



Independent Auditor's Report

To the Board of Directors and Shareholders of
AyalaLand Logistics Holdings Corp. and Subsidiaries
3rd Level Glorietta 5, Ayala Center
Makati City, Philippines

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of AyalaLand Logistics Holdings Corp. and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated financial statements, comprising material accounting policy and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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 Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of 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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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.

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.

Key audit matter identified in our audit is revenue recognition.

Key audit matter	How our audit addressed the key audit matter
<p>Real estate revenue recognition based on PoC as a measure of progress</p> <p>Refer to Note 22 to the consolidated financial statements for the details of the Group's revenue, Note 28 for the discussion on critical accounting estimates and assumptions, and Note 29.12 for the discussion on Group's accounting policies.</p> <p>The revenue from sale of real estate for the year ended December 31, 2025 amounts to P1,675 million which accounts for approximately 45% of the consolidated total revenue. It is therefore material to the consolidated financial statements.</p> <p>Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, Revenue from contracts with customers, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2018-12. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical accomplishment through completion of the project. Hence, real estate revenue recognition requires significant estimates and judgement.</p>	<p>We addressed this matter by understanding and evaluating the processes and controls implemented by the Group in measuring progress under the output method, including how physical accomplishment and project milestones are determined, validated, and approved. Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluating the design and testing the operating effectiveness of key controls over the identification, measurement, and approval of project milestones and physical accomplishment used to determine the percentage of completion. • Substantiating, on a sample basis, the reported percentage of completion by inspecting independent evidence of outputs achieved, including project accomplishment reports prepared by project engineers and certifications by independent quantity surveyors, and performing site visits for selected projects. • Verifying the mathematical accuracy of the percentage of completion derived from physical accomplishment measures and assessing whether the resulting revenue recognized for each project and individually sold unit was appropriately calculated in accordance with the Group's accounting policies and PFRS 15.

Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when these 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.

When we read the other information identified above which have not yet been received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 PFRS Accounting Standards, 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 ability of the Group 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 or to cease operations of the Group, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audits 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 auditor's 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 auditor's 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 auditor's 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report
To the Board of Directors and Shareholders of
AyalaLand Logistics Holdings Corp. and Subsidiaries
Page 7

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 auditor's 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 auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.



Zaldy D. Aguirre

Partner

CPA Cert No. 105660

P.T.R. No. 0024447, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 105660-SEC, Category A; valid to audit 2020
to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A; valid to audit 2020
to 2025 financial statements

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026.

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City

February 12, 2026



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
AyalaLand Logistics Holdings Corp. and Subsidiaries
3rd Level Glorietta 5
Ayala Center, Makati City

We have audited the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the “Parent Company”) and its subsidiaries (together the “Group”) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated February 12, 2026. The Supplementary Information shown in the Reconciliation of Parent Company’s Retained Earnings Available for Dividend Declaration, Map of Relationships of the Companies within the Group, and Schedules A, B, C, D, E, F, and G, as additional components required by the Revised SRC Rule 68, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such Supplementary Information is the responsibility of management and has been subjected to auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the Supplementary Information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.


Zaldy D. Aguirre
Partner

CPA Cert No. 105660

P.T.R. No. 0024447, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 105660-SEC, Category A; valid to audit 2020 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A; valid to audit 2020 to 2025 financial statements

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026.

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 12, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
AyalaLand Logistics Holdings Corp.
3rd Level Glorietta 5
Ayala Center, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 12, 2026. Our audits were 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 PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC 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. 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 three years in the period ended December 31, 2025 and no material exceptions were noted.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner

CPA Cert No. 105660

P.T.R. No. 0024447, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 105660-SEC, Category A; valid to audit 2020
to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A; valid to audit 2020
to 2025 financial statements

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026.

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 12, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in thousands of Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	155,091	242,677
Receivables, net	3	2,285,475	2,989,124
Real estate held for development and sale, net	4	5,873,227	5,705,925
Amounts owed by related parties	15	875,103	932,702
Financial assets at fair value through profit or loss	6	-	4,906
Other current assets	7	1,299,122	1,445,348
Total current assets		10,488,018	11,320,682
Non-current assets			
Receivables, net of current portion	3	2,748,270	2,639,047
Financial assets at fair value through other comprehensive income	5	144,950	151,284
Investment in joint venture	8	1,217,092	737,607
Right-of-use of asset, net	24	915,323	999,762
Investment properties, net	9	12,064,176	12,208,487
Property and equipment, net	10	3,177,276	1,702,781
Net pension assets	20	-	1,519
Deferred tax assets, net	21	160,706	182,112
Other non-current assets	7	1,270,057	796,015
Total non-current assets		21,697,850	19,418,614
Total assets		32,185,868	30,739,296
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued expenses	11	2,233,987	2,250,617
Amounts owed to related parties	15	7,679,491	7,124,850
Short-term debt and current portion of long-term debts	12	1,124,800	24,800
Income tax payable		4,921	5,390
Lease liabilities	24	160,407	36,014
Rental and other deposits	13	270,569	404,674
Total current liabilities		11,474,175	9,846,345
Non-current liabilities			
Installment payable, net of current portion	11	188,679	444,360
Long-term debts, net of current portion	12	2,397,938	2,421,089
Rental and other deposits, net of current portion	13	704,743	461,308
Lease liabilities, net of current portion	24	1,368,724	1,677,432
Net pension liabilities	20	9,736	-
Deferred income tax liabilities, net	21	296,633	274,669
Other non-current liabilities	16	639,372	729,660
Total non-current liabilities		5,605,825	6,008,518
Total liabilities		17,080,000	15,854,863

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in thousands of Philippine Peso)

(continued)

	Notes	2025	2024
Equity			
Equity attributable to equity holders of the Parent Company			
Capital stock	14	6,217,506	6,214,328
Additional paid-in capital	14	6,025,834	6,023,733
Shares held by a subsidiary	14	(144,377)	(144,377)
Equity reserves	26	(1,693,307)	(1,693,307)
Other comprehensive losses, net	14	(923,144)	(912,544)
Retained earnings		5,334,201	5,126,762
		14,816,713	14,614,595
Non-controlling interests		289,155	269,838
Total equity		15,105,868	14,884,433
Total liabilities and equity		32,185,868	30,739,296

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso except for earnings per share figure)

	Notes	2025	2024	2023
Revenues				
Real estate sales	22	1,675,323	3,344,426	1,763,231
Rental services	9	1,366,793	1,334,310	1,252,297
Sale of storage services	22	308,125	163,474	169,490
Others	24	400,430	345,604	325,054
		3,750,671	5,187,814	3,510,072
Cost and expenses				
Cost of real estate sold	17	(852,550)	(2,174,342)	(1,136,870)
Cost of rental services	17	(1,177,655)	(1,135,332)	(1,086,011)
Cost of storage services	17	(279,074)	(130,873)	(101,065)
Operating expenses	18	(388,682)	(310,495)	(224,389)
		(2,697,961)	(3,751,042)	(2,548,335)
Other charges, net				
Interest expense and bank charges, net	19	(701,073)	(569,006)	(307,406)
Provision for probable losses	25	(20,767)	(61,362)	-
Miscellaneous income (charges)	19	11,235	(19,678)	89,672
		(710,605)	(650,046)	(217,734)
Income before income tax				
		342,105	786,726	744,003
Income tax expense	21	(121,876)	(85,970)	(107,896)
Net income for the year		220,229	700,756	636,107
Attributable to:				
Equity holders of the Parent Company		200,410	700,909	625,222
Non-controlling interests		19,819	(153)	10,885
		220,229	700,756	636,107
Earnings per share				
Basic and diluted, for income for the year attributable to ordinary equity holders of the Parent Company	23	0.03	0.11	0.10

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso)

	Notes	2025	2024	2023
Net income		220,229	700,756	636,107
Other comprehensive income (loss)				
<i>Items that may not be reclassified to profit or loss in subsequent periods:</i>				
Unrealized gain on debt and equity instruments at fair value through other comprehensive income	5	1,866	24,670	38,456
(Loss) gain on remeasurement of retirement benefits liability, net of tax	20	(2,928)	213	1,858
Total comprehensive income		219,167	725,639	676,421
Attributable to:				
Equity holders of the Parent Company		199,850	726,550	664,552
Non-controlling interests		19,317	(911)	11,869
		219,167	725,639	676,421

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso)

Notes	Attributable to equity holders of the Parent Company						Retained Earnings	Total	Non-controlling interests	Total equity
	Capital stock (Note 14)	Additional paid-in capital (Note 14)	Shares held by a subsidiary (Note 14)	Equity reserves (Note 26)	Other comprehensive losses, net (Note 14)	Total				
Balances at January 1, 2023	6,201,777	6,020,123	(144,377)	(1,693,307)	(960,446)	3,539,322	12,963,092	258,880	13,221,972	
Comprehensive income										
Net income for the year	-	-	-	-	-	625,222	625,222	10,885	636,107	
Other comprehensive income for the year	5,20	-	-	-	39,330	-	39,330	984	40,314	
Total comprehensive income for the year		-	-	-	39,330	625,222	664,552	11,869	676,421	
Transactions with owners										
Proceeds from share subscriptions	14	8,179	637	-	-	-	8,816	-	8,816	
Transfer of realized valuation increment		-	-	-	(7,029)	7,029	-	-	-	
Total transactions with owners		8,179	637	-	(7,029)	7,029	8,816	-	8,816	
Balances at December 31, 2023		6,209,956	6,020,760	(144,377)	(1,693,307)	(928,145)	4,171,573	13,636,460	270,749	
Impact of adoption of PFRS 15 covered by PIC Q&A 2018-12-D		-	-	-	-	247,251	247,251	-	247,251	
Balances at January 1, 2024, as restated		6,209,956	6,020,760	(144,377)	(1,693,307)	(928,145)	4,418,824	13,883,711	270,749	
Comprehensive income										
Net income for the year		-	-	-	-	700,909	700,909	(153)	700,756	
Other comprehensive income for the year	5,20	-	-	-	25,641	-	25,641	(758)	24,883	
Total comprehensive income for the year		-	-	-	25,641	700,909	726,550	(911)	725,639	
Transactions with owners										
Proceeds from share subscriptions	14	4,372	2,973	-	-	-	7,345	-	7,345	
Transfer of realized valuation increment		-	-	-	(10,040)	7,029	(3,011)	-	(3,011)	
Total transactions with owners		4,372	2,973	-	(10,040)	7,029	4,334	-	4,334	
Balances at December 31, 2024		6,214,328	6,023,733	(144,377)	(1,693,307)	(912,544)	5,126,762	14,614,595	269,838	
Comprehensive income										
Net income for the year		-	-	-	-	200,410	200,410	19,819	220,229	
Other comprehensive loss for the year	5,20	-	-	-	(560)	-	(560)	(502)	(1,062)	
Total comprehensive income for the year		-	-	-	(560)	200,410	199,850	19,317	219,167	
Transactions with owners										
Proceeds from share subscriptions	14	3,178	2,101	-	-	-	5,279	-	5,279	
Transfer of realized valuation increment		-	-	-	(10,040)	7,029	(3,011)	-	(3,011)	
Total transactions with owners		3,178	2,101	-	(10,040)	7,029	2,268	-	2,268	
Balances at December 31, 2025		6,217,506	6,025,834	(144,377)	(1,693,307)	(923,144)	5,334,201	14,816,713	289,155	

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Income before income tax		342,105	786,726	744,003
Adjustments for:				
Depreciation and amortization	7,9,10,17,18	546,094	461,370	426,791
Interest expense and bank charges	19	746,786	615,603	492,093
Depreciation of right-of-use assets	17,24	66,106	66,287	69,771
Provision for probable losses	25	20,767	61,362	-
Provision for impairment losses on receivables	3	23,822	23,747	-
Equity in net loss of joint ventures	19	113,515	23,166	5,837
Unrealized (gain) on financial assets at FVPL	6	(35)	(108)	(182)
Interest income	19	(45,713)	(46,597)	(184,687)
Operating income before working capital changes		1,813,447	1,991,556	1,553,626
Increase (decrease) in:				
Receivables		(136,630)	(608,089)	(600,448)
Real estate held for sale and development		(167,303)	(660,724)	(661,059)
Other current assets		147,745	938,701	(626,668)
Pension assets		(8,122)	3,174	8,820
Other noncurrent assets		(478,581)	(645,886)	23,433
Decrease (increase) in:				
Accounts payable and accrued expenses		(310,670)	572,906	(153,845)
Amounts owed to related parties		(5,152)	(112,589)	236,952
Rental and other deposits		109,330	(10,837)	94,361
Other noncurrent liabilities		(90,287)	69,462	(6,981)
Net cash flows generated from (used in) operations		873,777	1,537,674	(131,809)
Interest received		44,213	54,325	3,791
Interest paid		(471,755)	(567,926)	(159,345)
Income tax paid		(81,361)	(144,167)	(140,079)
Net cash generated from (used) in operating activities		364,874	879,906	(427,442)
Cash flows from investing activities				
Additions to amounts owed by related parties		(487,595)	(729,469)	(2,132,987)
Deductions from amounts owed by related parties		576,745	321,057	2,009,514
Investment in joint venture	8	(593,000)	(83,000)	(502,465)
Acquisitions of:				
Investment in properties	9	(336,918)	(773,522)	(1,050,308)
Property and equipment	10	(1,541,224)	(499,181)	(416,567)
Proceeds from sale of equipment		-	-	56
Proceeds from sale and maturity of:				
Financial assets at FVOCI and FVPL	5,6	13,141	-	36,000
Net cash used in investing activities		(2,368,851)	(1,764,115)	(2,056,757)

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in thousands of Philippine Peso)

(continued)

	Notes	2025	2024	2023
Cash flows from financing activities				
Proceeds from short-term loan availment	12	1,100,000	-	-
Payments of loan	12	(24,800)	(21,050)	-
Proceeds from sale of receivables from land sales	3	661,300	-	-
Proceeds from share subscriptions, net	14	5,278	7,345	8,816
Proceeds from amounts owed to related parties	15	3,421,871	5,494,358	9,373,141
Payment of amounts owed to related parties	15	(2,937,290)	(4,410,474)	(6,977,349)
Payment of lease liabilities	24	(309,968)	(158,006)	(156,314)
Net cash flows from financing activities		1,916,391	912,173	2,248,294
Net (decrease) increase in cash and cash equivalents		(87,586)	27,964	(235,905)
Cash and cash equivalents at beginning of year		242,677	214,713	450,618
Cash and cash equivalents at end of year	2	155,091	242,677	214,713

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

As at December 31, 2025 and 2024 and

for each of the three years in the period ended December 31, 2025

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

1 Corporate and Group information

1.1 Corporate information

AyalaLand Logistics Holdings Corp. (ALLHC; the “Parent Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 19, 1989. The Parent Company’s registered office address is 3rd Level Glorietta 5, Ayala Center, Makati City. The Parent Company is a subsidiary of Ayala Land, Inc. (ALI). ALI’s parent company is Ayala Corporation (AC). AC is 47.57% owned by Mermac, Inc. and the rest by the public as at December 31, 2025. Both ALI and AC are publicly-listed companies incorporated in the Philippines. The Parent Company is listed in the Philippine Stock Exchange.

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

1.2 Group Information

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

Subsidiaries	Nature of business	Percentage of Ownership		
		2025	2024	2023
Laguna Technopark, Inc. (LTI)	Real estate development and warehouse leasing	100%	100%	100%
ALogis Artico Inc. (AAI), formerly Ecozone Power Management, Inc. (EPMI)	Warehouse leasing and cold storage services	100%	100%	100%
Unity Realty & Development Corporation (URDC)	Real estate development	100%	100%	100%
Orion Land, Inc. (OLI)	Commercial leasing	100%	100%	100%
Tutuban Properties, Inc. (TPI)	Commercial leasing	100%	100%	100%
TPI Holdings Corporation (TPIHC)**	Investment holding company	100%	100%	100%
Orion Property Developments, Inc. (OPDI)	Real estate development	100%	100%	100%
Orion Beverage, Inc. (OBI)*	Manufacturing	100%	100%	100%
LCI Commercial Ventures, Inc. (LCVI)	Warehouse leasing	100%	100%	100%
Luck Hock Venture Holdings, Inc. (LHVHI)**	Other business activities	60%	60%	60%
Orion Maxis, Inc. (OMI)*	Marketing and administrative services	100%	100%	100%
Orion I Holdings Philippines, Inc. (OIHPI)**	Financial holding company	100%	100%	100%
FLT Prime Insurance Corporation (FPIC)*	Non-life insurance company	78.77%	78.77%	78.77%
A-FLOW Land I Corp (A-FLOW Land)	Real estate leasing	60.00%	60.00%	60.00%
Orion Solutions, Inc. (OSI)*	Management information technology consultancy services	100%	100%	100%

* Inactive companies approved by their respective BOD for liquidation

**SEC approved shortening of corporate term

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

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

LTI

LTI was incorporated on November 15, 1990 and is based in Laguna. LTI develops industrial parks and leases ready-built factory units and sells industrial lots to local and company locators. LTI is likewise into the construction and operation of standard factory buildings located in multiple sites in Laguna, Cavite, and Pampanga.

AAI

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

URDC

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

OLI

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

TPI

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

OPDI

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

LCVI

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

A-FLOW Land

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

1.3 Approval of financial statements

The accompanying consolidated financial statements of the Group as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 were approved for issuance by the Parent Company's Board of Directors (BOD) in a meeting dated February 12, 2026.

2 Cash and cash equivalents

Details of the account are as follows:

	2025	2024
Cash on hand	523	407
Cash in bank	139,930	242,270
Cash equivalent	14,638	-
	155,091	242,677

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

Cash equivalents pertain to short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of acquisition and subject to an insignificant risk of changes in value. Interest rates in 2025 ranges from 4.52% to 5.65% (2024 - 4.50% to 5.25%).

Interest earned from cash and cash equivalents amounted to P1.92 million in 2025 (2024 - P0.80 million; 2023 - P1.46 million) (Note 19).

3 Receivables, net

Details of the account are as follows:

	2025	2024
Trade receivables		
Land sales	3,682,028	4,529,068
Receivables from tenants	1,098,171	848,707
Non-trade receivables	548,299	523,033
	5,328,498	5,900,808
Less: allowance for expected credit losses	294,753	272,637
	5,033,745	5,628,171
Less: non-current portion	2,748,270	2,639,047
Receivables, current portion	2,285,475	2,989,124

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

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

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

The movements of allowance for expected credit losses on receivables follow:

	Note	Trade receivables	Non-trade receivables	Total
At January 1, 2024		78,844	195,046	273,890
Provision for impairment losses	18	23,747	-	23,747
Write-off		(25,000)	-	(25,000)
At December 31, 2024		77,591	195,046	272,637
Provision for impairment losses	18	23,822	-	23,822
Write-off		-	(1,706)	(1,706)
At December 31, 2025		101,413	193,340	294,753

4 Real estate held for development and sale, net

Details of the account are as follows:

	2025	2024
Land	5,913,075	5,745,773
Less: allowance for inventory write-down	39,848	39,848
	5,873,227	5,705,925

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

The composition of inventoriable costs as at December 31 follows:

	2025	2024
Land cost	5,193,823	5,420,363
Construction overhead and other related costs	719,252	325,410
	5,913,075	5,745,773

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

	Note	2025	2024
Balance at the beginning of the year		5,745,773	5,085,049
Acquisition		154,571	464,814
Development costs incurred		714,191	1,946,590
Cost of real estate (excluding management fees and commission)	17	(701,460)	(1,750,680)
		5,913,075	5,745,773
Less: allowance for inventory write-down		39,848	39,848
At net realizable value		5,873,227	5,705,925

Sale of real estates recognized in 2025 amounted to P1,675.32 million (2024 - P3,344.43 million; 2023 - P1,763.23 million) (Note 22). Real estate inventories recognized as cost of real estate sales amounted to P701.46 million (2024 - P1,750.68 million; 2023 - P984.44 million) (Note 17).

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

5 Financial assets at FVOCI

Details of the account are as follows:

	2025	2024
Equity securities	102,607	114,387
Debt securities	42,343	36,897
	144,950	151,284

Equity securities mainly pertain to quoted golf club shares and 19.65% equity interest in Cyber Bay Corporation (Note 16).

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

Debt instruments pertain to quoted government securities.

Movements of financial assets at FVOCI for the years ended December 31 follows:

	2025	2024
Beginning of year	151,284	126,614
Unrealized gain	1,866	24,670
Proceeds from maturity	(8,200)	-
End of year	144,950	151,284

Interest earned from financial assets at FVOCI amounted to P1.30 million in 2025 (2024 - P1.46 million; 2023 - P2.34 million) (Note 19).

6 Financial assets at FVPL

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

Movements of financial assets at FVPL for the years ended December 31 follows:

	2025	2024
Beginning of year	4,906	4,798
Unrealized gain	35	108
Proceeds from sale	(4,941)	-
End of year	-	4,906

There were no dividend income earned from these shares in 2025, 2024 and 2023.

7 Other assets

Details of the account are as follows:

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Input VAT	982,795	327,892	1,310,687	824,450	452,452	1,276,902
Creditable withholding taxes	210,595	331,314	541,909	181,119	233,275	414,394
Advances to suppliers and contractors	-	492,214	492,214	345,452	-	345,452
Refundable deposits	6,147	113,252	119,399	6,135	108,651	114,786
Prepayments	94,623	-	94,623	91,811	-	91,811
Others	7,658	5,385	13,043	5,334	1,637	6,971
	1,301,818	1,270,057	2,571,875	1,454,301	796,015	2,250,316
Less allowance for impairment losses	2,696	-	2,696	8,953	-	8,953
	1,299,122	1,270,057	2,569,179	1,445,348	796,015	2,241,363

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

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

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

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

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

Others include software costs with depreciation expense recognized amounting to P3.02 million in 2025 (2024 - P0.03 million; 2023 - P0.02 million) (Note 18).

The movements of allowance for impairment losses for the year ended December 31, 2025 follow:

At January 1, 2025	8,953
Write-off	(6,257)
At December 31, 2025	2,696

There were no provisions for impairment losses for the years ended December 31, 2025, 2024 and 2023. (Note 18).

8 Investments in joint venture

On October 4, 2022, ALLHC entered into Joint Venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (A-FLOW PropCo), a joint venture involved in the establishing, developing, operating, leasing, and owning digital, critical, and physical infrastructure of and for data center facilities and other digital transformative technologies, as well as to render and provide services ancillary to the foregoing.

ALLHC's capital commitments is to fund equity required for the joint venture pari passu and on a pro rata basis to their agreed ownership ratio and in accordance with the terms of the agreement, provided that if there are shareholders of the A-FLOW PropCo other than FLOW, ALLHC and where applicable, their respective affiliates, the shareholders will fund equity based on their prevailing ownership ration.

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

Movement in investment in joint venture follows:

	Note	2025	2024
Beginning of the year		737,607	677,773
Investment including transaction costs during the year		593,000	83,000
Share in net loss during the year	19	(113,515)	(23,166)
End of year		1,217,092	737,607

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

	2025	2024
Current assets	1,087,371	771,681
Non-current assets	3,972,706	2,329,639
Current liabilities	(60,522)	(226,901)
Non-current liabilities	(2,881,072)	(1,710,000)
Equity	2,118,483	1,164,419
Revenue during the year	6,021	210
Net loss during the year	(227,030)	(46,333)
Total comprehensive loss during the year	(227,030)	(46,333)

ALLHC did not receive any dividends from A-FLOW PropCo for the year ended December 31, 2025 and 2024. ALLHC has not incurred any contingent liabilities as at December 31, 2025 and 2024 in relation to its interest in the joint ventures, nor do the joint ventures themselves have any contingent liabilities for which the ALLHC is contingently liable.

9 Investment properties, net

Details of the account are as follows:

December 31, 2025	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		12,321,667	3,743,829	676,032	16,741,528
Additions during the year		122,444	9,516	204,958	336,918
Reclassifications during the year		119,770	-	(119,770)	-
End of year		12,563,881	3,753,345	761,220	17,078,446
Accumulated depreciation					
Beginning of year		4,496,069	36,972	-	4,533,041
Depreciation during the year	17,18	478,054	3,175	-	481,229
At end of year		4,974,123	40,147	-	5,014,270
Net book values		7,589,758	3,713,198	761,220	12,064,176

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

Depreciation expenses of investment properties for the years ended December 31 were charged to the following accounts:

	Notes	2025	2024	2023
Cost of rental services	17	481,229	407,540	363,094
Operating expenses	18	-	22,983	19,737
		481,229	430,523	382,831

Fair Value of Investment Properties

The aggregate fair value of the Group's investment properties amounted to P20,309 million as at December 31, 2025 (2024 - P19,717 million). The fair value of the Group's investment properties is determined by independent professionally qualified appraisers, based on the latest valuation reports. Fair value was measured using income approach method with expected rental income and expenses as inputs (except URDC where sales comparison approach method has been used with comparable selling price as inputs). The fair value of the Group's investment property falls under Level 3 of the fair value hierarchy.

Gross profit from rental of investment properties for the years ended December 31 follows:

	Note	2025	2024	2023
Revenue from rental services		1,366,793	1,334,310	1,252,297
Cost of rental services	17	(1,177,655)	(1,135,332)	(1,086,011)
		189,138	198,978	166,286

The Group has no restriction on the realizability of its investment properties and no obligation to either purchase, construct or develop or for repairs, maintenance and enhancements.

10 Property and equipment, net

Details of the account are as follows:

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
December 31, 2025									
Cost									
Beginning of year		356,433	1,027,337	11,122	68,491	40,075	148,346	264,751	1,916,555
Additions during the year		990,218	370,823	682	392	4,580	56,541	117,988	1,541,224
Disposals during the year		-	(80,951)	-	-	(2,160)	(6,850)	-	(89,961)
Reclassifications during the year		-	68,734	-	-	-	-	(68,734)	-
End of year		1,346,651	1,385,943	11,804	68,883	42,495	198,037	314,005	3,367,818
Accumulated depreciation and amortization									
Beginning of year		-	74,324	4,749	59,308	24,689	50,704	-	213,774
Depreciation and amortization during the year	17,18	-	46,398	1,241	3,618	5,560	5,029	-	61,846
Disposals during the year		-	(80,951)	-	-	(41)	(4,086)	-	(85,078)
End of year		-	39,771	5,990	62,926	30,208	51,647	-	190,542
Net book values		1,346,651	1,346,172	5,814	5,957	12,287	146,390	314,005	3,177,276

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

Depreciation and amortization expenses of property and equipment for the years ended December 31 were charged to the following accounts:

	Notes	2025	2024	2023
Cost of storage services	17	22,354	20,565	34,174
Operating expenses	18	39,492	10,279	9,770
		61,846	30,844	43,944

11 Accounts payable and accrued expenses; Installment payables

Details of the account are as follows:

	Note	2025	2024
Trade payables		1,504,397	1,314,386
Payable to government agencies		309,140	405,286
Current portion of installment payables		284,511	284,511
Provision	25	90,490	89,418
Accrued expenses		20,086	75,964
Others		25,363	81,052
		2,233,987	2,250,617

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

Installment payables

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

	2025	2024
Current portion	284,511	284,511
Non-current portion	188,679	444,360
	473,190	728,871

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

	Note	2025	2024
Beginning of year		29,187	57,663
Accretion for the year	19	(19,698)	(28,476)
End of year		9,489	29,187

12 Short-term and long-term debts

Short-term debt

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

Long-term debts

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

Loan	Borrower	Date availed	2025	2024	Details
			Outstanding balance		
1	ALLHC	November 2021	1,264,200	1,277,100	- Matures in November 2031 - Interest rate per annum is at 6.56% as at December 31, 2025 and 2024.
2	LTI	November 2021	676,200	683,100	- Matures in November 2031 - Interest rate per annum is at 6.56% as at December 31, 2025 and 2024.
3	AAI	September 2022	368,338	372,068	- Matures in September 2032 - Interest rate per annum is at 6.66% as at December 31, 2025 and 2024.
4	AAI	September 2022	125,412	126,682	- Matures in November 2032 - Interest rate per annum is at 6.66% as at December 31, 2025 and 2024.
			2,434,150	2,458,950	
Less: Deferred transaction costs			(11,412)	(13,061)	
			2,422,738	2,445,889	
Current portion of long-term debt			(24,800)	(24,800)	
Non-current portion of long-term debt			2,397,938	2,421,089	

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

	Note	2025	2024
Beginning of year		2,445,889	2,465,064
Availment of short-term loans during the year		1,100,000	-
Principal payments of long-term loans during the year		(24,800)	(21,050)
Amortization of deferred transaction costs	19	1,649	1,875
End of year		3,522,738	2,445,889

Amortization of deferred transaction costs amounted to P1.65 million for 2025 (2024 - P1.88 million; 2023 - P1.90 million) (Note 19).

Interest expense arising from bank loans amounted to P174.65 million for 2025 (2024 - P161.55 million; 2023 - P99.73 million) (Note 19).

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

13 Rental and other deposits

Details of the account are as follows:

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits	167,985	481,867	649,852	289,694	280,888	570,582
Rental deposits	67,358	200,720	268,078	68,468	169,838	238,306
Construction bond	26,012	11,718	37,730	34,048	538	34,586
Others	9,214	10,438	19,652	12,464	10,044	22,508
	270,569	704,743	975,312	404,674	461,308	865,982

Tenants are required to post security deposits, which shall be refunded, without interest, within sixty (60) days after the expiration of the lease period, deducting the amount of damages to the leased premises, if any. Interest expense from accretion of security deposits amounted to P0.18 million for 2025 (2024 - P0.35 million; 2023 - P0.35 million) (Note 19).

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

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

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

14 Equity

Capital stock and additional paid-in capital

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

	2025		2024	
	Number of shares	Amount	Number of shares	Amount
Authorized, P1 par value	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000
Issued	6,158,660,192	6,158,660,192	6,158,660,192	6,158,660,192
Subscribed	142,931,795	142,931,795	142,931,795	142,931,795
Subscription receivable		(84,085,522)		(87,263,931)
Issued and outstanding	6,214,328,056	6,217,506,465	6,214,328,056	6,214,328,056
Additional paid-in capital		6,025,833,899		6,023,733,248

Capital stock and additional paid-in capital increased by P3.2 million and P2.1 million, net of stock transaction costs, respectively, following collection of subscription receivable (2023 - P4.4 million and P3.0 million), respectively.

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

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

Shares held by a subsidiary

In 2019, OLI subscribed to 49,444,216 shares of the Parent Company for a total consideration amounting to P144.38 million. The shares were listed in the Philippine Stock Exchange (PSE) on October 7, 2025.

Other comprehensive losses, net

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

	Note	2025	2024
Revaluation increment	9	155,642	165,682
Unrealized loss on financial assets at FVOCI	5	(1,031,884)	(1,034,252)
Loss on measurement of retirement benefits	20	(46,902)	(43,974)
		(923,144)	(912,544)

Capital Management

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

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

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

The Group is not subject to externally imposed capital requirements.

15 Related party transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Group has an approval requirement and limits on the amount and extent on any related party transactions.

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

Amounts owed by related parties

	Transactions for the year		Due from		Terms and condition
	2025	2024	2025	2024	
Loans to related parties					These are unsecured, unguaranteed, interest bearing and collectible in cash within 12 months. Interest rate is at 4.50% to 5.78% per annum.
<i>Entities under common control</i>	487,595	685,382	753,419	842,570	
Interest Income (Note 19)					Interest income is due and demandable and shall be collected based on rates agreed between parties.
<i>Immediate Parent Company</i>	1,342	1,531	834	582	
<i>Entities under common control</i>	41,056	42,556	43,469	43,615	
	42,398	44,087	44,303	44,197	
Service fees					The Group entered into various service agreement including management and supervision of planning, design, construction and commissioning of real estate projects. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
<i>Immediate Parent Company</i>	-	-	-	22,010	
<i>Entities under common control*</i>	6,609	-	8,017	4,895	
<i>Other related parties</i>	3,772	-	3,772	2,509	
	10,381	-	11,789	29,414	
Other receivables (Note 20)					The Company acquired pension obligation from an entity under common control following employee transfers. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
<i>Entities under common control</i>	2,411	-	2,411	-	
Leases					The Group entered into commercial space short-term lease agreements as lessor with its related parties. In consideration, lease fee are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
<i>Immediate Parent Company</i>	38,015	-	54,536	16,521	
<i>Other related parties</i>	8,645	-	8,645	-	
	46,660	-	63,181	16,521	
	589,445	729,469	875,103	932,702	

*Includes intercompany charging of P2,411 million related to transferred pension obligation of employee and management fees of P3,487 pertaining to the Parent Company's facilitation of a related party's dissolution, liquidation, and winding down of its business.

Amounts owed to related parties

	Transactions for the year		Due to		Terms and condition
	2025	2024	2025	2024	
Loans from related parties					
<i>Immediate Parent Company</i>	239,659	741,890	866,769	658,054	These are unsecured, unguaranteed, interest bearing and payable in cash within 12 months. Interest rate is at 4.50% to 5.78% per annum. These loans were obtained to fund the Company's working capital requirements and business operations.
<i>Entities under common control</i>	3,182,212	4,752,468	4,960,610	4,684,746	
	3,421,871	5,494,358	5,827,379	5,342,800	
Interest expense (Note 19)					
<i>Immediate Parent Company</i>	15,500	16,074	22,420	12,537	Interest expense is due and demandable and shall be payable based on interest rates agreed between parties.
<i>Entities under common control</i>	345,118	260,434	127,851	76,539	
	360,618	276,508	150,271	89,076	
Management fees and systems cost (Note 17 and 18)					
<i>Immediate Parent Company</i>	105,223	388,949	1,523,965	1,314,642	The Group entered into system cost and management fee agreement with its related parties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and payable in on demand.
<i>Entities under common control</i>	94,655	-	12,276	3,300	
	199,878	388,949	1,536,241	1,317,942	
Construction contracts					
<i>Entities under common control</i>	33,123	161,843	145,858	221,959	The Group has engaged the services of its related parties for the technical due diligence, land development and construction of facilities within its real estate properties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and payable in on demand.
Service and other fees					
<i>Entities under common control</i>	16,590	3,152	19,742	3,534	The Group engaged its related parties for certain service agreements including legal and professional services. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
Purchase of real property					
<i>Ultimate Parent Company</i>	-	-	-	149,539	The Group acquired from its related parties, parcel of lots intended for industrial park development at agreed price. These are unsecured, unguaranteed, noninterest bearing and payable on demand.
	4,032,080	6,324,810	7,679,491	7,124,850	
Retention payable (Note 16)					
<i>Entities under common control</i>	30,027	52,736	30,027	52,736	Retention payable pertains to an amount deducted from the contractors' progress billing which will be released after the expiration of the project's warranty period happening 12 months after the end of the reporting period.
	30,027	52,736	30,027	52,736	

Compensation of key management personnel

The key management personnel of the Group are employees of ALI. As such, the compensation of the said employees is paid by ALI, the necessary disclosures required by PAS 24, Related Party Disclosure are included in the financial statements of ALI. Compensation for said employees are billed to the Group and form part of systems cost. Systems cost billed to the Group in 2025 amounted to P105.22 million (2024 - P49.47 million; 2023 - P25.12 million) (Note 18).

16 Other non-current liabilities

Details of the account are as follows:

	Note	2025	2024
Subscription payable on common shares of Cyber Bay		481,675	481,675
Retention payable			
Third-party related		127,670	195,249
Related party	15	30,027	52,736
		639,372	729,660

Retention payable pertains to an amount deducted from the contractors' progress billing which will be released after the expiration of the project's warranty period happening 12 months after the end of the reporting period.

17 Cost of real estate sales, rental and storage services

Cost of real estate sales

The details of this account follow:

	Notes	2025	2024	2023
Cost of real estate	4	701,460	1,750,680	984,438
Management fee	15	94,655	294,050	102,442
Commission		56,435	129,612	49,990
		852,550	2,174,342	1,136,870

Cost of rental services

The details of this account follow:

	Notes	2025	2024	2023
Depreciation and amortization	7,9,10,24	499,130	454,346	438,717
Share in CUSA related expenses		427,296	329,091	324,552
Taxes and licenses		150,437	159,989	148,770
Repairs and maintenance		48,196	56,780	46,063
Rental	24	12,505	9,575	9,404
Insurance		11,840	10,730	5,136
Professional fees		6,930	4,975	4,251
Supplies		1,001	4,998	1,844
Commissions		586	14,633	2,512
Management fees	15	-	45,430	51,217
Others		19,734	44,785	53,545
		1,177,655	1,135,332	1,086,011

Cost of storage services

	Notes	2025	2024	2023
Share in CUSA related expenses		163,708	63,022	48,941
Depreciation and amortization	7,9,10,24	70,559	40,046	28,322
Taxes and licenses		9,519	6,498	7,103
Rental	24	8,595	5,573	3,314
Repairs and maintenance		6,939	5,271	4,861
Supplies		3,854	2,671	2,696
Insurance		1,760	1,443	689
Others		14,140	6,349	5,139
		279,074	130,873	101,065

18 Operating expenses

The details of this account follow:

	Notes	2025	2024	2023
Personnel expenses				
Compensation and employee benefits		114,356	99,373	79,215
Retirement expense	20	6,329	4,604	3,236
Systems costs	15	105,223	49,469	25,116
Depreciation and amortization	7,9,10	42,511	33,265	29,523
Provision for impairment losses	3	23,822	23,747	-
Professional and legal fees		20,775	24,298	29,074
Janitorial and security services		19,396	10,948	11,025
Communication and transportation		17,271	11,990	7,826
Taxes and licenses		15,090	27,403	25,313
Rent and utilities		9,501	4,539	1,626
Supplies and repairs		8,506	8,427	4,498
Others		5,902	12,432	7,937
		388,682	310,495	224,389

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

Interest expense and bank charges, net

The details of this account follow:

	Notes	2025	2024	2023
Interest expense and bank charges				
Amounts owed to related parties	15	(360,618)	(276,508)	(202,644)
Bank loan	12	(174,653)	(161,550)	(99,727)
Interest expense on lease liabilities	24	(143,986)	(146,473)	(148,740)
Loss on sale of receivables	3	(45,933)	-	-
Discount amortization on long term liabilities	11	(19,698)	(28,476)	(37,970)
Discount amortization on bank loan	12	(1,649)	(1,875)	(1,904)
Discount amortization on security deposits	13	(178)	(354)	(354)
Bank charges and other charges		(71)	(367)	(754)
		(746,786)	(615,603)	(492,093)
Interest income				
Amounts owed by related parties	15	42,398	44,087	52,292
Cash and cash equivalents	2	1,921	792	1,456
Interest income on financial assets at FVOCI	5	1,300	1,458	2,335
Retirement benefits liability, net	20	94	260	679
Accretion on long term receivables		-	-	127,925
		45,713	46,597	184,687
		(701,073)	(569,006)	(307,406)

Miscellaneous income (charges)

The details of this account follow:

	Note	2025	2024	2023
Share in net loss of joint ventures	8	(113,515)	(23,166)	(5,837)
Reversal of excess accruals		106,489	-	68,052
Income from customer lounge		-	-	13,610
Management fees	15	3,487	-	-
Recoveries and other miscellaneous income		14,774	3,488	13,847
		11,235	(19,678)	89,672

20 Net pension (liabilities) assets

The Parent Company and LTI has a separate, funded, non-contributory retirement plan covering all its regular employees. The plan provides for retirement, separation, disability and death benefits to its members. The normal retirement benefit is based on a percentage of the employees' final monthly salary for every year of credited service. The latest independent actuarial valuation as at December 31, 2025 was determined using the projected unit credit method in accordance with PAS 19 (R).

The following tables summarize the funded status and amounts recognized in the consolidated statements of financial position, and the components of the net retirement benefit costs recognized in the consolidated statements of income for the retirement plan:

	2025	2024
Fair value of plan assets	24,187	22,059
Present value of retirement benefit obligation	(33,923)	(20,540)
Net pension (liabilities) assets	(9,736)	1,519

	Notes	2025	2024	2023
Current service cost	18	6,329	4,604	3,236
Interest income	19	(94)	(260)	(679)
		6,235	4,344	2,557

Changes in fair value of plan assets follows:

	2025	2024
Beginning of year	22,059	20,686
Interest income	1,879	1,772
Remeasurement loss	(685)	(560)
Contribution	1,295	1,217
Benefits paid by the plan assets	(361)	(1,056)
End of year	24,187	22,059

Changes in the retirement benefit obligation follows:

	Note	2025	2024
Beginning of year		20,540	16,253
Current service cost		6,329	4,604
Interest cost		1,785	1,512
Benefits paid by the plan assets		(361)	(1,056)
Remeasurement loss (gain)		3,219	(773)
Net acquired obligation due to employee transfers	20	2,411	-
End of year		33,923	20,540

The categories of plan assets as a percentage of fair value of the total plan assets follows:

	2025	2024
Cash	0.18%	2.30%
Debt securities	99.77%	97.57%
Others	0.05%	0.13%
	100.00%	100.00%

The plan assets are invested in different financial instruments and do not have any concentration risk. The asset allocation of the plan is set and reviewed from time to time by the Trustee taking into account the membership profile and the liquidity requirements of the plan. This also considers the expected benefit cash flows to be matched with asset durations. Debt securities include investments in government debt securities that are in the form of fixed rate treasury notes and retail treasury bonds issued by the Philippine government. The Group does not expect to contribute to the retirement plan for the year 2025.

The principal assumptions used to determine pension for the Group are as follows:

	2025	2024	2023
Discount rates	5.47% to 7.47%	5.18% to 7.18%	6.12% to 6.21%
Salary increase rate	5.00% to 7.00%	4.00% to 6.50%	5.00% to 6.50%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Impact on retirement benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
<i>December 31, 2025</i>			
Discount rate	+/-1%	(39,250)	46,959
Future salary increases	+/-1%	47,026	(39,062)
<i>December 31, 2024</i>			
Discount rate	+/-1%	(19,062)	23,923
Future salary increases	+/-1%	23,999	(18,829)

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which change other than those assumed may be deemed to be more reasonable.

The following table shows the maturity profile of the Group's defined benefit obligation based on undiscounted benefit payments:

	2025	2024
Less than 1 year	5,445	233
More than 1 year to 10 years	33,171	24,067
More than 10 years to 20 years	125,904	61,974
More than 20 years	449,181	337,853

The average duration of the defined benefit obligation is 16 to 23 in 2025 (2024 - 15 to 24 years).

21 Income tax

	2025	2024	2023
Current	73,385	101,034	132,255
Deferred	48,491	(15,064)	(24,359)
	121,876	85,970	107,896

Registration with the Philippine Economic Zone Authority (PEZA) and Board of Investments (BOI) Incentives

LTI is a PEZA registrant as a non-pioneer "ecozone developer/operator" of Laguna Technopark Special Economic Zone and Cavite Technopark Special Economic Zone. LTI pays income tax at the special tax rate of 5% on its gross income earned from sources with the PEZA economic zone in lieu of paying all national and local income taxes. Income generated from sources outside of the PEZA economic zone shall be subject to regular internal revenue taxes. LTI and URDC are BOI registrants in accordance with the existing Omnibus Investment Code. The projects located in Pampanga, Batangas and Laguindingan have been granted an Income Tax Holiday (ITH) for a period of four (4) to five (5) years from the date of commercial operations. The reconciliation of the statutory income tax rates to the effective income tax rates follows:

	2025	2024	2023
At statutory tax rates	25%	25%	25%
Additions to (reductions in) income taxes resulting from:			
Movements in unrecognized deferred income tax assets	37.0	7.6	6.1
Income from registered activities subject to lower income tax	(54.9)	(24.1)	(19.2)
Non-deductible expenses	28.9	2.5	5.7
Other non-taxable income	(0.1)	(0.1)	(3.0)
At effective tax rates	35.9%	10.9%	14.6%

Deferred tax assets and deferred tax liabilities are offset on per entity level and the net amount is reported in consolidated statement of financial position as follows:

Deferred income tax assets, net

	2025	2024
Deferred income tax asset on:		
Lease liabilities	383,344	460,228
Unamortized discount on long term receivable	38,675	38,675
Allowance for impairment losses on receivables	16,100	10,571
Accrued expense	24,188	39,570
NOLCO	14,976	37,591
Remeasurement loss on retirement benefits liability	311	350
Others	1,926	3,069
	479,520	590,054
Deferred income tax liability on:		
Right-of-use asset	(184,931)	(264,079)
Recovery on insurance	(81,985)	(81,985)
Revaluation reserve on investment properties	(37,843)	(43,866)
Accrued rent income	(15,158)	(15,158)
Pension assets	(3,760)	(1,551)
Unrealized gain on foreign exchange	-	(891)
Others	4,863	(412)
	(318,814)	(407,942)
	160,706	182,112

Deferred income tax liabilities, net

	2025	2024
Deferred income tax liabilities:		
Deferred profit on installment sales	103,786	157,064
Revaluation increment on property and equipment	66,517	73,573
Accrued rent income	119,569	29,882
Discount on purchase price payable	3,604	7,208
Undepreciated capitalized interest	2,785	4,893
Unrealized gain on valuation of FVOCI	372	2,049
	296,633	274,669

Deferred income tax assets are recognized only to the extent that taxable income will be available against which the deferred income tax assets can be used. The Group reassesses the unrecognized deferred income tax assets on the following deductible temporary differences, NOLCO and MCIT and recognizes the previously unrecognized deferred income tax assets to the extent that it has become probable that future taxable income would allow the deferred income tax assets to be recovered.

Unrecognized deferred income tax assets are as follows:

	2025	2024
Allowance for impairment losses	74,362	75,310
NOLCO	142,463	72,484
MCIT	6,039	4,333

As at December 31, the details of the Group's NOLCO that can be claimed as deductions from future taxable income for the succeeding years are as follows:

Year incurred	Year of expiration	2025	2024
2020	2025	-	49,157
2021	2026	37,636	37,636
2022	2025	-	42,520
2023	2026	169,068	169,068
2024	2027	141,919	141,919
2025	2028	281,132	-
		629,755	440,300
Tax rate		25%	25%
		157,439	110,075
Recognized DTA on NOLCO		14,976	37,591
Unrecognized DTA on NOLCO		142,463	72,484

22 Segment information

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

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

Revenue from Contracts with Customers

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

Geographical Segments

The Group does not have geographical segments.

Business Segments

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

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

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

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

	Holding company	Real Estate and Property Development*	Cold Storage Operations	Others	Subtotal	Elimination	Total
December 31, 2025							
Revenues	-	3,355,918	308,125	90,213	3,754,256	(3,585)	3,750,671
Cost and expenses	(29,906)	(2,337,277)	(311,560)	(23,660)	(2,702,403)	4,442	(2,697,961)
Other income (charges)	(261,773)	(371,811)	(94,316)	17,295	(710,605)	-	(710,605)
Profit (loss) before income tax	(291,679)	646,830	(97,751)	83,848	341,248	857	342,105
Income tax expense (benefit)	22,581	83,843	(2,635)	18,087	121,876	-	121,876
Net income	(314,260)	562,987	(95,116)	65,761	219,372	857	220,229
Segment assets	16,977,026	27,588,547	4,003,140	1,603,406	50,172,119	(17,986,251)	32,185,868
Segment liabilities	5,207,684	11,800,434	3,516,432	441,676	20,966,226	(3,886,226)	17,080,000
December 31, 2024							
Revenues	-	5,024,340	163,474	3,585	5,191,399	(3,585)	5,187,814
Cost and expenses	(20,490)	(3,531,300)	(173,471)	(29,685)	(3,754,946)	3,904	(3,751,042)
Other income (charges)	(210,252)	(402,158)	(39,689)	2,053	(650,046)	-	(650,046)
Profit (loss) before income tax	(230,742)	1,090,882	(49,686)	(24,047)	786,407	319	786,726
Income tax expense (benefit)	15	80,395	8,013	(2,453)	85,970	-	85,970
Net income	(230,757)	1,010,487	(57,699)	(21,594)	700,437	319	700,756
Segment assets	16,029,699	28,553,318	1,457,758	1,875,791	47,916,566	(17,177,270)	30,739,296
Segment liabilities	4,436,101	12,673,821	754,770	1,173,273	19,037,965	(3,183,102)	15,854,863
December 31, 2023							
Revenues	-	3,087,020	169,490	257,147	3,513,657	(3,585)	3,510,072
Cost and expenses	(25,856)	(2,254,052)	(105,159)	(162,049)	(2,547,116)	(1,219)	(2,548,335)
Other income (charges)	(84,632)	(123,251)	(17,624)	4,483	(221,024)	3,290	(217,734)
Profit (loss) before income tax	(110,488)	709,717	46,707	99,581	745,517	(1,514)	744,003
Income tax expense (benefit)	(15,864)	91,851	7,386	24,523	107,896	-	107,896
Net income	(94,624)	617,866	39,321	75,058	637,621	(1,514)	636,107
Segment assets	16,101,912	25,538,915	2,499,829	2,125,137	46,265,793	(17,643,664)	28,622,129
Segment liabilities	4,309,876	11,551,651	1,443,323	696,262	18,001,112	(3,286,192)	14,714,920

*includes lot sales and rental revenue amounting to P1,675.32 million and P1,366.79 million, respectively (2023 - P3,344.43 million and P1,334.31 million, respectively; 2023 - P1,763.23 million and P1,252.30 million, respectively) (Note 4).

23 Earnings per share

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

	2025	2024	2023
Net income attributable to equity holders of the Parent	200,410	700,909	625,222
Weighted average number of shares	6,252,148	6,252,148	6,252,148
Basic/diluted earnings per share	0.03	0.11	0.10

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

24 Leases

Group as Lessee

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

TPI

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

LTI

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

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

Set out below are the carrying amounts of right-of-use assets recognized and the movements as at and for the year December 31:

	Note	2025	2024
Beginning of year		999,762	1,066,049
Amortization expense	17	(66,106)	(66,287)
Adjustments		(18,333)	-
End of year		915,323	999,762

Set out below are the carrying amounts of lease liabilities and the movements as at and for the year December 31:

	Note	2025	2024
Beginning of year		1,713,446	1,724,979
Accretion of interest	19	143,986	146,473
Payments		(328,301)	(158,006)
End of year		1,529,131	1,713,446
Less: Current portion		(160,407)	(36,014)
Non-current portion		1,368,724	1,677,432

As at December 31, the maturity analysis of undiscounted lease payments follows:

	2025	2024
Within one (1) year	361,665	347,859
More than one (1) year to five (5) years	959,507	909,207
More than five (5) years	1,852,702	2,004,989
	3,173,874	3,262,055

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

	Notes	2025	2024	2023
Accretion of interest on lease liabilities	19	143,986	146,473	148,740
Amortization expense for right-of-use assets	17	66,106	66,287	69,771
Variable lease payments	17	9,487	9,575	9,404
Short-term leases charged to cost of sales	17	11,613	5,573	4,861
		231,192	227,908	232,776

Group as a Lessor (Operating leases)

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

The total other revenues of the Group for the year ended December 31, 2025 amounting to P400.43 million (2024 - P345.60 million; 2023 - P325.05) includes gross CUSA and air-conditioning charges amounting to P334.19 million (2024 - P305.87 million; 2023 - P292.95 million).

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

	2025	2024
Less than one (1) year	1,276,726	1,285,364
One (1) year to five (5) years	3,538,346	3,589,572
More than five (5) years	2,161,034	2,190,647
	6,976,106	7,065,583

25 Provisions and contingencies

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

The roll forward of the provisions follows:

	Note	2025	2024
Beginning of year		89,418	32,057
Provisions during the year		20,767	61,362
Settlements during the year		(19,695)	(4,001)
End of year	11	90,490	89,418

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

26 Share-based payments

In 2015, the Group introduced the ESOWN Plan (the Plan) wherein grantees (employees within ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees will pay for the shares subscribed through installments over a maximum period of ten (10) years.

There are no share-based compensation granted for the years ended December 31, 2025 and 2024.

27 Financial instruments

Fair Value Information

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

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized costs				
Cash and cash equivalents	155,091	155,091	242,677	242,677
Receivables	5,033,745	5,033,745	5,628,171	5,628,171
Amounts owed by related parties	875,103	875,103	932,702	932,702
Refundable deposits	119,399	119,399	114,786	114,786
Financial assets at FVPL	-	-	4,906	4,906
Financial assets at FVOCI	144,950	144,950	151,284	151,284
	6,328,288	6,328,288	7,074,526	7,074,526
Financial liabilities				
Accounts payable and accrued expenses	2,082,982	2,082,982	2,200,273	2,200,273
Amounts owed to related parties	7,679,491	7,679,491	7,124,850	7,124,850
Short-term and long-term debts	3,534,150	3,534,150	2,445,889	2,445,889
Rental and other deposits	660,290	660,290	583,876	583,876
Lease liabilities	1,529,131	1,529,131	1,713,446	1,713,446
Subscription payable	481,675	481,675	481,675	481,675
	15,967,719	15,967,719	14,550,009	14,550,009

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

Cash and cash equivalents

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

Receivables, Accounts payable and accrued expenses, Amounts owed to and by related parties, and Short-term debt

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

The fair value of the non-current portion of land sales trade receivables as at December 31, 2025 and 2024 is based on the undiscounted value of future cash flows as the impact of discounting is immaterial.

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

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

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

Long-term debts and lease liabilities

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

Financial Assets at FVOCI

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

Financial Assets at FVPL

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

Fair Value Hierarchy

Quoted FVOCI financial assets amounting to P144.95 million as at December 31, 2025 were classified under Level 1 (2024 - P151.28 million) (Note 5).

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

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

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

Financial Risk Management Objectives, Policies and Capital Management

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

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

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

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

Liquidity Risk

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

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

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

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 Year	Total
December 31, 2025						
Accounts payable and accrued expenses	1,504,397	-	45,449	284,511	188,679	2,023,036
Amounts owed to related parties	7,679,491	-	-	-	-	7,679,491
Short-term debts and interest payable	1,109,540	-	-	-	-	1,109,540
Long-term debts and interest payable	10,465	26,193	29,797	81,057	3,017,050	3,164,562
Rental and other deposits	-	-	-	167,895	492,305	660,200
Lease liabilities	-	90,416	90,416	180,833	2,812,208	3,173,874
Subscription payable	-	-	-	-	481,675	481,675
	10,303,893	116,609	165,662	714,296	6,991,917	18,292,378
December 31, 2024						
Accounts payable and accrued expenses	1,314,386	-	157,016	284,511	444,360	2,200,273
Amounts owed to related parties	7,124,850	-	-	-	-	7,124,850
Long-term debts and interest payable	11,952	24,871	37,095	74,666	3,158,726	3,307,310
Rental and other deposits	-	-	-	292,944	290,932	583,876
Lease liabilities	-	86,945	86,945	176,969	2,914,196	3,265,055
Subscription payable	-	-	-	-	481,675	481,675
	8,451,188	111,816	281,056	829,090	7,289,889	16,963,039

Equity Price Risk

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

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

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

	Gross maximum exposure
December 31, 2025	
Cash in banks and cash equivalents	154,568
Trade receivables	
Land sales	3,682,028
Receivables from tenants	1,098,171
Non-trade receivables	548,299
Financial assets at FVOCI - quoted debt securities	40,751
	5,523,817
December 31, 2024	
Cash in banks and equivalents	242,270
Trade receivables	
Land sales	4,529,066
Receivables from tenants	848,707
Non-trade receivables	523,033
Financial assets at FVOCI - quoted debt securities	36,897
	6,179,973

Cash in banks and cash equivalents

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

Trade receivables - real estate receivables

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

Trade receivables - receivable from tenants

Credit risk arising from receivables from tenants of leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. The security deposits are considered in the calculation of impairment as recoveries. For existing tenants, the Group has put in place a monitoring and follow-up system. These are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken for further assessment of paying capacity.

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

	Current	More than 30 days	More than 60 days	More than 90 days	Total
2025					
Expected credit loss rate	0.73%	8.72%	31.86%	14.57%	9.26%
Total gross carrying amount	417,429	63,586	19,983	593,588	1,094,585
Expected credit losses	3,042	5,543	6,366	86,462	101,413
2024					
Expected credit loss rate	1.01%	11.82%	10.19%	15.46%	9.14%
Total gross carrying amount	310,764	70,406	116,521	351,016	848,707
Expected credit losses	3,129	8,324	11,877	54,261	77,591

Applying the expected credit risk model resulted in the recognition of an impairment loss for trade receivable from tenants amounting to P23.82 million in 2025 and P23.75 million in 2024. There were no impairment losses recognized in 2023. The Company written off P25.00 million of its trade debtor receivables in 2024 (Note 3).

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

Non-trade receivables

Credit risk exposure in respect of all other counterparties is managed by setting standard business terms that are required to be met by all counterparties. An impairment analysis is performed at each reporting date to consider when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. These receivables are written off when there is no reasonable expectation of recovering the contractual cash flows. There were no impairment losses recognized in 2025 and 2024 applying the expected credit risk model. Total write offs amounted to P1.7 million in 2025 (Note 3).

Financial assets at FVOCI - quoted debt securities

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

28 Significant Accounting Judgments, Estimates and Assumptions

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

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

Judgments

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

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The renewal periods for leases of land with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term since it is reasonably certain that the Group will exercise the option to renew or not exercise the option to terminate. Renewal or termination of lease is subject to mutual agreement with the lessors.

Classification of joint venture

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

Assessing operating lease commitments - Group as lessor

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

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

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

Assessing realizability of deferred income tax assets

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

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

Estimates and assumptions

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

Revenue recognition on real estate projects

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

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

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables except for receivables from real estate. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as Gross Domestic Product growth rate and inflation rate. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for real estate receivable. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (gross domestic product and inflation rate) and ECLs is also significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Notes 5 and 27.

Estimating useful lives of depreciable investment properties and property and equipment

The estimated useful lives used as bases for depreciating and amortizing the Group's investment properties and property and equipment were determined on the basis of management's assessment of the period within which the benefits of these asset items are expected to be realized taking into account actual historical information on the use of such assets as well as industry standards and averages applicable to the Group's assets. The Group estimates the useful lives of its investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties and property and equipment are reviewed, at least, annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of these assets increases depreciation and amortization and decreases the carrying value of investment properties and property and equipment.

Information on the estimated useful life of investment properties and property and equipment is included in Note 29.9 and 29.10, respectively.

Determining retirement benefits liability

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

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Further details about the assumptions used are provided in Note 20.

Assessing and estimating contingencies and provisions

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

29 Summary of material accounting policies

29.1 Basis of preparation

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

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

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

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

29.2 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards;
- PAS Standards; and
- Interpretation of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by SEC.

29.3 Basis of Consolidation

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

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

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

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

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

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while the resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

29.4 Changes in Accounting Policies and Disclosures

29.4.1 New and amended standards adopted by the Group

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

Lack of Exchangeability – Amendments to PAS 21;

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

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

29.4.2 New standards and interpretations not yet adopted

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

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

On 30 May 2025, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

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

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

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

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

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

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

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

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

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

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

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

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

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

PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
 - PFRS 18 has specific requirements on the category in which derivative gains or losses are recognized – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognizes some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with PFRS 18.

29.5 Financial Instruments

Financial assets

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

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

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

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

Impairment of financial assets

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

For trade receivables except real estate receivable, the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk, instead, recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Vintage approach accounts for expected credit losses by calculating the cumulative loss rates of a given real estate receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability of default model.

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

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

The Group considers a financial asset in default generally when contractual payments are 30 days past due for commercial leasing and 90 days past due for real estate and property development or when sales are cancelled supported by a notarized cancellation letter executed by the Group and customer. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For other financial assets such as nontrade receivables, insurance receivables, amounts owed by related parties, refundable deposits and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12—months (a 12—month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk (i.e., no longer low credit risk). The probability of default and loss given defaults are publicly available and are used by the Group to estimate ECLs. It is the Group's policy to measure ECLs on such instruments on a 12- month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group's debt instruments at fair value through OCI comprise solely of government securities. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Financial liabilities

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

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

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

The Group's financial liabilities at amortized cost consist of accounts payables and accrued expenses (Note 11), amounts owned to related parties (Note 15), long-term debt (Note 12), rental and other deposits (Note 13) and lease liabilities (Note 24).

29.6 Fair Value Measurement

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

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

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

29.7 Real Estate Held for Development and Sale

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

29.8 Investments in Joint Ventures

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

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairments in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

29.9 Investment Properties

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

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

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

29.10 Property and Equipment

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

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

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

29.11 Combinations of Entities Under Common Control

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

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

29.12 Revenue Recognition

Revenue from Contract with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity, air- conditioning and common use service area in its mall retail spaces, wherein it is acting as agent.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 28.

(i) Real estate sales

The Group derives its real estate revenue from sale of industrial lots. Revenue from sale of industrial lots are recognized over time during the development period (or percentage of completion) since based on the terms and conditions of its contract with the customers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue based on direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date.

This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

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

(ii) Rental and Rent Concessions

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

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

(iii) Cold Storage Revenue

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

(iv) Interest Income

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

(v) Dividend Income

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

29.13 Income Tax

Current income tax

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

Deferred tax

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

29.14 Retirement Benefits Costs

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

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

Defined benefit costs comprise the following:

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

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

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

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

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

29.15 Leases (Group as a lessee)

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

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

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

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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

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

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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

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

AyalaLand Logistics Holdings Corp.

Index to the Supplementary Schedules

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex D: Schedule of External Auditor Fee- Related information

AyalaLand Logistics Holdings Corp.

Reconciliation of Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2025

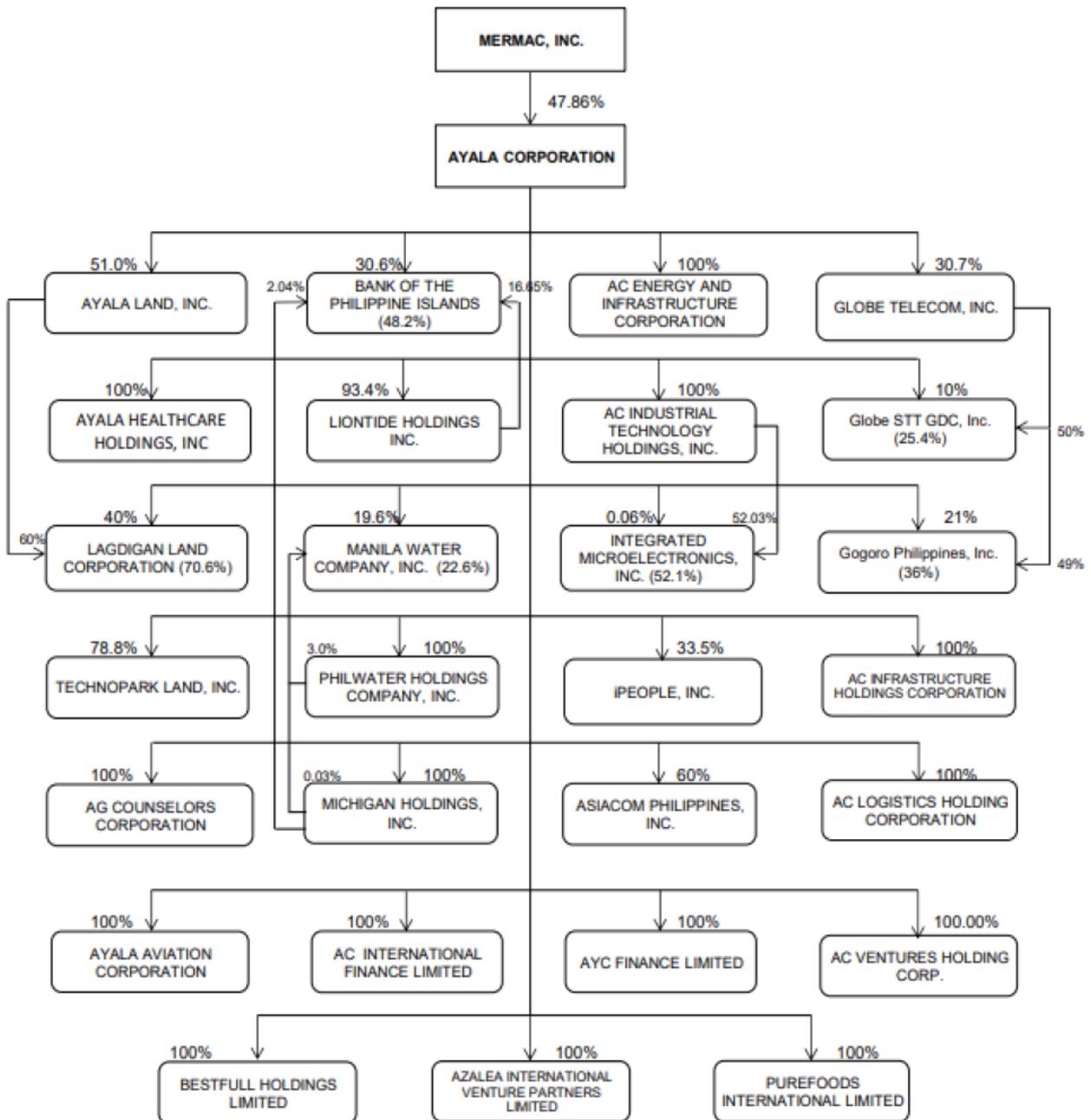
Unappropriated Retained Earnings, beginning of the year	946,906,068
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	
Effect of restatements or prior-period adjustments	
Others (describe nature)	
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	
Retained earnings appropriated during the reporting period	
Effect of restatements or prior-period adjustments	
Others (describe nature)	
Unappropriated Retained Earnings, as adjusted	828,318,279
Add/Less: Net Income for the current year	185,779,632
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/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)	
Unrealized fair value gain of investment property	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	

(continued)

<p>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</p> <ul style="list-style-type: none"> Realized foreign exchange gain, except those attributable to Cash and cash equivalents Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (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 (describe nature) 	
<p>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</p> <ul style="list-style-type: none"> 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 instruments at fair value through profit or loss (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 the PFRS, previously recorded (describe nature) 	
Adjusted net income	1,014,097,911
<p>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</p> <ul style="list-style-type: none"> Depreciation on revaluation increment (after tax) 	
<p>Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP</p> <ul style="list-style-type: none"> Amortization of the effect of reporting relief Total amount of reporting relief granted during the year Others (describe nature) 	
<p>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</p> <ul style="list-style-type: none"> Net movement of treasury shares (except for reacquisition of redeemable shares) 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/GAAP - gain (loss) Others (describe nature) 	
Total Retained Earnings, end of the year available for dividend declaration	1,014,097,911

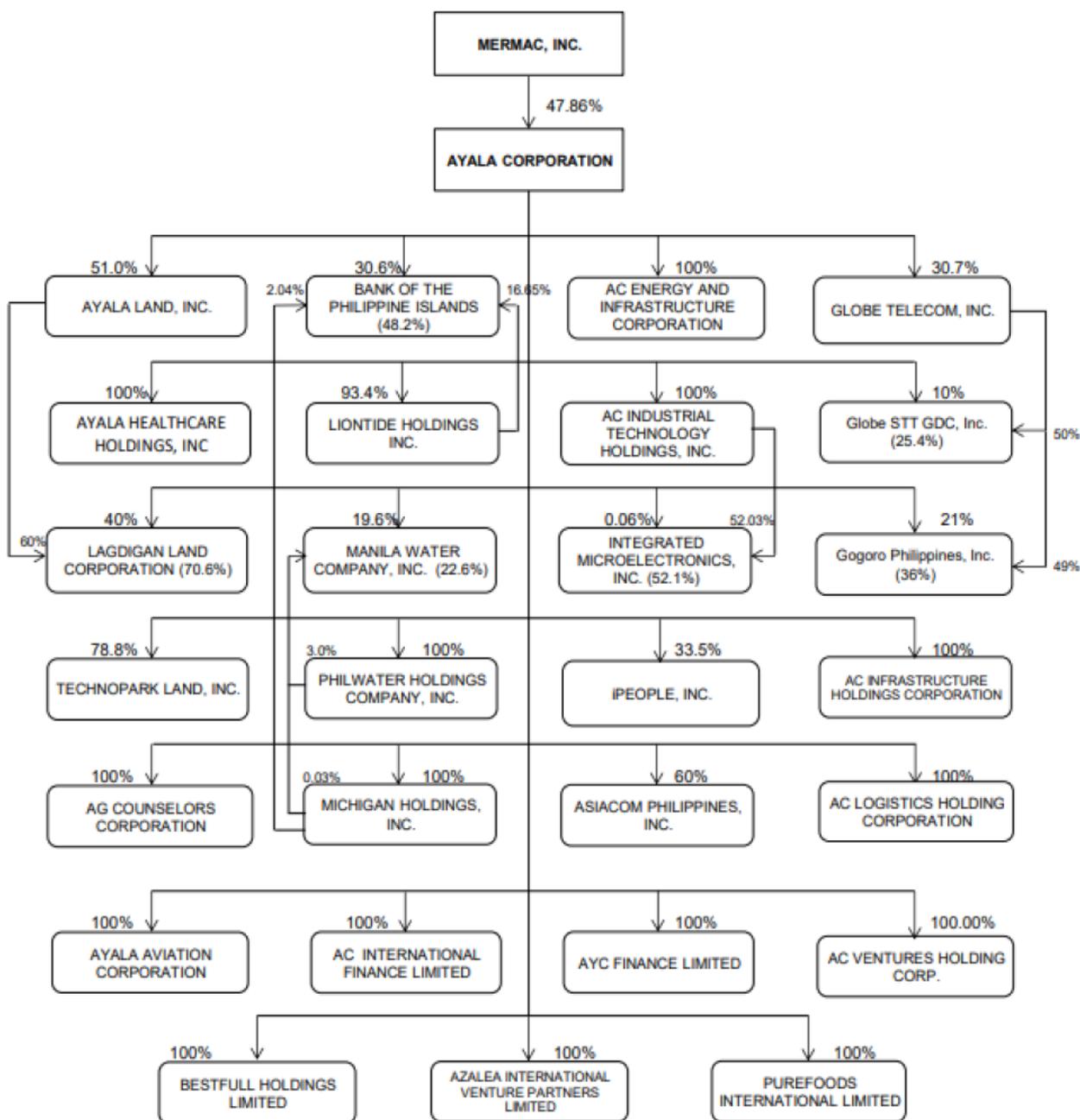
AyalaLand Logistics Holdings Corp.

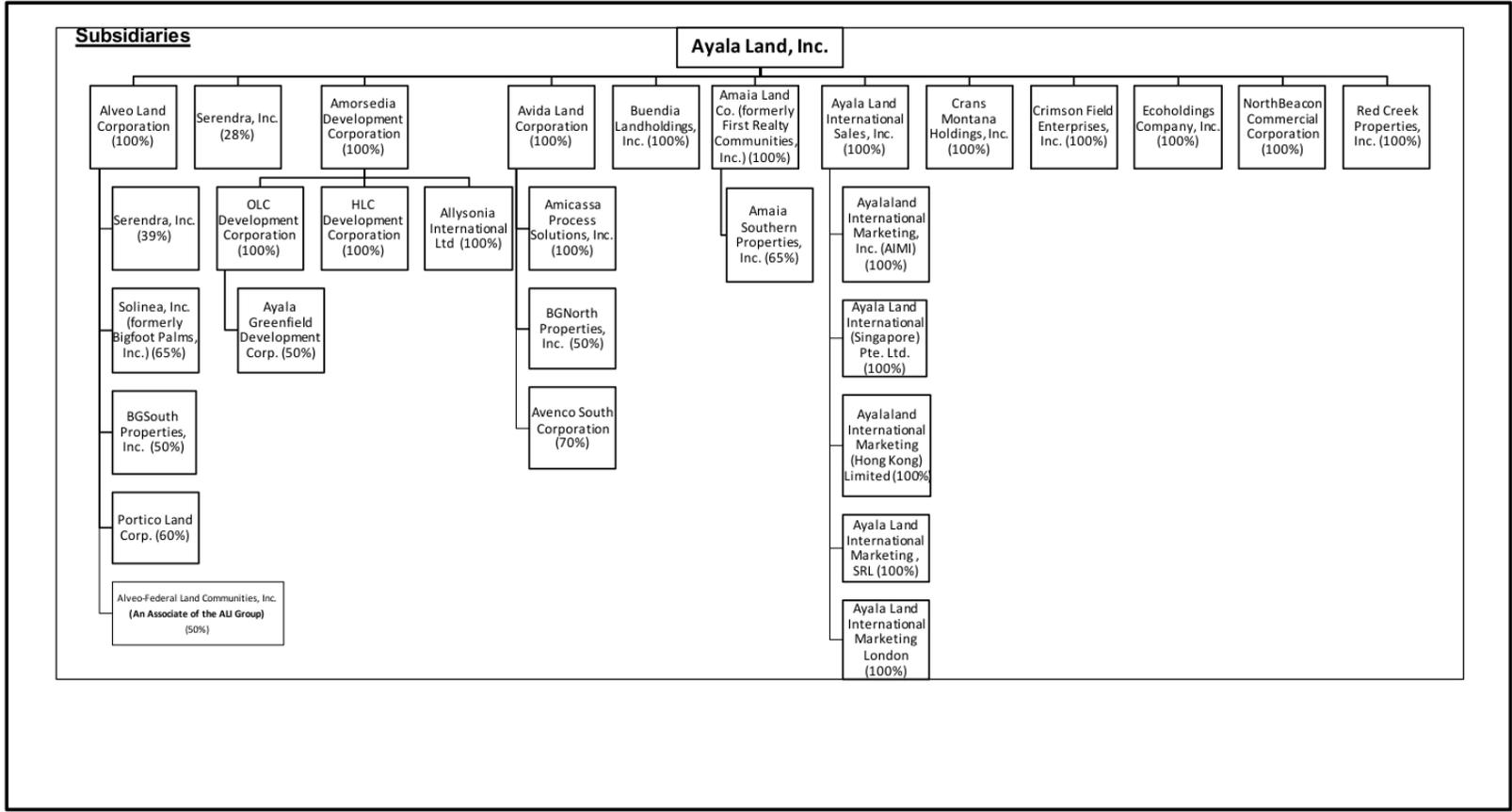
Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered as at December 31, 2025

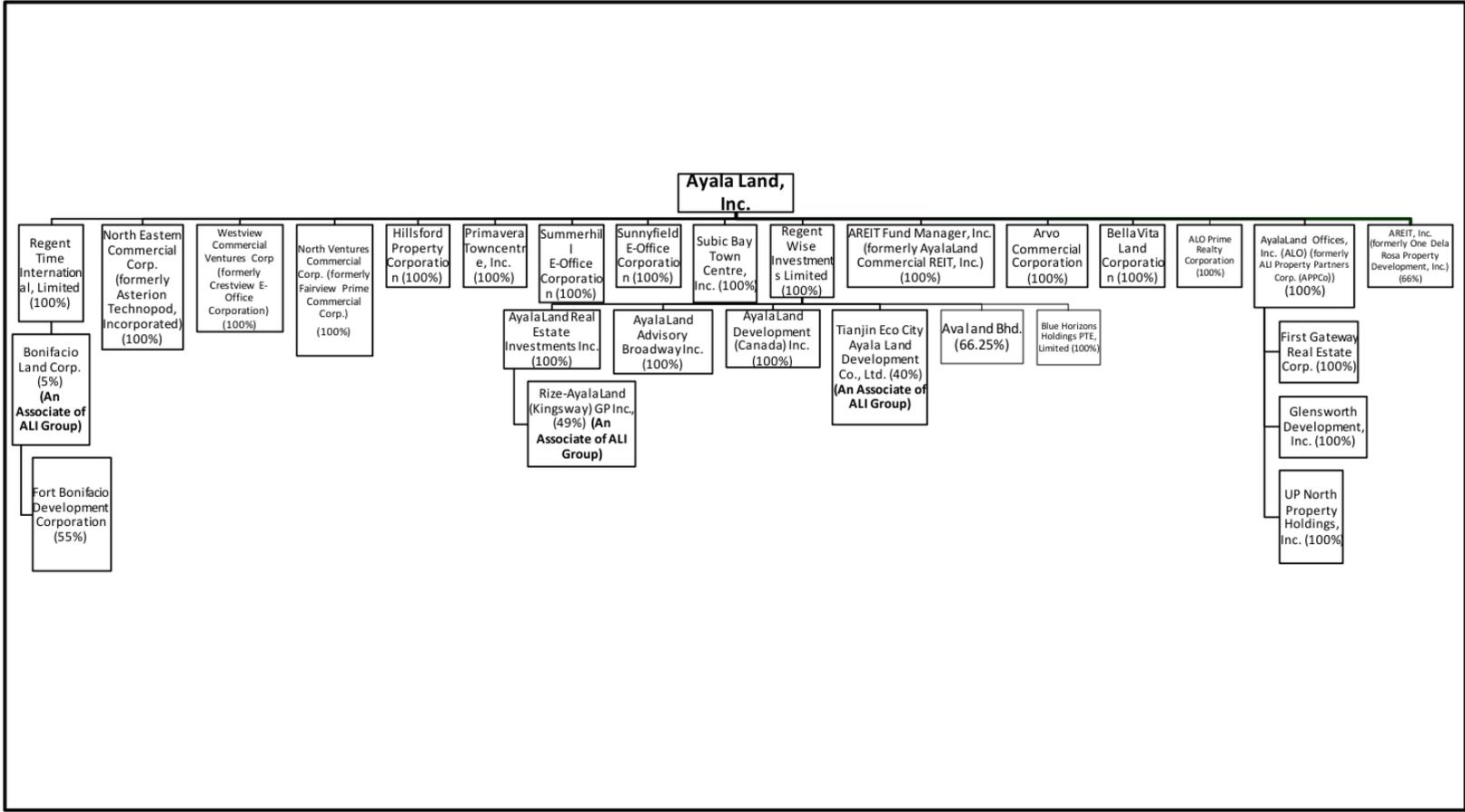


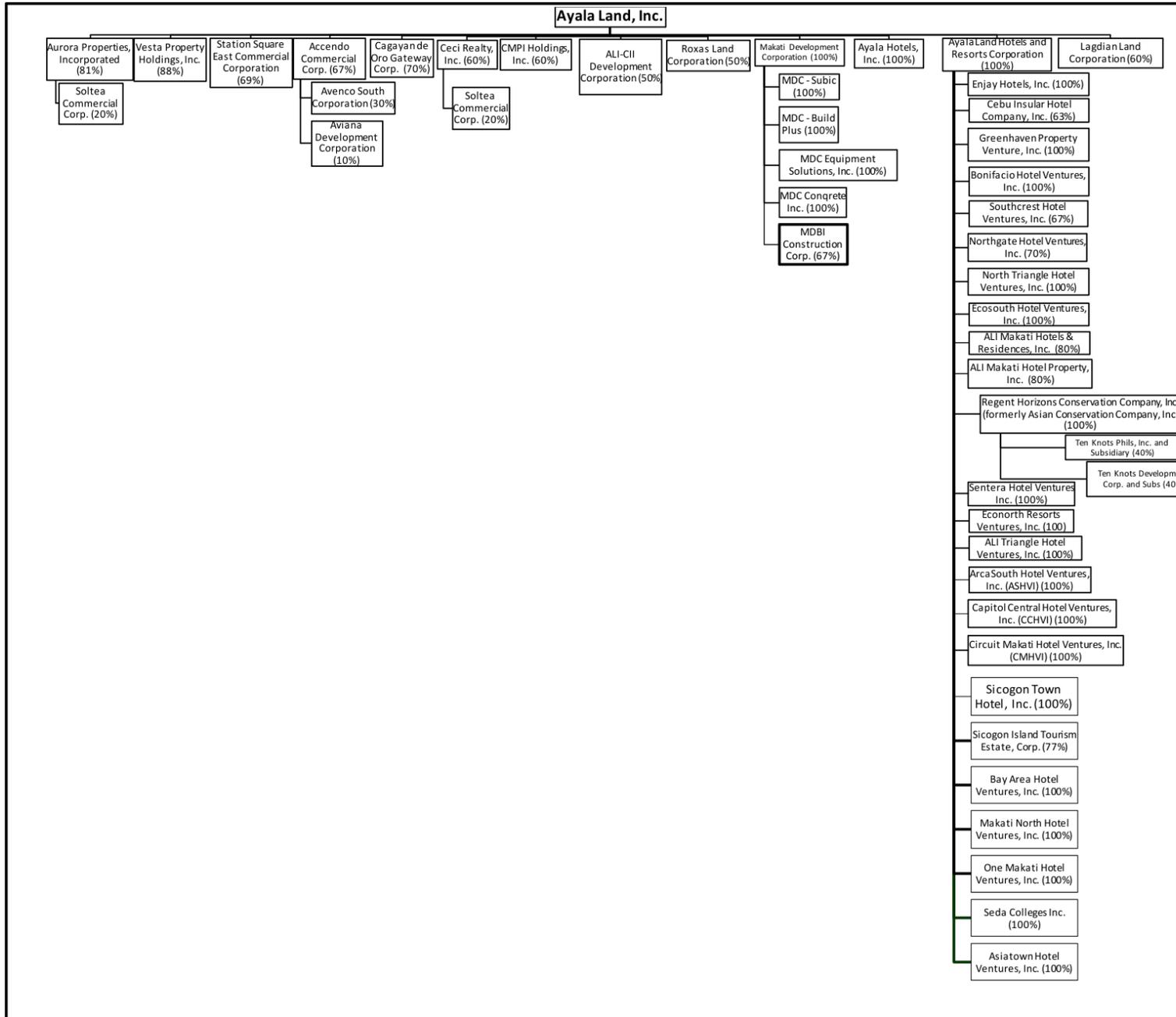
AyalaLand Logistics Holdings Corp.

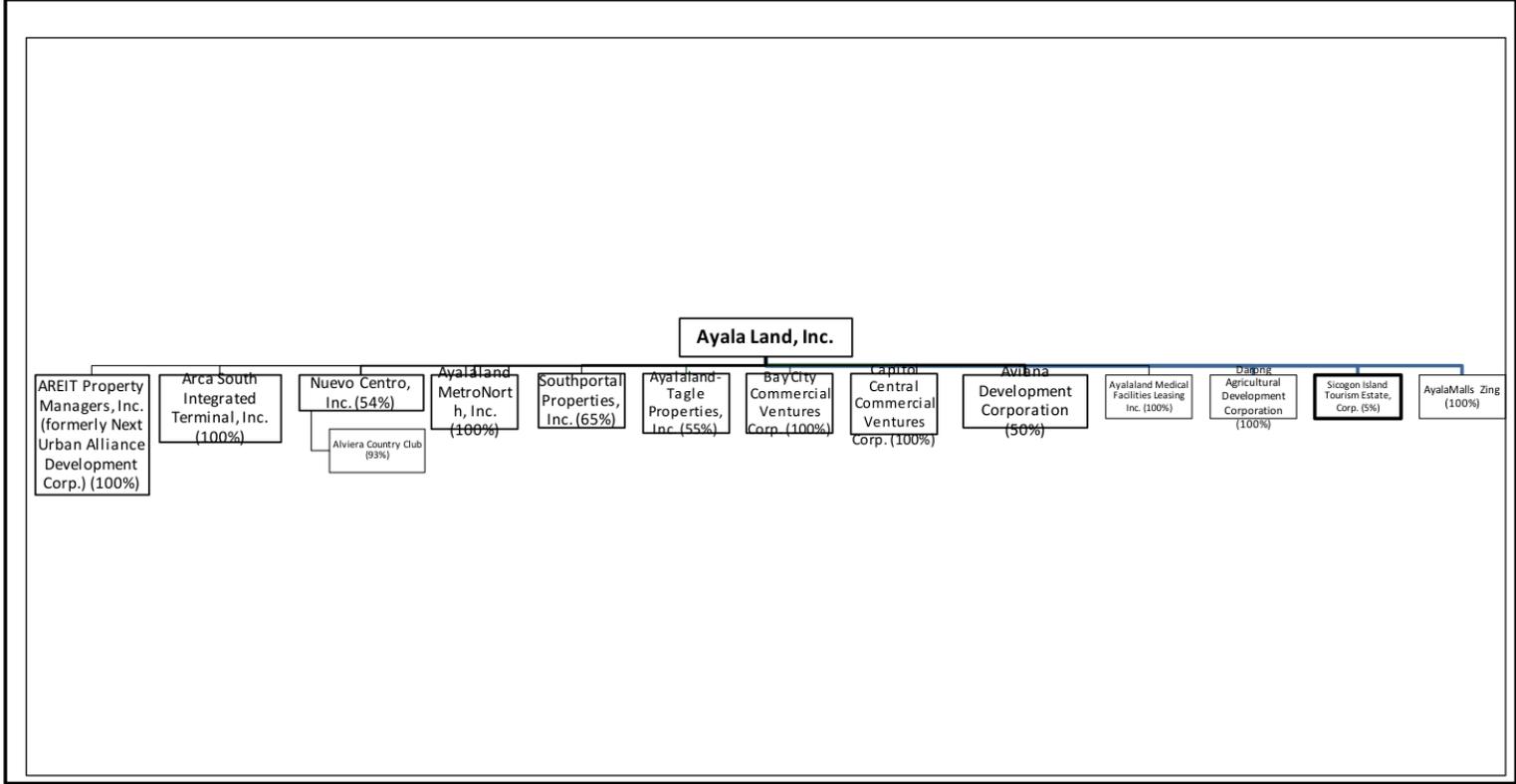
Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered as at December 31, 2025





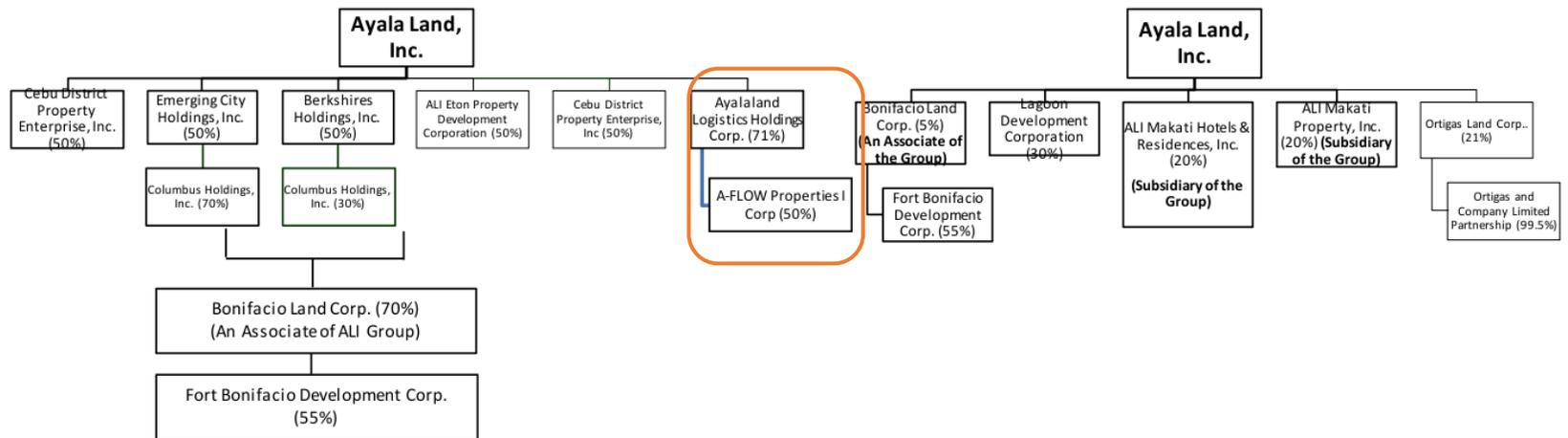






Direct Investments in Joint Ventures

Direct Investments in Associates



**Supplementary Schedules required by Annex 68-J
AyalaLand Logistics Holdings Corp. and Subsidiaries**

**Schedule A - Financial Assets
As at December 31, 2025
Amounts In Thousands (Except For Number Of Shares)**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Income received and accrued
A. CASH IN BANK AND CASH EQUIVALENTS			
SAVINGS/CURRENT ACCOUNT (PESO)			
BDO Unibank, Inc.		11,408	-
Bank of the Philippine Islands		100,298	959
Development Bank of the Philippines		-	-
Metropolitan Bank and Trust Company		165	-
Rizal Commercial Banking Corp.		3,530	776
United Coconut Planters Bank		13,661	-
Sub-total		129,063	1,735
SAVINGS/CURRENT ACCOUNT (FCDU)			
Bank of the Philippine Islands		10,815	11
BDO Unibank, Inc.		51	-
		10,866	11
		139,929	1,746
B. SHORT TERM INVESTMENTS			
Bank of the Philippine Islands		14,639	175
		14,639	175
C. INVESTMENT IN BONDS AND OTHER SECURITIES			
<i>Available for sale investments:</i>			
<i>Listed and unlisted equity securities</i>			
Asia United Bank	50	2	-
Philippine Central Depository, Inc.	5,000	500	-
Sta. Elena Golf Club-A	3	63,000	-
Alviera Country Club (Class C)	1	950	-
Alabang Country Club	1	15,000	-
MERALCO	59,837	18,934	-
PLDT	419,688	4,220	-
	484,580	102,606	-
<i>Quoted and unquoted debt securities</i>			
Ayala Corporation	5,000	4,155	-
FIRST METRO 20-17	-	23,010	1,270
SECURITY BANK 20-13	-	1,353	30
BDO Unibank, Inc. UITF	13,000,000	13,826	-
	13,005,000	42,344	1,300
TOTAL INVESTMENTS IN BONDS & OTHER SECURITIES	13,489,580	144,950	1,300

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than Related Parties)

As at December 31, 2025
Amounts In Thousands

Account Type	Balance at Beginning period	Deductions					Balance at End Period
		Additions	Amounts Collected	Amounts Written off	Current	Not Current	
Advances to employees for company expenses	2,001	2,054	905	-	2,268	882	3,150
Salary loan	115	-	7	-	108	-	108
Car loan	1,479	1,460	1,268	-	308	1,363	1,671
Others	1,904	-	319	-	-	1,585	1,585
	5,499	3,514	2,499	-	2,684	3,830	6,514

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule C - Amounts Receivable From Related Parties Which Are
Eliminated During The Consolidation Of Financial Statements

As at December 31, 2025
Amounts In Thousands

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Accounts Written off*	Current	Not Current	Balance at end period
Orion I Holdings Philippines, Inc./Subsidiary	199,153	-	-	-	-	199,153	199,153
Lepanto Ceramics, Inc./Subsidiary	-	478,092	(242,038)	-	236,054	-	236,054
FLT Prime Insurance Corporation/Subsidiary	248	-	(248)	-	-	-	-
Tutuban Properties, Inc./Subsidiary	19,584	42,265	(37,777)	-	24,072	-	24,072
Unity Realty & Development Corporation/Subsidiary	16,416	30,443	(21,002)	-	25,857	-	25,857
Orion Land Inc./Subsidiary	27,200	30,623	(26,048)	-	31,775	-	31,775
Laguna Technopark, Inc./Subsidiary	42,105	79,229	(57,231)	-	64,103	-	64,103
A Flow Land I Corp/Subsidiary	82,776	-	-	-	82,776	-	82,776
	387,482	660,652	(384,344)	-	464,637	199,153	663,790

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule D - Long-Term Debt

As at December 31, 2025
Amounts In Thousands

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under the caption "Current Portion of long-term debt" in related balance sheet	Amount shown under the caption "Long-Term Debt" in related balance sheet
Term Loan	2,480,000	24,800	2,397,938

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule E - Indebtedness To Related Parties (Long Term Loans From Related Companies)

As at December 31, 2025
Amounts In Thousands

Name of Related Party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2025
Amounts In Thousands

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
NOT APPLICABLE				

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule G - Capital Stock
As at December 31, 2025

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held Directors, officers and employees	Number of shares held by Others
COMMON SHARES	7,500,000,000					
ISSUED		6,158,660,192		4,467,752,831	73,034,556	
SUBSCRIBED		142,931,795		49,444,216		
		6,301,591,987		4,517,197,047	73,034,556	

AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
December 31, 2025

Financial Ratios			
Pursuant to SRC Rule 68, As Amended			
	Formula	(One Year) 31-Dec-25	(One Year) 31-Dec-24
Return on assets	$\frac{\text{Net Income}}{\text{Average Assets}}$	0.01	0.02
Return on equity	$\frac{\text{Net Income}}{\text{Average Equity}}$	0.01	0.05
Gross profit margin	$\frac{\text{Gross profit}}{\text{Total Revenues}}$	0.38	0.34
Net profit margin	$\frac{\text{Net income}}{\text{Sales revenue}}$	0.06	0.14
Cost to income ratio	$\frac{\text{Cost and expenses}}{\text{Revenues}}$	0.72	0.72
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.91	1.15
Quick ratio	$\frac{\text{Current Assets less Inventory less Prepayments}}{\text{Current Liabilities}}$	0.43	0.56
Solvency ratio	$\frac{\text{After tax net profit(loss) + Depreciation}}{\text{Long Term Liabilities + Short Term Liabilities}}$	0.06	0.09
Asset to equity ratio	$\frac{\text{Total Assets}}{\text{Equity}}$	2.13	2.07
Debt to equity ratio	$\frac{\text{Total Liability}}{\text{Equity}}$	1.13	1.07
Interest rate coverage ratio	$\frac{\text{EBITDA}}{\text{Interest expense}}$	2.78	3.91
Price/Earnings Ratio	$\frac{\text{Price Per Share}}{\text{Earnings Per Common Share}}$	42.74	15.16

AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2025
All amounts in Philippine Peso

	2025	2024
Total audit fees	2,780,064	3,139,360
Total non-audit services fees	-	-
Total audit and non-audit fees	2,780,064	3,139,360

Note: This schedule shows the fees of the Company's external auditor - Isla Lipana & Co.