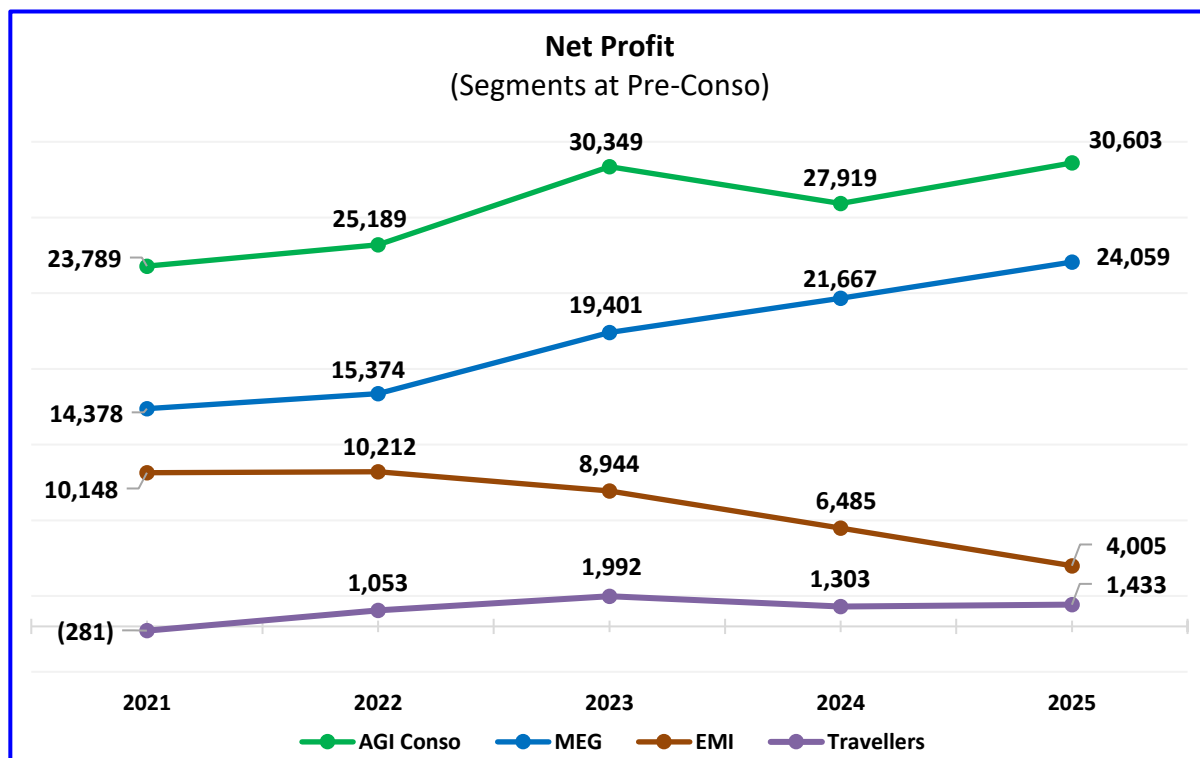
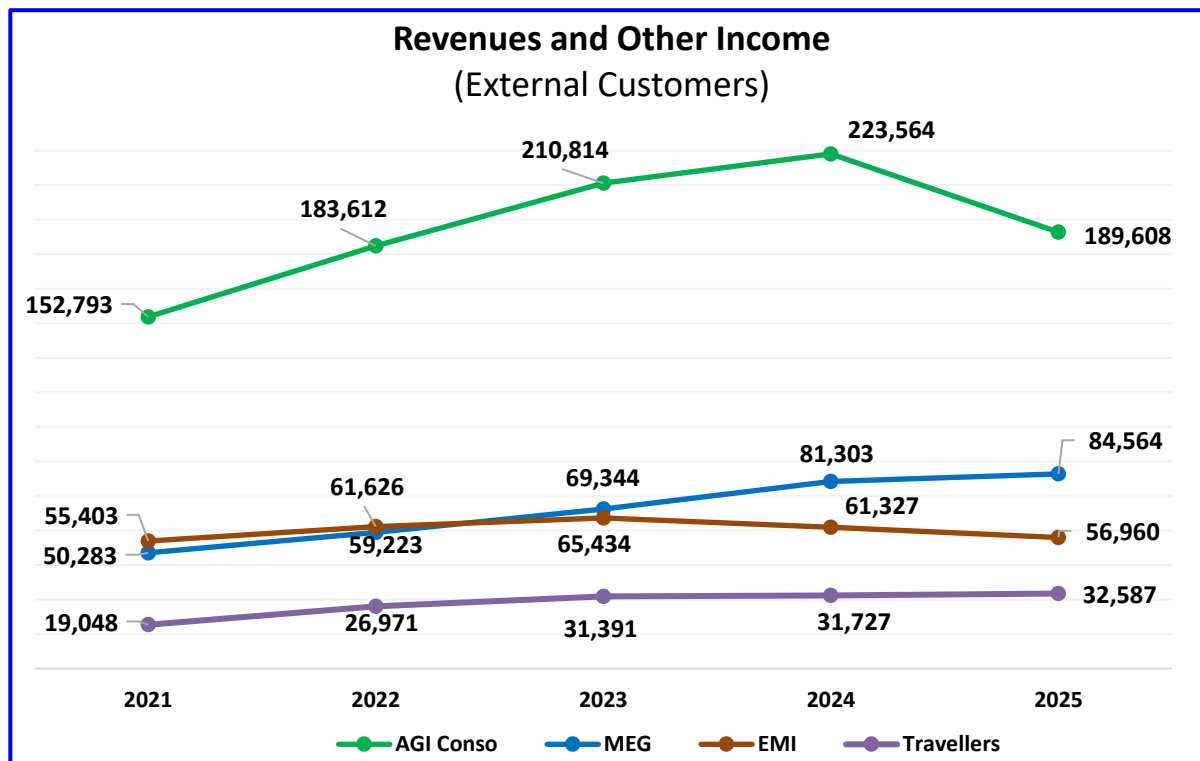
At present, the Group is organized into three major business segments, which aptly correspond to its operating subsidiaries, namely Megaworld, Emperador, and Travellers or NWR which in turn represent the main products and services provided by the Group and the lines of business in which the Group operates (namely, real estate property development and leasing, manufacture and distribution of distilled spirits, and leisure-entertainment and hospitality). GADC was a major segment up to March 16, 2025 only, representing the quick-service restaurants ("CSR") operations. (See Note 4 to the ACFS.) Effective March 17, 2025 GADC was **deconsolidated** and ceased to be a business segment as it becomes an associate from that date, yet the Group's ownership over GADC has not changed (see Note 1.2(a) to ACFS). From then on, it is accounted for at equity method wherein the Group's share in its net profits, corresponding to the Group's ownership interest, is being taken up.

¹⁷ Source: [statista.com/statistics](https://www.statista.com/statistics)

¹⁸ Source: [tradingeconomics.com](https://www.tradingeconomics.com)

¹⁹ Philippine GDP and inflation rates sourced from Philippine Statistics Authority at [tradingeconomics.com](https://www.tradingeconomics.com)

The following discussion presents the consolidated results of operations of the Group **by business segments** (in million pesos).



By business segments, based on pre-conso results:

2025	MEG	EMI	TRAV	GADC ¹	OTHERS	TOTAL
REVENUES AND INCOME						
% contribution	44.6%	30.0%	17.2%	5.3%	2.9%	100.0%
External customers	84,564	56,960	32,587	10,070	5,426	189,608
Intercompany/ Reclass	226	83	1,062	(5)	13,579	14,943
Total - as reported at subsidiary level ["Pre-Conso"]	84,790	57,043	33,649	10,065	19,005	204,551
COST AND EXPENSES						
% contribution	36.6%	33.5%	21.1%	6.3%	2.6%	100.0%
External/conso level	55,713	50,977	32,119	9,561	3,899	152,268
Intercompany/ Reclass	145	540	10	32	(99)	629
Pre-conso	55,858	51,517	32,129	9,593	3,800	152,897
TAX EXPENSE	4,873	1,520	87	213	43	6,736
% contribution	72.3%	22.6%	1.3%	3.2%	0.6%	100.0%
NET PROFIT						
% contribution	78.4%	14.6%	1.2%	1.0%	4.9%	100.0%
External/conso	23,978	4,463	381	297	1,484	30,603
Intercompany/ Reclass	81	(458)	1,052	(38)	13,678	14,315
Pre-conso	24,059	4,005	1,433	259	15,162	44,918
NET PROFIT TO OWNERS						
% contribution	75.8%	17.0%	-0.7%	0.8%	7.2%	100.0%
External/conso	15,713	3,520	(147)	157	1,482	20,725
Intercompany/ Reclass	81	(458)	1,052	(38)	13,678	14,315
Transfer to minority	5,210	795	609	124	2	6,740
Pre-conso	21,003	3,858	1,514	243	15,162	41,780
2024						
REVENUES AND INCOME						
% contribution	36.4%	27.4%	14.2%	21.6%	0.4%	100.0%
External customers	81,303	61,327	31,727	48,304	905	223,564
Intercompany/ Reclass	384	92	619	35	6,588	7,721
Total - as reported at subsidiary level ["Pre-Conso"]	81,687	61,419	32,346	48,339	7,493	231,285
COST AND EXPENSES						
% contribution	29.2%	28.0%	16.7%	23.9%	2.2%	100.0%
External/conso level	54,792	52,604	31,345	44,878	4,191	187,810
Intercompany/ Reclass	20	697	(418)	217	18	535
Pre-conso	54,812	53,301	30,927	45,095	4,209	188,345
TAX EXPENSE	5,208	1,633	116	841	37	7,836
% contribution	66.5%	20.8%	1.5%	10.7%	0.5%	100.0%
NET PROFIT						
% contribution	76.3%	25.4%	1.0%	9.3%	-11.9%	100.0%
External/conso	21,303	7,090	266	2,584	(3,323)	27,919
Intercompany/ Reclass	364	(605)	1,037	(181)	6,570	7,186
Pre-conso	21,667	6,485	1,303	2,403	3,247	35,105
NET PROFIT TO OWNERS						
% contribution	80.2%	32.5%	-1.3%	7.7%	-19.2%	100.0%
External/conso	13,932	5,651	(228)	1,334	(3,325)	17,364
Intercompany/ Reclass	364	(605)	1,037	(181)	6,570	7,186
Transfer to minority	4,453	1,276	504	1,200	2	1,337
Pre-conso	18,749	6,322	1,314	2,353	3,247	31,985
YoY Change						
Revenues and Income - external customers	3,262	(4,367)	860	n/m	4,521	(33,957)
Cost and Expenses	921	(1,627)	774	n/m	(292)	(35,542)
Tax Expense	(335)	(113)	(29)	n/m	6	(1,099)
Net Profit	2,676	(2,627)	115	n/m	4,808	2,684
Net Profit to Owners	1,781	(2,130)	80	n/m	4,808	3,361
Net Profit pre-conso	2,392	(2,480)	130	n/m	11,914	9,814
Net Profit to Owners pre-conso	2,254	(2,464)	201	n/m	11,914	9,795
YoY Change %						
Revenues and Income - external customers	4.0%	(7.1%)	2.7%	n/m	499.8%	(15.2%)
Cost and Expenses	1.7%	(3.1%)	2.5%	n/m	(7.0%)	(18.9%)
Tax Expense	(6.4%)	(6.9%)	(24.9%)	n/m	16.2%	(14.0%)
Net Profit	12.6%	(37.1%)	43.4%	n/m	(88.5%)	9.6%
Net Profit to Owners	12.8%	(37.7%)	(35.2%)	n/m	(144.6%)	19.4%
Net Profit pre-conso	11.0%	(38.2%)	10.0%	n/m	366.9%	28.0%
Net Profit to Owners pre-conso	12.0%	(39.0%)	15.3%	n/m	366.9%	30.6%

Notes: Numbers may not add up due to rounding off. Numbers presented may slightly differ due to reclassifications for alignment made at consolidation level. ¹ GADC in 2025 was up to March 16, 2025 only; thus comparisons are not meaningful ("n/m")

These are further reflected in the profit and loss accounts, as follows [note: the below accounts included results from GADC up to March 16, 2025]:

In Million Pesos	2025	2024	2023	2022	YoY 2025	YoY % 2025	YoY % 2024	YoY % 2023
REVENUES AND OTHER INCOME								
Sale of goods	108,524	112,405	107,859	98,235	(3,881)	(3.5)	4.2	9.8
Consumer goods	56,770	61,417	65,138	61,385	(4,646)	(7.6)	(5.7)	6.1
Revenue from real estate (RE) sales	51,754	50,988	42,721	36,850	766	1.5	19.4	15.9
Rendering of services	71,749	106,115	96,901	80,513	(34,366)	(32.4)	9.5	20.4
Gaming	31,405	31,979	34,192	31,830	(574)	(1.8)	(6.5)	7.4
Less: Promotional allowance	(7,172)	(8,589)	(9,700)	(10,227)	(1,416)	(16.5)	(11.5)	(5.2)
Net Gaming	24,232	23,390	24,492	21,603	842	3.6	(4.5)	13.4
Sales by company-operated quick-service restaurants	9,272	43,924	38,962	31,305	(34,652)	(78.9)	12.7	24.5
Franchise revenues	734	3,984	3,865	3,141	(3,250)	(81.6)	3.1	23.0
Rental Income	22,218	20,027	18,189	15,946	2,191	10.9	10.1	14.1
Others	15,292	14,790	11,393	8,517	502	3.4	29.8	33.8
Hotel operations	11,393	11,288	9,269	6,730	106	0.9	21.8	37.7
Other services	3,898	3,502	2,123	1,787	396	11.3	64.9	18.8
Share in net profits of associated and joint ventures	188	-	46	-	188		(100.0)	
Finance and other income	9,146	5,044	6,008	4,864	4,102	81.3	(16.0)	23.5
TOTAL	189,608	223,564	210,814	183,612	(33,957)	(15.2)	6.0	14.8
COSTS AND EXPENSES								
Cost of goods sold	65,018	67,788	65,348	60,598	(2,770)	(4.1)	3.7	7.8
Consumer goods sold	39,935	42,407	43,743	42,043	(2,472)	(5.8)	(3.1)	4.0
RE sales	25,083	25,381	21,605	18,555	(298)	(1.2)	17.5	16.4
Cost of services	28,457	57,665	51,986	42,934	(29,208)	(50.7)	10.9	21.1
Gaming	10,253	10,679	10,754	9,432	(425)	(4.0)	(0.7)	14.0
Services	18,204	46,986	41,231	33,501	(28,783)	(61.3)	14.0	23.1
Other operating expenses	45,570	47,345	43,397	37,922	(1,775)	(3.7)	9.1	14.4
Selling and marketing	15,428	16,322	17,458	12,723	(894)	(5.5)	(6.5)	37.2
General and administrative	30,142	31,023	25,939	25,200	(881)	(2.8)	19.6	2.9
Share in net losses of associates and joint ventures	-	212	-	41	(212)	(100.0)	0.0	(100.0)
Finance cost and other charges	13,223	14,799	12,318	10,801	(1,576)	(10.6)	20.1	14.0
TOTAL	152,268	187,810	173,049	152,297	(35,542)	(18.9)	8.5	13.6
TAX EXPENSE	6,736	7,836	7,416	6,126	(1,099)	(14.0)	5.7	21.1
NET PROFIT	30,603	27,919	30,349	25,189	2,684	9.6	(8.0)	20.5
NET PROFIT TO OWNERS	20,725	17,364	19,615	16,108	3,361	19.4	(11.5)	21.8
NET PROFIT EX QSR	26,998	26,488			511	1.9		
NET PROFIT TO OWNERS EX QSR	17,260	17,182			78	0.5		

For the Year Ended December 31, 2025 vs. 2024

The Group, as one of the country's leading conglomerates, achieved a robust growth by leveraging its diverse business portfolio and operational discipline. This strategic focus resulted in year-on-year ("YoY") margin expansion, despite a volatile market environment.

Net profit ("NP") reached ₱30.6 billion, a 10% increase YoY, while net profit attributable to owners ("NPO") saw an impressive 19% jump to ₱20.7 billion, supported by a total revenues and income (alternatively, "topline") of ₱189.6 billion. This growth was accompanied by significant margin expansion, with gross ("GPR"), net ("NPR") and NPO ("NPOR") rates climbing to 48%, 16% and 11% - all showing marked improvement over the previous year's levels.

The deconsolidation of the QSR business segment on March 17, 2025 affected the line-by-line financial comparisons. Furthermore, this transition yielded a non-recurring gain of ₱3.4 billion recognized in the current year.

Adjusting for the QSR deconsolidation ("ex-QSR", the Group maintained a stable topline of ₱176.2 billion, with real estate, leasing and hotel businesses driving a modest YoY increase in net profit. With the lower-margin QSR segment excluded, GPR expanded to 50% (from 48% last year), maintaining a steady 49% throughout the quarters as the portfolio leaned into higher-margin revenue streams. While

business acceleration led to higher operating expenses (ex-QSR), prudent cost control and lower finance costs and other charges kept the bottom line resilient. Consequently, NPR edged up to 15% while NPOR remained stable at 10%. EBITDA margin held steady at 31%, matching last year's comparable performance and underscoring operational efficiency.

By business segments

The following discussions are based on **pre-consolidation results**, i.e. the numbers reported separately by the major subsidiaries (these may vary slightly from the preceding chart where alignment reclassifications were done at AGI level):

Megaworld, one of the country's largest real estate developer and pioneer in township developments, continued its sturdy growths with consolidated revenues and income of ₱85.9 billion, NP of ₱24.1 billion and NPO of ₱21.0 billion, respectively increasing 5%, 11% and 12% YoY. All its business segments contributed strongly to this healthy performance.

Costs and expenses rose 4% YoY to ₱56.9 billion, a pace slower than revenue growth indicating improved operating leverage. While operating expenses went up 11% YoY, finance and other charges went down due to last year's FOREX losses (materially reduced this year). GPR, NPR and NPOR improved by 1 percentage to stand at 50%, 28% and 24%, respectively (from 49%, 27% and 23%).

Real estate sales, Megaworld's main revenue driver, contributed 65% of total revenues as these grew 2% YoY to ₱51.8 billion, supported by stable demand across key developments in Metro Manila and growth centers in the provinces. The strong contributors during the year were projects in Uptown Bonifacio, McKinley West, Westside City, ArcoVia City, Northwin Global City and Iloilo Business Park.

The current brand mix among Megaworld-GERI-Empire East-Suntrust/SLI was 75%-11%-7%-7%. Geographically, 59% of sales were from Metro Manila projects, 27% from the rest of Luzon, and 14% from Vis-Min projects. Reservation sales reached ₱116.5 billion, slightly lower than the ₱131.9 reservation sales last year, while project launches hit ₱20.5 billion. The group's 36th township was launched during the year - the 116-hectare Nascala Coast in Nasugbu, which will be developed by GERI. [It also launched its 37th township in January 2026, The Sugartown- a 97-hectare mixed-use development in Talisay City, Negros Occidental which marked the Group's third township in the Negros Island Region and is strategically located along the Bacolod-Silay Airport Road.]

Rental income accounted for 28% of the group's total revenues (from 26% in 2024), up 11% YoY to ₱21.8 billion. This was led by office leasing revenues of *Megaworld Premier Offices*, driven by contributions from new assets, rental escalations, renewals, and continued take-up from BPO firms and multinational companies within Megaworld's integrated townships. *Megaworld Premier Offices* contributed ₱14.9 billion, up 11% YoY, at a stable occupancy rate of 87%. *Megaworld Lifestyle Malls* generated ₱6.9 billion rental revenues, up 9% YoY, helped by the continued growth in foot traffic which surpassed pre-pandemic levels, stronger consumer activity and sustained tenant expansion across key lifestyle mall developments at 95% high occupancy rate.

Megaworld Hotels & Resorts posted 9% YoY growth in revenues to ₱5.6 billion, buoyed by higher room rates, average occupancy rate of 58%, expanded room counts (including the Grand Westside Hotel that is scheduled to become Movenpick Manila Bay Westside Hotel, making it the world's largest Movenpick hotel property).

These operating results brought in 45%, 78% and 76% to AGI's consolidated topline, NP and NPO, respectively, ranking Megaworld as the biggest contributor among AGI's Business Segments.

Emperador, a global alcoholic beverage group, delivered a resilient performance against a softer and evolving global spirits landscape²⁰. The group ended 2025 with revenues and income of ₱57.0 billion, a

²⁰ 2025 was a particularly difficult trading environment for the beverage alcohol industry. Continued economic challenges caused severe disruption across the sector. Continued increases in cost of living put further pressure on discretionary spending. Source: www.theiwsr.com/insight/press-release dated April 2, 2026. [See footnotes 51-55 also]
The global total beverage alcohol ("TBA") volume declined in the last three years [-1% in 2023 and 2024, and -2% in 2025 (based on 2025's preliminary data)] and value showed an easing pattern as well (+2% in 2023, +1% in 2024, -4% in 2025). Spirits was the worst performing major category in 2025 with TBA volumes down by 4% and value by 9%. Source: theiwsr.com/insight

7% dip year-on-year (“YoY”) as the broader slowdown in global spirits market hit the Scotch Whisky segment significantly harder than the Brandy segment. While external Scotch Whisky sales trailed 16% YoY, external Brandy sales remained stable, effectively buoying the group’s overall margins. NP reached ₱4.0 billion - with ₱3.9 billion NPO - as higher interest costs and unrealized foreign currency losses further weighed on the bottom line.

The group maintained a modest 30% GPR (from 31% a year ago) despite an 11% decline in its consolidated gross profit as the group focused on cost discipline. NPR and NPOR eased to 7% (from 10%), largely due to Scotch Whisky segment’s margin compression while the Brandy segment maintained a modestly consistent margin, effectively protecting the overall margins. EBITDA margin moderated to 16% from 18% a year ago.

The group’s global business maneuvered the global spirits industry challenges, remaining resilient due to its diversified product portfolio, which covers numerous price points, and its wide distribution-reach in over 100 global markets. The group maintains its financial strength and business stability, upholding its commitment to sustainability, long-term value creation and market expansion.

Its *Brandy segment* gained traction in France, Italy, the USA and the Philippines while remaining steady in Spain and Mexico. In the Philippines, ‘Fundador Super Special’ and ‘Emperador CLVB’ drove significant momentum, with demand exceeding supply particularly during the fourth quarter. Its profitability ratios showed a healthy uptick with GPR of 24% (from 21%), NPR of 6% and NPOR of 5%. The EBITDA rate improved to 14% (from 13%).

The *Scotch Whisky segment* results were hit hard by an industry-wide global slowdown attributed to shifts in consumer demand and high cost of living. While demand softened in most markets, the segment saw resilience in the UK and India. Furthermore, the blended ‘Whyte&Mackay’ remained strong throughout the year and the single malts ‘Dalmore’, ‘Jura’, and ‘Tamnavulin’ showed improved traction in fourth quarter on a QoQ basis. The segment’s profitability ratios showed moderation with GPR of 38% (from 43% a year ago), NPR of 9% (from 18%). EBITDA rate stood at 18% (from 25%).

The group contributed 30% to AGI’s consolidated revenues and income, 15% to consolidated NP and 17% to consolidated NPO.

Travellers, the Group’s integrated leisure and tourism arm, delivered a strong performance in 2025 through operational improvements and tighter cost management. It recorded net revenues of ₱31.9billion, a 2% YoY increase. GPR improved expanded to 46% (up from 43%), driven by successful cost optimization – specifically a 3% reduction in direct costs and a 16% decline in promotional allowances following a shift away from VIP gaming – in spite of 2% dip in gross gaming revenues to ₱31.4 billion.

Despite a 6% decrease in non-gaming revenues (largely due to the Courtyard Hotel operational transfer) to ₱5.8 billion, hotel occupancy saw a marked improvement, ranging from 86% to 94% (from 80%-91%).

Although operating expenses rose 15% to ₱10.5 billion on the back of marketing and depreciation, Travellers achieved an EBITDA of ₱9.0 billion (+7% YoY). NP and NPO climbed significantly to ₱1.4 billion and ₱1.5 billion, respectively, representing a 15% and 21% jump, respectively.

Travellers group accounted for 17% of AGI’s consolidated revenues and income and 1% to consolidated NP and consolidated NPO .

By profit and loss accounts:

Revenues and income, as explained in the foregoing discussions, fell 15% YoY (-₱34.0 billion) to ₱189.6 billion primarily due to the impact of QSR deconsolidation. **Sale of goods** (real estate, alcoholic beverages and snack products) declined 3% (-₱3.9 billion) to ₱108.5 billion, driven by the 8% contraction (-₱4.6 billion) in sales of consumer goods to ₱56.8 billion reflecting an industry-wide slowdown triggered by persistent inflation and shifting consumer preferences. The contraction, however, was trimmed by a 2% increase (+₱0.8 billion) in real estate sales to ₱51.8 billion. **Rendering of services** (gaming, cinemas and theaters, leasing, QSR, hotels and other related services) seemed

to shrink -32% (-P34.4 billion) to P71.7 billion, due to lopsided comparative numbers in sales of owned QSR (-P34.6 billion) and franchise revenues (-P3.2 billion), as had been previously discussed. Rental income increased 11% (+P2.2 billion) to P22.2 billion, and hotel operations and other services improved 3% (+P0.5 billion) to P15.3 billion. Net gaming revenues also improved 4% (+P0.8 billion) to P24.2 billion despite lower volumes. **Share in net profit of associates and joint ventures** turned around from reported loss last year to P0.2 billion, mainly due to share in net profit of GADC from March 17 to December 31, 2025. **Finance and other income** ballooned 81% YoY (+P4.1 billion) to P9.1 billion, mainly due to gain on QSR deconsolidation and gain on sale of investment in an associate during the year.

Costs and expenses decreased 19% YoY (-P35.5 billion) to P152.3 billion, mainly attributed to GADC's short consolidated period in 2025. **Cost of goods sold** dipped 4% (-P2.8 billion) to P65.0 billion, while **cost of services** dipped declined 51% (-P29.2 billion) to P28.5 billion. **Other operating expenses** declined 4% YoY (-P1.8 billion) to P45.6 billion, accounting for 24% of topline versus 21% during the same period last year, tempered by the lost numbers from deconsolidation. **Finance costs and other charges** dropped 11% YoY (-P1.6 billion) to P13.2 billion due mainly to lower foreign currency losses and lower interest expense.

Tax expense went down 14% (-P1.1 billion) to P6.7 billion from lower taxable profit, tax effects of deductible temporary differences and by lost numbers from QSR deconsolidation.

EBITDA amounted to P59.2 billion, exhibiting EBITDA rate of 31% (from 27%). Ex-QSR, EBITDA amounted to P54.6 billion for an EBITDA rate of 31% for both periods versus 31% a year ago primarily due to higher NP but lower tax expense, depreciation and amortization and interest expense in the current period.

As a result of the foregoing, **NP** and **NPO** were reported at P30.6 billion and P20.7 billion, respectively. Excluding gain on deconsolidation and adding computed equity share on GADC, **NP** and **NPO** amounted to P27.0 billion and P17.3 billion, respectively.

For the Year Ended December 31, 2024 vs. 2023

The Group increased its revenues by 6% YoY to P223.6 billion from P210.8 billion. This growth was primarily driven by strong contributions and double-digit performance from the real estate sales, rentals, quick-service restaurants, and hotel operations. The Group posted NP and NPO of P27.9 billion and P17.4 billion, respectively.

Despite persistent external headwinds, the Group remained focused on operating efficiency, cost discipline and strategic execution to mitigate macroeconomic and industry challenges while preserving financial stability. The GPR held steady at 43%, reflecting effective cost management while NPR and NPOR stood at 12% and 8%, respectively (from 14% and 9%). Operating expenses were maintained at 21% of revenues in both years, although these increased 9% YoY, reflecting the Group's expansion of business activities and its support to brands/projects (advertising and promotions), employees and agents (salaries and benefits, commissions), and to government (taxes and licenses). Meanwhile, finance and other charges increased to 7% of revenues, from 6% in the prior year, due to higher interest expenses and foreign currency losses. These factors contributed to a tempered profitability in 2024.

By business segments, as represented by the major subsidiary groups [based on pre-conso results]:

Megaworld, recognized as the country's biggest office developer and lessor and pioneer in the live-work-play township concept, concluded the year with another exceptional performance with pre-conso revenues, NP and NPO of P81.7 billion, P21.7 billion and P18.7 billion, respectively soaring 17%, 12% and 8% YoY. The strong performance was anchored on double-digit growth in all of its revenue streams, reflecting successful project executions across diversified portfolio. The group's costs and expenses increased by 19% YoY, attributed to continued aggressive expansion, higher interest expense and foreign currency losses incurred during the period. Operating expenses were maintained at 24% of topline, consistent with the previous year. The group's GPR remained stable at 49% for both periods, reflecting sustained cost efficiency in core operations. NPR and NPOR stood at 27% and 23%, respectively, slightly down from 28% and 25% a year ago.

Real estate sales remained a dominant revenue stream, accounting for 67% of Megaworld's consolidated revenues up from 66% in the previous year. Revenues from this segment grew by 19% YoY to P51.0 billion, reflecting strong demand for residential properties in both Metro Manila and key provincial locations. The current brand mix for Megaworld -GERI-Empire East-Suntrust/SLI stood at 72%-12%-6%-10%. About 58% of sales were from Metro Manila projects, 17% from Cavite-Laguna-Batangas-Rizal, and 15% from Visayas Region. Reservation sales for the year reached P131.9 billion, slightly lower than the P139.2 billion recorded in 2023. Megaworld also launched the most number of townships during the year, contributing nearly 400 hectares to its portfolio: the 150ha Lialto Golf and Beach Estate and the 25ha San Benito Private Estate in Batangas; the 84ha Ilocandia Coasttown in Laoag Ctiy; and the 117ha The Upper Central in Cagayan de Oro. With these additions, Megaworld closed 2024 with a total of 35 townships and total land bank of almost 7,000 hectares.

Rental income, which comprised 26% of Megaworld's total revenues (vs 28% a year ago), increased by 10% YoY to P19.7 billion as the company continued to attract high-profile tenants. Megaworld Premier Offices rentals posted a 7% YoY increase to P13.4 billion, registering an average occupancy rate of 86%. The growth was supported by the successful turnover of the International Finance Center in Uptown Bonifacio and the securing of nearly 140,000 sqm of new leases. The office segment continued to highlight its sustainable appeal to multinational companies and top-tier BPO firms. Megaworld Lifestyle Malls rentals reported a 19% YoY surge in rental income to P6.3 billion, mainly driven by nearly 50,000 sqm of new tenant store openings, higher foot traffic and a sustained occupancy rate of 93%.

Megaworld Hotels & Resorts delivered another banner year, registering the highest percentage growth among all revenue streams. Revenues rose by 34% YoY to P5.1 billion, largely buoyed by its expanding MICE capabilities and the continued rebound in both domestic and international travel. Hotels in Metro Manila posted a 71% occupancy, up from 67% a year ago.

These impressive operating results contributed 36%, 76% and 80% to AGI's consolidated revenues and income, NP and NPO, respectively.

Emperador, the world's largest brandy producer and owner of Whyte and Mackay, recognized as the 5th largest Scotch whisky producer globally by production capacity, ended the year 2024 with revenues of P61.6 billion, 6% behind last year's P65.6 billion. The decline was mainly attributed to weakness in consumer demand driven by high living costs resulting in consumers' shift to more affordable product options and moderation. Amid the global rise in prices of input costs and product mix impact, Emperador managed to keep consolidated GPR above 30% of sales. Operating expenses rose 0.7% YoY while interest and other charges jumped 9%YoY due to higher interest on higher principal base this year, resulting in NP and NPO of P6.5 billion and P6.3 billion, respectively. NPR and NPOR were registered at 11% and 10% respectively. EMI continues to pursue its strategic long-term CPI strategy – Contemporize offering, Premiumize portfolio and Internationalize business while adapting to the current trends, which is made possible by its wide range of aging liquid stockholdings.

The Brandy segment turned over revenues and income from external customers at P36.4 billion, a 9% fall YoY. Persisting high living costs resulted in consumers' discretionary spending towards affordable alternatives and moderation, causing the general softening in the domestic and international markets. GPR reached 21% versus 25% a year ago, or a 22% drop in value YoY, due to high cost of inputs, product-sales mix, and, to a modest extent, the Peso to Euro currency weakness. With increased operating expenses of 5% largely on advertising and promotions, decreased other charges of 10% due to lower interest expense, and reduced tax expense of 42% due to lower taxable base, the segment realized NP and NPO of P2.0 billion and P1.8 billion, respectively, with both NPR and NPOR hitting 5%. EBITDA rate reached 13% this year versus 18% last year.

The Scotch Whisky segment turned over revenues and other income from external customers of P25.3 billion, slightly down by 2% YoY due to the global market slowdown attributed to moderation and downtrading. Sales of single malt whiskies took a dip while bulk sales pushed revenues up during the year. GPR remained at 43.5% for both comparable years as the segment managed its costs. Operating expenses went down 3% YoY, in spite of increased spending on advertising and promotions and salaries and benefits which was tempered by the release of excess onerous lease provision during the year. Interest expense surged 2.6 times YoY due to additional loans drawn during the year and higher interest rates. Tax expense climbed 5% due to higher taxable base and rate. As a result of all these, the segment realized NP and NPO of P4.5 billion during the year, lagging 10% YoY, with NPR and

NPOR of 18% versus 19% a year ago. EBITDA rate stayed at 25% for both comparable years, with this year's rate improved by 61bps.

Emperador group contributed 27% to AGI's consolidated revenues and income, 25% to consolidated NP, and 33% to consolidated NPO.

Travellers, the owner and operator of NWR, an integrated leisure and tourism resort in Pasay City, ended the year with P31.3 billion core revenues, reflecting a slight decrease YoY as increase in non-gaming core revenues (+P0.9 billion) was knocked down by the decline in gaming revenues (-P1.1 billion). GPR stood at 43%, slightly lower than the 45% reported in 2023. However, higher finance costs weighed on overall profitability, resulting in NP and NPO of P1.2 billion, compared to P2.0 billion in the previous year.

Net gaming revenues contracted 5% YoY to P23.4 billion as casino volume slightly declined. This was primarily driven by the drop in the VIP segment, despite continued growth in the Mass and Slots segments. Additionally, win rates for both VIP and Mass tables were lower compared to the previous year, while the win rate for Slots improved.

Non-gaming core revenues which include income from hotels, food, beverage and other operating activities climbed 13% YoY to P7.9 billion. This was driven by the rise in occupancy rates in both hotels and mall tenants, increased MICE activities, rise in foot traffic and new retail and restaurant offerings during the year. The hotels segment benefitted from the continued growth in both domestic and international tourism. Occupancy rates at its five hotels in NWR ranged from 80% to 91%, up from 75% to 83% a year earlier. Meanwhile, the 326-room hotel in the province of Iloilo, managed to improve occupancy rate to 38%, from 32% in the previous year.

Travellers group accounted for 14%, 1% and -1% of AGI's consolidated revenues and income, consolidated NP and consolidated NPO, respectively.

GADC, the master franchise holder of McDonald's in the Philippines and a strategic partnership with the George Yang group, showed improvement as its core revenues increased 12% YoY to hit P47.9 billion, attributed to value pricing and well-received limited time offerings. Cost of sales grew faster than core revenues as it jumped 14% YoY. Food inflation remains a key concern, further impacting consumer spending behavior thus dragging NP and NPO to P2.4 billion with GPR and NPR standing at 22% and 5% as compared to 24% and 6% in 2023. Drivers of GADC sales includes well received limited time offers, introduction of more value-driven meal bundles and large food orders and holiday group offers.

Systemwide store sales increased 9% YoY, propelled by front-counter channels escalating 10% with dine-in sales climbing 16% YoY. Same-store sales expanded 15% YoY. McDonald's Philippines maintained a strong focus on value, emphasizing Sulit Busog Meals and the McDonald's App while staying committed to its core menu offerings. Building on the 2023 product renovations for burgers and chicken, the brand introduced a richer, creamier McCafé Iced Coffee in the third quarter. Throughout the year, various limited-time offers and promotions added excitement to the menu. The year kicked off with the launch of Spicy Wings paired with Sprite PeaChee Fruit Fizz, followed by an array of McNuggets flavors, including Classic Ranch, Cheesy Smoked Chili, Fiery Garlic Aioli, and Sweet Chili Plum. During the year, GADC opened a total of 65 new stores (46 in Luzon, 13 in Visayas, 6 in Mindanao) and closed 13 stores (12 in Luzon, 1 in Mindanao), bringing total store count to 792 from 740 stores at the beginning of the year. Stores were concentrated 81% in Luzon, including Metro Manila.

These operating results translated into 22% contribution to consolidated revenues and income, 9% to consolidated net profit and 8% to net profit to owners of AGI.

By profit and loss accounts:

Revenues and other income, as a result of the foregoing discussions, increased 6% YoY (+P12.8 billion) to P223.6 billion in 2024, from P210.8 billion a year ago. This growth was driven by both Sale of goods and Rendering of services. **Sale of goods** (real estate, alcoholic beverages and snack products) rose 4% YoY (+P4.5 billion) to P112.4 billion. Notably, real estate sales surged 19% YoY (+P8.3 billion) to P51.0 billion, while consumer goods sales declined by 6% YoY (-P3.7 billion) to P61.4 billion. **Service revenues** (gaming, hotels, quick-service restaurants, cinemas and theaters, leasing, hotels and other related services) grew 10% YoY (+P9.2 billion) to P106.1 billion. Within this

steam, quick-service restaurant sales expanded 13% (+P5.0 billion), franchise revenues increased 3% (+P0.1billion) , rental income rose 10% (+P1.8 billion), and hotel operations climbed 22% (+P2.0 billion). Net gaming revenues, on the other hand, contracted by 5% (P-1.1 billion) due to decline in the VIP segment despite growth in the mass and slot markets. **Share in net profit of associates and joint ventures**, which came from Megaworld and Emperador, reversed from a profit last year due to a loss share reported by Megaworld this year. **Finance and other income** dropped 16% YoY (-P1.0 billion) to P5.0 billion, mainly due to lower interest income, and foreign currency losses (compared to gains in the previous year).

Costs and expenses climbed 9% YoY (+P14.8 billion) to P187.8 billion. **Cost of goods sold** and **cost of services** increased 4% YoY (+P2.4 billion) and 11% YoY (+P5.7 billion), respectively, reflecting the uptick in sales, rising input costs and accelerated construction activities. Cost efficiencies were maintained as GPR was sustained at same level as last year. **Other operating expenses** went up 9% YoY (+P3.9 billion) to P47.3 billion largely driven by the expansion of business operations, and the resumption of full-scale business activities across the Group's subsidiaries. Despite the increase, Other operating expenses ratio was maintained at 21% of revenues. This stable cost to revenue ratio highlights improved operating leverage and the Group's continued focus on cost discipline amid revenue expansion.

Finance and other charges surged 20% YoY (+P2.5 billion) to P14.8 billion, mainly due to higher interest expenses on additional borrowings as well as foreign currency losses.

Tax expense increased 6% YoY (+P.4 billion) to P7.8 billion, in line with the higher taxable income generated during the period.

As a result of the foregoing, consolidated **NP** declined by 8% YoY (-P2.4 billion) to P27.9 billion from P30.3 billion a year ago, while **NPO** contracted by 11% YoY (-P2.2 billion) to P17.4 billion.

Financial Position

December 31, 2025 vs 2024

The Group's consolidated **total assets** grew 4% (+P34.3 billion) to P858.4 billion, while consolidated **total liabilities** remained stable, moderating slightly to P407.7 billion. These figures reflect the derecognition of GADC's assets and liabilities (P51.2 billion and P37.9 billion, respectively) in March 2025. **Liquidity** remains robust, with a current ratio of **2.6x** maintained. While gross debt rose to P273.3 billion, net debt stood at P208.9 billion representing 26% of total tangible assets. The Group closed the year with a manageable net debt-to-equity ratio of **46%**, reflecting a healthy and fair leverage position. Total liabilities-to-equity ratio is at **0.9x**. With asset coverage ratio of **2.1x** and interest coverage ratio of **4.9x** , the Group's financial position remains solid and healthy.

Cash and cash equivalents decreased 22% (-P13.2 billion) during the year, ending at P47.4 billion, primarily due to cash used in investing and financing activities outpacing cash generated from operating activities. Details of the Group's cash flows from operating, financing and investing activities are presented in the consolidated statements of cash flows.

In summary, the **accounts with at least +/- 5% changes** were as follows.

Current contract assets, which represent the reclassified portion of trade and other receivables relating to rights to payment which are conditioned upon the completion of units sold and represent excess of progress of work over the right to an amount of consideration, climbed 15% (+P3.5 billion) to P26.3 billion while **non-current contract assets** dropped 38% (-P4.8 billion) to P7.9 billion. These pertain to the real estate operations of Megaworld.

Other current assets increased 9% (+P2.0 billion) to P24.8 billion mainly from additional deposits made by Travellers in restricted short-term placements (escrow account) pursuant to its investment commitment under its PAGCOR License. The amounts under escrow amounted to US\$80.0 million (P4.7billion) and US\$45.4 million (P2.6 billion) as at December 31, 2025 and 2024, respectively.

Financial assets at fair value through other comprehensive income declined -24% (-P0.2 billion) to P0.5 billion, mainly from negative marked-to-market adjustments and derecognition of GADC-related

assets, which were partly offset by the recognition of Meg's remaining SUN shares within this category.

Investments in associates and joint ventures surged 171% (+P11.3 billion) to P17.9 billion, primarily driven by the recognition of Group's investment in GADC at a fair value of P11.1 billion, supplemented by a P0.7 billion share in its net profit (net of dividends). Additionally, the carrying value of BLC increased P0.6 billion due to favorable translation adjustments and profit sharing. These gains were partially offset by P1.1 billion in share of net losses from Megaworld's associates.

Deferred tax assets declined significantly by 59% (-P1.3 billion) to P0.9 billion, primarily due to the derecognition of QSR-related assets.

Other non-current assets soared 228% (+P14.1 billion) to P20.3 billion mainly from advances for future investment (+P10.1 billion) consisting of Travellers' and Travellers-related payments, input vat transferred from SUN (+P2.6 billion) and advances to suppliers (+P2.1 billion). These increases were mitigated by the derecognition of QSR-related assets.

Current interest-bearing loans shot up 26% (P11.9 billion) to P58.4 billion while **non-current** portion increased 6% (+P11.0 billion) to P194.5 billion, for a total increase of P22.9 billion primarily from additional drawdowns/loans to finance ongoing projects, as partially offset by repayments made during the year and those derecognized QSR-related loans.

Current Lease liabilities declined 84% (-P1.0 billion) to P0.2 billion and **non-current lease liabilities** dropped significantly by 94% (-P16.2 billion) to P1.1 billion, for a total decline of P17.2 billion following the derecognition of GADC-related lease liabilities.

Contract liabilities represent MEG's excess collection over the progress of work with **current** portion decreasing -37% (-P0.6 billion) to P1.0 billion and **non-current portion** decreasing 18% (-P0.9 billion) to P4.0 billion during the year.

Income tax payable decreased 8% (-P0.2 billion) to P2.0 billion, as lower tax obligations from Emperador were tempered by higher tax payables from Megaworld.

Advances from other related parties deflated 65% (-P0.7 billion) to P0.4 billion from Megaworld accounts.

Redeemable preferred shares, which all pertained to GADC, were reduced to nil from P1.6 billion, due to the deconsolidation of GADC.

Other current liabilities decline of 5% (-P0.9 billion) to P18.0 billion was attributed to reductions in customers' deposits and commissions payable of Megaworld.

Retirement benefit obligations increased 6% (+P0.1 billion) to P1.9 billion from changes in assumptions and benefit payments in retirement plans of Travellers, Megaworld and Emperador, moderated by the derecognition of GADC-related obligations.

Deferred tax liabilities increased by 10% (+P2.1 billion) to P23.3 billion due to temporary differences arising from Megaworld and Emperador operations. The increase was tempered by the removal of GADC-related deferred tax balances following its deconsolidation during the period.

Other non-current liabilities declined by 8% (-P0.8 billion) to P8.6 billion primarily due to the reduction in Megaworld's customer deposits (-P1.0 billion) and the removal of GADC-related liabilities (-P0.8 billion), partly offset by the increase in retention payable (+P0.3 billion) and deferred rental income (+P0.5 billion), and by the put option liability (+P0.2 billion).

The **changes in equity components** are presented in detail in the consolidated statements of changes in equity. The changes were mainly from profit during the period, acquisition of treasury shares, translation adjustments, and changes in other equity accounts, including the deconsolidated accounts.

December 31, 2024 vs 2023

Consolidated total assets reached P824.1 billion at year-end 2024, up from P782.5 billion at beginning of the year, reflecting a 5% growth (+P41.5 billion) YoY. The Group maintained a strong liquidity position, with **current assets** exceeding **current liabilities** by 2.6 times, an improvement from 2.4 times at the beginning of the year. Current assets amounted to P394.4 billion and current liabilities amounted to P150.1 billion as of December 31, 2024.

The Group's borrowing-to-equity ratio increased to 60% at the end of the year, from 56% at the start of the year. Total liabilities amounted to P408.4 billion, while total equity stood at P415.7 billion, resulting in a liabilities-to-equity ratio of 0.98:1.00.

For detailed breakdowns and disclosures, please refer to the corresponding notes to the audited consolidated financial statements. Below is a summary of selected balance sheet **accounts with at least a +/-5% year-on-year movement**.

Cash and cash equivalents declined by 7% (-P4.4 billion) to P60.6 billion from P65.0 billion, primarily due to cash used in investing activities (capital expenditures and advances) exceeding cash provided by operating and financing activities (proceeds from interest-bearing loans and bonds, net of loan repayments, interest and dividend payments).

Current trade and other receivables increased by 8% (+P6.3 billion), driven by higher real estate sales and rental property occupancy, plus high sales of alcoholic beverage products nearing the Christmas season. **Non-current trade and other receivables** similarly rose by 15% (+P4.5 billion) from increased real estate sales and rental transactions.

Contract assets, increased significantly with **current** contract assets rising by 36% (+P6.1 billion) and **non-current** contract assets rising 41% (+P3.7 billion). These accounts represent reclassified portion of trade and other receivables pertaining to rights to payment that are contingent upon the completion of real estate units sold and represent the excess of progress of work over the corresponding right to an amount of consideration.

Financial assets at fair value through profit or loss rose by 7% (+P1.1 billion) mainly due to mark-to-market valuation gains.

Advances to landowners and joint operators increased by 8% (+P0.7 billion) attributed to additional advances made by Megaworld to landowners and co-venturers for new project developments.

Financial assets at fair value through other comprehensive income grew by 23% (+P0.1 billion) mainly from marked-to-market adjustments.

Property, plant and equipment expanded 6% (+P10.2 billion) to P168.5 billion, driven by ongoing expansion in the Scotch whisky business under Emperor, additional investments in NWR, and the rollout of new GADC stores.

Investment properties increased 9% (+P11.7 billion) to P148.1 billion, mainly due to land acquisitions and ongoing development of office and commercial projects under Megaworld. The increase also reflects asset reclassification consistent with PIC Q&As 2018-11, 2018-15, and 2018-15-A.

Deferred tax assets depleted 59% (-P3.3 billion) mainly due to movements in timing differences.

Other non-current assets rose by 7% (+P0.4 billion) to P5.8 billion, mainly due higher guarantee deposits for construction-related regulatory compliance under Megaworld's real estate developments and additional payments by Travellers to PAGCOR in relation to future investment.

Trade and other payables decreased 5% (-P3.9 billion) mainly due to timing of purchases for production and accruals for expenses, payables to contractors and suppliers of construction materials, liability for unredeemed gaming points and unredeemed gaming chips and gaming license fees.

Current interest-bearing loans increased 7% (+P3.1 billion) and **non-current interest-bearing loans** escalated 24% (+P35.8 billion), for a total increase of P38.9 billion, from new loan drawdowns and refinancing activities partly reduced by principal payments during the period.

Current bonds payable closed its beginning balance of P12.0 billion due to the maturity of peso-denominated bond **while non-current bonds payable** increased 5% (P0.9 billion) due to translation adjustments of a US Dollar-denominated bond, resulting in a net decrease of 36% (-P11.1 billion). All bonds were issued by Megaworld.

Contract liabilities representing Megaworld's excess of collection over the progress of work, declined during the year, with the current portion decreasing 5% (-P0.1 billion) and **non-current** portion decreasing by 14% (-P0.8 billion) during the year.

Income tax payable decreased 23% (-P0.6 billion) to P2.2 billion, primarily from lower taxable income of the Group at current year-end as compared to previous year.

Advances from other related parties increased by 23% (P0.2 billion) to P1.0 billion from Megaworld accounts.

Retirement benefit obligations increased 5% (+P0.1 billion) to P1.8 billion, driven by changes in assumptions and benefit payments under the retirement plans of Travellers, GADC, Megaworld and Emperor.

Deferred tax liabilities decreased by 5% (-P1.1 billion) to P21.2 billion, primarily due to movements in timing differences between financial and tax reporting.

Other non-current liabilities declined by 14% (-P1.5 billion) to P9.4 billion, mainly due to NWR patron deposit withdrawals, utilizations and reversal of WMG's provision for leased properties located in Scotland, and the decrease in retention payable, customer deposits, and other liabilities to counterparties of Megaworld.

The **changes in equity components** are presented in detail in the consolidated statements of changes in equity. Equity attributable to owners increased by 13% (+P33.5 billion) mainly from consolidated net profit during the year and Megaworld's consolidation reserves, partially offset by the acquisition of treasury shares and dividends paid. Non-controlling interest decreased 9% to P121.4 billion primarily due to change in percentage of ownership and dividend paid by investee. Treasury shares pertain to the acquisition cost of shares that have been repurchased from the market pursuant to AGI's ongoing share buyback program.

b.2. Liquidity and Capital Resources

The Group continues to demonstrate financial resilience, underpinned by a robust liquidity profile and a current ratio that has strengthened to 2.6x from 2.4x in 2023. Our commitment to capital discipline is evident in our deleveraging efforts as the Group reduced its total-liabilities-to-equity ratio to 0.9x over the last two years, while maintaining a conservative gearing ratio of 61%. On a net debt basis, leverage remains manageable at 46%. With assets covering liabilities 2.1 times and EBITDA covering interest 4.9 times, the Group's financial position remains solid and healthy.

Our funding strategy balances strong internal cash generation with access to bank credit. The Group is well-positioned to support future growth and investment requirements through a diversified mix of capital sources (operations, debt, or equity offering), ensuring the Group stays responsive to evolving market conditions.

Amounts in Million Pesos	2025	2024	2023	2022
Cash and cash equivalents	47,371	60,603	65,020	79,929
FVTPL/ FVOCI financial assets	17,032	16,692	15,497	15,305
Total Available	64,403	77,295	80,517	95,235
Interest-bearing debt- current	58,397	46,480	43,345	32,504
Interest-bearing debt noncurrent	194,483	183,524	147,765	136,288
Bonds payable- current	-	-	11,998	14,026
Bonds payable- noncurrent	20,420	20,050	19,117	31,213
Total Debt	273,299	250,053	222,225	214,031
Net debt	(208,896)	(172,758)	(141,708)	(118,796)

Amounts in Million Pesos	2025	2024	2023	2022
Available [cash and financial assets] to debt	23.56%	30.91%	36.23%	44.50%
Total debt to total equity	60.64%	60.15%	56.32%	58.48%
Net debt to total equity	46.35%	41.56%	35.91%	32.46%
Total Assets	58,387	824,079	782,543	748,020
Total Liabilities	407,703	408,354	387,976	382,052
Liabilities to equity ratio	0.90	0.98	0.98	1.04
Current ratio	2.57x	2.62x	2.36x	2.37x
Quick ratio	0.98x	1.06x	0.97x	1.09x
Return on assets	3.57	3.39	3.57	3.39

b.3. Prospects for the future

The Group remains optimistic about its future prospects, anchored by established brand equity, a solid market position, and a robust financial foundation. While it remains vigilant regarding global and domestic economic headwinds, the Group's diversified portfolio and strategic focus position it to navigate uncertainty and sustain growth momentum.

AGI's proven track record of long-term value creation reinforces its confidence in delivering sustainable, profitable growth. Innovation remains a cornerstone of the Group's strategy; we will continue to integrate advanced digital technologies across the Group's operations to drive efficiency, elevate the customer experience, and sharpen our competitive edge, ensuring AGI remains at the forefront of the industries it serves and, further ensuring long-term profitability for the Group's stakeholders.

b.4. Others

There are no other known material events subsequent to the end of the year that would have a material impact on the current year.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way. The Group does not have nor anticipate having any cash flow or liquidity problems within the next twelve months. AGI and its subsidiaries are not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

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

There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are also no known events that will cause material change in the relationship between costs and revenues.

There are no other significant elements of income or loss that did not arise from continuing operations. There were no other material issuances, repurchases or repayments of debt and equity securities.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

6. FINANCIAL STATEMENTS

The audited consolidated financial statements, together with Statement of Management's Responsibility and Auditors' Report, and supplementary schedules are attached and filed herewith.

The consolidated financial statements have been prepared in compliance with the Philippine

Financial Reporting Standards (“PFRS”) Accounting Standards, on the historical cost basis except for the measurement of certain financial assets and liabilities. The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. The estimation and judgments are based upon management’s evaluation of relevant facts and circumstances of the financial statements. Actual results may ultimately vary from those estimates.

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

7. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

a. External Audit Fees And Services

a.1. Audit and audit-related services

Punongbayan & Araullo (“P&A”) has been appointed as the principal auditors since 2003. In compliance with Revised Securities Regulation Code Rule 68, Part I, 3(B)(ix), *Rotation of External Auditors*, which adopted the provisions on long association of external auditors (including partner rotation) with public-interest-entity audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines, and as adopted by the Company, the engagement partners are rotated or changed every [maximum] seven years (‘time-on’ period). To-date, The engagement partners have been rotated on a shorter time-on period (none had reached seven or more years). The lead engagement partner Mr. Ramilito L. Nañola has acted in such capacity for three consecutive audits (from 2023).

The fees, excluding out-of-pocket expenses and vat, billed by P&A for the audits of the annual financial statements for 2025 and 2024 totaled ₱3.38 and ₱3.23 million. These services are those normally provided in connection with statutory and regulatory filings or engagements.

a.2. Tax fees and all other fees

In 2025 and 2024, P&A was engaged to provide specific agreed-upon procedures in connection with statutory and regulatory filings or engagements and in-house training, for which P&A billed ₱0.75 million and ₱0.58 million, respectively. Other than this, there were no separate tax fees and no other fees billed by P&A to AGI.

a.3. Audit Committee’s approval

All the above services have been approved by the Audit Committee through the internal policies and procedures of approval. The Audit Committee is composed of Anthony T. Robles as Chairman, and Enrique M. Soriano III and Andrew L. Tan as members. Messrs. Robles and Soriano are Independent Directors.

The appointments were endorsed to and approved by the Board of Directors, and then by the stockholders at the annual stockholders’ meetings.

b. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

P&A, as principal auditors, issued an unqualified opinion on the consolidated financial statements. As such, there had been no disagreements with them on any accounting principles or practices, financial disclosures, and auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

8. DIRECTORS AND EXECUTIVE OFFICERS

a. Directors And Executive Officers

Directors are elected annually by the stockholders to serve until the election and qualification of their

successors. All of the directors, including the three independent directors²¹, Messrs. Jesli A. Lapus, Anthony T. Robles and Enrique M. Soriano III, were elected in the last annual stockholders' meeting on June 19, 2025. No independent director has served for a cumulative term of nine years as of date.

The table below sets forth each member of the Company's Board as of March 31, 2026:

Name	Age	Citizenship	Position
Andrew L. Tan	76	Filipino	Chairman
Kevin Andrew L. Tan	46	Filipino	President, Chief Executive Officer and Vice Chairman
Lourdes T. Gutierrez-Alfonso	62	Filipino	Director
Katherine L. Tan	74	Filipino	Director
Jesli A. Lapus	75	Filipino	Independent Director
Anthony T. Robles	71	Filipino	Independent Director
Enrique M. Soriano III	58	Filipino	Independent Director

The table below sets forth the Company's executive officers as of March 31, 2026.

Name	Age	Citizenship	Position
Kevin Andrew L. Tan	46	Filipino	President and Chief Executive Officer
Katherine L. Tan	74	Filipino	Treasurer
Dina D.R. Inting	66	Filipino	Chief Financial Officer, Compliance Officer and Chief Audit Executive
Alan B. Quintana	57	Filipino	Corporate Secretary
Nelileen S. Baxa	47	Filipino	Assistant Corporate Secretary and Chief Risk Officer

Andrew L. Tan **Chairman of the Board**

Dr. Tan has served as Chairman of the Board since September 2006. He has also served as the Chief Executive Officer from September 2006 to June 2018 and as Vice-Chairman of the Board from August 2003 to September 2006. He holds position in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/ Years
Emperador Inc.	Chairman	Aug 2013	June 2024	11
	Chairman & President	Aug 1989	May 2024	36
Global-Estate Resorts, Inc. (subsidiary of Megaworld)	Chairman	January 2011	June 2025	14
Empire East Land Holdings, Inc. (subsidiary of Megaworld)	Chairman	July 1994	June 2025	31

He pioneered the live-work-play-learn model in the real estate development through the Megaworld Corporation's integrated township communities, fueling the growth of the business process outsourcing ("BPO") industry, food and beverage, and quick service restaurants industries. Dr. Tan is concurrently the Chairman of the Board and President of Megaworld Globus Asia, Inc., Megaworld Land, Inc., Mactan Oceanview Properties and Holdings, Inc., Richmonde Hotel Group International Limited, Twin Lakes Corporation, The Bar Beverage, Inc., Yorkshire Holdings, Inc. and Manila Bayshore Property Holdings, Inc. He is also Chairman of Megaworld Newport Property Holdings, Inc., Alliance Global Group Cayman Islands, Inc., Alliance Global Brands, Inc., Suntrust Properties, Inc., Adams Properties, Inc., Consolidated Distillers of the Far East, Inc., Townsquare Development Inc., Gilmore Property Marketing Associates, Inc., Megaworld Central Properties, Inc., Raffles & Company, Inc., Southwoods Mall, Inc., Eastwood Cyber One Corporation, and Emperador Distillers, Inc. He is the Chairman and Treasurer of The Andresons Group, Inc. and sits in the boards of Alliance Global-Infracorp Development, Inc., Megaworld Cayman Islands, Inc., Megaworld Cebu

²¹ The tenure of an independent director is set to a cumulative term of nine years. Independent directors who have served for nine years may continue as a non-independent director of the company. Reckoning of the cumulative nine-year term is from 2012, in connection with SEC Memorandum Circular No. 7, Series of 2026

Properties, Inc., Travellers International Hotel Group, Inc. He is also the Vice-Chairman and Treasurer of Golden Arches Development Corporation and Golden Arches Realty Corporation and a Director and Treasurer of Andresons Global, Inc. He is the Chairman Emeritus of Megaworld Foundation, Inc., since January 2024. Dr. Tan graduated Magna Cum Laude with a degree of Bachelor of Science in Business Administration and was conferred Doctor of Philosophy in Humanities (Honoris Causa) from the University of the East.

Kevin Andrew L. Tan
President, CEO and Vice-Chairman

Mr. Tan has been elected as Chief Executive Officer since June 2018 ,Vice-Chairman since September 2018 and President since June 2024. He has served as Director since April 20, 2012. He holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/ Years
Emperador Inc.	Director	Oct 2017	June 2025	8
Empire East Land Holdings, Inc.	Director	June 2015	June 2025	1010
Global-Estate Resorts, Inc.	Director	June 2014	June 20242025	1011
Megaworld Corporation	Executive Vice President and Chief Strategy Officer	Nov 2018	May June 2024	76
MREIT, INC.	President and CEO	Oct 2020	June 2024	4

He is concurrently the Chairman and President of Alliance Global-Infracorp Development, Inc. and Newport World Resorts Properties, Inc., Chairman of Travellers International Hotel Group, Inc. and Megaworld Foundation, Inc., Director and President of Townsquare Development, Inc., Director and Corporate Secretary of Alliance Global Brands, Inc. and Paseo Center Building Administration, Inc., Director and Treasurer of Consolidated Distillers of the Far East, Inc. and Uptown Cinemas, Inc., and Director of Emperador Distillers, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., New Town Land Partners, Inc., Eastwood Cyber One Corporation, Twin Lakes Corporation, Alcazar De Bana Holdings Company, Inc., Cocos Vodka Distillers Philippines, Inc., Zabana Rum Company, Inc., and The Andresons Group Incorporated. He is also Chairman and CEO of Agile Digital Ventures, Inc., Megaworld Corporation's digital investment arm that is engaged in investing and building technology start-ups. He has over 11 years of experience in retail leasing, marketing and operations. He formerly headed the Commercial Division of Megaworld Corporation, which markets and operates the Megaworld Lifestyle Malls, including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, Lucky Chinatown Mall in Binondo, Manila, Uptown Mall in Uptown Bonifacio and Southwoods Mall in Laguna. Mr. Tan holds a Bachelor of Arts Major in Humanities with Professional Certificate in Management, from the University of Asia and the Pacific.

Katherine L. Tan
Director and Treasurer

Ms. Tan has served as Director and Treasurer since February 2007. She holds positions in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/Years
Megaworld Corporation	Director	Aug 1989	May 2024	35
	Treasurer	Aug 1989	June 1995	6
MREIT, Inc.	Director	May 2021	June 2024	3
Emperador Inc.	Treasurer	August 2013	June 2025	12

She was Director of MREIT Inc. from May 2021 to June 2025. She was also Director of Megaworld Corporation from August 1989 to October 2024. She served as Director of EMI from August 2013 to May 2022 . She is the Chairman and President of Andresons Global, Inc. and Choice Gourmet Banquet, Inc. She is also Director/President of Consolidated Distillers of the Far East, Inc., Raffles and Company, Inc., and The Andresons Group, Incorporated. She is the Director/Treasurer of Alliance Global Brands, Inc., Emperador Brandy, Inc., Emperador Distillers, Inc., Progreen Agricornp, Inc., Cocos Vodka Distillers Philippines, Inc., Zabana Rum Company, Inc., and Yorkshire Holdings, Inc. She is also Director and Corporate Secretary of The Bar Beverage, Inc. and Director of Anglo Watsons Glass, Inc., Alcazar De Bana Holdings, Inc., Emperador International Limited, Kenrich Corporation, McKesterPik-Nik International Limited, Megaworld Cayman Islands, Inc., and Venezia Universal Limited. She is the Treasurer of Newtown Land Partners, Inc. Ms. Tan graduated from St. Scholastica's College with a degree in Nutrition.

Lourdes T. Gutierrez-Alfonso
Director

Ms. Gutierrez-Alfonso has been elected as Director on June 2024. She holds positions in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/ Years
Megaworld Corporation	President	June 2024	June 2025	1
MREIT, Inc.	Director	September 2021	September 2025	4

She is currently the President and is a member of the Management Executive Committee of Megaworld Corporation, and has been with MEG since 1990. Ms. Gutierrez-Alfonso is Chairman of the property management company, First Oceanic Property Management, Inc. She is also a director of Suntrust Properties, Inc., Twin Lakes Corporation, Southwoods Mall, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Cebu Properties, Inc., Megaworld Oceantown Properties, Inc., Megaworld Bacolod Properties, Inc., Eastwood Cyber One Corporation, Davao Park District Holdings, Inc., and Prestige Hotels & Resorts, Inc. She is also currently the Chairman of Belmont Newport Luxury Hotels, Inc., Megaworld Global-Estate, Inc., and Savoy Hotel Manila, Inc. She is also a trustee and a Corporate Secretary of Megaworld Foundation, Inc. She has extensive experience in real estate and a strong background in finance and marketing. Ms. Gutierrez-Alfonso graduated cum laude from the Far Eastern University with the degree of Bachelor of Science major in Accounting in 1984. She is a certified public accountant by profession.

Jesli A. Lapus
Independent Director

Dr. Lapus has served as Independent Director since June 2021. He holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/ Years
Emperador Inc.	Independent Director	May 2021	June 2025	4

Dr. Lapus is currently Chairman and Independent Director of STI Education Services Group, Inc. since 2022 (he was first elected as an Independent Director in 2013), Director of STI West Negros University since 2022 and Chairman of LSERV Corporation since 2012. He is Governor of Information and Technology Academy (iAcademy) since 2010, Independent Director of Philippine Life Financial Assurance Corporation since 2012, and Independent Director of Attenborough Holdings, Inc. since 2015 He is a former Chairman of the Board of Investments, Philippine Exports Zone Authority, National Development Corporation, Export Development Council, Export Development Council, Micro, Medium and Small Enterprises Council (MSMED), Summer Institute of Linguistics (SIL) and Manila Tytana Colleges. He is a former Board Member of the Land Bank of the Philippines,

Philippine Airlines, Meralco, and Union Bank of the Philippines; former Governor/Trustee of the Asian Institute of Management, Management Association of the Philippines, and Bankers Association of the Philippines; and former Advisor of Philplans First, Inc.

As a top executive in the private sector, he has successfully managed celebrated firms and a universal bank in attaining industry leadership. As the youngest President and CEO of the Landbank of the Philippines at 42 years old, Lapus steered the bank from number 18 to become the 3rd biggest in the banking industry. As the first Filipino and the youngest Managing Director of the German multinational company Triumph International (Phils.), Inc. from 1979-1985, he led it to become the biggest manufacturing operation of its kind in the world making it a top Philippine exporter and employer. At 23, he was the Chief Finance Officer (CFO) of the Ramcar Group where he engineered mergers and acquisitions which established Ramcar as the undisputed market leader in the country. At age 20, he was Auditor-in-Charge and Management Consultant at SGV & Co., CPA's (1969-1973).

Dr. Lapus has the distinction of having served in the cabinets of three (3) Philippine Presidents in the following capacities: Secretary of the Department of Trade and Industry, Secretary of the Department of Education, President and CEO of The Land Bank of the Philippines, and Undersecretary of the Department of Agrarian Reform. He had been elected member of the Philippine Congress for three consecutive terms in 1998-2007 where he spearheaded many famous legislation such as the 2005 Fiscal Reform Measures (EVAT, Sin Taxes, Tax Amnesty and Attrition Law).

Dr. Lapus has been elected by the 180-country international organization, the United Nations Educational and Scientific Council (UNESCO) in Paris, France as a member of its Executive Board. He also served as the President of the South East Asian Ministers of Education Council (SEAMEO).

Dr. Lapus received his Doctor of Public Administration (Honoris Causa) from the Polytechnic University of the Philippines and his Master in Business Management from the Asian Institute of Management and is a Certified Public Accountant. He also pursued his Post Graduate Studies in Investment Appraisal and Management from Harvard University, USA; Management of Transfer of Technology from INSEAD, France; Project Management from BITS, Sweden; Personal Financial Planning from UCLA, USA; and Cursos Internacionales from the Universidad de Salamanca, Spain.

Anthony Robles Independent Director

Mr. Robles has served as an Independent Director since 16 June 2022. He is concurrently an Independent Director of MREIT Fund Managers, Inc. Mr. Robles is also a Bank Consultant of PBCOM and a Faculty Member (Finance Cluster) of Ateneo de Manila Graduate School of Business. Prior to his roles, Mr. Robles has served several other positions including the EVP Sector Head (Development Lending), Acting CEO / President, and Sector Head, Executive Vice President (Branch Banking) of the Development Bank of the Philippines, the President and Chief Operating Officer of DRS Global Technologies, Inc., the Executive Vice President (Retail Banking Group) of Chinatrust (Philippines), the Executive Vice President (Account Management Group) of Planters Development Bank, and the Senior Vice President-General Manager (Band 4) (Wealth Management Value Center) of Standard Chartered Bank (Philippines). Mr. Robles earned his B.A. in Commerce degree from University of Santos Tomas and his MBA in Financial Management from Ateneo de Manila University.

Enrique M. Soriano III Independent Director

Mr. Soriano has served as an Independent Director since 16 June 2022. He holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/ Years
Emperador Inc.	Independent Director	May 2016	June 2024	8

He served as Independent Director of Emperador Inc. from May 2016 to June 2025.

He is concurrently an Independent Director of MREIT Fund Managers, Inc., Travellers International

Hotel Group, Inc., P.A. Properties, and GGTT Realty Corporation. He is currently the Executive Director of the Wong + Bernstein Group, an Asia Pacific based Strategic Advisory Firm that specializes on Family Governance and Next Generation Leadership. He is also a Senior Advisor at Family in Business Strategic Group, and a Senior Fellow on Governance at the IPMI International Business School in Jakarta and a member of the Singapore Institute of Directors. He also sits as a Director and/or Board advisor to 25 UHNW (ultra-high net worth families) in the ASEAN region. He is also a Columnist and Book Author.

He is a former World Bank/ International Finance Corporation Governance Consultant, Dean of Education at the Manual L. Quezon University, Senior Professor of Service and Global Marketing at the Ateneo Graduate School of Business, and Country President of Electronic Realty Associates (ERA Philippines.). His advocacy related to Real Estate Innovation, Strategic Management and Corporate Governance has made him a sought-after Senior Advisor to family owned businesses in Asia and resource speaker in international conferences in the US, Canada, UK, ASEAN and Africa. Due to his strategic advocacies, he has been recognized and invited to lecture and deliver talks at dozens of universities in Asia and North America, notably Harvard University and University of San Francisco. He writes a business column in several Philippine newspapers, in the US and a couple of business magazines in the EU and the Middle East. He is currently finishing his third book on Family Governance and Succession following his bestselling book entitled “Ensuring the Family Business Legacy: Powerful Insights About Leadership and Succession.”

He holds a B.A. in History, minor in Economics degree from the University of the Philippines, an MBA from De La Salle University, Doctorate Units at the UP National College of Public Administration and has an Executive Diploma in Directorships at the Singapore Management University. He also pursued Post Graduate Education specializing on Behavioral Finance at Harvard Kennedy School of Government and at the National University of Singapore Business School focusing on Asian Family Businesses. He was conferred Certified Professional Marketer by the Marketing Institute of the Philippines in 2016.

Dina D.R. Inting
Chief Financial Officer and Chief Audit Executive

Ms. Inting has served as Chief Financial Officer since January 1995 and at present its Compliance Officer, Corporate Information Officer and Chief Audit Executive. She holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Terms/ Years
Emperador Inc.	Chief Financial Officer, Compliance Officer and Corporate Information Officer	Aug 2013	June 2025	12

She is currently a director of Progreen Agricorp, Inc. and Adams Properties, Inc. She gained an extensive experience in the fields of audit, comptrollership, treasury, finance, branch operations and personnel management from her previous employments in SGV & Co., Raffles & Company, Inc. and First Oceanic Property Management, Inc. She is a Cum Laude graduate of Bachelor of Science in Commerce major in Accounting, Honors Program, at the Philippine College of Commerce (Polytechnic University of the Philippines), holds a certificate in Organizational Development from the Ateneo de Manila University, and is a Certified Public Accountant.

Alan B. Quintana
Corporate Secretary

Mr. Quintana has served as the Corporate Secretary since April 16, 2019. He is currently First Vice President for Legal – Landbank Management and Titling Department of Global-Estate Resorts, Inc. (“GERI”) since May 2018 and has been with GERI since 2011. He is a Director of Boracay Newcoast Federation, Inc., Sherwood Hills Development, Inc., Global Shelter, Inc., La Compañia de Sta. Barbara, Inc., Pioneer L-5 Realty Corporation, and Golden Sun Airways, Inc. He is the Corporate Secretary of Boracay Newcoast Resorts, Inc. and Alliance Global-Infracorp Development, Inc. Prior to GERI, he worked as Corporate Legal Counsel of Fil-Estate Properties, Inc. from 1995-2011. He has a degree in Bachelor of Science in Commerce Major in Accounting from the University of San Carlos and obtained

his Bachelor of Laws degree from the San Beda College of Law.

Nelileen S. Baxa
Assistant Corporate Secretary and Chief Risk Officer

Ms. Baxa has served as Assistant Corporate Secretary since October 08, 2020 and its Chief Risk Officer since July 18, 2024. She holds position on the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Terms/
Suntrust Resort Holdings, Inc.	Corporate Secretary and Corporate Information Officer	Oct 2020	Oct 2025	5
Megaworld Corporation	Assistant Corporate Secretary	Oct 2020	June 2025	5
Global-Estate Resorts, Inc.	Assistant Corporate Secretary	Oct 2020	June 2025	5

Ms. Baxa is currently a Senior Accounting Manager of Megaworld Corporation. She is a Certified Public Accountant with over eighteen (18) years of experience in the fields of accounting and finance. Ms. Baxa concurrently serves as a Director of Bordeaux Properties, Inc., Langham Properties, Inc., Rowenta International, Inc., and Venetian Properties, Inc. She is also the Corporate Secretary of Era Real Estate Exchange, Inc. and Oceanic Realty Group International, Inc. Ms. Baxa obtained her Bachelor's Degree in Accountancy from the University of Santo Tomas.

b. Significant Employees

The Company does not have employees who are not executive officers but expected to make significant contribution to the business.

c. Family Relationships

1. Chairman Andrew L. Tan is married to Treasurer/Director Katherine L. Tan;
2. Kevin Andrew L. Tan, their son, is the CEO and Vice Chairman of the Company. He is also the Executive Director of MEG, and the Chairman of MREIT, Inc.;
3. Kendrick Andrew L. Tan, another son, is the Corporate Secretary and Executive Director of EDI, and Director/Executive Director of EMI;
4. Both siblings are currently serving as directors of EMI, AWGI, Newtown Land Partners, Inc., and Yorkshire Holdings, Inc.

d. Involvement in Legal Proceedings

The Company has no knowledge of any of the following events that occurred during the past five (5) years up the date of this report that are material to an evaluation of the ability or integrity of any director or executive officer or control person of the Company:

1. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

e. Board Attendance at Board and Committee Meetings Held In 2025

The attendance of the directors at the meetings of the Board of Directors for the year 2025 is as follows:

Name	No. of Meetings Held during the Year	No. of Meetings Attended	Percentage of Attendance
Andrew L. Tan	16	16	100%
Kevin Andrew L. Tan	16	16	100%
Lourdes T. Gutierrez-Alfonso	16	16	100%
Katherine L. Tan	16	16	100%
Jesli A. Lapus	16	16	100%
Anthony T. Robles	16	16	100%
Enrique M. Soriano III	16	16	100%

The attendance of the members of the Audit Committee at Audit Committee meetings for the year 2025 is as follows:

Name	Designation	Meetings Attended	Percentage
Anthony T. Robles	Chairman	10	100%
Enrique M. Soriano III	Member	10	100%
Andrew L. Tan	Member	5	50%

9. EXECUTIVE COMPENSATION

a. Executive Compensation

Name and Principal Position

Andrew L. Tan, Chairman
Kevin Andrew L. Tan, Vice Chairman, President and CEO
Katherine L. Tan, Treasurer
Dina D.R. Inting, CFO, CIO and Compliance Officer
Alan B. Quintana, Corporate Secretary
Nelileen S. Baxa, Asst. Corporate Secretary

The officers receive fixed salary on a monthly basis from the respective subsidiaries or businesses they principally handle. Hence, for years 2025, 2024, and 2023, no compensation was received from AGI, the holding company, and neither will there be for 2026.

b. Compensation of Directors

In a board resolution passed in November 2007, members of the Company's Board of Directors began to receive per diem allowance for attendance in board meetings. The following table identifies the compensation of each of the incumbent Board of Directors and officers.

Name and Position	Per Diem 2023 (P)'000	Per Diem 2024 (P)'000	Per Diem 2025 (P)'000	Per Diem 2026 (P)'000 (estimate)
Andrew L. Tan, Chairman	75	75	75	75
Kevin Andrew L. Tan, Vice Chairman, CEO and President	75	75	75	75
Katherine L. Tan, Director and Treasurer	75	75	75	75

Name and Position	Per Diem 2023 (P)'000	Per Diem 2024 (P)'000	Per Diem 2025 (P)'000	Per Diem 2026 (P)'000 (estimate)
Lourdes T. Gutierrez- Alfonso, Director	n/a	n/a	75	75
Jesli A. Lapus, Independent Director	75	615	765	585
Anthony Robles, Independent Director	345	795	975	825
Enrique Soriano III, Independent Director	255	795	975	825
Kingson U. Sian	2,025	[retired]750	none	none
Dina D.R. Inting	none	none	none	none
Alan B. Quintana	none	none	none	none
Nelileen S. Baxa	none	none	none	none
Total (of above)	2,925	3,180	3,015	2,535

c. Employment Contracts, Termination of Employment and Change-In-Control Arrangements

There are no employment contract between the Company and a named executive officer; and no compensatory plan or arrangement, including payments to be received from the Company, with respect to a named executive officer, that results or will result from the resignation, retirement or any other termination of such executive's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and amount involved, including all periodic payments or installments, that exceeds P2.5 million.

d. Options and Warrants

Stock Options. The Company had an Executive Stock Option Plan (the "Plan") approved by the Board of Directors of the Company and by stockholders (holding at least 2/3 of the outstanding capital stock) on July 27, 2011 and September 20, 2011, respectively. The purpose of the Plan was to enable the key Company executives and senior officers who are largely responsible for its further growth and development to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The Plan was being administered by the Corporate Governance Committee (the "Committee") of the Board.

Stock options may be granted within ten (10) years from the adoption of the Plan and may be exercised within seven (7) years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for nine (9) months immediately preceding the date of grant. The options shall vest within three (3) 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 (3) year period. The Company shall receive cash for the stock options.

On April 22, 2013, additional 59.1 million options were granted to certain key executives at an exercise price of P12.9997 with a market price of P21.65 at the date of grant. The exercise period for the 59.1million options had been extended by the Corporate Governance Committee until March 14, 2025.

As of December 31, 2025, no vested option had been exercised and there are no remaining share options that can be exercised.

Warrants. The Company conducted a warrants offering from December 4 to 11, 2025, which resulted in net proceeds of Php1,060,125,739.00, and the issuance of 2,203,548,165 Warrants on December 19, 2025. The warrants were listed with the Philippine Stock Exchange on even date. The Warrants were offered at Fifty centavos (Php0.50) per warrant, with an exercise ratio of one (1) warrant to one (1) common share at an exercise price of Php12.00 per share, excluding the warrants' offer price. The subscribed Warrants may be converted after the twelfth (12th) month from the issue date, within the first 2 trading days of each month thereafter, but no later than the date immediately preceding the fifth (5th) anniversary of the issue date.

As of December 31, 2025, the warrants are not yet exercisable, and no part of the net proceeds from the warrants offering have been disbursed.

10. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(1) Security Ownership of Record and Beneficial Owners owning more than 5% of the Company's outstanding common stock as of March 31, 2026:

<i>Title of Class</i>	<i>Name and Address of Record Owner & Relationship w/ Issuer</i>	<i>Name of Beneficial Owner & Relationship w/ Record Owner</i>	<i>Citizenship</i>	<i>No. of Shares</i>	<i>Percent Owned</i>
Common	THE ANDRESONS GROUP, INCORPORATED 7/F 1880 Eastwood Avenue, Eastwood City Bagumbayan, Quezon City, ²²	THE ANDRESONS GROUP, INCORPORATED (TAGI)	Filipino	4,888,263,994	55.91
Common	YORKSHIRE HOLDINGS, INC. 18 th Floor Alliance Global Tower 26 th Street cor. 11 th Avenue, Uptown Bonifacio, Taguig City ²³	YORKSHIRE HOLDINGS, INC. (YHI)	Filipino	1,143,451,842	13.08
Common	PCD NOMINEE CORPORATION (NON-FILIPINO) 29th Floor, BDO Equitable Tower 8751 Paseo de Roxas, Makati City 1226	THE HONGKONG AND SHANGHAI CORP. LTD. – CLIENTS' ACCT. (Non-Filipino)	Non-Filipino	627,836,016	7.18

(2) Security Ownership of Management as of March 31, 2026:

<i>Title</i>	<i>Name of Beneficial Owner</i>	<i>Citizenship</i>	<i>Amount</i>	<i>Percent</i>
Common	Andrew L. Tan (<i>Chairman of the Board</i>)	Filipino	63,684,349	0.73%
Common	Anthony T. Robles (<i>Independent Director</i>)	Filipino	1	0.00%
Common	Enrique M. Soriano III (<i>Independent Director</i>)	Filipino	1	0.00%
Common	Katherine L. Tan (<i>Director</i>)	Filipino	1	0.00%
Common	Jesli A. Lapus (<i>Independent Director</i>).	Filipino	1	0.00%
Common	Kevin Andrew L. Tan (<i>Director</i>)	Filipino	1	0.00%
Common	Lourdes T. Gutierrez-Alfonso	Filipino	1,100	0.00
Common	Dina D.R. Inting (<i>CFO, CIO, Compliance Officer & Chief Audit Executive</i>)	Filipino	2,758	0.00%
Directors and Executive Officers as a Group			63,688,212	0.73%

11. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company is committed to maintaining the highest standards of corporate governance regarding related party transactions. It is the Company's policy that all such transactions are executed on an

²² Mr. Andrew L. Tan is the Chairman of the Board of TAGI, is authorized to appoint proxy to vote for the shares.

²³ Mr. Andrew L. Tan, Chairman of YHI is authorized to appoint proxy to vote for the shares which includes direct and indirect beneficial ownership through Altavision Resources, Inc

arm's length basis, ensuring terms are consistent with those offered to independent third parties. The Company adheres to strict oversight protocols to ensure these dealings are conducted at fair market value, prioritizing the best interests of our stakeholders and ensuring total transparency to prevent conflicts of interest.

Except for the material related party transactions described in the Notes to the Consolidated Financial Statements of the Company and subsidiaries for the years 2025, 2024, and 2023, (*please see as filed with this report*), there has been **no material transaction** during the last two years, nor is there any material transaction currently proposed, to which the Company was or is to be a party, in which any director or executive officer, or any nominee for election as director, or any stockholder holding more than ten percent (10%) of the Company's voting shares, and any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any such director or nominee for election as director, executive officer, or stockholder holding more than ten percent (10%) of the Company's voting shares had or is to have a direct or indirect material interest.

PART IV – CORPORATE GOVERNANCE

12. CORPORATE GOVERNANCE

The Company and its subsidiaries are committed to sustainability and creating value for stakeholders by adhering to the highest standards of corporate governance. Integrity, transparency, and accountability guide our operations, enhancing value for shareholders, investors, employees, and the community.

The Company's corporate governance principles are outlined in its Revised Manual on Corporate Governance ("**Revised Manual**"), which was approved by our Board of Directors on May 30, 2017, in accordance with SEC Memorandum Circular No. 19, Series of 2016 otherwise known as the Code of Corporate Governance for Publicly-Listed Companies ("**Code**"). The Revised Manual sets forth corporate governance practices based on internationally recognized standards, systems, and processes to ensure the Company's progress and stability. It ensures an effective system of checks and balances and upholds a high standard of accountability and transparency for all stakeholders.

The Board conducts an **annual self-assessment** to evaluate its performance as a governing unit, as well as the performance of the Board Committees, individual directors, and Management. This self-assessment involves completing an evaluation and assessment questionnaire, through which the directors provide their ratings and opinions on areas such as Board Composition, Board Responsibilities, Board Committees, Individual Board Members, and Management Relationship.

The Company fully complies with the Code and the Revised Manual. There has been no material deviation from the Revised Manual, neither has there been any director or executive officer of the Company who has violated any material provision of the same. The same is true for each entity in AGI Group.

The Company's Integrated Annual Corporate Governance Report (I-ACGR), which sets forth the Company's compliance with good corporate governance, will be filed separately.

Enterprise Risk Management

The Company's risk management focuses on safeguarding shareholder value to manage unpredictability of risks and minimize potential adverse impact on its operating performance and financial condition.

The Company's Board of Directors is directly responsible for risk management and the Management carries our risk management policies approved by the Board. After the Management identifies, evaluates reports and monitors significant risks, and submits appropriate recommendations, the Board approves formal policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risks, credit risk, and liquidity risk.

The Board Risk Oversight Committee annually reviews the Company's approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and

procedures. After submission of the Committee's recommendation, the Board then reviews the risk management system. Risks are also managed through internal controls, see discussion under **Major Business Risks and Management** of this Report.

Sustainability Report

Sustainability is deeply embedded in the Group's operations, shaping its growth, innovation, and long-term vision. As the Group expands, it continuously strengthens efforts to embed sustainable practices across its diverse 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 at the heart of its strategy and future growth.

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..

AGI's 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.*

A copy of the **Company's 2025 Sustainability Report** is attached to this Report. This was reviewed and approved for release by the BOD on May 15, 2025.

PART V - EXHIBITS AND SCHEDULES

14. EXHIBITS AND REPORTS ON SEC FORM 17-C

(b) Reports on SEC Form 17-C Filed During the Last Six Months of The Report Period

(June 1 to December 31, 2025)	Disclosures
June 2, 2025	Extension of and increase in the amount allocated for the share buy-back program
June 2, 2025	Share buy-back transactions
June 5, 2025	Share buy-back transactions
June 9, 2025	Share buy-back transactions
June 10, 11, 2025	Share buy-back transactions
June 13, 16, 2025	Share buy-back transactions
June 17, 18, 2025	Share buy-back transactions
June 19, 2025	Results of the Annual Stockholders' Meeting
June 19, 2025	Results of the Organizational Meeting of the Board of Directors
June 19, 2025	Material Information/Transactions - AGI ALLOTS P59B FOR LANDMARK PROJECTS, EXPANSIONS
June 19, 2025	Press Release - AGI ALLOTS P59B FOR LANDMARK PROJECTS, EXPANSIONS
June 19, 2025	Share buy-back transactions
June 20, 2025	Share buy-back transactions
June 23, 2025	Share buy-back transactions

(June 1 to December 31, 2025)	Disclosures
June 24, 2025	Share buy-back transactions
June 30, 2025	Share buy-back transactions
July 16, 2025	Share buy-back transactions
July 17, 2025	Share buy-back transactions
July 18, 2025	Share buy-back transactions
July 21, 2025	Share buy-back transactions
July 22, 2025	Share buy-back transactions
July 23, 2025	Share buy-back transactions
July 24, 2025	Share buy-back transactions
July 25, 2025	Share buy-back transactions
July 28, 2025	Clarification of News Report
July 28, 2025	Share buy-back transactions
July 31, 2025	Share buy-back transactions
August 1, 2025	Share buy-back transactions
August 4, 2025	Share buy-back transactions
August 5, 2025	Share buy-back transactions
August 6, 2026	Share buy-back transactions
August 7, 2025	Share buy-back transactions
August 8, 2025	Notice of Analysts' Briefing
August 8, 2025	Share buy-back transactions
August 11, 2025	Share buy-back transactions
August 14, 2025	Material Information - AGI 1H PROFIT GROWS 39% TO P19.2B; NORMALIZED NET INCOME UP BY 19%
August 14, 2025	Press Release - AGI 1H PROFIT GROWS 39% TO P19.2B; NORMALIZED NET INCOME UP BY 19%
August 14, 2025	Notice of Briefing - Participation in PSE STAR Investor Day
September 3, 2025	Share buy-back transactions
November 7, 2025	Notice of Analysts' Briefing
November 7, 2025	Issuance of Warrants to existing Shareholders of Alliance Global Group, Inc.
November 12, 2025	Material Information - AGI HITS 9M PROFIT OF P24.8B, UP 24%
November 12, 2025	Press Release - AGI HITS 9M PROFIT OF P24.8B, UP 24%
December 2, 2025	Share buy-back transactions
December 5, 2025	Cash Dividend Declaration
December 12, 2025	Share buy-back transactions
December 15, 2025	Share buy-back transactions
December 16, 2025	Results of the Total Number of Issued and Outstanding Warrants
December 16, 2025	Share buy-back transactions
December 17, 2025	Share buy-back transactions
December 18, 2025	Share buy-back transactions
December 19, 2025	Share buy-back transactions
December 22, 2025	Share buy-back transactions
December 23, 2025	Share buy-back transactions
December 26, 2025	Share buy-back transactions
December 29, 2025	Share buy-back transactions

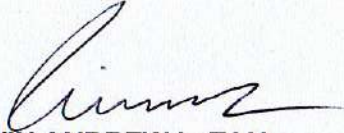
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

Alliance Global Group, Inc.

Issuer

By:



KEVIN ANDREW L. TAN

President

(Principal Executive Officer)

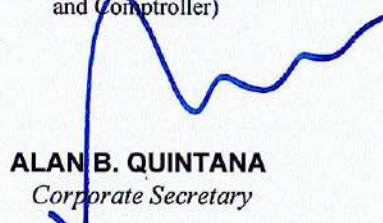
(Principal Operating Officer)



DINA D.R. INTING

Chief Financial Officer

(Principal Financial Officer and
as Principal Accounting Officer
and Comptroller)



ALAN B. QUINTANA

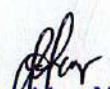
Corporate Secretary

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

NAMES	PASSPORT/DRIVERS LICENSE NO./ SSS NO.	DATE OF ISSUE/EXPIRATION DATE	PLACE OF ISSUE
Kevin Andrew L. Tan	P8166916A	August 1, 2018 to July 31, 2028	Manila
Alan B. Quintana	DL H02-85-003984	June 20, 2033	Palawan
Dina D.R. Inting	SSS 03-5204775-3		

Doc No. 7400
Page No. 73
Book No. 741
Series of 2026.

Notary Public


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

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

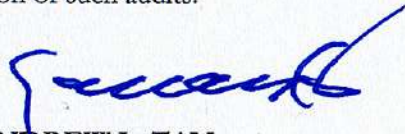
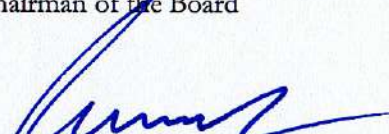
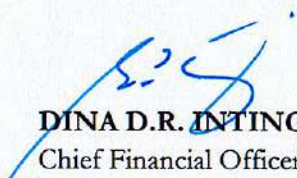
The management of **Alliance Global Group, Inc. and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed 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		

Doc. No. 101
Page No. 74
Book No. AV
Series of 2026

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

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.

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.

- 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)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<u>A S S E T S</u>			
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
		<u>395,779,579,117</u>	<u>393,684,380,063</u>
Total Current Assets			
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
		<u>462,607,066,574</u>	<u>430,394,536,371</u>
Total Non-current Assets			
TOTAL ASSETS		<u>P 858,386,645,691</u>	<u>P 824,078,916,434</u>

	Notes	2025	2024
<u>LIABILITIES AND EQUITY</u>			
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			
Equity attributable to owners	21		
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
		<u>189,607,657,172</u>	<u>223,564,499,099</u>	<u>210,814,102,973</u>
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
		<u>152,268,119,200</u>	<u>187,809,882,447</u>	<u>173,048,684,126</u>
PROFIT BEFORE TAX		37,339,537,972	35,754,616,652	37,765,418,847
TAX EXPENSE	28	<u>6,736,321,590</u>	<u>7,835,791,293</u>	<u>7,415,988,492</u>
NET PROFIT		<u>30,603,216,382</u>	<u>27,918,825,359</u>	<u>30,349,430,355</u>
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
		<u>(352,244,391)</u>	<u>80,243,912</u>	<u>(604,457,330)</u>
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)
		<u>6,090,377,223</u>	<u>1,017,024,887</u>	<u>2,429,979,508</u>
TOTAL COMPREHENSIVE INCOME		<u>P 36,341,349,214</u>	<u>P 29,016,094,158</u>	<u>P 32,174,952,533</u>
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		<u>9,878,440,465</u>	<u>10,554,880,310</u>	<u>10,733,958,790</u>
		<u>P 30,603,216,382</u>	<u>P 27,918,825,359</u>	<u>P 30,349,430,355</u>
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		<u>11,201,101,437</u>	<u>10,625,828,402</u>	<u>11,173,779,978</u>
		<u>P 36,341,349,214</u>	<u>P 29,016,094,158</u>	<u>P 32,174,952,533</u>
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company –				
Basic and Diluted	22	<u>P 2.3978</u>	<u>P 1.9773</u>	<u>P 2.2178</u>

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Philippine Pesos)

Notes	Attributable to Owners of the Parent Company														Non-controlling Interest	Total Equity
	Capital Stock	Additional Paid-in Capital	Treasury Shares – at Cost	Net Actuarial Losses on Retirement Benefit Plan	Net Fair Value Gains on Financial Assets at FVOCI	Accumulated Translation Adjustments	Revaluation Reserves on Cash Flow Hedge	Share Warrants	Share Options	Other Reserves	Retained Earnings			Total		
											Appropriated	Unappropriated	Total			
Balance at January 1, 2025	P 10,269,827,979	P 34,518,916,029	(P 16,554,828,907)	(P 155,156,070)	P 397,109,832	(P 3,661,386,830)	(P 37,127,353)	P -	P 620,625,162	P 62,781,187,405	P 5,802,840,000	P 200,391,185,879	P 206,194,025,879	P 294,373,193,126	P 121,352,071,415	P 415,725,264,541
Transactions with owners:																
Change in percentage of ownership	21	-	-	-	-	-	-	-	-	4,371,684,688	-	-	-	4,371,684,688	621,136,715	4,992,821,403
Acquisition of treasury shares	-	-	(1,115,679,254)	-	-	-	-	-	-	-	-	-	(1,115,679,254)	-	(1,115,679,254)	15,400,000
Exercise of share options	-	5,966,454	15,930,640	-	-	-	-	-	(6,497,094)	-	-	-	-	-	-	1,060,125,739
Issuance of warrants	-	-	-	-	-	-	-	1,060,125,739	-	-	-	-	-	1,060,125,739	-	1,060,125,739
Transfer of accumulated OCI related to associate upon loss of significant influence over an associate	-	-	-	-	-	(106,058,406)	-	-	-	-	1,474,537	1,474,537	(104,583,869)	-	(104,583,869)	3,046,436,241
Dividend paid by investee	21	-	-	-	-	-	-	-	-	-	-	-	-	(3,046,436,241)	(867,932,918)	867,932,918
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	(867,932,918)	(867,932,918)	(867,932,918)	-	-	4,018,772,264
Acquisition and incorporation of new subsidiaries	21	-	-	-	-	-	-	-	-	-	-	-	-	4,018,772,264	69,334,745	2,888,880,184
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,339,395,105
Effect of deconsolidation	1	-	-	(258,300,644)	(44,990,524)	-	-	(32,289,583)	-	(4,294,960,587)	4,294,960,587	4,294,960,587	3,559,179,836	(6,848,260,020)	(2,888,880,184)	3,428,502,306
	-	5,966,454	(1,099,748,614)	(238,300,644)	(44,990,524)	(106,058,406)	-	1,060,125,739	(6,497,094)	4,339,395,105	-	3,428,502,306	3,428,502,306	7,318,394,222	(5,185,432,537)	21,321,941,685
Unexercised share options reclassified to additional paid-in capital	-	523,704,159	-	-	-	-	-	(523,704,159)	-	-	-	-	-	-	-	-
Changes in legal reserves during the year	-	-	-	-	-	-	-	-	151,187,956	-	399,781,440	399,781,440	550,969,396	-	-	550,969,396
Reversal of appropriation	21	-	-	-	-	-	-	-	-	(4,189,000,000)	122,000,000	(4,067,000,000)	(4,067,000,000)	-	(4,067,000,000)	-
Total comprehensive income (loss)	-	-	-	(201,280,890)	(10,236,998)	4,543,121,332	83,868,416	-	-	-	20,724,775,917	20,724,775,917	25,140,247,777	11,201,401,437	36,341,049,214	-
Balance at December 31, 2025	P 10,269,827,979	P 35,048,586,612	(P 17,654,577,521)	(P 614,737,604)	P 341,882,310	P 775,676,096	P 46,741,063	P 1,060,125,739	P 90,423,909	P 67,271,770,466	P 1,613,840,000	P 225,066,245,442	P 226,080,085,442	P 323,515,804,521	P 127,367,720,315	P 450,683,524,836
Balance at January 1, 2024, as previously stated	P 10,269,827,979	P 34,518,916,029	(P 15,910,646,863)	(P 280,093,750)	P 188,350,301	(P 4,395,409,250)	P 4,271,571	P -	P 620,625,162	P 43,826,090,598	P 5,058,840,000	P 186,992,323,075	P 192,051,163,075	P 260,893,094,852	P 133,674,416,579	P 394,567,511,431
Change in accounting policy	-	-	-	-	-	-	-	-	-	-	-	(2,187,057,940)	(2,187,057,940)	(2,187,057,940)	(2,765,919,472)	-
Adoption of PFRS 15 covered by PIC Q&A 2018-12-D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at January 1, 2024, as restated	P 10,269,827,979	P 34,518,916,029	(P 15,910,646,863)	(P 280,093,750)	P 188,350,301	(P 4,395,409,250)	P 4,271,571	P -	P 620,625,162	P 43,826,090,598	P 5,058,840,000	P 184,804,365,135	P 189,863,205,135	P 258,705,136,912	P 133,096,443,047	P 391,801,579,959
Transactions with owners:																
Change in percentage of ownership	21	-	-	-	-	-	-	-	-	18,442,967,048	-	-	-	18,442,967,048	(18,989,952,348)	(546,985,300)
Acquisition of treasury shares	-	-	(644,182,044)	-	-	-	-	-	-	-	-	-	(644,182,044)	-	(644,182,044)	3,512,835,892
Dividend paid by investee	21	-	-	-	-	-	-	-	-	-	-	-	-	(3,512,835,892)	(902,350,598)	902,350,598
Cash dividends declared	21	-	-	-	-	-	-	-	-	-	(902,350,598)	(902,350,598)	(902,350,598)	-	-	54,800,000
Acquisition and incorporation of new subsidiaries	21	-	-	-	-	-	-	-	-	-	-	-	-	54,800,000	97,299,207	29,666,227
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,381,543
Effect of deconsolidation	-	-	-	-	-	-	-	-	-	6,226,287	-	-	-	10,155,256	(1,088,732,141)	18,449,193,335
	-	-	(644,182,044)	-	-	-	-	-	-	18,449,193,335	-	(1,088,732,141)	(1,088,732,141)	16,796,279,150	(22,370,200,034)	5,573,930,884
Changes in legal reserves during the year	-	-	-	-	-	-	-	-	505,903,472	-	(24,392,164)	(24,392,164)	481,511,308	-	-	481,511,308
Appropriation of retained earnings	21	-	-	-	-	-	-	-	-	4,517,000,000	(4,517,000,000)	-	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(3,773,000,000)	3,773,000,000	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	124,937,680	208,739,531	734,022,420	(41,398,924)	-	-	-	17,363,945,049	17,363,945,049	17,363,945,049	18,390,265,736	10,625,828,402	29,016,094,158
Balance at December 31, 2024	P 10,269,827,979	P 34,518,916,029	(P 16,554,828,907)	(P 155,156,070)	P 397,109,832	(P 3,661,386,830)	(P 37,127,353)	P -	P 620,625,162	P 62,781,187,405	P 5,802,840,000	P 200,391,185,879	P 206,194,025,879	P 294,373,193,126	P 121,352,071,415	P 415,725,264,541
Balance at January 1, 2023	P 10,269,827,979	P 34,518,916,029	(P 14,411,741,336)	P 193,960,665	P 159,403,187	(P 6,250,765,182)	P 28,819,212	P -	P 620,625,162	P 33,446,366,213	P 4,764,840,000	P 169,391,821,143	P 174,156,661,143	P 232,732,073,072	P 133,236,039,264	P 365,968,112,336
Change in percentage of ownership	21	-	-	-	-	-	-	-	-	9,691,356,380	-	-	-	9,691,356,380	(7,712,632,539)	1,978,723,841
Acquisition of treasury shares	21	-	(1,498,905,527)	-	-	-	-	-	-	-	-	-	(1,498,905,527)	-	(1,498,905,527)	3,084,078,757
Dividend paid by investee	21	-	-	-	-	-	-	-	-	-	-	-	-	(3,084,078,757)	(1,468,617,407)	62,198,633
Cash dividends declared	21	-	-	-	-	-	-	-	-	-	(1,468,617,407)	(1,468,617,407)	(1,468,617,407)	-	-	9,691,356,380
Share-based compensation	21	-	(1,498,905,527)	-	-	-	-	-	-	-	-	-	-	-	-	9,691,356,380
	-	-	(1,498,905,527)	-	-	-	-	-	-	-	(1,468,617,407)	(1,468,617,407)	(1,468,617,407)	6,723,833,446	(10,735,402,663)	4,011,569,217
Changes in legal reserves during the year	21	-	-	-	-	-	-	-	-	688,368,005	-	(252,352,226)	(252,352,226)	436,015,779	-	436,015,779
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	-	3,773,000,000	(3,773,000,000)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(3,479,000,000)	3,479,000,000	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	(474,054,415)	28,947,114	1,855,355,932	(24,547,641)	-	-	-	19,615,471,565	19,615,471,565	19,615,471,565	21,001,172,555	11,173,779,978	32,174,952,533
Balance at December 31, 2023	P 10,269,827,979	P 34,518,916,029	(P 15,910,646,863)	(P 280,093,750)	P 188,350,301	(P 4,395,409,250)	P 4,271,571	P -	P 620,625,162	P 43,826,090,598	P 5,058,840,000	P 186,992,323,075	P 192,051,163,075	P 260,893,094,852	P 133,674,416,579	P 394,567,511,431

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
<i>Balance forwarded</i>		(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
<i>Subsidiaries</i>					
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 Compañía 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:

- 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.
- AGI and Megaworld directly own 49% and 51%, respectively.
- Foreign subsidiaries operating under the laws of the Cayman Islands.
- Foreign subsidiaries operating under the Business Companies Act of the British Virgin Islands ("BVI").
- 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.
- 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 MPI 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:

<i>(Amounts in PHP)</i>	<u>Notes</u>	
Current assets		16,070,892,732
Non-current assets		35,165,949,661
Current liabilities		(17,353,483,277)
Non-current liabilities		<u>(20,586,628,805)</u>
Total net assets of GADC derecognized		13,296,730,311
Derecognized non-controlling interest		(6,848,260,020)
Derecognized goodwill on GADC	15	<u>1,251,356,188</u>
Total derecognition		7,699,826,479
Recognition of investment in associate	12	<u>11,126,696,994</u>
Gain on deconsolidation	26	<u>3,426,870,515</u>

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):

<i>(Amounts in PHP)</i>	<u>Notes</u>	
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	<u>1,998,125</u>
		<u>2,012,625</u>
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		<u>52,867</u>
		<u>4,064,690</u>
Fair value of liabilities assumed:		
Advances from related parties	29.5	(2,038)
Others		<u>(1,265,099)</u>
		<u>(1,267,137)</u>
Non-controlling interest		(784,572)
Preacquisition loss		<u>(356)</u>
		<u>(784,928)</u>
Net assets acquired		<u>2,012,625</u>

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):

<i>(Amounts in PHP)</i>	<u>Notes</u>	
Consideration		
Cash		226,869
Put option		206,068
		<u>432,937</u>
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		<u>304,267</u>
Liabilities assumed		<u>(110,615)</u>
		<u>193,652</u>
Trademarks		<u>239,285</u>

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.

Reposessed 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 reposessed 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 Q&As – Cycle 2015*, and PIC Q&A No. 2018-13, *Conforming Changes to PIC Q&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 DDDDB 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:

<i>(Amounts in PHP)</i>	2025				Total
	Megaworld	Travellers	GADC [see Note 1.2(a)]	Emperador	
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)	2024				
	Megaworld	Travellers	GADC	Emperador	Total
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	322,977,397,397
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.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
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	<u>(1,370,437,639)</u>	<u>(1,096,426,356)</u>	<u>(631,454,499)</u>
Revenues and income as reported in consolidated comprehensive income	<u>189,607,657,172</u>	<u>223,564,499,099</u>	<u>210,814,102,973</u>
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	<u>(1,370,437,639)</u>	<u>(1,096,426,356)</u>	<u>(631,454,499)</u>
Profit as reported in consolidated comprehensive income	<u>30,603,216,382</u>	<u>27,918,825,359</u>	<u>30,349,430,355</u>
Assets			
Segment assets	812,753,433,724	794,220,612,061	749,399,794,621
Unallocated corporate assets	<u>45,633,211,967</u>	<u>29,858,304,373</u>	<u>33,143,256,217</u>
Total assets reported in the consolidated statements of financial position	<u>858,386,645,691</u>	<u>824,078,916,434</u>	<u>782,543,050,838</u>
Liabilities			
Segment liabilities	334,404,831,131	340,960,687,708	322,977,397,397
Unallocated corporate liabilities	<u>73,298,289,724</u>	<u>67,392,964,185</u>	<u>64,998,142,010</u>
Total liabilities reported in the consolidated statements of financial position	<u>407,703,120,855</u>	<u>408,353,651,893</u>	<u>387,975,539,407</u>

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:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Cash on hand and in banks	28,306,416,467	39,907,713,135
Short-term placements	<u>19,064,124,559</u>	<u>20,695,126,914</u>
	<u>47,370,541,026</u>	<u>60,602,840,049</u>

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:

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>
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		<u>1,439,573,403</u>	<u>1,654,420,451</u>

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:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
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
	<u>16,548,978,844</u>	<u>16,054,284,922</u>

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:

<i>(Amounts in PHP)</i>	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)].

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2025</u>	<u>2024</u>
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
		<u>138,439,240,266</u>	<u>135,952,036,468</u>
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
		<u>56,813,276,546</u>	<u>53,810,529,520</u>
Allowance for inventory write-down		<u>(564,788,403)</u>	<u>(877,090,192)</u>
		<u>56,248,488,143</u>	<u>52,933,439,328</u>
		<u>194,687,728,409</u>	<u>188,885,475,796</u>

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.

<i>(Amounts in PHP)</i>	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		<u>564,788,403</u>	<u>877,090,192</u>

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.

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Total commitment for construction expenditures	66,282,605,811	64,488,899,160
Total expenditures incurred	<u>(43,883,539,830)</u>	<u>(34,270,561,027)</u>
Net commitment	<u>22,399,065,981</u>	<u>30,218,338,133</u>

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:

<i>(Amounts in PHP)</i>	Note	2025	2024
Quoted		333,579,368	465,894,054
Unquoted		149,494,672	172,294,674
	33.2	<u>483,074,040</u>	<u>638,188,728</u>

The reconciliation of the carrying amounts of these financial assets are as follows:

<i>(Amounts in PHP)</i>	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		<u>483,074,040</u>	<u>638,188,728</u>

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.

<i>(Amounts in PHP)</i>	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
		<u>998,273,554</u>	<u>3,618,073,562</u>
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		<u>(1,079,796,442)</u>	<u>(290,085,568)</u>
Balance at end of year		<u>571,702,874</u>	<u>(1,074,359,098)</u>
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		<u>-</u>	<u>106,058,406</u>
Accumulated impact of changes in ownership interest		<u>163,711,981</u>	<u>163,711,981</u>
<i>Balance carried forward</i>		<u>1,733,688,409</u>	<u>2,813,484,851</u>

<i>(Amounts in PHP)</i>	Notes	2025	2024
<i>Balance brought forward</i>		<u>1,733,688,409</u>	<u>2,813,484,851</u>
Investment of AGI in GADC, an associate – fair value at date of deconsolidation	1.2(a)	<u>11,126,696,994</u>	<u>-</u>
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		<u>694,788,182</u>	<u>-</u>
Accumulated equity in other comprehensive income:			
Share in other comprehensive loss		<u>(5,795,154)</u>	<u>-</u>
		<u>11,815,690,022</u>	<u>-</u>
Investment of EMI in BLC, a joint venture – acquisition cost	12.3	<u>2,845,367,065</u>	<u>2,845,367,065</u>
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		<u>1,357,081,282</u>	<u>795,039,243</u>
		<u>4,202,448,347</u>	<u>3,640,406,308</u>
Investment of Travellers in FRTMI, a joint venture – acquisition cost		<u>10,000,000</u>	<u>10,000,000</u>
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		<u>(966,885)</u>	<u>(948,005)</u>
		<u>9,033,115</u>	<u>9,051,995</u>
Investment of FCI in Associates:			
Acquisition costs:			
FPARI		14,700,000	14,700,000
AFCMI		<u>124,215,000</u>	<u>124,215,000</u>
		<u>138,915,000</u>	<u>138,915,000</u>
		<u>17,899,774,893</u>	<u>6,601,858,154</u>

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):

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	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
		<u>171,720,068,074</u>	<u>168,493,285,797</u>

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)].

<i>(Amounts in PHP)</i>	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	<u>(717,914,717)</u>	<u>(27,360,403,233)</u>	<u>(25,037,356,859)</u>	<u>(1,526,982,183)</u>	<u>(14,988,332,732)</u>	<u>-</u>	<u>(69,630,989,724)</u>
Net carrying amount	<u>16,973,200,223</u>	<u>89,985,448,101</u>	<u>20,488,548,206</u>	<u>642,649,404</u>	<u>10,039,490,584</u>	<u>32,272,880,630</u>	<u>170,402,217,148</u>
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	<u>(605,244,083)</u>	<u>(30,550,724,164)</u>	<u>(27,170,250,851)</u>	<u>(1,546,442,768)</u>	<u>(14,046,503,101)</u>	<u>-</u>	<u>(73,919,164,967)</u>
Net carrying amount	<u>15,008,072,331</u>	<u>94,942,518,954</u>	<u>23,110,261,798</u>	<u>660,535,146</u>	<u>9,328,154,027</u>	<u>10,887,198,523</u>	<u>153,936,740,779</u>
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	<u>(531,867,641)</u>	<u>(27,469,898,714)</u>	<u>(24,591,843,180)</u>	<u>(1,468,695,924)</u>	<u>(12,745,904,066)</u>	<u>-</u>	<u>(66,808,209,525)</u>
Net carrying amount	<u>15,158,782,266</u>	<u>91,409,082,956</u>	<u>17,002,392,377</u>	<u>384,573,088</u>	<u>8,830,522,255</u>	<u>10,245,722,923</u>	<u>143,031,075,865</u>

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.

	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Condominium Units, Fixtures and Other Equipment	Construction in Progress	Total
<i>(Amounts in PHP)</i>							
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

<i>(Amounts in PHP)</i>	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	<u>(72,325,869)</u>	<u>(2,921,462,096)</u>	<u>(2,434,369,889)</u>	<u>(105,893,109)</u>	<u>(1,299,534,123)</u>	<u>-</u>	<u>(6,833,585,086)</u>
Balance at December 31, 2023, net of accumulated depreciation, amortization and impairment	<u>15,158,782,266</u>	<u>91,409,082,956</u>	<u>17,002,392,377</u>	<u>384,573,088</u>	<u>8,830,522,255</u>	<u>10,245,722,923</u>	<u>143,031,075,865</u>

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:

<i>(Amounts in PHP)</i>	2025	2024
Current	205,113,172	1,246,685,477
Non-current	1,075,305,947	17,248,683,855
	<u>1,280,419,119</u>	<u>18,495,369,332</u>

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:

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	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)].

<i>(Amounts in PHP)</i>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Total</u>
December 31, 2025			
Cost	34,314,784,421	150,525,537,121	184,840,321,542
Accumulated depreciation	<u>(25,251,903)</u>	<u>(30,220,857,043)</u>	<u>(30,246,108,946)</u>
Net carrying amount	<u>34,289,532,518</u>	<u>120,304,680,078</u>	<u>154,594,212,596</u>
December 31, 2024			
Cost	33,912,094,490	141,412,829,886	175,324,924,376
Accumulated depreciation	<u>(25,251,903)</u>	<u>(27,215,137,375)</u>	<u>(27,240,389,278)</u>
Net carrying amount	<u>33,886,842,587</u>	<u>114,197,692,511</u>	<u>148,084,535,098</u>
January 1, 2024			
Cost	30,152,369,872	130,399,280,011	160,551,649,883
Accumulated depreciation	<u>(25,251,903)</u>	<u>(24,179,743,847)</u>	<u>(24,204,995,750)</u>
Net carrying amount	<u>30,127,117,969</u>	<u>106,219,536,164</u>	<u>136,346,654,133</u>

A reconciliation of the carrying amounts of investment properties at the beginning and end of the reporting periods is shown below.

<i>(Amounts in PHP)</i>	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).

<i>(Amounts in PHP)</i>	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	<u>20,479,687,923</u>	<u>24,057,645,056</u>	<u>62,686,949</u>	<u>5,170,800</u>	<u>-</u>	<u>44,605,190,728</u>
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	<u>20,969,294,472</u>	<u>21,453,858,552</u>	<u>71,253,170</u>	<u>124,200</u>	<u>192,172,689</u>	<u>42,686,703,083</u>
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	<u>20,667,574,161</u>	<u>21,125,928,781</u>	<u>78,546,850</u>	<u>1,695,578</u>	<u>138,479,042</u>	<u>42,012,224,412</u>

A reconciliation of the carrying amounts at the beginning and end of the reporting periods of intangible assets is shown below.

<i>(Amounts in PHP)</i>	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			
	Allocated Intangible Assets	Value in Use	Terminal Growth Rate	Discount Rate	Allocated Intangible Assets	Value in Use	Terminal Growth Rate	Discount Rate
<i>(Amounts in PHP)</i>								
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):

<i>(Amounts in PHP)</i>	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
		<u>73,738,014,475</u>	<u>77,069,078,841</u>

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.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Current:		
Philippine Peso	51,837,635,838	40,959,319,860
Foreign currencies	6,558,998,471	5,520,375,295
	<u>58,396,634,309</u>	<u>46,479,695,155</u>
Non-current:		
Philippine Peso	102,074,302,741	94,716,949,586
Foreign currencies	92,408,488,228	88,807,274,574
	<u>194,482,790,969</u>	<u>183,524,224,160</u>
	<u>252,879,425,278</u>	<u>230,003,919,315</u>

The summarized terms and conditions of each availed loan as of December 31, 2025 and 2024 are as follows *(amounts in PHP)*:

<u>Outstanding Principal Balance</u>		<u>Explanatory</u>	<u>Interest Rate</u>	<u>Security</u>	<u>Maturity</u>
<u>2025</u>	<u>2024</u>	<u>Notes</u>			
<i>Megaworld</i>					
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
<u>61,032,511,366</u>	<u>68,768,756,289</u>				
<i>EELHI</i>					
<u>450,000,000</u>	<u>650,000,000</u>	(o)	Floating rate of 3.50%	Unsecured	2028

Outstanding Principal Balance		Explanatory Notes	Interest Rate	Security	Maturity
2025	2024				
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	(ji)	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		Explanatory Notes	Interest Rate	Security	Maturity
2025	2024				
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.

- (vii) 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.
- (viii) 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.

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	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 from the end of the reporting period.

21. EQUITY

21.1 Capital Stock

Capital stock consists of:

(Amounts in PHP)	Shares			Amount		
	2025	2024	2023	2025	2024	2023
Common shares – P1 par value						
Authorized	<u>12,950,000,000</u>	<u>12,950,000,000</u>	<u>12,950,000,000</u>	<u>12,950,000,000</u>	<u>12,950,000,000</u>	<u>12,950,000,000</u>
Capital stock				10,269,827,979	10,269,827,979	10,269,827,979
Additional paid-in capital				<u>35,048,586,642</u>	<u>34,518,916,029</u>	<u>34,518,916,029</u>
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	<u>(1,503,736,300)</u>	<u>(1,523,600,300)</u>	<u>(1,425,108,400)</u>	<u>(17,654,577,521)</u>	<u>(16,554,828,907)</u>	<u>(15,910,646,863)</u>
Total outstanding	<u>8,766,091,679</u>	<u>8,746,227,679</u>	<u>8,844,719,579</u>	<u>27,663,837,100</u>	<u>P28,233,915,101</u>	<u>P28,878,097,145</u>

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.

<i>(Amounts in PHP)</i>	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	
	2025	2024	2025	2024	December 31, 2025	December 31, 2024
Name						
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
Emperor	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).

	GADC [see Note 1.2(a)] – As of March 16, 2025			
(Amounts in PHP)	Megaworld	Travellers		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

<i>(Amounts in PHP)</i>	Megaworld	Travellers	GADC [see Note 1.2(a)] –	Emperador
<u>December 31, 2025</u>				
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)
<u>December 31, 2024</u>				
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
<u>December 31, 2023</u>				
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:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
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	<u>8,643,127,479</u>	<u>8,781,497,479</u>	<u>8,844,719,579</u>
	<u>2.3978</u>	<u>1.9773</u>	<u>2.2178</u>

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:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
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	<u>51,754,277,123</u>	<u>50,988,478,086</u>	<u>42,721,115,222</u>
		<u>108,524,400,384</u>	<u>112,405,005,950</u>	<u>107,859,417,513</u>
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)	<u>3,898,365,860</u>	<u>3,501,886,985</u>	<u>2,123,491,012</u>
		<u>71,748,631,439</u>	<u>106,115,015,106</u>	<u>96,900,516,812</u>

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.

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PPHP)</i>	2025		2024	
	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.

<i>(Amounts in PHP)</i>	2025	2024
Current	26,287,777,868	22,818,989,860
Non-current	7,928,124,664	12,696,802,261
	<u>34,215,902,532</u>	<u>35,515,792,121</u>

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.

<i>(Amounts in PHP)</i>	2025	2024
Current	1,050,338,907	1,669,576,401
Non-current	4,041,368,789	4,914,917,981
	<u>5,091,707,696</u>	<u>6,584,494,382</u>

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.

<i>(Amounts in PHP)</i>	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	<u>(2,514,040,769)</u>	<u>(2,435,080,687)</u>
Balance at end of year	<u>2,092,947,960</u>	<u>2,127,254,023</u>

The breakdown of deferred commission as of December 31, 2025 and 2024 is presented below (see Note 9).

<i>(Amounts in PHP)</i>	2025	2024
Current	1,907,966,914	1,969,038,939
Non-current	184,981,046	158,215,084
	<u>2,092,947,960</u>	<u>2,127,254,023</u>

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:

<i>(Amounts in PHP)</i>	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
	<u>24,675,685,448</u>	<u>27,144,780,681</u>

24. COST OF GOODS SOLD AND SERVICES

The components of cost of goods sold and services are shown below and in the succeeding page:

<i>(Amounts in PHP)</i>	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	<u>1,656,900,107</u>	<u>2,516,797,980</u>	<u>1,439,014,493</u>
		<u>39,934,762,511</u>	<u>42,407,160,962</u>	<u>43,743,139,178</u>
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		<u>322,757,317</u>	<u>629,890,414</u>	<u>312,285,008</u>
	2.7	<u>25,083,280,498</u>	<u>25,381,121,671</u>	<u>21,604,685,140</u>
		<u>65,018,043,009</u>	<u>67,788,282,633</u>	<u>65,347,824,318</u>

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	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
	<u>45,569,783,905</u>	<u>47,344,752,415</u>	<u>43,397,062,648</u>

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.

<i>(Amounts in PHP)</i>	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
		<u>9,146,398,330</u>	<u>5,044,478,043</u>	<u>6,007,956,593</u>
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
		<u>13,223,327,289</u>	<u>14,799,084,476</u>	<u>12,318,287,823</u>

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.

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	2025	2024
Present value of the obligation	13,274,608,095	13,155,834,180
Fair value of plan assets	<u>(11,326,517,935)</u>	<u>(11,316,884,721)</u>
	<u>1,948,090,160</u>	<u>P1,838,949,459</u>

The movements in the present value of retirement benefit obligation are as follows:

<i>(Amounts in PHP)</i>	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	<u>13,274,608,095</u>	<u>13,155,834,180</u>

The movements in the fair value of plan assets of funded retirement plans of the Group are presented below.

<i>(Amounts in PHP)</i>	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	<u>(909,248,182)</u>	<u>(772,681,345)</u>
Balance at end of year	<u>11,326,517,935</u>	<u>11,316,884,721</u>

The plan assets of MEG, EMI, and Travellers as of December 31 consist of the following:

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	2025	2024	2023
<i>Reported in consolidated profit or loss:</i>			
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

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in consolidated other comprehensive income:</i>			
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
	<u>(252,745,760)</u>	<u>22,266,240</u>	<u>689,800,036</u>

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:

	<u>2025</u>	<u>2024</u>
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	Decrease in Assumption
<u>December 31, 2025</u>			
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)
<u>December 31, 2024</u>			
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:

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Reported in consolidated profit or loss:</i>			
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
	<u>3,246,498,167</u>	<u>3,826,496,848</u>	<u>4,228,697,893</u>
Deferred tax expense relating to origination and reversal of temporary differences	<u>3,489,823,423</u>	<u>4,009,294,445</u>	<u>3,187,290,599</u>
	<u>6,736,321,590</u>	<u>7,835,791,293</u>	<u>7,415,988,492</u>
<i>Reported in consolidated other comprehensive income –</i>			
Deferred tax expense (income) relating to origination relating to origination and reversal of temporary differences	<u>(75,240,932)</u>	<u>75,640,884</u>	<u>(148,246,238)</u>

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:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
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)
	<u>6,736,321,590</u>	<u>7,835,791,293</u>	<u>7,415,988,492</u>

The deferred tax assets and liabilities as of December 31 presented in the consolidated statements of financial position relate to the following:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
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)
	<u>(22,401,618,331)</u>	<u>(18,987,901,686)</u>

These are presented in the consolidated statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Deferred tax liabilities - net	(23,320,972,564)	(21,239,236,055)
Deferred tax assets - net	919,354,233	2,251,334,369
	<u>(22,401,618,331)</u>	<u>(18,987,901,686)</u>

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	832,255,492	-	-	-
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
	<u>25,742,508,359</u>	<u>(42,990,700)</u>	<u>(9,346,982,324)</u>	<u>16,352,535,335</u>	

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
	<u>188,338,525</u>	<u>(1,069,838)</u>	<u>(14,436,596)</u>	<u>172,832,091</u>	

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
	<u>15,874,598,228</u>	<u>4,042,025,516</u>	<u>20,230,942,547</u>	<u>5,082,754,067</u>	<u>16,922,582,455</u>	<u>4,254,030,023</u>

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)

(Amounts in PTH)

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).

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
Associates	1,013,226,927	1,011,620,312
Other related parties	5,490,278,626	4,956,555,790
	<u>6,503,505,553</u>	<u>5,968,176,102</u>

The movements in the advances to associates and other related parties are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
<i>Advances to associates</i>		
Balance at beginning of year	1,011,620,312	1,010,276,576
Cash advances granted	2,302,152	1,343,736
Collections	<u>(695,537)</u>	<u>-</u>
Balance at end of year	<u>1,013,226,927</u>	<u>1,011,620,312</u>
<i>Advances to related parties under common ownership</i>		
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	<u>(534,654,190)</u>	<u>-</u>
Balance at end of year	<u>5,490,278,626</u>	<u>4,956,555,790</u>

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:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
<i>Due from Related Parties</i>		
Officers and employees	138,227,166	491,263,220
Other related parties	<u>139,056,408</u>	<u>121,011,870</u>
	<u>277,283,574</u>	<u>612,275,090</u>
<i>Due to Related Parties</i>		
Stockholders	23,500,000	147,337,958
Other related parties	<u>42,137,715</u>	<u>42,137,715</u>
	<u>65,637,715</u>	<u>189,475,673</u>

The details of the due from/to related parties are as follows:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
<i>Due from officers and employees</i>		
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	<u>138,227,166</u>	<u>491,263,220</u>
<i>Due from other related parties</i>		
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	<u>139,056,408</u>	<u>121,011,870</u>
<i>Due to stockholders</i>		
Balance at beginning of year	147,337,958	171,837,958
Repayments	(123,837,958)	(24,500,000)
Balance at end of year	<u>23,500,000</u>	<u>147,337,958</u>
<i>Due to other related parties</i>		
Balance at beginning and end of year	<u>42,137,715</u>	<u>42,137,715</u>

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:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
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	<u>352,194,953</u>	<u>1,004,242,464</u>

29.6 Key Management Personnel Compensation

The compensation of key management personnel is broken down as follows (see Note 27.1):

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
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
	<u>1,433,704,217</u>	<u>1,434,413,566</u>	<u>1,411,178,211</u>

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:

<i>(Amounts in PHP)</i>	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 pertain 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.

<i>(Amounts in PHP)</i>	<u>U.S. Dollars</u>	<u>HK Dollars</u>	<u>Euros</u>	<u>U.K. Pounds</u>
December 31, 2025				
Financial assets	6,015,444,186	2,891,416,132	152,181,266	375,628,907
Financial liabilities	<u>(38,529,235,979)</u>	<u>(565,587,705)</u>	<u>(21,846,697,479)</u>	<u>(20,239,764,077)</u>
	<u>(32,513,791,793)</u>	<u>2,325,828,427</u>	<u>(21,694,516,213)</u>	<u>(19,864,135,170)</u>
December 31, 2024				
Financial assets	2,374,101,661	2,333,342,682	249,644,950	314,852,956
Financial liabilities	<u>(52,450,866,355)</u>	<u>(418,496,858)</u>	<u>(19,972,574,551)</u>	<u>(13,518,227,486)</u>
	<u>(50,076,764,694)</u>	<u>1,914,845,824</u>	<u>(19,722,929,601)</u>	<u>(13,203,374,530)</u>

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.

<i>(Amounts in PHP)</i>	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

<i>(Amounts in PHP)</i>	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
		<u>190,865,893,734</u>	<u>201,006,492,919</u>

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:

<i>(Amounts in PHP)</i>	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:

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	Observed Volatility Rates		Impact on Equity	
	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

		2025		2024	
(Amounts in PHP)	Notes	Carrying Values	Fair Values	Carrying Values	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
		<u>220,088,056,318</u>	<u>214,928,140,440</u>	<u>226,011,453,057</u>	<u>219,875,859,414</u>
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	Level 2	Level 3	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
	<u>15,979,945,429</u>	<u>915,204,509</u>	<u>136,902,946</u>	<u>17,032,052,884</u>
Financial liabilities:				
Financial Liabilities at FVTPL –				
Slot jackpot liability	-	767,389,124	-	767,389,124
	<u>-</u>	<u>767,389,124</u>	<u>-</u>	<u>767,389,124</u>
(Amounts in PHP)	2024			
	Level 1	Level 2	Level 3	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
	<u>15,871,140,795</u>	<u>684,429,909</u>	<u>136,902,946</u>	<u>16,692,473,650</u>
Financial liabilities:				
Financial Liabilities at FVTPL –				
Slot jackpot liability	-	772,287,098	-	772,287,098
	<u>-</u>	<u>772,287,098</u>	<u>-</u>	<u>772,287,098</u>

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
	<u>52,068,141,026</u>	<u>-</u>	<u>95,116,154,288</u>	<u>147,184,295,314</u>
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
	<u>19,634,035,680</u>	<u>-</u>	<u>330,418,750,687</u>	<u>350,052,786,367</u>
(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
	<u>63,236,507,901</u>	<u>671,562,522</u>	<u>91,558,107,804</u>	<u>155,466,178,227</u>
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
	<u>19,369,933,610</u>	<u>-</u>	<u>332,613,197,472</u>	<u>351,983,131,082</u>

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.

<i>(Amounts in PHP)</i>	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.

<i>(Amounts in PHP)</i>	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(II)].

**Report of Independent Auditors
to Accompany Supplementary
Information Required by the
Securities and Exchange Commission
Filed Separately from the Basic
Consolidated Financial Statements**

Punongbayan & Araullo

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**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, 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

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
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

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Other Required Information

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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

			<i>Deductions</i>		<i>Ending Balance</i>		
<i>Name and Designation of Debtor</i>	<i>Balance at the Beginning of Period</i>	<i>Additions</i>	<i>Amounts Collected</i>	<i>Impairment</i>	<i>Current</i>	<i>Non-current</i>	<i>Balance at the End of Period</i>
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

			<i>Deductions</i>		<i>Ending Balance</i>		
<i>Name and Designation of Debtor</i>	<i>Balance at Beginning of Period</i>	<i>Additions</i>	<i>Amounts Collected</i>	<i>Amounts Written off</i>	<i>Current</i>	<i>Not current</i>	<i>Balance at End of Period</i>
<i>Due from Related Parties</i>							
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.	<u>2,079,566,400.00</u>	<u>-</u>	<u>P 1,549,590,808</u>	<u>-</u>	<u>529,975,592</u>	<u>-</u>	<u>529,975,592</u>
	<u>22,986,507,346</u>	<u>26,860,288</u>	<u>5,311,946,667</u>	<u>-</u>	<u>17,701,420,967</u>	<u>-</u>	<u>17,701,420,967</u>

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2025

<i>Title of Issue and Type of Obligation</i>	<i>Amount Authorized by Indenture</i>	<i>Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position</i>	<i>Amount Shown Under Caption "Long-Term Debt" in Related Statement of Financial Position</i>
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 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

<i>Title of issue and type of obligation</i>	<i>Amount authorized by indenture</i>	<i>Balance at the beginning of year</i>	<i>Balance at the end</i>

-nothing to report-

Alliance Global Group, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2025

<i>Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is Filed</i>	<i>Title of Issue of Each Class of Securities Guaranteed</i>	<i>Total Amount Guaranteed and Outstanding</i>	<i>Amount Owned by Person for which this Statement is Filed</i>	<i>Nature of Guarantee</i>
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

Alliance Global Group, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2025

				<i>Number of shares held by</i>		
<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related balance sheet caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
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: <u>Category A:</u> 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: <u>Category B:</u> 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: <u>Category C.1:</u> 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: <u>Category C.2:</u> 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: <u>Category C.3:</u> 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			-
<i>Balance carried forward</i>		P	32,262,587,554

Balance brought forward

P 32,262,587,554

Add: Category D: Non-actual losses 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

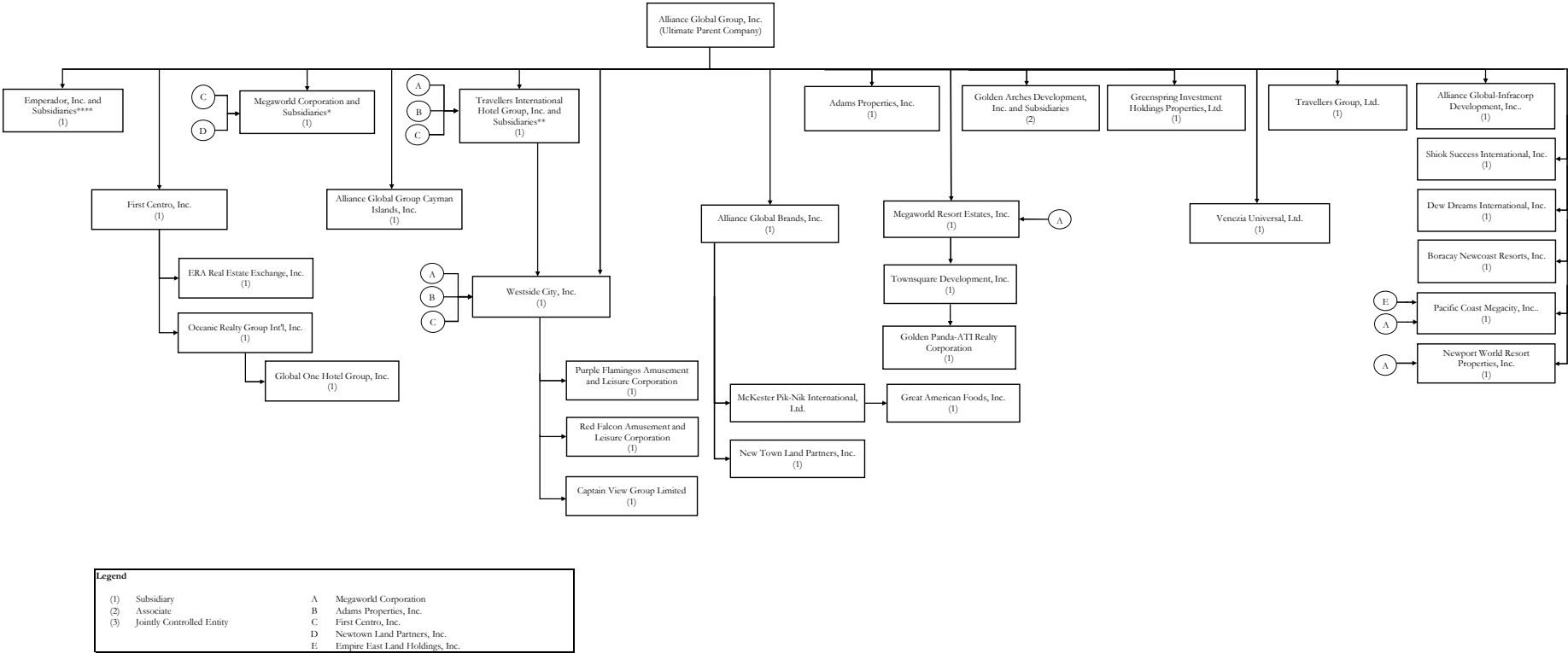
(1,115,679,254)

Unappropriated Retained Earnings Available for Dividend Distribution at End of Year**P 31,146,908,300****Supplemental Information**

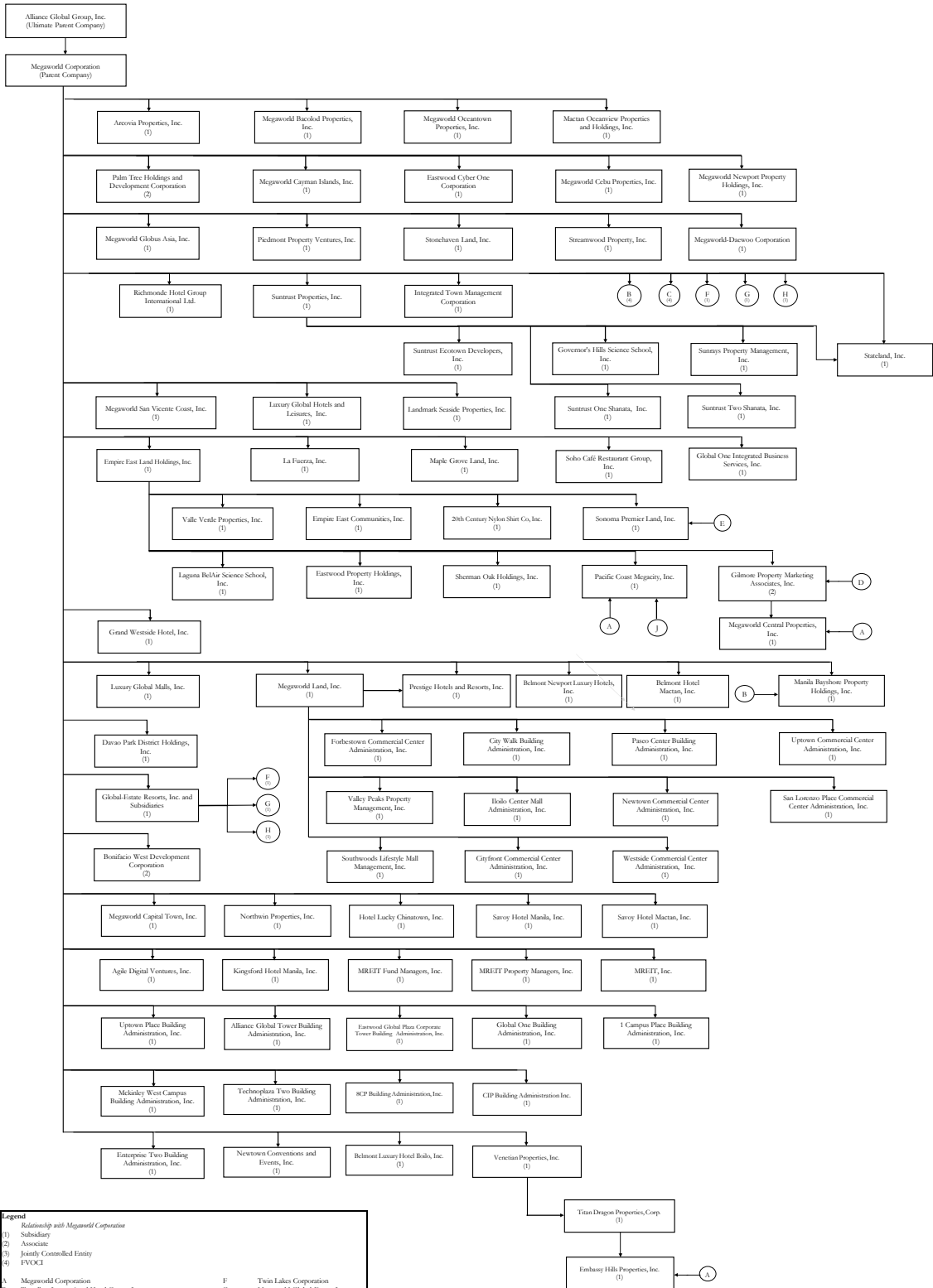
The Company's BOD has approved a series of share-repurchase programs since 2017. As of December 31, 2025, the Company has repurchased a total of 1.5 billion shares for P16.8 billion, inclusive of transaction costs (see Note 21.3).

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES

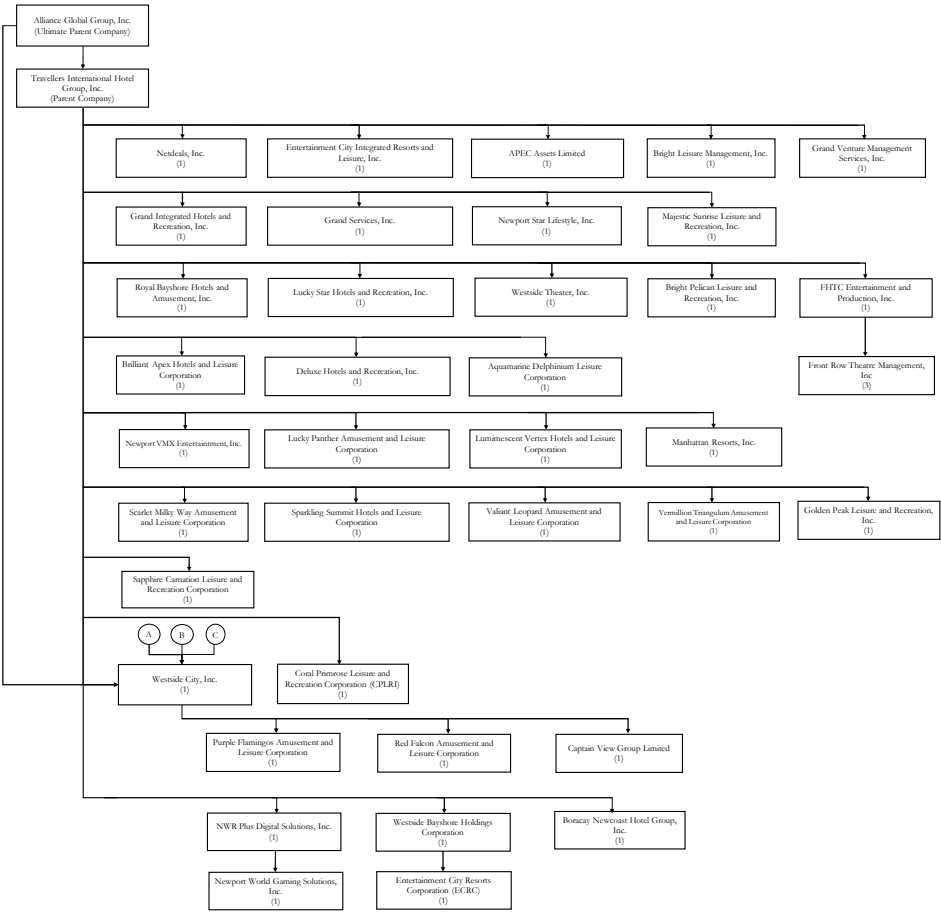
Map Showing the Relationship Between Alliance Global Group, Inc.
and its Related Parties
December 31, 2025



ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship between Alliance Global Group, Inc.
and Megaworld Corporation Group
December 31, 2025

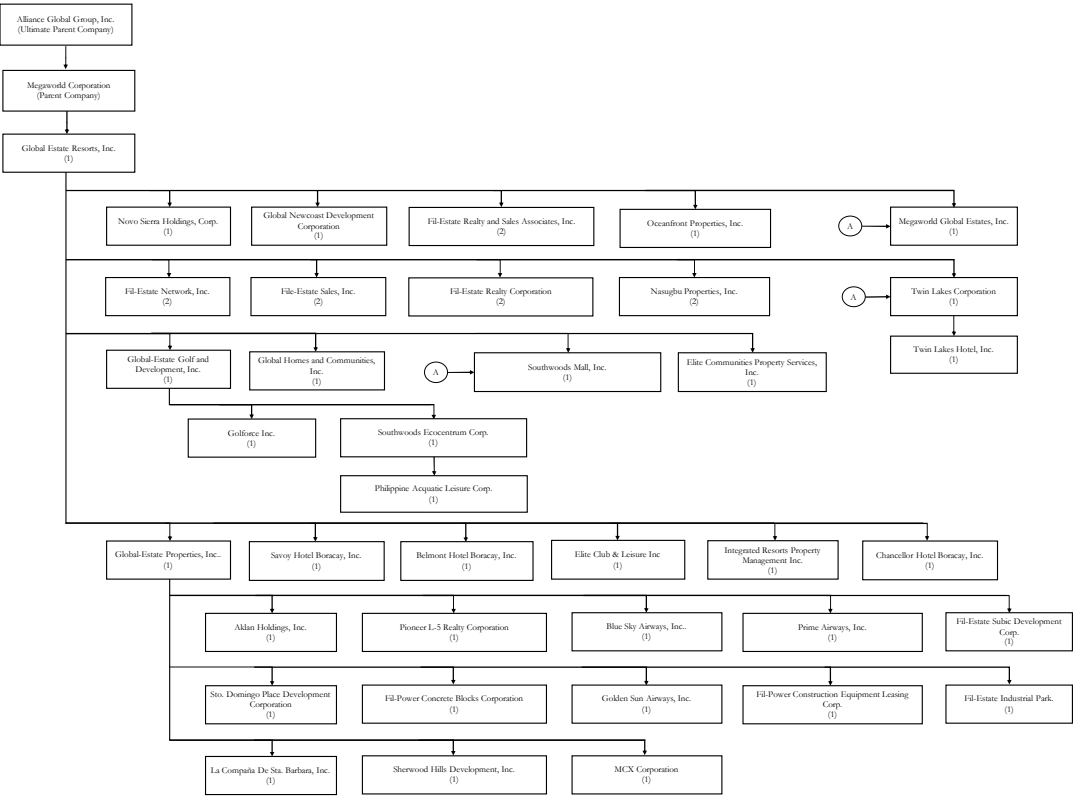


ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Travellers Group
December 31, 2025



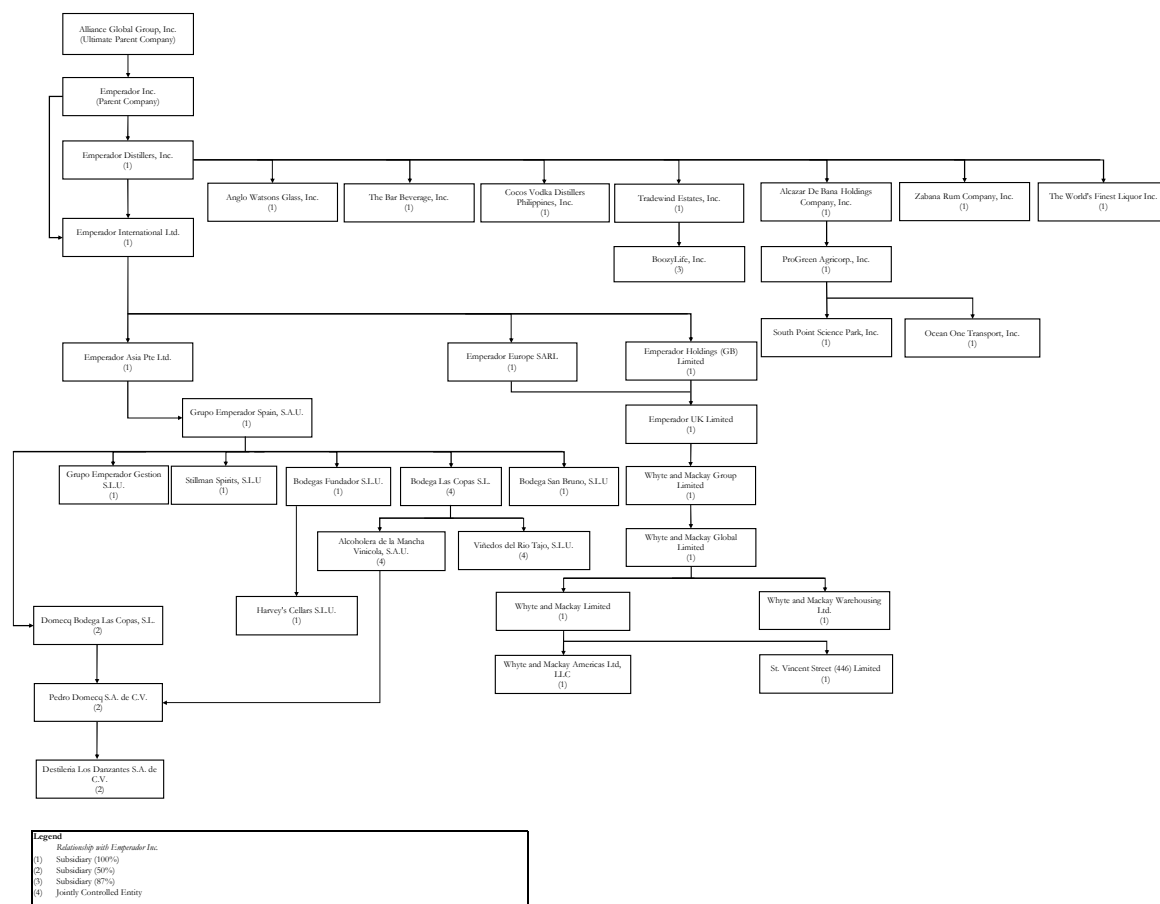
Legend	
Relationship with Travellers International Hotel Group, Inc.	
(1)	Subsidiary
(2)	Associate
(3)	Jointly Controlled Entity
(4)	FVOCI
A	Megaworld Corporation
B	Adams Properties, Inc.
C	First Centre, Inc.
D	Newview Land Partners, Inc.
E	Travellers International Hotel Group, Inc.
F	Manila Bayshore Property Holdings, Inc.
G	Westside City, Inc.
H	Trensquare Development, Inc.
I	Megaworld Resort Estates, Inc.
S	Empire East Land Holdings, Inc.
J	Twin Lakes Corporation
K	Megaworld Global Estates, Inc.
L	Megaworld Central Properties, Inc.
M	Southwoods Mall, Inc.
N	Soona Premier Land, Inc.
O	Gilmore Property Marketing Associates, Inc.
P	Emperor Inc.
Q	Summit Home Developers, 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
B	Aldan Properties, Inc.
C	First Centro, Inc.
D	Newtown Land Partners, Inc.
E	Travelers International Hotel Group, Inc.
F	Manila Bayshore Property Holdings, Inc.
G	Westside City, Inc.
H	Townsquare Development, Inc.
I	Megaworld Resort Estates, Inc.
J	Twin Lakes Corporation
K	Megaworld Global Estates, Inc.
L	Megaworld Central Properties, Inc.
M	Southwoods Mall, Inc.
N	Sesoma Premier Land, Inc.
O	Gilmore Property Marketing Associates, Inc.
P	Emperador Inc.
Q	Sustrait Home Developers, Inc.

Map Showing the Relationship Between Alliance Global Group, Inc.
and Emperador Group



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

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)

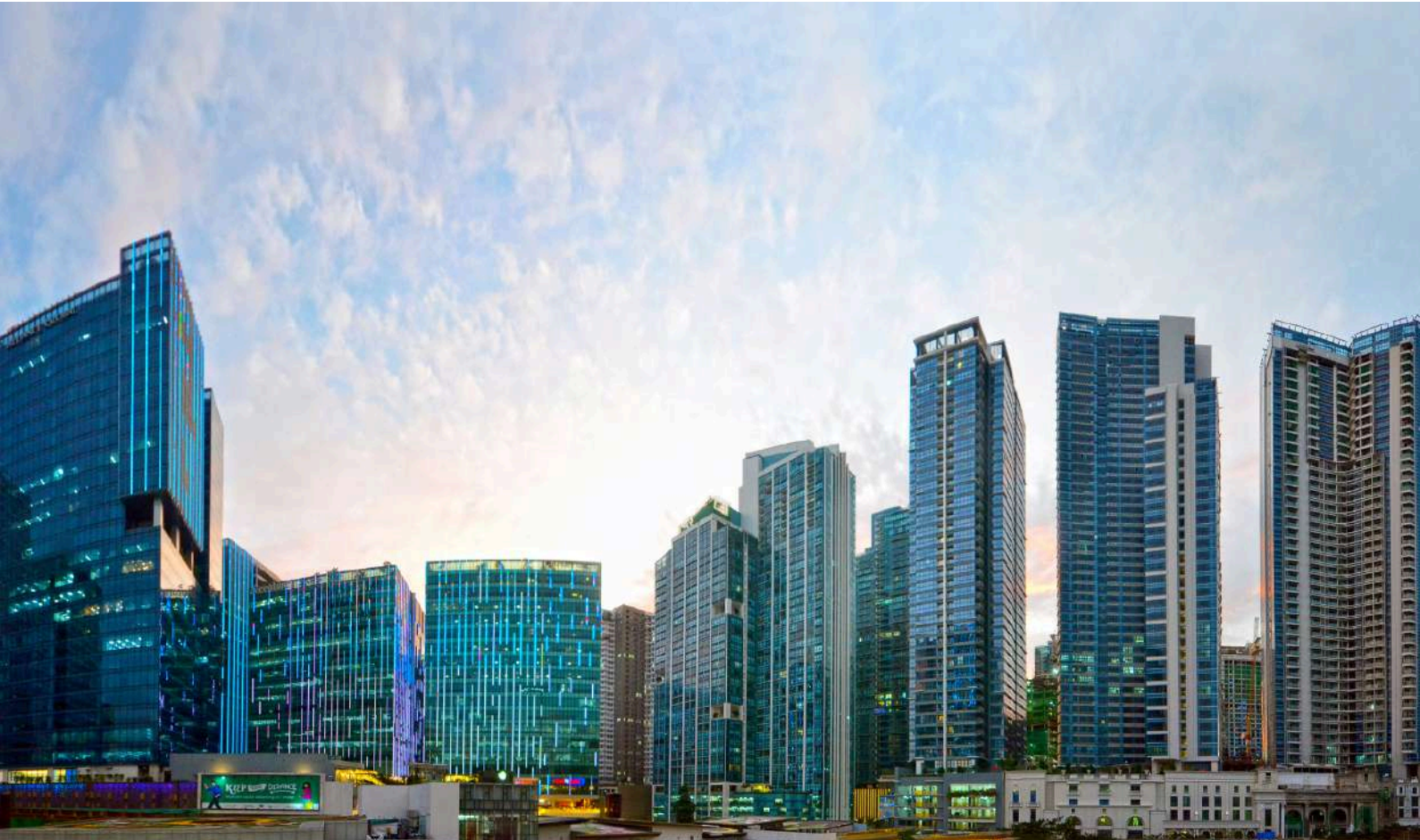
	<u>2025</u>	<u>2024</u>
Total Audit Fees	P 77,050,822	P 70,802,930
Non-audit service fees:		
Other assurance service	692,360	1,219,100
Tax service	1,515,820	2,865,980
All other service	<u>4,949,100</u>	<u>4,981,600</u>
Total Non-Audit Fees	<u>7,157,280</u>	<u>9,066,680</u>
Total Audit and Non-audit Fees	P <u>84,208,102</u>	P <u>79,869,610</u>

2025



Sustainability Report

SEC Form 17-A Annex



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Contextual Information

Name of Organization	Alliance Global Group, Inc.
Location of Headquarters	7/F 1880 Eastwood Avenue, Eastwood City CyberPark, Bagumbayan, Quezon City
Location of Operations	Megaworld Corporation (MEG) and Travellers International Hotel Group, Inc. (TIHGI) operate in the Philippines, while Emperador Inc. (EMI) operates an integrated business of manufacturing, bottling and distributing distilled spirits and other alcoholic beverages from the Philippines, United Kingdom, Spain, and Mexico, through its subsidiaries.
Report Boundary <i>Legal Entities (e.g. Subsidiaries) included in this Report</i>	Megaworld Corporation (MEG), Travellers International Hotel Group, Inc. (TIHGI), and Emperador Inc. (EMI). 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.
Business Model, including Primary Activities, Brands, Products, and Services	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.
Reporting Period	January 1, 2025 - December 31, 2025
Highest Ranking Person responsible for this report	Kevin Andrew L. Tan

Sustainability Strategy

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.

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 AGI's definition of 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 precondition 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 operational efficiency and cost structure 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.

Impact 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 robust 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

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.

01	<i>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.</i>
02	<i>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.</i>

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.

16,699 Direct Employees <i>AGI Group, as of reporting period</i>	535,000 Indirect Jobs Created <i>Across AGI's value chain nationwide</i>	66 Buildings on Renewable Energy <i>Transitioned under RCOA as of 2025</i>

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.

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.	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.

Complementing these efforts, MEG's Project Tree Point Five Million Trees has 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.

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.

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.

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

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.

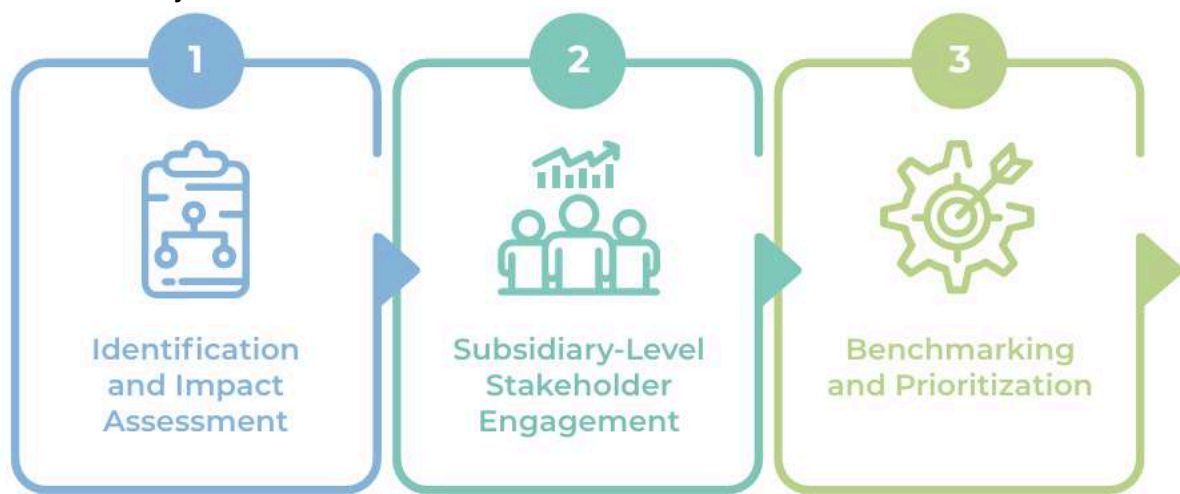
Materiality Process

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	PLANET	PROSPERITY
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*	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	Impact 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
		

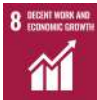
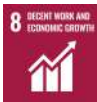
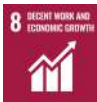
Disclosure: Asterisks denote new material topics for 2025.

United Nations Sustainable Development Goals

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.

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 <i>Employment</i>	- 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 <i>Non-discrimination</i> GRI 407 <i>Freedom of Association and Collective Bargaining</i> GRI 408 <i>Child Labor</i> GRI 409 <i>Forced or Compulsory Labor</i>	- 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.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
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 <i>Diversity and Equal Opportunity</i> GRI 406 <i>Non-discrimination</i>	- 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 <i>Training and Education</i>	- 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 <i>Occupational Health and Safety</i>	- 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 Impact of New Developments AGI assesses and manages the social and economic	GRI 203 <i>Indirect Economic Impacts</i> GRI 413 <i>Local Communities</i>	- Creates economic opportunities and improved infrastructure in host communities. - Supports local employment through large-scale developments. - Contributes to urban planning and	- Risk of displacement or disruption to existing communities. - Potential adverse environmental impacts	Conducts community consultations and social impact assessments before development.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
effects of township and infrastructure developments on surrounding communities.		sustainable community growth. 	from large-scale development.	• Implements grievance mechanisms for affected communities. • Integrates green infrastructure and mixed-use design principles.
Community Relations AGI builds meaningful partnerships with communities through social investments, livelihood programs, and disaster resilience initiatives.	GRI 413 <i>Local Communities</i>	• 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 <i>Customer Health and Safety</i>	• 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	GRI 418 <i>Customer Privacy</i>	• Protects customer, employee, and partner data from breaches. • Builds stakeholder trust through transparent data governance. • Supports the right to privacy as a	• Risk of data breaches, leaks, and unauthorized access.	• Enforces data privacy manuals and cybersecurity policies across subsidiaries.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
resilience across all digital operations in compliance with applicable privacy laws.		fundamental human right. 	Exposure to regulatory penalties under data protection laws.	- 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 <i>Marketing and Labeling</i>	- 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.
Climate Action and Resilience AGI reduces its climate impact and strengthens business resilience against physical and transition risks related to climate change.	GRI 305 <i>Emissions</i>	- 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.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Materials Management AGI promotes responsible sourcing, use, and recovery of materials to reduce environmental impact and support sustainable production.	GRI 301 <i>Materials</i>	- 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 <i>Biodiversity</i>	- 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.
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 <i>Economic Performance</i> GRI 202 <i>Market Presence</i>	- 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.
Business Model and Product Innovation	GRI 203 <i>Indirect Economic Impacts</i>	- Creates new value through innovative and sustainable product offerings. - Improves customer experience and operational efficiency.	Risk of investing in innovations that fail to achieve commercial viability.	Integrates sustainability criteria into product innovation pipelines.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
AGI drives sustainable growth through innovation in products, services, and business models that respond to changing market and environmental demands.		Builds competitive advantage through research and development.   	Environmental impacts from new product or service development.	- 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 <i>Customer Health and Safety</i>	- 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.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
		 		
Enterprise Risk Management AGI identifies, assesses, and manages material risks across its operations to protect stakeholder value and ensure business continuity.	GRI 2 <i>General Disclosures</i>	• 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 <i>Anti-corruption</i>	• 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.
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 <i>Tax</i>	• 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.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
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 <i>Procurement Practices</i> GRI 308 <i>Supplier Environmental Assessment</i> GRI 414 <i>Supplier Social Assessment</i>	• 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.

ECONOMIC

Economic Performance

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 by 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.

Direct Economic Value Generated and Distributed

Disclosure (in Php millions)	2023	2024	2025
Direct Economic Value Generated (Revenue)	210,814	223,564	189,608
Direct Economic Value Distributed:			
a. Operating Costs	105,170	111,140	82,476
b. Employee Wages and Benefits	19,081	21,557	17,937
c. Payments to Suppliers, Other Operating Costs	34,164	37,257	35,873
d. Dividends given to Stockholders and Interest Payments to Loan Providers	12,289	13,919	12,892
e. Taxes given to Government	9,610	10,526	9,420
f. Investments to Community (e.g. Donations, CSR)	122	154	74

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.

Subsidiary Performance

AGI's economic performance is anchored on a diversified portfolio that allows the Company to capture opportunities across multiple sectors while managing risks across cycles. Each core business operates with a distinct strategy, yet remains aligned with the Company's focus on disciplined execution, recurring income generation, and long-term value creation. This structure enables the Company to maintain stability while responding to shifting market conditions and evolving demand.

MEG delivered consistent performance supported by a balanced mix of development revenues and recurring income streams. Residential operations remained a key contributor, driven by steady end-user demand and sustained construction progress.

Leasing segments continued to expand, with office, retail, and hospitality assets benefiting from improving occupancy, tenant diversification, and rising consumer activity. MEG further strengthened its position as a leading office landlord by attracting global tenants and expanding its presence in integrated townships. Continued investments in emerging growth areas and green-certified developments support long-term demand and reinforce portfolio resilience.

EMI sustained its performance through disciplined financial management, strong governance, and a diversified international footprint. Cost control measures and enhanced financial monitoring supported margin stability. Market-driven strategies also enabled EMI to remain competitive across regions.

Its portfolio of established global brands, combined with continued international expansion, provides a stable platform for growth. Regular financial oversight and adherence to global reporting standards further strengthen transparency, accountability, and investor confidence.

TIHGI advanced its performance through operational improvements and tighter cost management, while reinforcing Newport World Resorts (NWR) as a leading integrated tourism destination. Efficiency initiatives across procurement and operations improved cost visibility and supported better margin control.

Entertainment, hospitality, and gaming offerings continued to drive foot traffic and broaden revenue sources. This was supported by strong brand positioning and international recognition of its hotel portfolio. TIHGI also progressed key developments, including the Westside Resorts Manila, with a focus on prudent capital deployment and risk management. Its integrated model continues to generate economic activity across tourism, employment, and local enterprise development.

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.

Climate-Related Risks and Opportunities

AGI approaches climate risk not as a peripheral concern, but as a core dimension of enterprise resilience. Through its Enterprise Risk Management (ERM) framework, the Group systematically identifies, assesses, and manages climate-related risks and opportunities across its subsidiaries and affiliates, ensuring that climate considerations are embedded in strategic planning, capital allocation, and operational decision-making.

TCFD Pillar	Disclosure
Governance	Oversight of climate-related risks rests with the Board of Directors through the Audit Committee. The Committee 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. Management implements the ERM framework across business units, with each segment providing regular reports on risk exposure and mitigation actions. MEG: Targeted mitigation and adaptation measures are deployed operationally: adjusting work hours during extreme heat, activating weather contingency plans for construction, and maintaining drainage infrastructure. TIHGI: Management led the rollout of the transaction monitoring framework and the Risk Ready NWR Workshop, training 97 participants in risk fundamentals with a 91.4% satisfaction rating.
Strategy	AGI has identified climate-related risks and opportunities that influence its business operations: Short-Term Risks Extreme heat, flooding, and severe weather events affecting estate operations, tenant experience, construction timelines, and worker safety at MEG townships; supply chain disruptions in food and beverage at TIHGI. Medium-Term Risks Rising regulatory requirements around green building standards, environmental permitting, and climate compliance increasing development costs. Long-Term Risks Transition to renewable energy and climate-resilient infrastructure presents strategic investment opportunities. Allocation of at least 40% of developable land to green and open spaces supports sustainable township development. Business Impact and Strategy MEG: Physical climate risks increase operating costs through drainage maintenance, construction delays, and preventive maintenance programs. Climate-resilient design and green-certified assets (including LEED Gold-certified International Finance Center) enhance long-term asset value and tenant attraction. MEG's township development strategy is designed for long-term resilience. Green and open space allocation of at least 40% of developable land moderates urban heat and manages surface runoff. Investment in disaster-resilient buildings and renewable energy supports asset viability under more extreme climate scenarios.

TCFD Pillar	Disclosure
	Site selection criteria incorporate climate risk exposure, ensuring future developments are located in areas less vulnerable to flooding and extreme weather. Supplier diversification and climate-resilient supply chain infrastructure further reduce exposure to climate-related disruptions across the value chain. TIHGI: Weather-related disruptions to resort operations and food and beverage supply chains present revenue risk. Investment in risk management capability and controls infrastructure supports operational resilience and long-term financial stability.
Risk Management	AGI applies a structured ERM framework to identify and assess climate-related risks across subsidiaries and affiliates. The framework systematically identifies specific risk drivers, assesses their financial implications, and evaluates their potential impact on operations, tenants, and communities. MEG conducts hydrology studies in flood-prone townships and performs continuous benchmarking and site selection in areas with lower climate-related exposure. Managing Climate-Related Risks MEG manages physical climate risks through preventive maintenance schedules, estate drainage programs, and weather contingency planning for construction activities. Heat-related worker risks are addressed through hydration protocols, shaded rest areas, scheduled breaks, and training. Supply chain disruption risks are managed through supplier diversification and contingency plans. TIHGI manages climate and operational risks through the Integrated Risk Register, the transaction monitoring framework, and consistent staff capability-building through the Risk Ready NWR Workshop. Integration with Enterprise Risk Management Climate-related risks are integrated into AGI's ERM framework alongside financial, regulatory, and operational risks. The Board Audit Committee oversees all risk categories holistically, with climate risks surfaced through the same segment-level reporting structure that governs all material exposures. TIHGI's Integrated Risk Register consolidates climate and operational risks into a single platform, with automated scoring and improved controls assessment enabling consistent reporting. The IRR feeds directly into annual risk exposure and performance dashboards, ensuring climate considerations are visible in enterprise-level decision-making.
Metrics and Targets	AGI tracks key performance indicators (KPIs) such as reductions in greenhouse gas emissions, improvements in energy efficiency, and water conservation. The Integrated Risk Register (IRR) at TIHGI consolidates all department-level risks into one centralized platform. Updated regularly, it feeds directly into the annual risk exposure and performance dashboard, providing leadership with a real-time view of the Company's risk profile. MEG tracks climate-related risks through estate microclimate indicators, drainage maintenance program frequency (quarterly cleaning, desilting, and pump testing), and construction delay incidence attributable to weather events. Measurable targets: ● GHG Emissions Reduction Tracking and reducing Scope 1, 2, and 3 emissions. ● Energy Transition Goals Transitioning contestable properties to renewable energy by 2027 through the Retail Competition and Open Access (RCOA) program. ● Carbon Offset Initiatives Establishing the Project Tree Point Five Million Trees reforestation program, including 1,500 hectares of reforested land, with 370,347 trees planted in various sites in the Philippines. The Group currently aims to plant a total of

TCFD Pillar	Disclosure
	3.5 million trees by 2035 as part of its long-term carbon offset strategy, with possible expansion in the future. • Water and Waste Management Reducing overall water consumption and enhancing recycling efforts to improve resource efficiency.

Procurement Practices

Responsible procurement at AGI goes beyond operational efficiency. It reflects 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.

Proportion of Spending on Local Suppliers

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

Subsidiary Performance

AGI's procurement approach is anchored on quality, accountability, and long-term supplier relationships. Across its subsidiaries, sourcing practices are designed to support operational efficiency while reinforcing sustainability, ethical conduct, and local economic development. Structured processes, supplier screening, and ongoing engagement ensure that procurement activities contribute to resilient and responsible supply chains.

MEG maintains a procurement framework centered on quality assurance, local partnership, and supply chain reliability. Suppliers are selected based on merit and managed through structured processes that support both project delivery and sustainability objectives.

Procurement protocols are aligned with ISO 9001 standards, ensuring that suppliers meet established quality, safety, and performance requirements. Selection is based on proven track records, supported by consistent monitoring across sourcing activities.

In 2025, MEG continued its commitment to local sourcing, allocating its full procurement spend to domestic suppliers. This approach supports local enterprises, strengthens supply chain resilience, and reduces the environmental impact associated with long-distance transport. Multiple sourcing strategies are also in place to prevent delays and maintain project timelines across its developments.

EMI applies procurement practices that integrate social and environmental responsibility across its global operations. Supplier selection and accreditation processes are tailored to each subsidiary's regulatory environment and operational needs, while maintaining consistent standards for compliance and accountability.

Under Emperador Distillers, Inc., suppliers undergo a Know-Your-Customer accreditation process. This includes screening for business ethics, accountability, and operational qualifications, with oversight from both the Purchasing Department and Accreditation Committee.

For Grupo Emperador Spain and Bodegas Fundador, supplier engagement is guided by European regulatory compliance and social screening requirements. Suppliers are assessed and validated prior to engagement to ensure alignment with established standards.

At Whyte and Mackay Group, supplier audits are conducted regularly, with emphasis on environmental credentials such as FSC, PEFC, and ISO certifications. Environmental considerations continue to be integrated into supplier onboarding and evaluation processes.

TIHGI strengthened its procurement practices in 2025 by embedding sustainability, ethical conduct, and local sourcing into supplier engagement. As a food-intensive business, priority is given to sourcing key inputs locally and working with partners that align with environmental standards.

At NWR, procurement initiatives focused on improving efficiency and sustainability outcomes. Packaging materials were consolidated under group contracts, with the majority now meeting sustainability criteria. This reduced plastic use while improving cost efficiency.

Supplier capability was also enhanced through structured engagement. The annual suppliers meeting introduced internationally recognized food safety standards, while a mid-year summit aligned partners with the Group's environmental policies.

In parallel, the procurement team supported the transition to renewable energy by participating in the competitive bidding process for supply contracts. This initiative, implemented in early 2025, contributes to TIHGI's shift toward cleaner energy sources.

These practices demonstrate how procurement across the Group supports operational performance while reinforcing responsible sourcing, supplier accountability, and long-term sustainability.

Anti-Corruption

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. 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.

Training on Anti-Corruption Policies and Procedures

Disclosure	2023	2024	2025
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Percentage of directors and management that have received anti-corruption training	100	100	100
Percentage of employees that have received anti-corruption training	100	100	100

Incidents of Corruption

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

Subsidiary Performance

AGI upholds strong ethical standards across its operations, with governance frameworks designed to promote transparency, accountability, and responsible business conduct. Each subsidiary implements policies and controls that prevent corruption, manage conflicts of interest, and ensure compliance with applicable laws and international standards. Continuous communication, training, and monitoring reinforce a culture of integrity across all levels of the organization.

MEG enforces a strict anti-corruption framework anchored on its Anti-Corruption and Non-Acceptance of Gifts Policy. This policy prohibits employees and officers from accepting gifts from external stakeholders, reducing the risk of conflicts of interest and undue influence.

Awareness is reinforced through ongoing communication and training. All stakeholders, including employees, management, directors, and business partners, are regularly informed of anti-corruption policies and expected standards of conduct. Clear guidelines help address ambiguous situations, such as the acceptance of gifts, and ensure consistent ethical behavior.

MEG aligns its policies with legal requirements and international best practices, supported by coordination with relevant institutions. Internal controls are strengthened through measures such as blackout notices for directors and executives handling non-public information, as well as regular policy updates distributed through internal channels.

These efforts continue to support a strong track record, with no reported incidents of corruption, no disciplinary actions, and no contract terminations linked to unethical practices during the year.

EMI maintains a governance framework grounded in ethics, integrity, and regulatory compliance. Its Code of Business Conduct and Ethics guides the actions of directors, management, and employees, setting clear expectations on fair dealing, conflict of interest, and responsible use of company resources.

The Code prohibits anti-competitive behavior, including price-setting arrangements, and restricts the acceptance of gifts or favors that may influence decision-making. Directors disclose business and professional affiliations annually to identify potential conflicts of interest.

Compliance is supported by dedicated oversight functions. A compliance officer monitors adherence to ethical standards, while human resource units across subsidiaries implement and track compliance at the operational level. Reporting mechanisms are in place to allow stakeholders to raise concerns without fear of retaliation.

EMI maintains zero tolerance for corruption and continues to report no incidents, dismissals, or contract terminations related to unethical conduct. Policies remain aligned with both local and international regulations, supported by regular training and accessible reporting platforms such as compliance mailboxes and open communication channels.

TIHGI strengthened its commitment to ethical conduct and regulatory compliance in 2025, with a focus on anti-corruption, fair competition, and financial integrity. Its efforts were recognized by the National Anti-Money Laundering and Counter-Terrorism Financing Coordinating Committee, citing its role in supporting the Philippines' removal from the Financial Action Task Force grey list.

The Company enforces a comprehensive set of policies, including its Whistleblower Policy, Business Gifts Policy, and Code of Business Conduct and Ethics. Employees and business partners are required to formally commit to these standards, with multiple confidential reporting channels available to support transparency and accountability.

Strict enforcement measures are in place. Employees involved in corruption face dismissal, while business partners may be blacklisted and have contracts terminated. TIHGI also complies with the Philippine Competition Act and conducts regular audits in areas with higher exposure to risk.

Ethical standards extend to security operations, where protocols ensure respect for human rights, proper handling of sensitive activities, and protection of data privacy. Ongoing training and performance monitoring support the goal of maintaining zero incidents related to corruption and human rights breaches.

Across the Group, ethical conduct remains a core principle that guides decision-making, strengthens stakeholder trust, and supports long-term, responsible growth.

ENVIRONMENT

Resource Management

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.

Energy Consumption Within the Organization

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, and 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.

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 35%, reflecting improved efficiency and better-managed operations. Renewable energy use increased by 56% driven by the Group's transition toward renewable energy sources to support their operations.

The efforts in reduction 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.

Disclosure	Energy Consumption (in GJ)		
	2023	2024	2025
Renewable sources*	1,321,053	1,410,947	2,199,848
Gasoline	8,729	8,999	8,887
LPG*	319,894	297,360	120,647
Diesel*	261,767	267,486	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*	1,555,529	1,771,316	726,985
Total energy consumption	4,305,375	5,833,713	4,775,512
Total energy consumption (excluding GADC)	3,839,098	5,161,899	

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.

Subsidiary Performance

AGI manages energy use through a combination of renewable energy adoption, efficiency improvements, and system optimization across its subsidiaries. These efforts support both operational performance and the Company's commitment to carbon neutrality, while helping manage costs and reduce environmental impact.

MEG led the Group's energy transition in 2025, reflecting its position as the largest energy consumer. Renewable energy adoption was expanded through retail aggregation, covering multiple properties and significantly reducing emissions. Rooftop solar installations were also rolled out across a wide portfolio, strengthening on-site generation capacity.

Efficiency programs complemented these efforts. Chiller and air conditioning optimization across key assets improved energy performance and generated measurable savings. Demand management initiatives further aligned electricity usage with billing structures, enhancing cost efficiency across operations.

EMI focused on strengthening energy efficiency while expanding renewable energy use in its production facilities. Solar photovoltaic systems were installed in key plants, reducing reliance on grid electricity.

Energy conservation measures were implemented across operations, including LED lighting conversion, equipment optimization, and improved energy management systems. Other subsidiaries continued to explore cleaner fuel options and renewable alternatives, reflecting a gradual shift toward more sustainable energy use in an energy-intensive business.

TIHGI advanced its energy transition through the shift to a renewable energy supplier and the expansion of solar installations across Newport World Resorts. These initiatives reduced its greenhouse gas footprint and increased the share of renewable energy in its operations.

Efficiency measures were also strengthened. Chiller optimization and the installation of energy-saving systems such as variable frequency drives and automated lighting controls helped reduce overall consumption and improve operational performance.

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.

Water and Effluents

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.

Disclosure	Total Water Use (in ML)		
	2023	2024	2025
Water withdrawal			
AGI Group	17,687	21,707	16,391
AGI Group (excluding GADC)	15,552	19,222	
Water consumption			
AGI Group	5,379	6,151	4,813
AGI Group (excluding GADC)	5,237	5,985	
Water discharge			
AGI Group	10,446	15,556	11,578
AGI Group (excluding GADC)	8,453	13,236	
Water recycled and reused	346	383	365

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

Subsidiary Performance

AGI manages water use through conservation, reuse, and compliance with regulatory standards across its operations. Given the varying nature of its businesses, each subsidiary applies measures suited to its operational needs while supporting efficient use of water resources and maintaining water quality.

MEG sources water from third-party providers and ensures quality through regular cleaning and disinfection of storage facilities. Water-saving measures are integrated across several developments, including rainwater harvesting, grey water reuse, and low-flow fixtures.

Grey water recycling supports non-potable uses such as cooling and sanitation, helping reduce reliance on freshwater. All effluents are monitored to meet regulatory standards, with compliance managed at the property level.

EMI applies a structured approach to water management due to the water-intensive nature of its operations. Conservation efforts include recycling processed water, improving cleaning practices, and managing leaks to reduce losses.

Across its subsidiaries, water use is closely monitored and optimized through site-specific measures. These include intelligent irrigation systems, cooling technologies, and process improvements that enhance efficiency. Wastewater is treated before discharge, with systems in place to ensure compliance and support reuse where possible.

TIHGI manages water through an integrated approach that focuses on reducing freshwater demand and increasing reuse. Graywater systems are used for applications such as flushing and irrigation, supporting non-potable water use across facilities.

Additional initiatives were introduced to influence consumption behavior. These include reducing reliance on bottled water through alternative service methods and embedding reuse practices into daily operations. These measures support more efficient water use while maintaining service standards.

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.

Materials Used by the Organization

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.

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.

Disclosure	Total Materials Used (in MT)		
	2023	2024	2025
Renewable Materials			
AGI Group	28,396	31,184	37,427
AGI Group (excluding GADC)			
Non-Renewable Materials			
AGI Group	428,143	370,062	575,925
AGI Group (excluding GADC)	424,843	366,912	
Percentage of recycled input materials used to manufacture the organization's primary products and services			
AGI Group	-	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.

Subsidiary Performance

AGI manages materials through responsible sourcing, efficient use, and waste reduction across its operations. Each subsidiary applies practices suited to its business, focusing on minimizing environmental impact while maintaining quality and operational efficiency.

MEG integrates sustainable sourcing and material efficiency across its projects and daily operations. It works with ISO 14001-accredited contractors and prioritizes local suppliers, including SMEs, to support local businesses and reduce transport-related impacts.

Materials are monitored throughout construction. Working inventories are tracked to optimize usage, while materials such as steel, plastics, and wood are repurposed where possible. This approach reduces the need for new inputs and helps manage waste generation.

EMI treats materials management as a key part of its sustainability performance, covering sourcing, production, and packaging. Across subsidiaries, practices are aligned with regulatory requirements while supporting efficient material use.

Recycled and recyclable inputs are incorporated into operations, with compliance to Extended Producer Responsibility requirements. Packaging is designed to be reusable or recyclable, with regular reviews to meet evolving regulations. Environmental management systems and performance monitoring guide improvements, supported by tools such as data tracking and site-level

assessments.

TIHGI manages materials through responsible sourcing and consumption monitoring, with a focus on reducing environmental impact without affecting service quality. Sustainable sourcing practices are applied to food and packaging materials, including the use of cage-free eggs and alternative packaging solutions.

Resource efficiency is supported by reuse initiatives such as glass upcycling, which diverts waste from disposal. Ongoing monitoring of material use helps manage demand and strengthen control over high-volume inputs, ensuring more efficient use across operations.

Responsible materials management at AGI is about more than reducing inputs. It is about building systems that make efficient, sustainable resources use the default across every subsidiary, every production line, and every product.

Ecosystem and Biodiversity

AGI advances sustainable land use by combining responsible development with environmental conservation and community engagement. Across its businesses, efforts focus on expanding green spaces, improving ecosystem health, and integrating sustainability into both construction and land stewardship practices.

MEG scaled up its urban greening and reforestation efforts in 2025, reflecting its role as the Group's largest land developer. The Sampaguita Parks program expanded across multiple locations in partnership with local government units, schools, and community groups. These initiatives strengthen environmental awareness while encouraging participation from employees and local stakeholders.

Tree planting activities were also intensified through collaboration with government agencies and people's organizations. Programs such as Adopt a Forest link reforestation with livelihood opportunities by working with local farming communities, while seed collection drives support long-term planting efforts. Internal guidelines were introduced to standardize implementation and strengthen oversight across sites.

Sustainability is also embedded in MEG's construction practices. Green building certifications continue to guide development, while standardized construction protocols cover waste management, erosion control, and air quality. Regular audits and contractor training have improved compliance and reduced environmental risks across project sites.

EMI contributes to environmental stewardship through targeted, community-based initiatives. Its river clean-up activity in Laguna, conducted in partnership with local authorities, supported improved water quality and reduced flood risks, while also contributing to broader ecosystem health.

TIHGI supports biodiversity and water resource protection through sustained tree planting in critical watershed areas. Its initiative near the Angat Ipo Dam focuses on planting species that stabilize soil, improve biodiversity, and support local livelihoods. This approach links environmental protection with community development in areas that are vital to national water supply.

These efforts reflect the Company's approach to land use, integrating sustainable development practices with conservation and community engagement to support long-term environmental resilience.

Environmental Impact

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.

Air Emissions

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 <i>Direct Emissions</i>	Scope 2 <i>Indirect: Electricity</i>	Scope 3 <i>Indirect: Value Chain</i>
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.	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.	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.

GHG Emissions

Disclosure	Total Emissions (tCO ₂ e)		
	2023	2024	2025
Direct (Scope 1)			
AGI Group	182,480	196,822	145,427
AGI Group (excluding GADC)	182,049	196,020	
Energy indirect (Scope 2)			
AGI Group	350,845	405,086	207,808
AGI Group (excluding GADC)	260,151	274,978	
Other indirect (Scope 3)			
AGI Group	469,345	435,040	429,059
AGI Group (excluding GADC)	460,105	421,784	
Emissions of ozone-depleting substances (ODS)	Not available	Not available	Not available

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

Carbon Neutrality Goal: Scope 1 and 2 Emissions Reduction (in tCO₂e)

Disclosure	2023	2024	2025
Gross Emissions (Scope 1 + Scope 2)	442,199	470,998	353,235
Emissions Reduced	81,643	111,568	190,654
Renewable energy use	60,335	74,764	149,857
Carbon forests removals / offsets	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

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

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 tCO₂e to a net emissions figure of 162,581 tCO₂e, representing a 54% reduction in GHG emissions.

Subsidiary Performance

AGI manages emissions through a combination of renewable energy adoption, efficiency improvements, and targeted low-carbon initiatives across its subsidiaries. These efforts are aligned with the Company's long-term carbon neutrality goal and reflect a balanced approach that integrates operational efficiency with climate responsibility.

MEG led the Group's emissions reduction efforts in 2025, driven by its scale as the largest energy consumer and developer within the portfolio. The Company accelerated its transition to renewable energy, with 96 properties fully shifted through retail electricity supply agreements and onsite solar installations. Under the Retail Aggregation Program, 50 properties totaling 20.56 MW are projected to avoid over 69,000 tCO₂e annually. Rooftop solar installations across 68 properties added 13.32 MW of capacity, with an estimated 12,083 tCO₂e in annual emissions avoidance. Remaining residual Scope 1 and 2 emissions were offset through reforestation carbon removals, enabling MEG to expand the scope of its carbon neutrality claims.

Building on earlier milestones, MEG extended its carbon neutrality declaration beyond offices and malls to include hotels and other commercial assets. After achieving carbon neutrality for offices and malls, MEG extended this to include hotels and other commercial assets in 2025. This marks a major step in broadening its low-carbon portfolio and demonstrates sustained progress in emissions management.

Complementing these efforts, the eMOTION program continued to expand electric vehicle charging infrastructure across developments, supporting low-carbon mobility for tenants, guests, and employees. Carbon offsetting initiatives, including reforestation programs, further contribute to emissions reduction by enabling carbon sequestration and stakeholder participation in climate action.

EMI advanced emissions management through a combination of renewable energy expansion, operational improvements, and new technologies across its global operations. Solar installations across key production facilities reduced reliance on conventional energy, while several sites continued operating on renewable electricity.

Process-level improvements also contributed to emissions reduction, including equipment upgrades, fuel efficiency measures, and enhanced monitoring systems. A notable development in 2025 was the implementation of a carbon capture system at one of its distilleries, enabling the capture of emissions generated during production. This reflects a more advanced and targeted approach to managing emissions in an energy-intensive industry.

TIHGI progressed its emissions reduction efforts through the transition to renewable energy and expanded onsite solar capacity. Solar installations now cover approximately two-thirds of Newport World Resorts-managed facilities, complemented by procurement from renewable energy providers.

Energy efficiency measures, including chiller optimization and the installation of variable frequency drives and automated lighting systems, further reduced energy consumption. These combined 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.

Solid and Hazardous Wastes

AGI manages waste across its operations with a focus on responsibility and resource efficiency. In 2025, the Group strengthened its adoption of circular practices by prioritizing waste reduction,

expanding recycling, and increasing material recovery and upcycling across subsidiaries. Consistent waste segregation is maintained to reduce residual waste and improve the quality of recyclables. Solid waste is managed through composting, recycling, and accredited partners, while hazardous waste is handled in full compliance with Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 (RA 6969) and processed through DENR-accredited service providers.

Solid Waste

Disclosure	Total Solid Waste Generated (in MT)		
	2023	2024	2025
Reusable	197,355	617	583
Recyclable	29,395	91,212	24,719
Composted	2,490	1,136	387
Incinerated	234	5	No data
Residuals/Landfilled	72,533	73,550	99,923
Landfill diversion	No data	24	No data
Recovered	No data	187	312
Other disposal methods (diverted)	476,076	311	2
Other disposal methods (directed to disposal)	340,026	No data	768
Total solid waste generated			
AGI Group	1,118,109	167,041	126,694
AGI Group (excluding GADC)	1,117,828	166,714	

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

Hazardous Waste

Disclosure	Total Hazardous Waste Generated (in MT)		
	2023	2024	2025
Hazardous waste generated			
AGI Group	10,290	57,719	1,785
AGI Group (excluding GADC)	2,334	48,457	
Hazardous waste transported			
AGI Group Total	2,322	46,673	1,564

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.

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.

Subsidiary Performance

AGI manages waste through a combination of reduction, reuse, recycling, and responsible disposal across its subsidiaries. The Company's approach emphasizes circularity, operational efficiency, and compliance, with initiatives designed to minimize waste generation while maximizing resource recovery.

MEG supports responsible waste handling across its developments through structured programs and partnerships. The HUMBLE e-waste program oversees the proper collection and disposal of electronic waste, working with accredited partners to ensure safe and compliant processing.

The program tracks collection volumes, participation, and diversion rates, helping improve visibility over waste streams and strengthen waste management practices across properties.

EMI strengthened its waste management and circularity practices across production facilities. At EDI plants, solid and hazardous waste are managed through structured systems covering segregation, collection, storage, and disposal. Recycling and reuse efforts kept residual waste to landfill below 1% at key sites, while reducing plastic footprint by 9% year-on-year.

Circular initiatives were also implemented across subsidiaries. These include converting production waste into soil conditioners, reusing glass bottles in production, repurposing materials such as wood pallets, and applying waste hierarchy principles across operations. Community engagement complemented these efforts through clean-up activities and environmental programs.

TIHGI improved waste management through technology, reuse initiatives, and strategic partnerships. The rollout of the Winnow system introduced data-driven food waste monitoring, reducing food waste by 63% compared to the previous year.

Recycling and upcycling efforts were expanded across operations. Glass bottles were repurposed into usable materials, while initiatives to reduce single-use plastics were introduced in guest-facing areas. Partnerships with accredited organizations ensured proper handling of hazardous waste, while donation programs supported community needs. These efforts also generated cost savings and operational efficiencies.

These initiatives reflect the Company's approach to waste management, where circularity is integrated into daily operations to reduce environmental impact and improve resource use.

Environmental Compliance

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.

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

For 2025, environmental compliance remained consistent, with no recorded monetary or non-monetary sanctions for environmental non-compliance, and no cases requiring resolution through dispute mechanisms. This reflects the Company's dedication to maintaining high

environmental standards, implementing corrective measures, and working closely with regulatory bodies to uphold best practices.

Subsidiary Performance

AGI integrates environmental compliance and responsible land use into its operations through structured governance, regulatory alignment, and stakeholder engagement. Across its subsidiaries, practices are designed to meet legal requirements while supporting sustainable development and responsible operations.

MEG embeds environmental responsibility into its land use and development strategy. Projects located in environmentally sensitive areas undergo full Environmental Impact Assessments and secure the required Environmental Compliance Certificates before implementation. Biodiversity considerations are incorporated into planning, with assessments referencing both international and national conservation lists to guide protective measures.

Land use is managed to limit urban expansion. Mixed-use developments prioritize the redevelopment of underutilized spaces, while data-driven tools such as the Township Analytics Lab support planning, monitoring, and resource management. Close coordination with regulatory bodies ensures that developments remain compliant across all operational areas.

EMI manages environmental compliance through structured oversight across its subsidiaries. Designated personnel and departments are responsible for implementing environmental policies, monitoring compliance, and submitting required reports in line with local regulations.

Practices include the oversight of environmental performance through dedicated units, the engagement of external compliance specialists, and regular audits aligned with ISO standards. These systems support consistent monitoring and continuous improvement across operations in different jurisdictions.

TIHGI upholds regulatory compliance through active engagement with authorities and adherence to established legal frameworks. The Company maintains open communication with regulators and stakeholders to ensure alignment with evolving requirements and industry standards.

Compliance extends to environmental obligations, including Extended Producer Responsibility requirements, where full compliance has been achieved. Partnerships with government units and industry groups further support responsible operations and strengthen alignment with regulatory expectations.

These practices reflect the Company's approach to environmental compliance, combining regulatory adherence, structured oversight, and stakeholder engagement to support responsible and sustainable operations.

SOCIAL

Employee Management

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 Hiring and Benefits

Human capital is one of the most consequential drivers of business performance, and AGI approaches it as such. 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.

Employee Data

Disclosure	Units	2023	2024	2025
Total Number of Employees				
AGI Group	#	56,954	62,282	-
a. Male Employees	#	28,496	31,381	-
b. Female Employees	#	28,458	30,901	-
AGI Group (excluding GADC)	#	15,908	17,271	16,699
a. Male Employees	#	8,719	9,488	9,031
b. Female Employees	#	7,189	7,783	7,668
Percentage of Female Employees				
AGI Group	%	50%	50%	46%
AGI Group (excluding GADC)	%	45%	45%	
Percentage of Male Employees				
AGI Group	%	50%	50%	54%
AGI Group (excluding GADC)	%	55%	55%	
Attrition Rate				
AGI Group		0.28	0.27	0.17
AGI Group (excluding GADC)		0.22	0.21	
Ratio of lowest paid employee against minimum wage	Ratio	Not available		

Disclosure: Employee count and attrition rate for 2024 have been restated following data validation and corresponding adjustments by MEG and its subsidiaries.

Employees continue to receive a comprehensive set of benefits, including government-mandated coverage, medical support, leave entitlements, and flexible work arrangements. These benefits are applied across the workforce to support well-being, financial security, and work-life balance. 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.

Employee Benefits

Disclosure	Y/N	Female	Male
SSS	Y	9%	9%
PhilHealth	Y	3%	5%
Pag - IBIG	Y	15%	18%
Parental Leaves	Y	4%	1%
Vacation Leaves	Y	38%	41%
Sick Leaves	Y	28%	27%
Medical Benefits (Aside from PhilHealth)	Y	40%	46%
Retirement Fund (Aside from SSS)	Y	0.4%	1%
Housing assistance (Aside from Pag-IBIG)	Y	0.2%	0.5%
Flexible – Working Hours	Y	1%	1%
Life insurance	Y	2%	3%
Disability and invalidity coverage	Y	-	0.02%
Stock ownership	Y	-	-
Further education support	Y	-	-
Telecommuting	Y	1%	1%

Subsidiary Performance

Across the Group, subsidiaries continue to deepen their people commitments, supported by structured feedback mechanisms, workplace enhancements, and initiatives that strengthen employee well-being and organizational alignment.

MEG recorded strong engagement outcomes in 2025, achieving a 98% employee approval rating under the Great Place to Work framework, the highest in the Philippine real estate sector. The Session on Notable Achievements was delivered across all business units with full participation, achieving a 4.94 feedback rating, reflecting strong alignment and collaboration.

These results are reinforced by regional and international recognitions, including inclusion in the Fortune 100 Best Companies to Work For in Southeast Asia, TIME Magazine's Best Companies in Asia-Pacific, and the Philippines' Best Employers list, where MEG ranked among the top employers.

EMI continued to strengthen employee engagement through workplace improvements and employee-focused initiatives across its subsidiaries. At WMG, Great Place to Work accreditation translated into tangible enhancements such as upgraded rest areas, improved personal protective equipment, and professional equipment at operational sites. EMI also maintained fair and competitive compensation across its workforce, with ongoing efforts toward gender-fair pay in subsidiaries such as CPD.

Employee support initiatives further reinforced this culture, including the Bangon Cebu program, which mobilized financial and in-kind assistance for employees affected by Typhoon Tino.

TIHGI sustained strong engagement levels, recording a 95% engagement response rate and an employee net promoter score of 80, indicating high employee participation and advocacy. The rollout of updated Vision, Mission, and Values was supported by leadership development programs in partnership with the Asian Institute of Management, strengthening alignment across the organization.

Employee well-being was supported through the reinstatement of the five-day workweek, alongside wellness programs such as quarterly health sessions, recognition events, and participation in industry competitions. TIHGI was also recognized among the Philippines' Best Employers, alongside MEG.

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.

Employee Training and Development

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.

Disclosure	Units	2023	2024	2025
Total Training Hours Provided to Employees				
AGI Group		1,451,710	1,121,771	-
a. Female Employee	Hours	729,492	532,914	-
b. Male Employee	Hours	722,217	588,857	-
AGI Group (excluding GADC)		473,870	593,795	225,036
a. Female Employee	Hours	225,382	261,674	116,251
b. Male Employee	Hours	248,488	332,121	108,785
Average Training Hours Provided to Employees				
AGI Group		25	18	-
a. Female Employees	Hrs/Employee	26	17	-
b. Male Employees	Hrs/Employee	25	19	-
AGI Group (excluding GADC)		30	34	13
a. Female Employees	Hrs/Employee	31	34	15
b. Male Employees	Hrs/Employee	28	35	12

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.

Subsidiary Performance

AGI invests in learning and development to strengthen workforce capability and build a pipeline of future leaders. Training effectiveness is assessed through employee feedback, performance

monitoring, and completion tracking, with programs continuously refined based on these insights. Performance appraisals complement this approach, with structured evaluations conducted across subsidiaries, while nominees for advancement undergo standardized processes to ensure fairness and consistency.

Structured learning is designed not only to equip employees for current roles but also to prepare them for greater responsibility. Each subsidiary delivers programs suited to its operational context while contributing to the Group's broader commitment to talent excellence.

MEG delivers targeted programs to strengthen both technical and leadership capabilities. The Operations Masterclass enhances operational knowledge across teams, while the Positivity and Uplifted program promotes morale and experience-sharing.

Leadership development is anchored on the High-Rise Management Development Program, a seven-month track based on the 4C Framework, which prepares high-potential employees for management roles. This is complemented by the Lead to XL 2025 Leadership Conference, which brought together internal leaders and external partners to align on strategy and future direction.

EMI supports employee development through a mix of compliance, technical, and continuous learning initiatives. In 2025, employees participated in a Labor and Employment Education session led by Department of Labor and Employment (DOLE), focusing on employee rights, including women's protection laws, and an Emergency Preparedness and Response session delivered by the City DRRMO.

Across subsidiaries, structured onboarding and technical programs are supported by platforms such as CPD's GBKnowIt, which promotes self-directed learning. BF and WMG implement blended learning programs that combine on-site training, digital modules, and on-the-job coaching, including in-house leadership and management development tracks.

TIHGI focuses on operational excellence and leadership development across its workforce. Culinary teams participated in expert-led training and competitions, while food and beverage staff completed certifications such as Wine & Spirit Education Trust programs, as well as barista and cocktail training.

Leadership capability is strengthened through partnerships with the Asian Institute of Management, where 30 ONE NWR leaders completed a structured program on financial acumen, communication, and presentation. Internal programs such as Leadership 101 and Essential Supervisory Skills further support the development of emerging leaders, while regular reorientation sessions reinforce brand values, sustainability practices, and service standards.

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.

Labor-Management Relations

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.

Disclosure	2023	2024	2025
Percent of employees covered with collective bargaining agreements	49.76%	48.84%	45.30%
Number of consultations conducted with employees concerning employee-related policies	0	0	0

Disclosure: Data includes EMI only.

In 2025, 45.30% 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.

Subsidiary Performance

AGI encourages employee participation through open dialogue and representation mechanisms that foster trust and inclusivity. Collective bargaining agreements support structured engagement across the Group, providing formal channels for communication and negotiation.

Within **EMI**, this commitment is reflected through established union representation and engagement structures. WMG maintains trade unions and CBAs across several operational sites, while employee forums in other locations ensure that employees are consulted ahead of changes that may affect them. Communication has been strengthened through improved notice boards, interactive screens, and enhanced training, alongside continued refinement of the Collective Grievance Resolution process. At BF, union elections were recently concluded as part of ongoing efforts to negotiate a new collective agreement.

TIHGI reinforces these practices through active engagement and communication. Engagement and Inclusion Surveys are conducted to assess employee satisfaction and the effectiveness of workplace policies, while labor cases are monitored and workplace concerns are addressed promptly.

Diversity, Equal Opportunity, and Anti-Discrimination

A diverse, equitable, and inclusive workforce is not only the right foundation for a responsible business, it is a strategic asset. AGI recognizes that bringing together individuals of different backgrounds, perspectives, and experiences strengthens learning, drives innovation, and supports agility in a dynamic business environment. 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 this growth.

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.

Disclosure	Unit	2023	2024	2025
Percent of female workers in the workforce				
AGI Group	%	50	50	46
AGI Group (excluding GADC)	%	45	45	
Percent of male workers in the workforce				
AGI Group	%	50	50	54
AGI Group (excluding GADC)	%	55	55	
Number of employees from indigenous communities and/or vulnerable sector	#	0	0	0

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.

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.

Subsidiary Performance

AGI advances diversity, equity, and inclusion through its workforce, community engagement, and service delivery. These efforts shape hiring practices, leadership development, and day-to-day interactions, supporting a workplace environment grounded in fairness, respect, and equal opportunity.

MEG integrates inclusion across the full employee lifecycle, from recruitment and onboarding to training and career progression. A zero-tolerance policy on discrimination is enforced at all levels, with systems designed to ensure that hiring and advancement are based on merit and free from bias. Leadership development programs further strengthen this approach by encouraging diverse perspectives and participation in decision-making.

This commitment also extends to its customer-facing businesses. Megaworld Hotels and Resorts was recognized as the first Muslim-friendly hotel chain by CrescentRating, reflecting its ability to design services that accommodate diverse cultural and religious needs and enhance accessibility across its hospitality portfolio.

EMI applies diversity and inclusion through structured policies and consistent implementation across its global operations. Non-discrimination principles guide recruitment, compensation, training, and promotion, supported by formal monitoring systems and grievance mechanisms.

At the subsidiary level, these commitments are translated into practical controls. These include standardized recruitment frameworks to ensure fairness in hiring, annual salary reviews to promote pay equity, and gender pay gap reporting aligned with regulatory expectations. Ongoing assessments and action plans further support continuous improvement, ensuring that inclusion practices remain relevant across different jurisdictions.

TIHGI expands its inclusion efforts through both workforce development and public engagement. Partnerships with academic institutions create pathways for a more diverse talent pool, including opportunities for students with special needs and members of the LGBTQIA+ community. Internal programs, such as forums and policy development initiatives, support awareness and strengthen inclusive practices across the organization.

Externally, TIHGI has taken visible steps to promote inclusion and representation. NWR became the first integrated resort to join the Philippine Financial Inter-Industry Pride and participated in the Philippine Pride March for the first time. These initiatives reflect a more active role in supporting LGBTQIA+ visibility and engagement within the broader community.

AGI remains committed to advancing diversity, equity, and inclusion as a core dimension of its sustainability strategy. The Group continues to build workplaces where individuals, regardless of background, have the opportunity to contribute and grow.

Workplace Conditions, Labor Standards, and Human Rights

AGI maintains a consistent commitment to safe, fair, and inclusive workplaces across all subsidiaries. The Company upholds labor standards by complying with applicable laws, prohibiting child and forced labor, and supporting the protection of employee rights. Workplace practices prioritize occupational health and safety, equal opportunity, and ethical treatment, reinforcing a culture built on accountability, respect, and responsible employment.

Occupational Health and Safety

A safe workplace is the foundation on which everything else is built. For AGI, workforce health and safety is not simply a regulatory obligation. 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 not reactive but structural. This approach not only prevents accidents and health issues but equips employees with the knowledge and support they need to work with confidence.

Disclosure	Units	2023	2024	2025
Safe Man-Hours				
AGI Group	Man-hours	135,216,872	231,389,410	63,873,114
No. of work-related injuries				
AGI Group	#	435	786	36
AGI Group (excluding GADC)	#	355		
No. of work-related fatalities				
AGI Group	#	1	0	0
AGI Group (excluding GADC)	#	0		
No. of work-related ill-health				
AGI Group	#	7,910	13,069	8,529
AGI Group (excluding GADC)	#			
No. of safety drills				
AGI Group	#	168	373	288
AGI Group (excluding GADC)	#			

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

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.

Subsidiary Performance

AGI approaches occupational health and safety as a core part of how its businesses operate, not as a separate compliance function. Safety is embedded in daily routines, supported by clear accountability, regular training, and systems that prioritize prevention and early risk identification.

Across the Group, safety officers, OHS committees, and dedicated health personnel ensure consistent implementation, guided by both local regulations and global practices, including ISO 45001-aligned frameworks and the Free From Harm approach used in high-risk industries to strengthen prevention and accountability.

MEG applies safety controls across its properties through dedicated safety officers who lead daily toolbox meetings, conduct inspections, and manage incident reporting. Clear protocols govern the use of equipment and workplace activities to reduce risk exposure.

Regular evacuation drills, first-aid training, and safety seminars are conducted with property stakeholders and service partners. Employee well-being is also supported through in-house health personnel and wellness programs, integrating occupational safety with broader health management.

EMI strengthens workplace safety through a combination of health programs, emergency preparedness, and continuous training. Employees participate in structured sessions covering occupational health risks, disease prevention, and emergency response, supported by partnerships with health authorities and safety organizations.

These efforts contributed to a major milestone in 2025, with EDI achieving one million safe manhours without a lost-time accident from 2023 to 2025. This recognition from DOLE reflects consistent safety performance and strong adherence to established protocols.

TIHGI implements a comprehensive safety framework suited to its complex operations. Governance is reinforced through regular oversight by safety committees and updated incident and crisis management systems.

Operational measures include frequent drills, upgraded fire detection systems, and structured training programs for emergency response teams. Safety performance is monitored through incident tracking, observations, and compliance reviews, ensuring readiness and alignment with regulatory requirements.

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.

Labor Standards and Human Rights

AGI's commitment to human rights is embedded in how the Group operates, serving as a foundational principle that supports stable, productive, and empowered workplaces across all its subsidiaries. The Group adheres to applicable local and international labor laws and standards, ensuring equitable compensation, reasonable working hours, and safe working conditions.

Disclosure	2023	2024	2025
No. of legal actions or employees grievance involving forced or child labor	0	0	0

In 2025, AGI and its subsidiaries remained consistent in reporting zero legal actions or employee grievances involving forced or child labor, reinforcing the Company's commitment to ethical labor practices and human rights. AGI enforces strict policies to prevent labor law violations and human rights abuses, ensuring a safe, fair, and compliant workplace.

Policies	Y/N	Reference in Company Policy
Forced labor	Y	<u>Employment and Labor Laws and Policies</u>
Child labor	Y	
Human rights	Y	

Subsidiary Performance

AGI upholds labor standards and human rights through policies, compliance systems, and employee engagement across its subsidiaries. These practices are aligned with applicable laws and international principles, ensuring fair treatment, safe working conditions, and respect for fundamental rights throughout operations and the value chain.

MEG reinforces labor and ethical standards through regular vendor assessments and compliance checks. These ensure that contractors and suppliers align with labor regulations and ethical expectations.

Employee welfare is supported through competitive benefits and social protection programs in line with legal requirements. These measures promote fair working conditions while strengthening accountability across its operations and business relationships.

EMI applies a structured approach to labor standards across its global subsidiaries, aligning policies with local regulations and international frameworks. Employees are regularly informed of their rights through training and awareness programs, including sessions led by government agencies on key labor laws and protections.

Across subsidiaries, additional controls are in place. These include strict enforcement of minimum working age, prohibition of child and forced labor, and supplier requirements aligned with legal and ethical standards. Regular assessments and training programs support compliance and reinforce awareness at all levels.

TIHGI embeds human rights principles into its operations through its Code of Conduct, which guides employee behavior and decision-making. Implementation is supported by structured processes that ensure fairness, accountability, and proper handling of workplace concerns.

These principles extend to recruitment, daily operations, and partnerships, helping foster a work environment that values inclusion, respect, and integrity.

AGI remains committed to continuously strengthening its human rights and labor practices, ensuring that all employees operate in an environment where rights are protected and contributions are valued.

Supply Chain Management

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.

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.

Sustainability Topics when Accrediting Suppliers	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	<u>Code of Business Conduct and Ethics</u>
Forced labor	Y	
Child labor	Y	
Human rights	Y	

Sustainability Topics when Accrediting Suppliers	Y/N	If Yes, cite reference in the supplier policy
Bribery and corruption	Y	

Subsidiary Performance

AGI manages its supply chain through a combination of strategic sourcing, supplier diversification, and long-term partnerships. These practices are designed to ensure consistent access to critical inputs, maintain quality standards, and manage risks arising from market volatility and global supply disruptions.

MEG secures construction materials through structured procurement processes and established relationships with domestic suppliers. A competitive bidding system supports cost efficiency while maintaining strict quality and performance standards.

To strengthen supply continuity, MEG applies forward purchasing strategies, bulk procurement arrangements, and regular supplier evaluations. These measures help manage price fluctuations and reduce delays across projects. The use of local suppliers also supports faster delivery and reduces exposure to logistics risks. At the same time, MEG integrates sustainability into sourcing by prioritizing environmentally responsible materials and adopting construction innovations such as precast systems and energy-efficient solutions.

EMI operates a highly diversified global sourcing network that supports production across multiple geographies. Raw materials are sourced from a mix of owned vineyards and third-party suppliers, while packaging materials are supplied through both internal subsidiaries and external partners.

Sourcing strategies are adapted to local conditions. These include domestic procurement of key inputs, use of recycled materials, and access to multiple international supply markets. Long-term supplier relationships, combined with advance ordering and competitive pricing practices, help maintain supply stability. Even with extended lead times in recent years, operations were not materially affected, reflecting the strength of EMI's procurement planning and supplier network.

TIHGI maintains a broad and diversified base of contractors and suppliers to support its integrated resort operations. Procurement is structured to distribute spend across multiple partners, reducing concentration risk and ensuring flexibility in service delivery.

This approach supports continuity across construction, engineering, and operational requirements within a complex and high-activity environment. By maintaining a wide supplier base, TIHGI is able to respond to changing operational needs while sustaining consistent service standards.

These practices reflect AGI's approach to supply chain management, where diversification, proactive planning, and strong supplier relationships support reliable operations and long-term resilience.

Relationship with Community

Significant Impacts on Local Communities

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.

Subsidiary	Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
MEG	Real estate development and township operations in urban and semi-urban areas, including communities near construction sites and existing townships.	Access to healthcare, education, livelihood, and food security, particularly for students, families, and marginalized groups within and near township areas.	Eye Care Mission. Free vision screening and prescription eyeglasses provided to 243 students across schools in Taguig and Capas, Tarlac, including the Aeta community in Capas, supported by Executive Optical, McDonald's, and the Philippine Air Force. Walk Into Your Future. Scholarship Application Caravan accepting 138 new scholars from senior high school to college level, residing within five kilometers of Megaworld townships. Eskwela ng Bayan. Summer remedial program supporting 75 learners through math and English sessions facilitated by 66 employee volunteers, with four top-performing students awarded scholarship grants. Hands in Harmony. Livelihood program for women and persons with disabilities, recording a 14.37% increase in sales as of October 2025. Pathways to Success and Future Forward. Career development initiatives resulting in the employment of 100 scholars within AGI companies and partner organizations. Operation Malasakit. Encourages community involvement and volunteerism across MEG's workforce, reinforcing a culture of empathy and social responsibility as part of

Subsidiary	Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
			daily operations.
EMI	Production and distribution operations in the Philippines, with community presence in Santa Rosa, Laguna and other host areas.	Access to health services, maternal and child care, education, youth development, environmental protection, and disaster relief in host communities.	Health Missions and Medical Access. Medical missions, community donations, and bloodletting drives conducted regularly, with free medical services extended to unsheltered and underserved groups. 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. Buntis Congress. Organized in partnership with the City Health Office II of Santa Rosa, Laguna, providing maternal care, breastfeeding awareness, and child development guidance, particularly for first-time mothers. Supplemental immunization programs conducted in partnership with Progreen and the City Health Office to support child health in surrounding communities. Brigada Eskwela. Employees supported classroom preparation at Bagumbayan Elementary School in Quezon City and Pulong Santa Cruz Elementary School in Santa Rosa, Laguna. International Youth Day 2025. Observed in partnership with DOLE, highlighting youth empowerment and sustainable development. Bangon Cebu and Community Relief. Employee-led donation drive mobilized essential goods for families affected by Typhoon Tino. Production byproducts repurposed for community use, including wood pallets converted into school chairs and containers donated to local farmers. Quarterly food distribution and community clean-ups conducted. International Coastal Clean-Up Day 2025. Participated on September 21 in partnership with the City Environment and Natural Resources Office of Santa Rosa, Laguna,

Subsidiary	Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
			focusing on river areas in Barangays Aplaya and Caingin.
TIHGI	Integrated resort development and operations at NWR, with new developments in Entertainment City, Paranaque, and hospitality operations across Metro Manila.	Access to food security, social services, livelihood, inclusive education, and emergency relief for host communities including families in crisis, LGBTQ+ youth, and communities affected by fire and disaster.	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, contributing to food waste reduction through responsible food handling. Rainbow Youth Academy. Supported inclusive learning environments for LGBTQ+ youth in collaboration with the Philippine Financial and Inter-Industry Pride. 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. IHG Fire Response. Holiday Inn Express Manila NWR partnered with Project PEARLS Philippines to provide meals and supplies to more than 300 families affected by a fire in Tondo, Manila. Hotel Okura Manila Outreach. Conducted its first animal welfare outreach at a shelter in Bulacan, with additional volunteer engagements planned. New Development Design. Master-planned projects integrate climate-adaptive 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.

Certificates for Activities Impacting Indigenous Peoples (IPs)

AGI's respect for Indigenous Peoples goes beyond legal obligation, reflecting a genuine commitment to self-determination and cultural integrity. Any project with the potential to affect Indigenous communities is subject to the Free, Prior, and Informed Consent (FPIC) process, ensuring that engagement is always transparent and rights-affirming.

In 2025, no FPIC processes were initiated and no Certification Preconditions (CP) were secured, as none of the Group's operations intersected with Indigenous territories during this period and no rights violations of any kind were recorded. Where community support is extended, Megaworld Foundation works exclusively through accredited partner organizations, ensuring that programs reach IP communities with the cultural sensitivity and awareness they deserve.

Certificates	2023	2024	2025
No. of FPIC process still undergoing	0	0	0
No. of CP secured	0	0	0

Customer Management

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 Satisfaction

AGI's customer satisfaction programmes reflect its commitment to continuous engagement, responsive service, and meaningful measurement. Across its business units, the Group deploys digital tools, real-time feedback systems, and targeted market initiatives to understand customer needs and act on them, translating insights into improvements that directly shape the customer experience.

At MEG, Megaworld Lifestyle Malls has invested in a suite of engagement platforms that reinforce its Customer Care philosophy at every touchpoint. These initiatives work in concert to automate routine interactions, capture real-time sentiment across its mall portfolio, and generate the market intelligence needed to shape future strategies.

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

Disclosure: Data includes MEG only.

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.

Digital solutions such as the Megan AI chatbot automate customer interactions, reducing response times while ensuring that complex concerns are escalated when needed. On-site feedback kiosks provide real-time input from customers, allowing immediate action on operational issues.

These are supported by broader engagement initiatives, including targeted campaigns and structured market research, which help MEG better understand customer preferences and adapt its offerings. This combination of real-time feedback and strategic insight strengthens its ability to deliver consistent and responsive customer experiences.

These efforts reflect the Company's approach to customer engagement, where technology, data, and service responsiveness are used to continuously improve how customers experience its developments.

Customer Health & Safety

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, from the Group's workforce to the customers it serves and the communities its operations touch, directly and indirectly.

MEG integrates health and safety into its property lifecycle, from design and construction to daily operations. Through its Customer Care approach, standards are applied across all developments to ensure safe and reliable environments for tenants, guests, and visitors.

Trained personnel oversee implementation, while structured feedback channels allow customers to raise concerns and receive timely responses. These systems support continuous improvement and ensure that safety and service quality are consistently maintained across its portfolio.

EMI applies a comprehensive approach to product safety across its global operations, reflecting the regulated nature of the beverage industry. Quality assurance teams conduct daily monitoring to ensure compliance with internal protocols and Good Manufacturing Practice standards. Products are registered with regulatory authorities, and labeling and production processes are aligned with applicable safety requirements.

Across subsidiaries, additional controls strengthen this framework. These include adherence to international food safety standards, regular internal and external audits, and performance monitoring systems that track product quality and nonconformance. Customer feedback is actively reviewed and used to refine processes, ensuring that safety standards evolve alongside operational needs and market expectations.

TIHGI embeds food safety and occupational safety into its hospitality and gaming operations to protect both guests and employees. In 2025, Newport World Resorts formalized its approach through the release of its Food Safety Guidebook, which serves as a reference for all food handlers and supports consistent hygiene and handling practices across kitchens and service areas.

Safety performance is monitored through a layered system that includes audits, laboratory testing, pest control checks, and regular customer feedback reviews. Governance is reinforced through dedicated safety committees and compliance with regulatory requirements, while mandatory training programs ensure that employees are equipped to uphold safety standards. These efforts have supported the achievement of zero foodborne illness incidents and consistent service delivery.

Customer health and safety at AGI is built into systems, guided by standards, and sustained through the daily discipline of every team member who handles a product, prepares a meal, or serves a guest.

Marketing and Labelling

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.

EMI places strong emphasis on ethical marketing and consumer safety across its global operations. Marketing and labeling practices are aligned with applicable regulations and industry standards, ensuring that product information is accurate, complete, and accessible. These include clear disclosures on composition, proper use, and disposal.

Oversight is applied through structured review processes involving legal, technical, and management teams. Across subsidiaries, marketing activities are designed to protect vulnerable groups and uphold

responsible consumption. Compliance with regulatory bodies and industry codes is supported by continuous monitoring, ensuring that campaigns and product labeling remain aligned with evolving requirements.

TIHGI integrates its sustainability commitments into brand positioning and customer engagement. Corporate Communications and Marketing align messaging with the Company's strategic direction, ensuring consistency across internal and external channels.

Sustainability is embedded into brand storytelling, highlighting environmental and social initiatives as part of the overall customer experience. Campaigns and communications reinforce the Company's identity while supporting engagement with communities, partners, and guests. This approach strengthens transparency and builds awareness of sustainability efforts without separating them from core operations.

AGI promotes responsible marketing and transparent communication across its subsidiaries, ensuring that products and services are presented accurately while safeguarding consumer well-being. Practices are guided by regulatory requirements, internal policies, and a commitment to ethical engagement with customers and stakeholders.

Customer Privacy and Data Security

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 (RA 10173), 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.

Disclosure	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
No. of data breaches, including leaks, thefts, and losses of data	0	0	0

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.

Subsidiary Performance

AGI protects data through structured governance, regulatory compliance, and continuous improvement of its cybersecurity systems. Across its subsidiaries, controls are designed to safeguard personal information, manage cyber risks, and ensure that data is handled responsibly in line with applicable laws and evolving threats.

MEG applies strict data privacy controls aligned with the RA 10173 and National Privacy Commission regulations. Access to customer data is limited to authorized personnel, supported by data privacy training and cybersecurity protocols.

Customer information is protected through encryption, controlled access, and regular security reviews. MEG also maintains transparency in how data is collected and used, ensuring that customers retain the right to access, update, or request deletion of their information. Privacy considerations are embedded into digital services, including its AI-driven customer platforms, to support secure and responsible engagement.

EMI manages data privacy across multiple jurisdictions, applying controls that align with local regulations while maintaining Group-wide standards. This ensures consistent protection of personal data across its global operations.

Subsidiaries implement structured measures such as restricted system access, data protection oversight, and regular audits. Compliance with frameworks such as GDPR and ISO standards is supported by designated personnel and continuous monitoring. These practices strengthen accountability and ensure that data privacy risks are actively managed.

TIHGI strengthened its cybersecurity and data protection capabilities in 2025 through targeted investments and system upgrades. Infrastructure improvements, including firewall and server updates, enhanced system security and reduced exposure to vulnerabilities.

Advanced monitoring tools were introduced to track external threats, including potential data breaches and misuse of digital assets. Privacy impact assessments are conducted for systems handling personal data, while employee training and awareness programs reinforce responsible data handling across the organization.

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.