



SECURITIES AND EXCHANGE COMMISSION

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DAMOSIA LAND, INC.
(Company's Full Name)

**Unit 1501 Damosa Diamond Tower, Damosa IT Park,
JP Laurel Ave., Brgy. Angliongto, Davao City, Philippines**

(Company Address)

(082) 235-2155

(Telephone Number)

December 31, 2025

(Fiscal Year Ended)

SEC Form 17-A Annual Report

(Form Type)

Amendments

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended December 31, 2025
2. SEC Identification Number 0000003571 3. BIR Tax Identification No. 000-074-418-0000
4. Exact name of issuer as specified in its charter DAMOSALAND, INC.
5. DAVAO DEL SUR, PHILIPPINES 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. Unit 1501 Damosa Diamond Tower, Damosa IT Park, 8000
JP Laurel Ave., Brgy. Anqliongto Sr., Davao City Postal Code
Address of principal office
8. (082) 235-2155
Issuer's telephone number, including area code
9. NOT APPLICABLE
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to SEC MC no. 12, 2024.

<u>Title of Each Class</u>	<u>Number of Certificates Registered and Outstanding</u>
STANDARD	94
DELUXE	4
SUITE	2

11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No [X]

If yes, state the name of such stock exchange and the classes of securities listed therein:

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and [SRC Rule 17.1](#) thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Any annual report to security holders;
- (b) Any information statement filed pursuant to SRC Rule 20;
- (c) Any prospectus filed pursuant to SRC Rule 8.1.

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

1.1 Corporate Background

Damosa Land, Inc. (“DLI” or the “Company”) is a real estate development company engaged in the planning, development, and management of residential, commercial, office, industrial, and hospitality developments primarily in Mindanao.

The Company was established in **2004** as a real estate developer that forms part of the Anflo Group of Companies. The principal office of the Company is located at Unit 1501, Damosa Diamond Tower, Damosa IT Park, JP Laurel Avenue, Barangay Anglionto Sr., Davao City.

The Company has established a portfolio of developments including residential subdivisions, mixed-use townships and estates, office developments, industrial estate, and hospitality developments located primarily in the Davao Region.

1.2 Business Development

The Company has established itself as a credible boutique developer in the Philippines, earning accolades and warm market acceptance for its projects in terms of design, functionality, sustainability, and quality. Over the past three years, it has expanded its operational presence in Mindanao by continuing to develop residential offerings and introducing new developments to its portfolio.

2023

In 2023, Damosa Land, Inc. undertook several initiatives aimed at strengthening its commercial leasing portfolio and expanding the infrastructure supporting its industrial estate developments.

During the year, the Company entered into an agreement with International Workplace Group for the establishment of a flexible workspace center in Cagayan de Oro City under the global workspace brands Regus, HQ, and Spaces. The facility forms part of the Company’s strategy to expand its presence in the flexible workspace segment and diversify its commercial leasing portfolio.

The Company also enhanced the commercial offerings within the Damosa Complex through the opening of the first drive-thru Starbucks branch in Mindanao within the estate.

To support the long-term utility requirements of its industrial developments, the Company entered a long-term partnership with Manila Water Philippine Ventures, Inc. for the development and management of additional water facilities within Anflo Industrial Estate in Panabo City.

Other developments during the year included the commencement of construction activities for the flexible workspace center in Cagayan de Oro, the opening of the Regus Cagayan de Oro flexible workspace center, and the inauguration and blessing of Harbor View Estates, a 2.5-hectare open lot residential development. The Company also marked key construction and development milestones, including the first concrete pouring for the Azure Building of Bridgeport Park, the completion of the Phase 1 clubhouse of Ameria, and the turnover of the first Magnolia House unit under the Ameria residential project.

2024

In 2024, the Company continued the development of its residential and commercial projects while expanding the ecosystem within Anflo Industrial Estate.

During the year, the Company achieved a key construction milestone with the topping-off of the Azure Building within Bridgeport Park, marking progress in the development of the mixed-use estate. Additional retail operations within Damosa Diamond Tower also commenced operations, further strengthening the Company’s commercial leasing portfolio.

Within its industrial developments, the Company marked the groundbreaking of the GMAC Cold Storage facility to support logistics and agro-industrial activities within the estate. Additional expansions within Anflo Industrial Estate included the expansion of operations by TIDE Solar for its solar panel manufacturing facility and the commencement of operations by HEAD Sports, further strengthening the estate's tenant base.

During the year, the Company entered into a license agreement and services agreement with PHINMA Microtel Hotels, Inc. in connection with the development of the TRYP by Wyndham Samal hospitality project located in the Island Garden City of Samal.

The Company likewise launched additional residential developments including Agriya Gardens and Kahi Estates, expanding its residential development portfolio. The Anflo Industrial Estate Experience Center also commenced operations during the year to support investor engagement and estate marketing activities.

2025

In 2025, the Company achieved a significant regulatory milestone when it secured approval under the Securing and Expanding Capital in Real Estate Non-Traditional Securities (SEC RENT) framework of the Securities and Exchange Commission.

Pursuant to such approval, the Company is allowed to sell and issue certificates of participation relating to the rental pool program of the TRYP by Wyndham Samal condotel project located in the Island Garden City of Samal.

The project is intended to operate under the TRYP by Wyndham brand and forms part of the Company's strategy to expand its hospitality development portfolio.

The foregoing developments reflect the Company's continuing strategy to expand its real estate portfolio across residential, commercial, industrial, and hospitality developments in key growth areas in Mindanao while strengthening its recurring income streams from leasing and estate development activities.

During the period covered by this report, the Company did not undergo any bankruptcy, receivership, or similar proceedings. The Company likewise did not undertake any material reclassification, merger, or consolidation, nor did it complete the purchase or sale of a significant amount of assets other than those undertaken in the ordinary course of its real estate development operations.

1.3 Description of Business

DLI is engaged primarily in the acquisition, planning, development, and management of residential, commercial, industrial, and hospitality-oriented real estate developments located primarily in Mindanao. The Company develops and markets residential communities, mixed-use townships and estates, commercial buildings, office developments, industrial estates, and hospitality projects that serve both local and regional markets. These developments are primarily located in the Davao Region and nearby growth areas where the Company seeks to support urban expansion, industrial growth, and tourism development.

The Company's residential development activities include the planning and development of subdivisions and residential estates intended for individual homebuyers and property investors. These projects form part of the Company's broader estate developments and are designed to support the growing demand for residential communities in emerging urban and peri-urban locations in Mindanao.

In addition to residential developments, the Company develops and leases commercial and office spaces within its estate projects. These commercial and office properties are leased to retail tenants, corporate offices, and service providers operating within the Company's developments. The Company also operates a Philippine Economic Zone Authority (PEZA)-registered information technology park, which hosts business process outsourcing (BPO) and other office locators. Leasing activities, including

those within the IT park, contribute recurring income to the Company and complement its estate development strategy by supporting business and commercial activity within its projects.

The Company operates Anflo Industrial Estate located in Panabo City, Davao del Norte. The PEZA-registered estate provides industrial land and supports infrastructure intended to serve manufacturing, logistics, agro-industrial, and related operations. Industrial lots and facilities are offered to domestic and international locators seeking to establish industrial operations within the Davao Region.

As part of its expansion into hospitality-oriented developments, the Company is developing the TRYP by Wyndham Samal project located in the Island Garden City of Samal. The project is structured as a condotel development in which individual units are owned by buyers but are enrolled in a centralized rental pool program and operated collectively as hotel accommodations. Under this arrangement, the Company manages and operates the condotel units in accordance with applicable hotel brand standards while unit owners participate in the rental pool program.

The Company markets and distributes its real estate developments primarily through accredited real estate brokers and brokerage networks, as well as through marketing partnerships with property agencies. These brokers facilitate the marketing and sale of residential units and other real estate properties to individual buyers and investors.

Marketing activities are supported by promotional campaigns, project launches, and digital marketing platforms designed to reach prospective buyers and investors both within and outside the Davao Region. Online property marketplaces and digital channels are likewise utilized to broaden market reach and enhance investor engagement.

Leasing of commercial and office properties is undertaken through direct negotiations with prospective tenants, broker referrals, and targeted marketing activities directed at businesses seeking commercial space within the Company's developments.

In support of its business operations and expansion, the Company maintains subsidiaries in line with its overall business strategy.

As of the reporting period, the majority of these subsidiaries have not commenced commercial operations and are intended to support future developments of the Company. Damosa Workspace Solutions, Inc. is currently the primary operating subsidiary, engaged in the provision of flexible workspace.

The following table presents the Company's subsidiaries and corresponding ownership as the reporting period:

Subsidiary	Ownership
Damosa Workspace Solutions, Inc.	100%
Agriya Inc. *	92%
IGACOS Prime Estate Corporation *	92%
IGACOS Property Development, Inc. *	92%
IGACOS Property Management Corporation *	92%
Marapangi Development Corporation *	92%
Marapangi Estate and Development, Inc. *	92%
Marapangi Prime Estate Corp. *	92%
Marapangi Property Holdings Corporation *	92%
Marapangi Realty Development, Inc. *	92%
Marapangi Realty Management Corporation *	92%
Pantukan Estate and Development, Inc. *	91%
Pantukan Property Holdings, Inc. *	91%
Pantukan Realty Development Corporation *	91%

*No commercial operations as of December 31, 2025.

1.4 Competition

The Philippine real estate industry is characterized by strong competition among both national and regional developers offering residential, commercial, industrial, township, and mixed-use developments. Within Davao City and its surrounding growth areas, the Company competes with several established developers that maintain projects in the region, including Filinvest Land, Inc., PHINMA Properties, Torre Lorenzo Development Corporation, Cebu Landmasters, Inc., Megaworld Corporation, Wee Community Developers, Inc., Ayala Land, Inc., and other local homegrown real estate developers. These developers vary in size, market focus, and geographic reach.

The Company does not compete with a single developer across all of its business segments. Instead, it encounters different competitors depending on the type of development involved, including residential subdivisions and condominiums, townships, commercial and office leasing, hospitality developments, and industrial estates.

With respect to residential developments, the Company competes with developers offering subdivision and condominium projects in Davao City and nearby growth areas. Competition in this segment is typically based on project location, pricing, community planning, design quality, and the reputation of the developer.

For commercial, office, and mixed-use developments, the Company competes with developers that provide commercial leasing spaces and business environments for corporate tenants and retailers. In this segment, competition generally depends on location, accessibility, quality of facilities, tenant mix, and property management capabilities.

In its industrial estate development, the Company competes with other developers offering industrial parks and logistics-oriented facilities designed to attract manufacturing and export-oriented locators.

Despite the presence of these developers, the Company believes that it maintains a distinct market position within Mindanao due to its long-standing presence in the region, familiarity with local market conditions, and experience in developing integrated developments. The Company also places emphasis on sustainable development practices and community-oriented master planning, which it believes differentiates its projects within the regional property market.

1.5 Sources of Raw Materials and Suppliers

The Company sources materials required for its real estate developments from long-established and accredited suppliers with demonstrated experience in supporting real estate construction projects. These suppliers are recognized for their operational stability, reliability, and compliance with applicable quality and regulatory standards. The Company does not rely on any single supplier, and the materials necessary for its projects are generally available from multiple sources.

1.6 Customer Concentration

The Company's revenues are derived from the sale and leasing of real estate properties to a diverse base of buyers, tenants, and industrial locators. The Company is not dependent on any single customer or a limited number of customers for a significant portion of its revenues.

As of the reporting period, no customer accounts for, or is expected to account for, twenty percent (20%) or more of the Company's revenues. Accordingly, the loss of any single customer is not expected to have a material adverse effect on the Company and its subsidiaries taken as a whole.

1.7 Related Party Transaction

The Company is an affiliate of the ANFLO Group of Companies. Its parent company, Anflo Management & Investment Corporation (ANFLOCOR), is a privately held holding company engaged in various businesses in Mindanao, including agribusiness, logistics, real estate, infrastructure, and hospitality.

As part of the ANFLO Group, the Company maintains business relationships with certain affiliated entities. These relationships may involve operational support, shared resources, and other transactions conducted in the ordinary course of business.

All related party transactions are conducted under terms and conditions comparable to those available from unrelated third parties and are subject to the Company's internal review and approval processes.

The following are the transactions entered into by the Issuer and its related parties in the last fiscal year:

Related Party	Nature of Transaction(s)	
	Sales	Purchases
<i>Parent Company</i>		
Anflo Management & Investment Corporation (ANFLOCOR)	Lease of office space	Service fees, purchase of land
<i>Entities Under Common Control</i>		
Anflo Construction Corp. (ANFLOCON)	Electricity and water charges	Contract labor and services
Anflo Resort Development Corp. (ARDC)	Lease of office space	Room and restaurant charges
Damosa Workspace Solutions, Inc. (DWSI)	Various charges (in the ordinary course)	N/A
Kensington Ventures, Inc. (KVI)	Lease of office space	Restaurant services
Nestfarms, Inc. (NESTFARMS)	N/A	Landscaping services and others
Securus Security Agency, Inc. (SECURUS)	Lease of office space	Manpower services
Tagum Agricultural Development Company, Inc. (TADECO)	Lease of office space	Agricultural produce (for corporate events)
United Financing Corporation (UNIFINANCE)	Lease of office space	Rental

Further details on related party transactions are disclosed in the notes to the Company's financial statements included in this report.

1.8 Government approvals & regulations

The Company's operations are not dependent on patents or proprietary technologies. However, the development and sale of its real estate projects are subject to various government approvals and permits, including licenses to sell issued by the Department of Human Settlements and Urban Development (DHSUD), as well as other permits and clearances from national and local government agencies required for real estate development.

For certain projects, the Company may enter into brand or franchise arrangements with internationally recognized hospitality operators in connection with tourism-related developments. Such arrangements are governed by contractual agreements and are subject to applicable regulatory approvals.

The Company possesses all material licenses, permits, and approvals necessary to conduct its current operations.

1.9 Employees

As of the period of this reporting December 31,2025, DLI had a total of 197 employees.

Position	Count
Senior Management	25
Middle Management	22
Staff	150
Total Employees	197

The Company's employees are not covered by any collective bargaining agreement, and there has been no strike or labor disputes during the past three (3) years. The Company believes that it maintains good working relationships with its employees.

The Company provides its employees with compensation and benefits in accordance with applicable labor laws and internal policies designed to support employee welfare and professional development.

1.10 Risks

The Company operates in the real estate development industry, which is influenced by market conditions, construction activities, regulatory requirements, and environmental considerations that may affect the timing, cost, and performance of development projects.

To address these challenges, the Company has established a risk management framework overseen by a Risk Oversight Committee responsible for facilitating the identification, assessment, monitoring, and mitigation of risks across the organization. Regular project and operational reviews are conducted to identify emerging issues and determine appropriate responses to potential risks affecting the Company's development activities.

The Company undertakes various preventive measures to mitigate potential risks, including continuous market research and project feasibility studies, prudent financial and cash flow management, and maintaining relationships with reputable financing institutions. The Company also engages qualified contractors, consultants, and technical professionals to support project planning and execution and to ensure adherence to construction, safety, and quality standards.

In addition, the Company maintains regular coordination with relevant government agencies to ensure compliance with applicable zoning, permitting, and environmental regulations. Environmental and sustainability considerations are likewise incorporated into project planning and development practices to help address potential environmental and climate-related risks.

The Company continues to strengthen its risk management practices through ongoing monitoring of operational and market conditions and periodic review of its internal processes. Through these continuing efforts, management seeks to proactively assess potential risks and implement appropriate mitigation measures to support the stability and sustainability of the Company's operations.

Item 2. Properties

2.1 Description of Property

The Company owns and leases various real estate properties located primarily in Davao City, Panabo City, Island Garden City of Samal, and other areas in Mindanao. These properties consist of industrial estate, residential developments, commercial and mixed-use properties, hospitality developments, as well as leased office spaces used in the Company's flexible workspace business.

A. Major Development Estate and Projects

Residential Developments

The Company develops residential subdivision and condominium projects located in Davao City, Panabo City, and the Island Garden City of Samal. These include completed and ongoing developments such as Seawind, Fairlane, Harbor View Estates, Ameria, Agriya Gardens, Kahi Estates, and Bridgeport Park. These projects are implemented in phases and are supported by community amenities and infrastructure.

Project Name	Type of Project	Status of Completion	Project Location
Seawind	Residential	Completed	Km. 11, Brgy Sasa, Davao City
Fairlane	Residential	Completed	Diamond Avenue, Buhangin, Davao City
Harbor View Estates	Residential	Completed	Caliclic, Island Garden City of Samal
Agriya Gardens	Residential	On-going	Agriya, Barangay New Pandan, Panabo City
Ameria	Residential	On-going	Agriya, Barangay New Pandan, Panabo City
Bridgeport Park	Residential	On-going	Caliclic, Island Garden City of Samal
Kahi Estates	Residential	On-going	Libby Road Barangay Bago Gallera, Davao City

The following provides a brief description of the Company's key residential development projects:

Seawind

Seawind is a mid-rise condominium development located in Barangay Sasa, Davao City, situated on approximately 2.7 hectares of land. The project consists of multiple residential towers and offers studio to two-bedroom and bi-level units. The development is designed with integrated amenities and open spaces and has been completed and is currently operational.

Damosa Fairlane

Damosa Fairlane is a low-density residential subdivision located in Barangay Angliongto, Davao City. The development consists of single-detached residential units and offers various house models within a planned community setting. Amenities include a clubhouse, swimming pool, recreational facilities, and landscaped open spaces. The project has been completed and is currently operational.

Ameria

Ameria is a residential subdivision located within the Agriya township in Barangay New Pandan, Panabo City. The development offers single-detached house-and-lot units with supporting amenities such as a clubhouse, swimming pool, and open spaces. The project is being developed in phases, with initial phases completed and succeeding phases ongoing.

Agriya Gardens

Agriya Gardens is a residential development located within the Agriya township in Barangay New Pandan, Panabo City. The project is designed as a low-density residential community with approximately 404 housing units. It includes planned amenities such as parks, open spaces, and community facilities. The development is ongoing and is targeted for completion in phases.

Harbor View Estates

Harbor View Estates is an open-lot residential subdivision located within the Bridgeport Marina development in Barangay Caliclic, Island Garden City of Samal. The project consists of a limited number of residential lots intended for low-density residential use. The development has been completed and is currently available for sale and development by lot owners.

Bridgeport Park

Bridgeport Park is a residential condominium development located within the Bridgeport Marina community in Barangay Caliclic, Island Garden City of Samal. The project covers approximately 3 hectares and consists of multiple residential buildings offering one- to two-bedroom units. The development includes amenities such as open spaces and recreational facilities and is currently under development.

Kahi Estates

Kahi Estates is a residential subdivision located along Libby Road in Barangay Bago Gallera, Davao City. The development covers approximately 5 hectares and is planned as a low-density residential community with a limited number of residential lots. The project includes planned amenities such as a clubhouse, recreational facilities, and open spaces, and is currently under development.

Commercial and Office Developments

The Company owns and operates commercial and office developments that contribute to recurring income through leasing activities. These include Damosa I.T. Park, Damosa Diamond Tower, Damosa Business Center, Damosa Market Basket, MCPod, and Valley High, which provide office, retail, and service-oriented spaces catering to corporate tenants and local businesses.

The Company, through its subsidiary, Damosa Workspace Solutions Inc., also operates flexible workspace solutions under the Regus and HQ brands of International Workplace Group (IWG), providing serviced office and co-working spaces within its developments.

Project Name	Type of Project	Status of Completion	Project Location
Damosa Diamond Tower	Office and Commercial	Operational	Damosa IT Park, J.P Laurel Ave, Davao City
Damosa IT Park	Office and Commercial	Operational	Damosa IT Park, J.P Laurel Ave, Davao City
Damosa District	Office and Commercial	Operational	Damosa Complex, J.P Laurel Ave, Davao City
Market Basket	Commercial	Operational	Damosa Complex, J.P Laurel Ave, Davao City
MCPod	Commercial	Operational	McArthur Highway, Matina, Davao City
Valley High	Commercial	Operational	National Highway, General Santos City

The following provides a brief description of the Company's key commercial and office development projects:

Damosa Diamond Tower

Damosa Diamond Tower is a 16-storey office building located within the PEZA-registered Damosa IT Park in Lanang, Davao City. The building provides approximately 21,000 square meters of leasable office space, including ground floor retail areas. It is designed to accommodate office and business process outsourcing (BPO) locators. The building incorporates energy-efficient and sustainability features, including solar panels, energy-efficient glazing, rainwater harvesting systems, and LED lighting, and has been completed and is currently operational.

Damosa IT Park

Damosa IT Park is a PEZA-registered information technology park located along J.P. Laurel Avenue in Lanang, Davao City. The development comprises office buildings and commercial spaces designed to support IT-enabled services and business process outsourcing operations. The park includes developments such as Damosa Diamond Tower and other office facilities and provides supporting infrastructure and utilities for its locators. It is currently operational and hosts various corporate and institutional tenants.

Damosa District

Damosa District is a mixed-use development located in Lanang, Davao City. The development integrates commercial, office, and retail components within a master-planned estate. It includes facilities such as the Damosa Business Center, Market Basket, and other retail and service establishments, as well as proximity to the Damosa IT Park. The development is operational and supports commercial and business activities within the area.

Damosa Market Basket

Damosa Market Basket is a commercial retail development located within Damosa District in Lanang, Davao City. The development consists of food and retail establishments, including restaurants, food stalls, and service-oriented tenants, arranged within a multi-tenant commercial facility. It serves as a commercial component of the Damosa District and is currently operational.

McPod 1 & 2

McPod 1 and McPod 2 are commercial developments located along McArthur Highway in Matina, Davao City. These developments offer retail and office spaces catering to food, service, and small business establishments. The properties are positioned to serve nearby residential and institutional communities and are currently operational.

Valley High

Valley High is a commercial development located along the national highway in General Santos City, adjacent to Microtel by Wyndham General Santos. The development consists of retail and service-oriented spaces, including food and beverage establishments and other commercial tenants. It is currently operational and supports commercial activity within the surrounding area.

Industrial Development

The Company operates the Anflo Industrial Estate (AIE), a 63-hectare agro-industrial park registered with the Philippine Economic Zone Authority (PEZA) located in Panabo City, Davao del Norte. The estate supports agro-processing, warehousing, manufacturing, and logistics activities and provides industrial lots, ready-built facilities, and supporting infrastructure for its locators. It also has its own commercial development and fire substation to cater the needs of its locators and the larger community.

Hospitality Development

The Company is developing TRYP by Wyndham Samal, a condotel project located in the Island Garden City of Samal, Davao del Norte. The development is intended to support tourism and hospitality activities in the region and will operate under an internationally recognized hotel brand.

The Company also operates two Microtel by Wyndham hotels, one located in Davao City and another in General Santos City, which provide accommodation services and support the Company's existing hospitality portfolio.

B. Owned Principal Properties

The following table summarizes the Company's principal owned properties:

TYPE OF ASSET	CLASSIFICATION	AREA (in has.)	BARANGAY	CITY	PROVINCE
Land	Investment Property	5.1 ha	Alfonso Angliongto Sr.	Davao City	Davao Del Sur
Land	Property used for operations	0.4 ha	Alfonso Angliongto Sr.	Davao City	Davao Del Sur
Land	Investment Property	5.0 ha	Bago Gallera	Davao City	Davao Del Sur
Land	Investment Property	5.0 ha	Catalunan Pequeño	Davao City	Davao Del Sur
Land	Investment Property	0.6 ha	Maa, Talomo	Davao City	Davao Del Sur
Land	Investment Property	0.3 ha	Matina	Davao City	Davao Del Sur
Land	Investment Property	4.7 ha	Panacan	Davao City	Davao Del Sur
Land	Investment Property	44.6 ha	Catigan, Toril	Davao City	Davao Del Sur
Land	Investment Property	7.6 ha	Lizada, Toril	Davao City	Davao Del Sur
Land	Investment Property	27.3 ha	Marapangi, Toril	Davao City	Davao Del Sur

Land	Investment Property	25.5 ha	Tagurano, Toril	Davao City	Davao Del Sur
Land	Investment Property	2.3 ha	Vicente Hizon	Davao City	Davao Del Sur
Land	Investment Property	0.8 ha	City Heights	General Santos City	Sarangani Province
Land	Investment Property	16.7 ha	ADECOR	IGACOS	Davao Del Norte
Land	Investment Property	16.1 ha	Caliclic	IGACOS	Davao Del Norte
Land	Investment Property	4.1 ha	Dadatan	IGACOS	Davao Del Norte
Land	Investment Property	6.6 ha	San Jose	IGACOS	Davao Del Norte
Land	Investment Property	2.5 ha	Cagangohan	Panabo City	Davao Del Norte
Land	Investment Property	0.4 ha	Gredu	Panabo City	Davao Del Norte
Land	Investment Property	1.0 ha	Katipunan	Panabo City	Davao Del Norte
Land	Investment Property	1.0 ha	La Paz	Panabo City	Davao Del Norte
Land	Investment Property	15.9 ha	New Pandan	Panabo City	Davao Del Norte
Land	Investment Property	31.7 ha	San Pedro	Panabo City	Davao Del Norte
Land	Investment Property	24.8 ha	San Vicente	Panabo City	Davao Del Norte
Land	Investment Property	3.9 ha	Sto. Niño	Panabo City	Davao Del Norte
Commercial Building	Investment Property	899 sqm	San Pedro & San Vicente	Panabo City	Davao Del Norte
Warehouses	Investment Property	21,000 sqm	San Pedro & San Vicente	Panabo City	Davao Del Norte
Storage and Service Area	Investment Property	272 sqm	San Pedro & San Vicente	Panabo City	Davao Del Norte
Boat Sheds	Investment Property	2,761 sqm	Vicente Hizon Sr.	Davao City	Davao Del Sur
Boat Transfer Facilities	Investment Property	1,198 sqm	Vicente Hizon Sr.	Davao City	Davao Del Sur
Office and Retail Buildings	Investment Property	57,969 sqm	Alfonso Angliongto Sr.	Davao City	Davao Del Sur
Retail Buildings	Investment Property	2,742 sqm	Matina	Davao City	Davao Del Sur
Warehouses	Investment Property	9,470 sqm	Panacan	Davao City	Davao Del Sur
Retail spaces	Investment Property	1,946 sqm	City Heights	General Santos City	Sarangani Province

These properties consist primarily of landholdings intended for industrial, residential, and commercial development, as well as operational facilities used in the Company's real estate and estate management activities.

C. Leased Properties

The Company, through its subsidiary Damosa Workspace Solutions, Inc. (DWSI), leases office spaces which are converted into flexible workspace environments operated under internationally recognized brands such as Regus and HQ.

Under this business model, the Company enters into lease agreements with building owners and undertakes the build-out and furnishing of the leased premises prior to offering the spaces to end-users under flexible workspace arrangements.

The following table summarizes the Company's leased properties:

Location	Area	Term	Expiration	Conditions
Felcris Centrale, Davao City	1,354 sqm	7 years	March 31, 2028	5% escalation rate + CUSA fee
SM CDO Downtown, Cagayan de Oro City	1,306 sqm	5 years	June 30, 2028	5% escalation rate + CUSA fee & Aircon Charges
SM CDO Downtown, Cagayan de Oro City	1,007 sqm	5 years	November 30, 2029	5% escalation rate + CUSA fee & Aircon Charges

D. Condition of Properties

The Company believes that its properties are generally in good condition and are suitable for their intended development and operational purposes. Unless otherwise disclosed, the Company's properties are not subject to any material mortgages, liens, or encumbrances that would materially affect their use in the ordinary course of business.

E. Property Acquisition

The Company does not have any definite plans to acquire additional properties within the next twelve (12) months, although it may evaluate opportunities in the ordinary course of business.

Item 3. Legal Proceedings

The Company is currently involved in Civil Case No. M-DVO-24-05896-SC, filed on November 18, 2024 before the Regional Trial Court of Davao City, *entitled Republic of the Philippines, represented by the Department of Public Works and Highways (DPWH) vs. Damosa Land, Inc., et al.* The case involves an expropriation proceeding affecting approximately 534 square meters of the Company's 890 square meter titled property in connection with the Samal Island–Davao City Connector (SIDC) Project.

The Company has asserted that the remaining 356 square meters of the property would no longer be commercially viable and has sought just compensation for the entire property. The estimated maximum compensation for the property is approximately ₱55.7 million, of which ₱19.2 million has been received as provisional payment as of April 24, 2025. The case is scheduled for pre-trial again on February of 2026.

Based on the assessment of legal counsel, management believes that the resolution of the case is not expected to have a material adverse effect on the Company's financial condition or operations.

Except for the foregoing, the Company and its subsidiaries are not involved in any other material pending legal proceedings, nor are there any known or threatened claims that may have a material adverse effect on the Company.

The Company is not subject to any bankruptcy, receivership, or similar proceedings. There are likewise no material reclassification, merger, consolidation, or acquisition transactions pending or completed during the reporting period that require disclosure under this section.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of the Company's security holders during the period covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

The Company is not a publicly listed corporation and does not have any common equity securities listed or traded on any securities exchange. Accordingly, there is no established public trading market for the Company's common shares.

The Company is classified as a Public Interest Entity by virtue of its issuance of non-traditional securities in the form of Condotel Participation pursuant to the Securities and Exchange Commission's Securing and Expanding Capital in Real Estate Non-Traditional Securities (SEC RENT) framework. These securities do not constitute common equity and are not traded in any organized market.

Market Information

There is no public market for the Company's common equity securities, and no trading activity has occurred during the reporting period. The Company's issued securities under the SEC RENT framework are not listed or traded and do not have an established secondary market.

Holdings

The Company's common shares are held by a limited number of shareholders and are not publicly traded. Holders of Condotel Participation are not shareholders of the Company and do not possess rights associated with equity ownership.

Dividends

The Company has not declared any cash or stock dividends on its common shares during the reporting period. The declaration of dividends, if any, will depend on the Company's earnings, financial condition, and such other factors as may be determined by the Board of Directors.

Distributions to holders of Condotel Participation, if any, are governed by the terms of the applicable participation agreements and do not constitute dividends on equity.

Recent Sales of Unregistered Securities

The Company has not conducted any sale of unregistered equity securities during the reporting period. The issuance of Condotel Participation is undertaken in accordance with the SEC RENT framework and applicable regulatory approvals.

Securities Authorized for Issuance Under Equity Compensation Plans

The Company does not maintain any equity compensation plans involving the issuance of common shares.

Item 6. Management's Discussion and Analysis and Results of Operation

Review of FY 2025 vs. FY 2024

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (in thousands of Pesos except earnings per share figures)	For the years ended December 31,		Change	
	2025	2024	In Pesos	In %
REVENUE				
Sale of real estate	1,224,355	1,121,061	103,294	9%
Rental operations	511,072	427,779	83,293	19%
Hotel operations	100,453	94,724	5,729	6%
	1,835,880	1,643,564	192,316	12%
COST AND EXPENSES				
Direct costs and expenses				
Real estate sales	815,835	741,530	74,305	10%
Rental	337,738	284,355	53,383	19%
Hotel operations	77,881	71,390	6,491	9%
General and administrative expenses	344,004	295,465	48,539	16%
Interest and other financing charges	255,298	209,742	45,556	22%
	1,830,755	1,602,482	228,272	14%
OPERATING PROFIT	5,125	41,082	(35,957)	-88%
OTHER INCOME				
Equity in net earnings of associate	197,436	62,981	134,455	213%
Interest	334	299	35	12%
Miscellaneous	62,726	21,162	41,564	196%
	260,496	84,442	176,054	208%
INCOME BEFORE TAX	265,621	125,524	140,097	112%
PROVISION FOR (BENEFIT FROM) INCOME TAX	9,286	(8,823)	18,109	-205%
NET INCOME	256,335	134,347	121,988	91%
Basic/diluted earnings per share	34.18	17.91	16.26	91%
OTHER COMPREHENSIVE INCOME (LOSS)	38,056	1,391	36,665	2,636%
TOTAL COMPREHENSIVE INCOME	294,391	135,738	158,653	117%

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in thousands of Pesos)	For the years ended December 31,		Change	
	2025	2024	In Pesos	In %
ASSETS				
Current Assets				
Cash and cash equivalents	353,406	321,987	31,419	10%
Trade and other receivables	268,777	181,161	87,616	48%
Current portion of contract assets	829,126	896,276	(67,150)	-7%
Real estate held for sale	1,081,030	1,011,943	69,087	7%
Prepayments and other current assets	588,067	584,093	3,974	1%
	3,120,406	2,995,460	124,946	4%
Noncurrent Assets				
Contract assets - net of current portion	728,837	372,620	356,217	96%
Investment in associate	938,566	712,251	226,315	32%
Investment properties	3,019,948	3,099,471	(79,523)	-3%
Property and equipment	467,559	409,892	57,667	14%
Right-of-use assets	52,955	62,187	(9,232)	-15%
Deferred income tax assets - net	2,579	4,377	(1,798)	-41%
Other noncurrent assets	63,007	64,511	(1,504)	-2%
	5,273,451	4,725,309	548,142	12%
TOTAL ASSETS	8,393,857	7,720,769	673,088	9%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	674,501	631,386	43,115	7%
Contract liabilities	217,566	121,785	95,781	79%
Bank loans	645,000	399,538	245,462	61%
Current portion of long-term debt	689,690	657,541	32,149	5%
Current portion of lease liabilities	19,979	18,608	1,371	7%
	2,246,736	1,828,858	417,878	23%
Noncurrent Liabilities				
Long-term debt - net of current portion	1,661,225	1,752,775	(91,550)	-5%
Lease liabilities - net of current portion	35,566	44,753	(9,187)	-21%
Pension liabilities	31,461	22,523	8,938	40%
Deferred tax liabilities – net	98,815	110,408	(11,593)	-11%
Noncurrent portion of trade payables	16,056	20,111	(4,055)	-20%
Refundable deposits	84,545	66,279	18,266	28%
	1,927,668	2,016,849	(89,181)	-4%
Equity				
Equity attributable to equity holders of the Parent				
Common shares	750,000	750,000	–	–
Preferred shares	1,618,487	1,568,487	50,000	3%
Additional paid-in capital	207,905	207,905	–	–
Other comprehensive income	41,068	3,012	38,056	1263%
Retained earnings	1,601,993	1,345,658	256,335	19%
	4,219,453	3,875,062	344,391	9%
TOTAL LIABILITIES AND EQUITY	8,393,857	7,720,769	673,088	9%

Business Segments

Sale of Real Estate

Revenue from the sale of real estate amounted to ₱1.2 billion, a 9% increase from ₱1.1 billion in 2024. The growth was driven by continued market acceptance of the Group's residential and mixed-use projects, particularly Bridgeport Park, Agriya Gardens, and Kahi Estates, complemented by the recognition of sales from remaining inventories of previously launched projects.

EBITDA for this segment reached ₱374.5 million, a 71% increase from ₱218.5 million in 2024. The gross profit margin, however, modestly declined to 32% from 33%, attributable to cost escalation in construction materials relative to contracted selling prices on certain projects. Complementing the performance, the segment recognized equity in net earnings of associate of ₱197.4 million, a 213% increase from 2024. Other income likewise rose to ₱57.6 million from ₱15.4 million, a growth of 274%. These contributions strengthened EBITDA margin to 31% from 19%.

Leasing Operations

Commercial and leasing operations delivered another strong performance, generating rental revenues of ₱511.1 million in 2025, a 19.5% increase from ₱427.8 million in 2024. The double-digit growth was driven by higher occupancy levels across the Group's office, commercial, and industrial spaces, including its flexible workspace operations in Davao and additional flexible workspace in Cagayan de Oro launched in November 2024.

EBITDA surged to ₱289.9 million from ₱238.1 million, translating to a robust EBITDA margin of 57%, up from 56% in prior year. The segment continues to provide a stable recurring-income base, supported by long-term lease agreements and consistent tenant renewals.

Hotel Operations

Both Microtel Davao and Microtel Gensan registered ₱100.4 million in revenues, slightly up from ₱94.7 million in 2024, 6% growth). The steady performance reflects a healthy and sustained tourism trend within Davao Region and neighboring areas as well as meetings, incentives, conferences and exhibitions (MICE) events hosted across both properties.

EBITDA margin declined to 22% from 27%. Management continues to pursue cost rationalization measures to restore margin levels as the segment stabilizes.

Equity in Net Earnings of Associate

The Group's equity in net earnings of associate – mainly from Accendo Commercial Corporation (“Accendo”) – rose by ₱134.4 million or 252%, from ₱63.0 million in 2024 to ₱197.4 million in 2025. The improvement was driven by a mix of higher mall occupancy and tenant sales and real estate sales revenue, reflecting Accendo's strong performance and profitability.

Expenses

Total costs and expenses (excluding interest) for the period ended December 31, 2025 amounted to ₱1.6 billion, representing a ₱0.2 billion or 13% increase from ₱1.4 billion in the same period of 2024. The steady rise in expenses is generally in line with the 11% revenue growth during the period.

For the real estate sales segment, costs and operating expenses increased to ₱1.1 billion in proportion to sales, driven by higher development and selling activities related to ongoing residential projects such as Bridgeport, Agriya, and Kahi Estates. Gross profit margin averages at 32%, indicating efficient cost management despite inflationary pressures on construction materials and labor.

In leasing operations, costs and expenses slightly rose to support higher occupancy levels and continued maintenance of the Group's commercial and industrial spaces. A notable item within this segment is the ₱14.1 million increase in depreciation, mainly attributable to the recognition of depreciation expense for leasehold improvements in multiple commercial properties and the additional flexible workspace in Cagayan De Oro. Despite this increase, leasing maintained strong profitability with a 57% EBITDA margin.

For hotel operations, costs and operating expenses were relatively steady year-on-year, consistent with the moderate 6% revenue increase. Operational efficiency was maintained through prudent cost control measures and improved utilization of in-house resources. Management continues to pursue cost rationalization measures to restore margin levels as the segment stabilizes.

Overall, the controlled increase in expenses reflects the Group's balanced cost structure and operational scalability, as it continues to invest in growth while maintaining stable margins across its business segments.

Capital Expenditures

Total capital expenditures as December 31, 2025 amounted to ₱1.0 billion. 90% was spent on residential projects, 10% on leasing and hotel projects, 3% on industrial development.

Miscellaneous Income (expense)

Net increase in miscellaneous income (expense) is mainly attributable gain on sale of warehouse and gain on cancellation of real estate contracts.

Financial Condition

	Indicator	Formula	December 31, 2025	December 31, 2024
a.	Revenue Growth Rate	$\frac{\text{Current Revenue} - \text{Prior Revenue}}{\text{Prior Revenue}} \times 100$	12%	2%
b.	Gross Profit Margin	$\frac{\text{Revenue} - \text{Cost of Sales}}{\text{Revenue}} \times 100$	33%	33%
c.	Net Profit Margin	$\frac{\text{Net Income}}{\text{Revenue}} \times 100$	14%	8%
d.	EBITDA Margin	$\frac{\text{EBITDA}}{\text{Revenue}} \times 100$	37%	29%
e.	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.4x	1.6x
f.	Debt Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.5x	0.5x
f.	Debt-to-equity ratio	$\frac{\text{Total Debt}}{\text{Consolidated Stockholders Equity}}$	0.7x	0.7x

The Company delivered a strong financial performance for the year ended December 31, 2025, marked by accelerating growth and meaningful profitability gains across all key metrics.

Revenue growth surged to 12% from 2% in the prior year, reflecting robust sales execution and the advancing completion stages of the Company's development portfolio. Gross profit margin held firm at 33% for the second consecutive year, affirming consistent pricing discipline and cost management. Net profit margin increased from 8% to 14%, while EBITDA margin expanded by 8 percentage points to 37% both indicative of strong operating leverage and improving project economics as the portfolio matures.

On the balance sheet, the Company maintained a sound financial structure. The current ratio of 1.4x confirms adequate short-term liquidity, while the debt ratio remained steady, signifying operations still being adequately equity-funded. The debt-to-equity ratio held steady at 0.7x, demonstrating that revenue and earnings growth was achieved without taking on additional financial risk.

Overall, the 2025 results reflect a company executing on its growth strategy with discipline — scaling revenues, protecting margins, and preserving balance sheet strength. Management views these results as a solid foundation for continued value creation in the year ahead.

Likewise, there are no known trends, events, uncertainties, or seasonalities that are expected to affect the Company's continuing operations. There are no material commitments for capital expenditures.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of obligation.

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created for the year ended December 31, 2025.

Financial Position

Assets

Current assets rose to ₱3.1 billion from ₱3.0 billion at year-end 2024.

Cash and cash equivalents increased to ₱353.4 million from ₱321.0 million, primarily due to Collections from operation and additional funding for future developments.

Trade and other receivables increased to ₱268.0 million from ₱181.2 million, reflecting billings and collections related to leasing operations and sale of real estate.

Contract assets (current portion) slightly decreased to ₱829.1 million from ₱896.3 million, primarily due to handover completed real estate units from Seawind and Ameria projects.

Real estate held for sale remained stable at ₱1.0 billion, reflecting steady inventory turnover across ongoing residential projects.

Prepayments and other current assets remained the same at ₱580.0 million, primarily due to advances to contractors and suppliers for various project and operational requirements and prepaid income taxes due to higher CITW from sale of real properties and lease, and lower tax due (MCIT position).

Noncurrent Assets increased by ₱0.5 billion (12%), from ₱4.7 billion to ₱5.3 billion.

Contract assets (non-current portion) increased to ₱728.8 million from ₱372.6 million or by 96%, primarily due to the development of projects from Bridgeport Towers and Kahi which are expected to be handed over in more than a year.

Investment in associates rose to ₱938.6 million from ₱712.3 million, driven by the Group's share in the improved earnings of Accendo.

Liabilities

Total liabilities increased to ₱4.1 billion in December 2025 from ₱3.8 billion as of December 2024.

Current liabilities increased by ₱0.4 billion (23%) from ₱1.8 billion, mainly due to the additional bank loans.

Contract Liabilities increased to ₱217.6 million from ₱121.8 million, reflecting an equity collection from newly launched projects; Agriya Gardens and Kahi Esates.

Bank loans rose to ₱645.0 million from ₱399.5 million, reflecting drawdowns to fund working capital and project development.

Current portion of long-term debt increased to ₱689.7 million from ₱657.5 million, consistent with scheduled repayments.

Noncurrent liabilities totaled ₱1.9 billion, down by ₱90.0 million (4%), largely due to the reduction in long-term debt (net of current portion) to ₱1.6 billion from ₱1.7 billion, reflecting regular principal repayments.

Equity

Total equity increased to ₱4.2 billion in 2025 from ₱3.9 billion as of December 2024, up by ₱0.6 billion (9%), driven primarily by the growth in retained earnings to ₱1.6 billion from ₱1.3 billion, reflecting net income earned in 2025. Preferred shares likewise rose slightly to ₱1.6 billion from additional subscriptions, while common shares and additional paid-in capital remained unchanged.

The equity-to-assets ratio stood at 50%, consistent with the prior year, underscoring the company's strong capitalization and stable financial structure.

Review of FY 2024 vs. FY 2023

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (in thousands of Pesos except earnings per share figures)	For the years ended December 31,		Change	
	2024	2023	In Pesos	In %
	REVENUE			
Sale of real estate	1,121,061	1,129,001	(7,940)	-1%
Rental operations	427,779	395,106	32,673	8%
Hotel operations	94,724	85,591	9,133	11%
	1,643,564	1,609,698	33,866	2%
COST AND EXPENSES				
Direct costs and expenses				
Real estate sales	741,530	714,969	26,561	4%
Rental	284,355	241,920	42,435	18%
Hotel operations	71,390	65,643	5,747	9%
General and administrative expenses	295,465	309,601	(14,136)	-5%
Interest and other financing charges	209,742	146,646	63,096	43%
	1,602,482	1,478,779	123,703	8%
OPERATING PROFIT	41,082	130,919	(89,837)	-69%
OTHER INCOME				
Equity in net earnings of associate	62,981	49,814	13,167	26%
Interest	299	4,081	(3,782)	-93%
Miscellaneous	21,162	11,900	9,262	78%
	84,442	65,795	18,647	28%
INCOME BEFORE TAX	125,524	196,714	(71,190)	-36%
PROVISION FOR (BENEFIT FROM) INCOME TAX	(8,823)	53,705	(62,528)	-116%
NET INCOME	134,347	143,009	(8,662)	-6%
Basic/diluted earnings per share	17.91	19.07	(1.16)	-6%
OTHER COMPREHENSIVE INCOME (LOSS)	1,391	(2,403)	3,794	-158%
TOTAL COMPREHENSIVE INCOME	135,738	140,606	(4,868)	-3%

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in thousands of Pesos)	For the years ended December 31,		Change	
	2024	2023	In Pesos	In %
ASSETS				
Current Assets				
Cash and cash equivalents	321,987	457,452	(135,465)	-30%
Trade and other receivables	181,161	184,517	(3,356)	-2%
Current portion of contract assets	896,276	927,347	(31,071)	-3%
Real estate held for sale	1,011,943	664,080	347,863	52%
Prepayments and other current assets	584,093	482,269	101,824	21%
	2,995,460	2,715,665	279,795	10%
Noncurrent Assets				
Contract assets - net of current portion	372,620	290,858	81,762	28%
Investment in associate	712,251	657,112	55,139	8%
Investment properties	3,099,471	3,528,240	(428,769)	-12%
Property and equipment	409,892	313,877	96,015	31%
Right-of-use assets	62,187	64,471	(2,284)	-4%
Deferred income tax assets - net	4,377	2,298	2,079	90%
Other noncurrent assets	64,511	43,632	20,879	48%
	4,725,309	4,900,488	(175,179)	-4%
TOTAL ASSETS	7,720,769	7,616,153	104,616	1%
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	631,386	624,091	7,295	1%
Contract liabilities	121,785	72,279	49,506	68%
Bank loans	399,538	224,400	175,138	78%
Current portion of long-term debt	657,541	506,609	150,932	30%
Current portion of lease liabilities	18,608	12,587	6,021	48%
	1,828,858	1,439,966	388,892	27%
Noncurrent Liabilities				
Long-term debt - net of current portion	1,752,775	2,413,074	(660,299)	-27%
Lease liabilities - net of current portion	44,753	51,578	(6,825)	-13%
Pension liabilities	22,523	24,060	(1,537)	-6%
Deferred tax liabilities – net	110,408	117,403	(6,995)	-6%
Noncurrent portion of trade payables	20,111	29,087	(8,976)	-31%
Refundable deposits	66,279	65,496	783	1%
	2,016,849	2,700,698	(683,849)	-25%
Equity				
Equity attributable to equity holders of the Parent				
Common shares	750,000	750,000	–	–
Preferred shares	1,568,487	1,176,687	391,800	33%
Additional paid-in capital	207,905	207,905	–	–
Other comprehensive income	3,012	1,621	1,391	86%
Retained earnings	1,345,658	1,339,276	6,382	0%
	3,875,062	3,475,489	399,573	11%
TOTAL LIABILITIES AND EQUITY	7,720,769	7,616,153	104,616	1%

Business Segments

Sale of Real Estate

Revenue from the sale of real estate amounted to ₱1.1 billion in 2024, a marginal 1% decrease from 2023. The slight decline was attributable to the decrease in a one-off of an industrial lot sale, from ₱320.0 million in 2023 to ₱65.0 million in 2024. However, this was compensated by the increase in revenue from steady sales recognition and project development for Bridgeport Park Buildings Tower A and B, Kahi Estate and sale of commercial lot.

EBITDA for this segment amounted to ₱218.6 million in 2024, with an EBITDA margin of 19%. The decrease in EBITDA margin to 19% from 22% is attributable to decrease in industrial lot sale.

Leasing Operations

Leasing operations posted rental revenues of ₱427.8 million in 2024, an 8% increase from ₱395.7 million in 2023. The growth was supported by sustained occupancy levels across the Group's office, commercial, and industrial spaces, complemented by the continued ramp-up of flexible workspace operations in Davao and Cagayan De Oro.

EBITDA for the leasing segment reached ₱238.1 million in 2024, maintaining a robust EBITDA margin of 56%. The segment continues to serve as a stable recurring-income base for the Group, underpinned by long-term lease agreements and consistent tenant renewals.

Hotel Operations

Both Microtel Davao and Microtel GenSan generated combined hotel revenues of ₱94.7 million in 2024, an 11% increase from ₱85.6 million in 2023. The growth reflects healthy tourism activity within the Davao Region and neighboring areas, supported by sustained demand from leisure travelers and meetings, incentives, conferences, and exhibitions (MICE) events hosted across both properties.

EBITDA for the hotel segment was ₱26.0 million in 2024, with an EBITDA margin of 27%. The segment maintained stable occupancy rates and continued to benefit from the Group's cost rationalization efforts across both properties.

Financial Condition

	Indicator	Formula	December 31, 2024	December 31, 2023
a.	Revenue Growth Rate	$\frac{\text{Current Revenue} - \text{Prior Revenue}}{\text{Prior Revenue}} \times 100$	2%	47%
b.	Gross Profit Margin	$\frac{\text{Revenue} - \text{Cost of Sales}}{\text{Revenue}} \times 100$	33%	36%
c.	Net Profit Margin	$\frac{\text{Net Income}}{\text{Revenue}} \times 100$	8%	9%
d.	EBITDA Margin	$\frac{\text{EBITDA}}{\text{Revenue}} \times 100$	29%	30%
e.	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.6x	1.8x
f.	Debt Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.5x	0.5x
f.	Debt-to-equity ratio	$\frac{\text{Total Debt}}{\text{Consolidated Stockholders Equity}}$	0.7x	0.9x

The year ended December 31, 2024 was a consolidation year for the Company, with performance remaining stable across profitability metrics and the balance sheet recording measurable improvement in leverage.

Revenue growth moderated to 2% from 47% in 2023, reflecting the completion of a strong delivery cycle in the prior year due to selling and construction efforts for Ameria, Bridgeport, and one-off sale of an industrial lot, rather than any deterioration in demand. Gross profit margin settled at 33% from 36%, a modest movement with higher margin in 2023 caused by a sale of industrial lot providing higher profit than residential projects. Decrease was also attributable to cost adjustments during the period. Net profit margin and EBITDA margin held close to prior-year levels at 8% and 29%, against 9% and 30% in 2023, demonstrating earnings resilience in a lower-growth environment.

Liquidity remained adequate, with the current ratio at 1.6x, providing sufficient cover for near-term obligations. On leverage, the Company recorded a notable improvement. The debt-to-equity ratio declined from 0.9x to 0.7x, reflecting reduced reliance on debt financing relative to equity. The debt ratio held steady at 0.5x, indicating that the overall asset base remained equity-supported.

In sum, 2024 saw the Company maintain sound profitability, strengthen its capital structure, and preserve financial flexibility — positioning it well for the improved performance delivered in the following year.

Likewise, there are no known trends, events, uncertainties, or seasonalities that are expected to affect the Company's continuing operations. There are no material commitments for capital expenditures.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of obligation.

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Company with unconsolidated entities or other persons created for the year ended December 31, 2024.

Financial Position

Assets

Current assets rose to ₱3.0 billion in 2024 from ₱2.7 billion at year-end 2023, an increase of ₱280 million (10%).

Cash and cash equivalents Cash decreased from ₱457.5 million to ₱322.0 million by year-end 2024. The movement reflects the Company's planned use of funds for development-related capital expenditures and scheduled loan repayments. Despite the decline, liquidity levels remain sufficient to support near-term operational and investment needs.

Trade and other receivables slightly eased to ₱181.2 million from ₱184.5 million. This modest movement indicates consistent collection efforts and stable billing cycles across the Company's real estate and leasing businesses.

Contract assets (current portion) slightly decreased to ₱896.3 million from ₱927.3 million, primarily due to the handover of completed real estate units from the Seawind and Ameria projects.

Real estate held for sale rose from ₱664.1 million to ₱1.0 billion, driven by the continued development and capitalized costs of newly launched projects such as Kahi Estates in Davao City and Agriya Gardens in Panabo, along with steady construction in Ameria and Bridgeport Park. The increase supports the Company's ongoing expansion and project pipeline readiness.

Prepayments and other current assets increased to ₱584.1 million from ₱482.3 million, primarily due to advances to contractors and suppliers for various project requirements and prepaid income taxes.

Noncurrent assets decreased by ₱175 million (4%), from ₱4.9 billion to ₱4.7 billion.

Contract assets (non-current portion) increased to ₱372.6 million from ₱290.9 million, or by 28%, driven by the continued development of Ameria and Bridgeport Park Tower A and other projects expected to turn over beyond one year.

Investment in associate rose to ₱712.3 million from ₱657.1 million, driven by the Group's share in the improved earnings of Accendo Commercial Corporation during the year.

Investment properties declined to ₱3.1 billion from ₱3.5 billion, mainly due to reclassifications of portions for internal use and asset optimization initiatives. The Company continues to hold a solid portfolio of income generating properties that support recurring revenue streams.

Liabilities

Total liabilities decreased to ₱3.8 billion from ₱4.1 billion as of December 2023, a reduction of ₱295 million (7%), primarily driven by a significant decline in noncurrent liabilities.

Current liabilities increased by ₱389 million (27%) from ₱1.4 billion to ₱1.8 billion, mainly due to higher bank loans and the reclassification of long-term debt to current portion as scheduled maturities approached.

Contract liabilities increased to ₱121.8 million from ₱72.3 million, reflecting equity collections from undeveloped projects.

Bank loans increased to ₱399.6 million in December 2024 from ₱224.4 million in the prior year, reflecting an additional drawdown of ₱175.2 million. This increase was primarily to support the Company's expanding development pipeline and to augment working capital needs aligned with the growth in real estate projects.

Noncurrent liabilities totaled ₱2.0 billion, down ₱684 million (25%), largely due to the reduction in long-term debt (net of current portion) to ₱1.8 billion from ₱2.4 billion, reflecting both regular principal repayments and the reclassification of maturing debt to current liabilities.

Equity

Total equity increased to ₱3.9 billion from ₱3.5 billion as of December 2023, up by ₱400 million (11%). The growth was primarily driven by the issuance of preferred shares amounting to ₱391.8 million, reflecting investor confidence in the Company's growth trajectory. A net income of ₱134.3 million for 2024 further supported equity, partially offset by a dividend declaration of ₱30.0 million and a downward restatement of retained earnings by ₱90.0 million following the adoption of the IFRIC Agenda Decision to align with PFRS revenue recognition standards.

The equity-to-assets ratio stood at 50%, consistent with the prior year, underscoring the Company's sound capitalization and stable financial structure.

Review of FY 2023 vs. FY 2022

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (in thousands of Pesos except earnings share figures)	For the years ended December 31,		Change	
	2023	2022	In Pesos	In %
	REVENUE			
Sale of real estate	1,129,001	775,107	353,894	46%
Rental operations	395,106	251,266	143,840	57%
Hotel operations	85,591	70,185	15,406	22%
	1,609,698	1,096,558	513,140	47%
COST AND EXPENSES				
Direct costs and expenses				
Real estate sales	714,969	414,936	300,033	72%
Rental	241,920	179,058	62,862	35%
Hotel operations	65,643	55,444	10,199	18%
General and administrative expenses	309,601	280,196	29,405	10%
Interest and other financing charges	146,646	25,215	121,431	482%
	1,478,779	954,849	523,930	55%
OPERATING PROFIT	130,919	141,709	(10,790)	-8%
OTHER INCOME				
Equity in net earnings of associate	49,814	45,785	4,029	9%
Interest	4,081	698	3,383	485%
Miscellaneous	11,900	8,268	3,632	44%
	65,795	54,751	11,044	20%
INCOME BEFORE TAX	196,714	196,460	254	0%
PROVISION FOR INCOME TAX	53,705	64,619	(10,914)	-17%
NET INCOME	143,009	131,841	11,168	8%
Basic/diluted earnings per share	19.07	17.58	1.49	8%
OTHER COMPREHENSIVE INCOME	(2,403)	5,181	(7,584)	-146%
TOTAL COMPREHENSIVE INCOME	140,606	137,022	3,584	3%

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (compressed) (in thousands of Pesos)	For the years ended December 31,		Change	
	2023	2022	In Pesos	In %
ASSETS				
Current Assets				
Cash and cash equivalents	457,452	186,320	271,132	146%
Trade and other receivables	184,517	255,551	(71,034)	-28%
Current portion of contract assets	927,347	1,182,102	(254,755)	-22%
Real estate held for sale	664,080	715,609	(51,529)	-7%
Prepayments and other current assets ¹	482,269	437,933	44,336	10%
	2,715,665	2,777,515	(61,850)	-2%
Noncurrent Assets				
Contract assets - net of current portion	290,858	186,038	104,820	56%
Investment in associate	657,112	607,360	49,752	8%
Investment properties	3,528,240	3,533,696	(5,456)	0%
Other noncurrent assets	424,278	352,847	71,431	20%
	4,900,488	4,679,941	220,547	5%
TOTAL ASSETS	7,616,153	7,457,456	158,697	2%
LIABILITIES AND EQUITY				
Current Liabilities				
Bank loans	224,400	584,240	(359,840)	-62%
Current portion of long-term debt	506,609	281,587	225,022	80%
Other current liabilities ²	708,957	625,458	83,499	13%
	1,439,966	1,491,285	(51,319)	-3%
Noncurrent Liabilities				
Long-term debt - net of current portion	2,413,074	2,061,813	351,261	17%
Other noncurrent liabilities ³	287,624	269,475	18,149	7%
	2,700,698	2,331,288	369,410	16%
Equity				
Equity attributable to equity holders of the Parent				
Common shares	750,000	750,000	—	—
Preferred shares	1,176,687	1,176,687	—	—
Additional paid-in capital	207,905	207,905	—	—
Other comprehensive income	1,621	4,024	(2,403)	-60%
Retained earnings	1,339,276	1,496,267	(156,991)	-10%
	3,475,489	3,634,883	(159,394)	-4%
TOTAL LIABILITIES AND EQUITY	7,616,153	7,457,456	158,697	2%

¹ Includes property and equipment, right-of-use assets, deferred income tax assets-net, and other noncurrent assets

² Includes trade and other payables, contract liabilities, and current portion of lease liabilities

³ Includes lease liabilities – net of current portion, pension liabilities, deferred tax liabilities – net, noncurrent portion of trade receivables, and refundable deposits

Business Segments

Sale of Real Estate

Revenue from the sale of real estate reached ₱1.1 billion in 2023, a 46% increase from ₱0.8 billion in 2022. The strong growth was driven by the sustained selling and construction progress of the newly launched Bridgeport Park, complemented by the one-off sale of an industrial lot.

The gross profit margin, however, eased to 36% from 44% in 2022, reflecting higher cost of sales associated with the expanded construction activity and the delivery mix of projects during the period. EBITDA for the segment was supported by equity in net earnings of associate of ₱49.8 million, a 9% increase from ₱45.8 million in 2022, contributing to overall income performance alongside the strong revenue growth.

Leasing Operations

Leasing operations delivered strong growth in 2023, with rental revenues reaching ₱395.7 million, a 57% increase from ₱251.3 million in 2022. The significant growth was driven by higher occupancy levels across the Group's expanded portfolio of office, commercial, and industrial spaces, including contributions from newly operational leasing assets, the office building and a flexible workspace in Cagayan De Oro, during the year.

EBITDA for the leasing segment reached ₱212.2 million in 2023, maintaining a robust EBITDA margin of 54%. The segment continued to provide a stable recurring-income base for the Group, supported by long-term lease agreements and consistent tenant renewals and new tenants across its commercial and industrial properties.

Hotel Operations

Both Microtel Davao and Microtel GenSan generated combined hotel revenues of ₱85.6 million in 2023, a 22% increase from ₱70.2 million in 2022. The growth was driven by healthy tourism activity within the Davao Region and neighboring areas, supported by sustained demand from leisure travelers and meetings, incentives, conferences, and exhibitions (MICE) events hosted across both properties.

EBITDA for the hotel segment reached ₱17.2 million in 2023, maintaining a robust EBITDA margin of 20%. EBITDA margin for the hotel segment was broadly stable, consistent with improved revenue levels.

Financial Condition

	Indicator	Formula	December 31, 2023	December 31, 2022
a.	Revenue Growth Rate	$\frac{\text{Current Revenue} - \text{Prior Revenue}}{\text{Prior Revenue}} \times 100$	46%	21%
b.	Gross Profit Margin	$\frac{\text{Revenue} - \text{Cost of Sales}}{\text{Revenue}} \times 100$	36%	41%
c.	Net Profit Margin	$\frac{\text{Net Income}}{\text{Revenue}} \times 100$	9%	12%
d.	EBITDA Margin	$\frac{\text{EBITDA}}{\text{Revenue}} \times 100$	30%	29%
e.	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.8x	1.9x
f.	Debt Ratio	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.5x	0.5x
f.	Debt-to-equity ratio	$\frac{\text{Total Debt}}{\text{Consolidated Stockholders Equity}}$	0.9x	0.8x

The year ended December 31, 2023 was a strong growth year for the Company, with revenue accelerating sharply while profitability margins compressed modestly — a trade-off consistent with a business scaling its operations and absorbing higher project costs.

Revenue growth reached 47% in 2023, up from 21% in 2022, reflecting a significant volume of project completions and turnovers during the year for Ameria project, steady selling and construction progress for Bridgeport, and a sale of industrial lot in Anflo Industrial Estate. Gross profit margin, however, eased from 41% to 36%, indicating that the higher revenue was accompanied by increased cost of sales, likely reflecting rising construction costs and the delivery mix of projects during the period. Net profit margin similarly declined from 12% to 9%, and EBITDA margin was broadly stable at 30% versus 29% in 2022.

The narrowing between gross and net margins suggests that operating and financing costs grew alongside revenues, partially offsetting the gains from the top line.

Liquidity remained sound, with the current ratio at 1.8x against 1.9x in 2022, a marginal movement that confirms the Company's short-term obligations remained well-covered throughout the year. The debt ratio held steady at 0.5x across both periods, indicating no material shift in the proportion of assets financed by total liabilities. The debt-to-equity ratio, however, increased from 0.8x to 0.9x, reflecting higher interest-bearing borrowings taken on to fund the expanded development activity during the year. Overall, 2023 demonstrated the Company's capacity to deliver strong revenue growth, while the margin and leverage movements signal the natural cost of executing at scale, costs that began to normalize in the year that followed.

Financial Position

Assets

Current assets slightly decreased to ₱2.7 billion from ₱2.8 billion at year-end 2022, a reduction of ₱62 million (2%).

Cash and cash equivalents increased significantly to ₱457.5 million from ₱186.3 million, driven by strong cash collections from project turnovers and real estate sales during the year.

Contract assets (current portion) decreased to ₱927.3 million from ₱1.182 billion, reflecting the recognition and handover of completed real estate units, particularly from the Damosa Fairlane and Seawind projects, during the year.

Real estate held for sale decreased slightly to ₱664.1 million from ₱715.6 million, reflecting inventory turnover from project completions and deliveries during the period.

Prepayments and other current assets increased to ₱482.3 million from ₱437.9 million, primarily due to advances to contractors and suppliers for various project requirements and prepaid income taxes.

Noncurrent assets increased by ₱221 million (5%), from ₱4.7 billion to ₱4.9 billion.

Contract assets (non-current portion) increased to ₱290.9 million from ₱186.0 million, or by 56%, reflecting the ongoing development of Bridgeport Park and other projects with turnovers expected beyond one year.

Investment in associate rose to ₱657.1 million from ₱607.4 million, reflecting the Group's share in the improved earnings of Accendo Commercial Corporation during the year.

Liabilities

Total liabilities increased to ₱4.1 billion from ₱3.8 billion as of December 2022, an increase of ₱318 million (8%), driven primarily by higher noncurrent borrowings to fund expanded development activity.

Current liabilities decreased by ₱51 million (3%) from ₱1.5 billion to ₱1.4 billion, mainly due to a significant reduction in bank loans to ₱224.4 million from ₱584.2 million, partially offset by a higher current portion of long-term debt as scheduled maturities approached.

Noncurrent liabilities totaled ₱2.7 billion, up ₱370 million (16%) from ₱2.3 billion, largely due to additional long-term debt drawdowns of ₱351 million to fund ongoing project construction and the expansion of the Group's leasing portfolio.

Item 7. Financial Statements

The audited consolidated financial statements of the Company as of and for the year ended December 31, 2025, together with the notes thereto and the independent auditor's report thereon, are incorporated herein by reference and are included in the accompanying index.

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

The Company's independent external auditor is SyCip Gorres Velayo & Co. (SGV & Co.). There have been no changes in or disagreements with the Company's independent auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures during the reporting period and up to the date of this report.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors, Independent Directors, and Executive Officers

The Company is governed by a Board of Directors which exercises oversight into its business affairs and management. The Board is responsible for setting the Company's strategic direction and ensuring that management acts in the best interest of the Company and its stakeholders. While certain members of the Board are also affiliated with the ANFLO Group of Companies, they serve in their respective capacities as directors of Damosa Land, Inc. and act in the best interests of the Company.

The Board is composed of individuals with relevant experience in corporate management, finance, real estate, and related industries, and includes independent directors who provide objective judgment in Board deliberations.

The following are the members of the Board of Directors of the Company as of the reporting period:

Name	Age	Citizenship	Position	Year First Appointed
Maria Linda F. Lagdameo	78	Filipino	Chairman	2018
Maria Cristina F. Brias	69	Filipino	Director and Corporate Secretary	2018
Ricardo R. Floirendo	63	Filipino	Director	2018
Maria Theresa R. Floirendo	65	Filipino	Director and Treasurer	2020
Vicente R. Floirendo	56	Filipino	Director	2018
Ricardo Luis Mateo F. Lagdameo	47	Filipino	President and Director	2021
Renato T. De Guzman	75	Filipino	Independent Director	2025
Roberto Jose R. Locsin	50	Filipino	Independent Director	2025

Directors' Profile

Maria Linda F. Lagdameo, Chairman

Maria Linda F. Lagdameo, Filipino, is the Chairman of the Company and has served in such capacity since 2018. She has extensive experience in corporate management and business leadership. She is also the Chairwoman of the ANFLO Group of Companies.

Maria Cristina F. Brias, Director and Corporate Secretary

Maria Cristina F. Brias, Filipino, is a Director and Corporate Secretary of the Company and has served since 2018. She has extensive experience in corporate governance and property development. She is also the Managing Director of ANFLO Resort Development Corporation and Don Antonio O. Floirendo, Sr. (AOF) Foundation, Inc., and holds leadership roles within the ANFLO Group.

Ricardo R. Floirendo, Director

Ricardo R. Floirendo, Filipino, is a Director of the Company and has served since 2018. He has experience in corporate management and business operations. He is also the Vice Chairman of the ANFLO Group of Companies and Managing Director of Anflo Management & Investment Corporation.

Maria Theresa R. Floirendo, Director and Treasurer

Maria Theresa R. Floirendo, Filipino, is a Director and Treasurer of the Company and has served since 2020. She has experience in corporate finance and environmental initiatives. She is also involved in sustainability and environmental programs within the ANFLO Group.

Vicente R. Floirendo, Director

Vicente R. Floirendo, Filipino, is a Director of the Company and has served since 2018. He has experience in agribusiness and corporate operations. He is also the President and Chief Executive Officer of the Agricultural Group of the ANFLO Group of Companies.

Ricardo Luis Mateo F. Lagdameo, President and Director

Ricardo Luis Mateo F. Lagdameo, Filipino, is the President and a Director of the Company and has served in such capacity since 2021. He is responsible for the overall management, strategic direction, and operational execution of Damosa Land, Inc., including its residential, commercial, industrial, and hospitality developments.

He is also the President of the Real Estate and Construction Group of the ANFLO Group of Companies and is involved in affiliated entities within the Group.

Renato T. De Guzman, Independent Director

Renato T. De Guzman, Filipino, is an Independent Director of the Company and has served since 2025. He has extensive experience in banking and finance and currently serves as a Director of Maybank Singapore Limited. He has held senior roles in financial institutions and has experience in corporate governance and risk management.

Roberto Jose R. Locsin, Independent Director

Roberto Jose R. Locsin, Filipino, is an Independent Director of the Company and has served since 2025. He has extensive experience in corporate management and operations. He is currently the Chief Administrative Officer/Chief Operating Officer (International) of Manila Water Company, Inc.

Other Directorships of Independent Directors

Name of Independent Director	Reporting Company
Renato T. De Guzman	Maybank Singapore Limited
	Good Samaritan Colleges (Philippines)
	Nueva Ecija Good Samaritan Health Systems, Inc. (Philippines)
	Sundae Promociones
	Pristine Properties Zambales, Inc. (Philippines)
	i4 Talents Manpower Inc. (Philippines)
	i4 Talent Pte, Ltd (Singapore)
Roberto Jose R. Locsin	No other directorship

Executive Officers

The executive officers of the Company are responsible for the day-to-day management and operations of Damosa Land, Inc., and for implementing the strategic direction set by the Board of Directors. These officers are directly engaged by the Company and oversee its various business segments, including residential, commercial, industrial, and tourism developments.

The following are the executive officers of the Company as of the reporting period:

Name	Age	Citizenship	Position
Virgmarie O. Bacalso	42	Filipino	Senior Assistant Vice President for Finance & Administration
Marguerita Carmina P. Bibat	44	Filipino	Senior Assistant Vice President for Township & Tourism
Danilo A. Manlangit	50	Filipino	Assistant Vice President for Residential Operations
Lora V. Porras	40	Filipino	Assistant Vice President for Commercial & Industrial Operations

Executive Officers' Profiles

Virgmarie O. Bacalso, Senior Assistant Vice President for Finance & Administration

Virgmarie O. Bacalso, Filipino, is the Senior Assistant Vice President for Finance & Administration of the Company. She oversees the Company's financial management and administrative functions and has extensive experience in accounting and finance. She holds a Bachelor of Science in Accountancy.

Marguerita Carmina P. Bibat, Senior Assistant Vice President for Township & Tourism

Marguerita Carmina P. Bibat, Filipino, is the Senior Assistant Vice President for Township & Tourism of the Company. She oversees township and tourism-related developments of the Company. She holds a Bachelor of Science degree in Hotel and Restaurant Administration.

Danilo A. Manlangit, Assistant Vice President for Residential Operations

Danilo A. Manlangit, Filipino, is the Assistant Vice President for Residential Operations of the Company. He is responsible for overseeing residential project operations and development activities. He holds a Bachelor of Science in Marketing and a Master of Business Administration.

Lora V. Porras, Assistant Vice President for Commercial & Industrial Operations

Lora V. Porras, Filipino, is the Assistant Vice President for Commercial & Industrial Operations of the Company. She oversees the Company's commercial and industrial operations and has experience in real estate operations and management. She holds a Bachelor of Science in Accountancy and is a member of the Urban Land Institute.

Significant Employees

The Company does not have employees, other than its executive officers, who are expected to make a material or significant contribution to its business that would require separate disclosure under this section. The Company recognizes the contributions of its employees in supporting its operations and development activities.

Family Relationships

As of the reporting period, the Company has certain family relationships among its directors and executive officers within the Anflo Group of Companies:

- Maria Linda F. Lagdameo is the mother of Ricardo Luis Mateo F. Lagdameo.
- Maria Linda F. Lagdameo, Maria Cristina F. Brias, Ricardo R. Floirendo, Maria Theresa R. Floirendo, and Vicente R. Floirendo are siblings.

All appointments are based on qualifications, experience, and professional merit, in accordance with the Company's corporate governance framework.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, none of the directors and executive officers have been involved during the past five (5) years in any legal proceedings required to be disclosed under applicable SEC regulations.

Item 10. Executive Compensation

The following is the table of compensation paid to the President and four other executive personnel of the Company:

SUMMARY COMPENSATION TABLE			
Position	Salary (2025)	Bonus (2025)	Other Annual Compensation
President and other executive personnel	₱29,893,486	₱5,350.031	₱9,028,873

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table shows the security ownership of directors in the common shares of the Company as of December 31, 2025.

Name	Amount and Nature of Beneficial Ownership		Citizenship	No. of Common Shares	% Ownership
	Direct	Indirect			
Maria Cristina F. Brias	₱22,231,000	-	Filipino	222,310	2.97%
Maria Linda F. Lagdameo	₱300	-	Filipino	3	0.00%
Ricardo R. Floirendo	₱22,231,000	-	Filipino	222,310	2.97%
Vicente R. Floirendo	₱22,231,000	-	Filipino	222,310	2.97%
Ricardo Luis Mateo F. Lagdameo	₱100	-	Filipino	1	0.00%
Renato T. De Guzman	₱100	-	Filipino	1	0.00%
Roberto Jose R. Locsin	₱100	-	Filipino	1	0.00%

Item 12. Certain Relationships and Related Transactions

The Company is an affiliate of the ANFLO Group of Companies. Its parent company, Anflo Management & Investment Corporation (ANFLOCOR), is a privately held holding company engaged in various businesses in Mindanao, including agribusiness, logistics, real estate, infrastructure, and hospitality. In the ordinary course of business, the Company enters into transactions with related parties within the ANFLO Group.

These related party transactions include, among others, lease of office space, service arrangements, utilities, and other operating support services. All transactions with related parties are conducted on an arm's length basis and under terms and conditions comparable to those available from unrelated third parties.

The Company has established internal policies and procedures to ensure that related party transactions are reviewed and approved in accordance with its corporate governance framework. Such transactions are subject to appropriate levels of review and approval by management and, where applicable, the Board of Directors or the appropriate Board committee.

Details of the Company's related party transactions, including the nature and amounts of such transactions, are disclosed in Item 1 of this report and in the notes to the Company's audited financial statements included herein.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

- The Board has adopted corporate governance practices guided by its Corporate Governance Manual (<https://tinyurl.com/DLICorporateGovernanceManual>), which is consistent with the Revised Corporation Code and Securities and Exchange Commission Memorandum Circular no. 24, series of 2019 of the Code of Corporate Governance for Public Companies and Registered Issuers.
- To establish a strong foundation of corporate governance, the Board has set the Company's vision, mission and core values and adopted key corporate policies of its parent company, Anflo Management and Investment Corporation (ANFLOCOR), including those on Employee Health, Safety, and Welfare, Related Party Transactions, Conflict of Interest, Whistle-Blowing, and the Code of Ethics and Business Conduct, as part of a company-wide alignment of employee welfare standards. This adoption ensures alignment with ANFLOCOR's standards of governance, ethics, and employee care across all DLI operations. (<https://tinyurl.com/DLISKeyPolicies>)
- The Board also established a well-defined Risk Management framework (<https://tinyurl.com/DLIRiskManagement>) to systematically identify, evaluate and manage threats effectively – such as financial, operational and reputational risks – while enabling informed decision making. By functioning independently of Management, the Internal Audit Department provides an objective assurance and gives the Board greater confidence that risk management processes are working effectively and that major risks are being managed appropriately.
- The Company is continuously taking further steps to strengthen its commitment and adherence to sound corporate governance principles and practices.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

Material Contracts

The Company has entered into certain material contracts in connection with its condotel participation offering under the SEC RENT framework, including agreements governing investor participation, hotel branding, and project operations for the TRYP by Wyndham Samal project. These contracts were previously submitted to and reviewed by the Securities and Exchange Commission in connection with the Company's SEC RENT application approved on November 7, 2025. Accordingly, such contracts are not attached as exhibits to this report.

Management Contracts

The Company has no material management contracts other than those entered into in the ordinary course of business.

(b) Reports on SEC Form 17-C

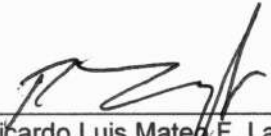
During the last six (6) months of the period covered by this report, the Company was only subject to the reportorial requirements under the SEC RENT framework upon the approval of its offering on **November 7, 2025**. Accordingly, the Company filed reports on SEC Form 17-C covering the months of **November 2025 and December 2025**, including the report for December 2025 which was filed in January 2026.

These reports were submitted in compliance with the SEC RENT requirement to provide monthly disclosures on the number of securities sold during the month and the cumulative amount raised since the commencement of the offer. No sales of the Company's Condotel Participation were recorded during these periods.

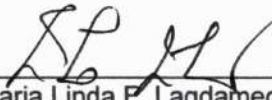
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in DAVAO CITY on APR 08 2026

By:



 Ricardo Luis Mateo F. Lagdameo
 President



 Maria Linda F. Lagdameo
 Chairman of the Board



 Maria Cristina F. Brias
 Corporate Secretary




 Virgmarie O. Bacalso
 Senior Assistant Vice President for Finance & Admin

SUBSCRIBED AND SWORN to before me this APR 08 2026 affiant(s) exhibiting to me his/her _____, as follows:

Name	Type of Identification	I.D. Number	Date/Place of Issue
RICARDO LUIS MATEO F. LAGDAMEO	DRIVER'S LICENSE	N03-94-170958	2023/ PHILIPPINES
MARIA LINDA F. LAGDAMEO	TIN	100-596-209	PHILIPPINES
MARIA CRISTINA F. BRIAS	TIN	100-596-065	PHILIPPINES
VIRGMARIE O. BACALSO	TIN	944-392-511	PHILIPPINES

Doc. No. 120
 Page No. 25
 Book No. 43
 Series of 1006

**DOCUMENTARY STAMP TAX
 PAID**
1311678 APR 08 2026
 Serial No. _____ Date _____


NOTARY PUBLIC
NICOLAS A. BAJGA
 Notary Public for Davao City
 Commission No. 2026-192-2027
 Valid until December 31, 2027
 Roll of Attorneys No. 51915
 IBP Lifetime Membership No. 011469 • 01/16/2013
 PTR No. 2208548D • 12/23/2025 • Davao City
 Office Address: 16th Floor Damosa Diamond Tower,
 Brgy. Alfonso Anglongto Sr., Davao City
 MCLE Compliance No. VIII-0027973

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS (CONSOLIDATED FINANCIAL STATEMENTS)

The management of **Damosa Land, Inc.** (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024, and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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 Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


MARIA LINDA F. LAGDAMEO
Chairman of the Board


RICARDO LUIS MATEO F. LAGDAMEO
President and Chief Executive Officer


ALFREDO E. SAMSON
Chief Financial Officer

Signed this APR 08 2026 day of 2026.

SUBSCRIBED and sworn to before me, in the City of Davao, this day of APR 08 2026, 2026 by APR 08 2026 with Residence Certificate No. _____ issued at _____, of _____, 2026.

Doc. No. 125
Page No. 76
Book No. 43
Series of 2026

**DOCUMENTARY STAMP TAX
PAID**
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Serial No. Date


NICOLAS A. BAÑGA
Notary Public for Davao City
Commission No. 2026-192-2027
Valid until December 31, 2027
Roll of Attorneys No. 51915

IBP Lifetime Membership No. 011469 • 01/16/2013
PTR No. 2208548D • 12/23/2025 • Davao City
Office Address: 6316212340539 Damosa Diamond Tower,
Brgy. Alfonso Angliongto Sr., Davao City
MCLE Compliance No. VIII-0027973

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3	5	7	1								
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COMPANY NAME

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R	I	E	S																											

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

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Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Group's Email Address

corporateaffairs@anflocor.com

Group's Telephone Number

(082) 235-2155

Mobile Number

0917 851 5809

No. of Stockholders

11

Annual Meeting (Month / Day)

Any day of May

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Mr. Ricardo F. Lagdameo

Email Address

rflagdameo@anflocor.com

Telephone Number/s

(082) 235-2157

Mobile Number

–

CONTACT PERSON'S ADDRESS

42 AGUSAN CIRCLE, INSULAR VILLAGE, LANANG, DAVAO CITY

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

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



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Damosa Land, Inc. and Subsidiaries
Unit 1501, Damosa Diamond Tower, Damosa IT Park
J. Laurel Ave., Brgy. Angliongto, Davao City

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this 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 it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of these 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 PSAs 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 PSAs, 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 activities 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.

SYCIP GORRES VELAYO & CO.



Dexter Allan Noel N. Madamba

Partner

CPA Certificate No. 129516

Tax Identification No. 284-214-093

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 129516-SEC (Group A)

Valid to cover audit of 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-150-2023, December 22, 2023, valid until December 21, 2026

PTR No. 10765074, January 2, 2026, Makati City

April 8, 2026





SyCip Gorres Velayo & Co.
Level 3, Damosa Diamond Tower
J.P. Laurel Avenue, Damosa IT Park
Alfonso Angliongto Sr., Lanang
8000 Davao City, Davao Del Sur
Philippines

Tel: (082) 282 8447 to 51
Fax: (082) 282 8438
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Damosa Land, Inc.
Unit 1501, Damosa Diamond Tower, Damosa I.T. Park
J.P. Laurel Ave., Brgy. Angliongto, Davao City

We have audited the accompanying financial statements of Damosa Land, Inc. (the Company) as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 8, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has nine (9) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Dexter Allan Noel N. Madamba

Partner

CPA Certificate No. 129516

Tax Identification No. 284-214-093

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 129516-SEC (Group A)

Valid to cover audit of 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-150-2023, December 22, 2023, valid until December 21, 2026

PTR No. 10765074, January 2, 2026, Makati City

April 8, 2026

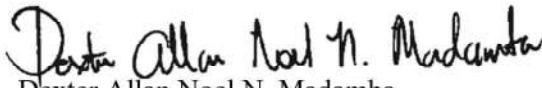


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Damosa Land, Inc. and Subsidiaries
Unit 1501, Damosa Diamond Tower, Damosa I.T. Park
J.P. Laurel Ave., Brgy. Angliongto, Davao City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Damosa Land, Inc. and Subsidiaries (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 April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Dexter Allan Noel N. Madamba

Partner

CPA Certificate No. 129516

Tax Identification No. 284-214-093

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 129516-SEC (Group A)

Valid to cover audit of 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-150-2023, December 22, 2023, valid until December 21, 2026

PTR No. 10765074, January 2, 2026, Makati City

April 8, 2026





Shape the future
with confidence

SyCip Gorres Velayo & Co.
Level 3, Damosa Diamond Tower
J.P. Laurel Avenue, Damosa IT Park
Alfonso Angliongto Sr., Lanang
8000 Davao City, Davao Del Sur
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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Damosa Land, Inc. and Subsidiaries
Unit 1501, Damosa Diamond Tower, Damosa I.T. Park
J.P. Laurel Ave., Brgy. Angliongto, Davao City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Damosa Land, Inc. and Subsidiaries (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 on dated April 8, 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 Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's basic 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.

SYCIP GORRES VELAYO & CO.

Dexter Allan Noel N. Madamba

Partner

CPA Certificate No. 129516

Tax Identification No. 284-214-093

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 129516-SEC (Group A)

Valid to cover audit of 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-150-2023, December 22, 2023, valid until December 21, 2026

PTR No. 10765074, January 2, 2026, Makati City

April 8, 2026



DAMOSALAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P353,406	P321,987
Trade and other receivables (Note 5)	268,777	181,161
Current portion of contract assets (Note 6)	829,126	896,276
Real estate held for sale (Note 7)	1,081,030	1,011,943
Prepayments and other current assets (Note 8)	588,067	584,093
	3,120,406	2,995,460
Noncurrent Assets		
Contract assets - net of current portion (Note 6)	728,837	372,620
Investment in associate (Note 9)	938,566	712,251
Investment properties (Note 10)	3,019,948	3,099,471
Property and equipment (Note 11)	467,559	409,892
Right-of-use assets (Note 18)	52,955	62,187
Deferred income tax assets - net (Note 24)	2,579	4,377
Other noncurrent assets (Notes 5, 8 and 28)	63,007	64,511
	5,273,451	4,725,309
TOTAL ASSETS	P8,393,857	P7,720,769
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 12)	P674,501	P631,386
Contract liabilities (Note 6)	217,566	121,785
Bank loans (Note 13)	645,000	399,538
Current portion of long-term debt (Note 14)	689,690	657,541
Current portion of lease liabilities (Note 18)	19,979	18,608
	2,246,736	1,828,858
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 14)	1,661,225	1,752,775
Lease liabilities - net of current portion (Note 18)	35,566	44,753
Pension liabilities (Note 23)	31,461	22,523
Deferred tax liabilities - net (Note 24)	98,815	110,408
Noncurrent portion of trade payables (Note 12)	16,056	20,111
Refundable deposits (Note 15)	84,545	66,279
	1,927,668	2,016,849
Equity		
Capital stock (Note 17)		
Common shares	750,000	750,000
Preferred shares	1,618,487	1,568,487
Additional paid-in capital (Note 17)	207,905	207,905
Other comprehensive income	41,068	3,012
Retained earnings (Note 17)	1,601,993	1,345,658
	4,219,453	3,875,062
TOTAL LIABILITIES AND EQUITY	P8,393,857	P7,720,769

See accompanying Notes to Consolidated Financial Statements.

DAMOSALAND, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
REVENUE (Note 19)	₱1,835,880	₱1,643,564	₱1,609,698
COSTS AND EXPENSES			
Direct costs and expenses (Note 20)			
Real estate sales	815,834	741,530	714,969
Rental (Note 10)	337,738	284,355	241,920
Hotel operations	77,881	71,390	65,643
General and administrative expenses (Note 21)	344,004	295,465	309,601
Interest and other financing charges (Notes 12, 13, 14 and 18)	255,298	209,742	146,646
	1,830,755	1,602,482	1,478,779
OPERATING PROFIT	5,125	41,082	130,919
OTHER INCOME			
Equity in net earnings of associate (Note 9)	197,436	62,981	49,814
Interest (Notes 4 and 5)	334	299	4,081
Miscellaneous - net (Note 19)	62,726	21,162	11,900
	260,496	84,442	65,795
INCOME BEFORE INCOME TAX	265,621	125,524	196,714
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	17,828	11,839	55,223
Deferred	(8,542)	(20,662)	(1,518)
	9,286	(8,823)	53,705
NET INCOME	256,335	134,347	143,009
Basic/diluted earnings per share (Note 26)	₱34.18	₱17.91	₱19.07
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Equity in other comprehensive income (loss) of associates	41,941	133	(62)
Re-measurement gain (loss) on pension liability, net of tax effect (Note 23)	(3,885)	1,258	(2,341)
	38,056	1,391	(2,403)
TOTAL COMPREHENSIVE INCOME	₱294,391	₱135,738	₱140,606

See accompanying Notes to Consolidated Financial Statements.



DAMOSIA LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(Amounts in Thousands)

	Capital Stock (Note 17)			Additional Paid-in Capital (Note 17)	Other Comprehensive Income	Retained Earnings (Note 17)	Total
	Common Class A	Preferred Shares	Total				
At January 1, 2025	P750,000	P1,568,487	P2,318,487	P207,905	P3,012	P1,345,658	P3,875,062
Issuance of shares (Note 17)	–	50,000	50,000	–	–	–	50,000
Net income	–	–	–	–	–	256,335	256,335
Equity in other comprehensive income of associate	–	–	–	–	41,941	–	41,941
Re-measurement loss on pension liability, net of tax effect	–	–	–	–	(3,885)	–	(3,885)
At December 31, 2025	P750,000	P1,618,487	P2,368,487	P207,905	P41,068	P1,601,993	P4,219,453
At January 1, 2024	P750,000	P1,176,687	P1,926,687	P207,905	P1,621	P1,241,311	P3,377,524
Issuance of shares (Note 17)	–	391,800	391,800	–	–	–	391,800
Dividend declared (Note 17)	–	–	–	–	–	(30,000)	(30,000)
Net income	–	–	–	–	–	134,347	134,347
Equity in other comprehensive income of associate	–	–	–	–	133	–	133
Re-measurement gain on pension liability, net of tax effect	–	–	–	–	1,258	–	1,258
At December 31, 2024	P750,000	P1,568,487	P2,318,487	P207,905	P3,012	P1,345,658	P3,875,062
At January 1, 2023	P750,000	P1,176,687	P1,926,687	P207,905	P4,024	P1,496,267	P3,634,883
Dividends declared (Note 17)	–	–	–	–	–	(300,000)	(300,000)
Net income	–	–	–	–	–	143,009	143,009
Equity in other comprehensive loss of associate	–	–	–	–	(62)	–	(62)
Re-measurement loss on pension liability, net of tax effect	–	–	–	–	(2,341)	–	(2,341)
At December 31, 2023	P750,000	P1,176,687	P1,926,687	P207,905	P1,621	P1,339,276	P3,475,489

See accompanying Notes to Consolidated Financial Statements.



DAMOSALAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P265,621	P125,524	P196,714
Adjustments for:			
Interest and other financing charges (Notes 13 and 14)	255,298	209,742	146,646
Equity in net earnings of associate (Note 9)	(197,436)	(62,981)	(49,814)
Depreciation and amortization (Notes 10, 11, 18, 20, 21 and 29)	166,043	147,374	136,661
Gain on disposal of investment property and property and equipment	(39,588)	(8,452)	(400)
Gain on cancellation of real estate contracts	(8,470)	(2,532)	(2,112)
Net change in pension liability (Notes 22 and 23)	3,758	141	3,008
Interest income (Notes 4 and 5)	(334)	(299)	(4,081)
Unrealized foreign exchange loss (gain)	(10)	(50)	134
Operating income before working capital changes	444,882	408,467	426,756
Decrease (increase) in:			
Contract assets	(289,067)	(50,691)	149,935
Trade and other receivables	(87,616)	(7,448)	86,520
Real estate held for sale	(69,087)	111,003	229,054
Prepayments and other current assets	(20,475)	(112,846)	(98,825)
Other noncurrent assets	1,773	(194)	-
Increase (decrease) in:			
Contract liabilities	104,251	52,038	13,608
Trade and other payables	43,703	65,164	(7,019)
Refundable deposits	18,266	783	5,111
Net cash generated from operations	146,630	466,276	805,140
Interest received	334	299	4,081
Income tax paid	(308)	(873)	(561)
Net cash flows from operating activities	146,656	465,702	808,660
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Note 11)	(101,815)	(134,287)	(84,162)
Investment properties (Note 10)	(31,798)	(272,158)	(217,769)
Right-of-use assets (Note 18)	-	(801)	(1,927)
Proceeds from disposal of investment property and property and equipment	53,211	78,535	400
Dividends received	13,062	-	-
Payment of nontrade payable	(6,670)	(6,670)	(6,670)
Decrease (increase) in other noncurrent assets	(5,252)	(10,052)	(4,635)
Net cash flows used in investing activities	(79,262)	(345,433)	(314,763)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Bank loans (Note 13)	1,645,000	249,445	100,000
Long-term debt (Note 14)	600,000	-	870,000
Payments of:			
Bank loans (Note 13)	(1,399,538)	(74,307)	(459,840)
Long-term debt (Note 14)	(659,401)	(509,367)	(293,717)
Interest and other financing charges	(250,769)	(206,507)	(188,004)
Proceeds from stock issuance	50,000	391,800	-
Payments of lease liability (Note 18)	(17,800)	(13,252)	(9,042)
Interest paid on lease liabilities (Note 18)	(3,477)	(3,100)	(2,524)
Dividends paid (Note 17)	-	(90,496)	(239,504)
Net cash flows used in financing activities	(35,985)	(255,784)	(222,631)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	10	50	(134)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,419	(135,465)	271,132
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	321,987	457,452	186,320
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P353,406	P321,987	P457,452

See accompanying Notes to Consolidated Financial Statements.



DAMOSALAND, INC. AND SUBSIDIARIES

NOTES CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Par Values and Number of Shares and Unless Otherwise Indicated)

1. Corporate Information

Damosa Land, Inc. (the Parent Company/DAMOSALAND) was incorporated in the Philippines and is engaged in leasing and renting out buildings, condominium units, commercial spaces and Information Technology (IT) Park. The Parent Company is also engaged in operating a hotel (Microtel) under a franchise agreement (see Note 28) and in developing and selling subdivision house and lots and condominium units (see Note 7). The registered office address of the Parent Company is Unit 1501, Damosa Diamond Tower, Damosa I.T. Park, JP Laurel Ave., Brgy. Anglionto, Davao City.

The Parent Company and its subsidiaries (collectively referred to as the “Group”) is primarily engaged in leasing and renting out buildings, condominium units, office and commercial spaces and Information Technology (IT Park), real estate development, and hotel operations.

On February 5, 2007, the Parent Company’s IT Park located in Davao City, Davao del Sur was registered with the Philippine Economic Zone Authority (PEZA) and as such, the Parent Company is entitled to a special income tax rate of 5% on gross income derived from its registered activity.

As a registered enterprise, the Parent Company is entitled to certain tax and non-tax incentives, subject to compliance with certain terms and conditions. Total provision for income tax for PEZA-registered operations, based on the special rate of 5%, amounted to ₱0.9 million in 2025 and ₱1.5 million each year in 2024 and 2023 (see Note 24).

In 2012, the Parent Company started subdividing and selling house and lots for its Fairlane subdivision project.

In 2015, the Parent Company launched three out of six towers of its Seawind condominium project. The remaining three towers were launched in 2016. Selling of the remaining condominium units are still on-going as of December 31, 2025.

In 2019, the Parent Company started pre-selling house and lots for its Ameria subdivision project, the residential component of the Parent Company’s township development. Construction and selling of house and lots are still on-going as of December 31, 2025.

In 2022, the Parent Company launched two out of four towers of its Bridgeport condominium project. The remaining two towers were launched in 2023. In 2022, the Parent Company also started pre-selling lots for its Harborview project. Construction and selling of the condominium and lots are still on-going as of December 31, 2025.

In 2024, the Parent Company started pre-selling lots for its Kahi Estates project. Development and selling of the lots are still on-going as of December 31, 2025.

In 2024, the Parent Company started pre-selling house and lots for its Agriya Gardens subdivision project, another residential component of the Parent Company’s township development. Construction and selling of house and lots are still on-going as of December 31, 2025.

In 2025, the Company obtained approval from the Securities and Exchange Commission (SEC) for a rental pool program under the Securing and Expanding Capital in Real Estate Non-Traditional



Securities (SEC RENT) Framework. The Company now has secondary license to offer 100 Certificates of Participation to the public.

The Parent Company is a subsidiary of Anflo Management & Investment Corporation (ANFLOCOR/the Ultimate Parent), a company incorporated in the Philippines.

The consolidated financial statements were authorized for issue by the Board of Directors (BOD) on April 8, 2026.

2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis. The consolidated financial statements are presented in Philippine peso, the Group's functional currency. All values are rounded to the nearest thousands except par value, number of shares, and as otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as adopted by the Financial and Sustainability Reporting Standards Council (FSRSC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31 of each year. Subsidiaries are entities controlled by the Parent Company.

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:

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

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:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and,
- 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.



Profit and loss and each component of other comprehensive income are attributed to the equity holders of the Parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All material intra-group assets, liabilities, equity, income, expenses, cash flows relating to transactions between members of the Group are eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as of December 31, 2025 and 2024:

Entity	Principal Activities	Ownership Interest
Damosa Workspace Solutions Inc.	Real estate	100%
Agriya, Inc.*	Real estate	92%
Marapangi Realty Development, Inc.*	Real estate	92%
Marapangi Property Holdings Corporation*	Real estate	92%
IGACOS Property Development, Inc.*	Real estate	92%
Marapangi Development Corporation*	Real estate	92%
Marapangi Prime Estate Corp.*	Real estate	92%
Marapangi Estate and Development, Inc.*	Real estate	92%
Pantukan Property Holdings, Inc.*	Real estate	91%
Pantukan Estate and Development, Inc.*	Real estate	91%
Pantukan Realty Development Corporation*	Real estate	91%
IGACOS Property Management Corporation*	Real estate	92%
IGACOS Prime Estate Corporation*	Real estate	92%
Marapangi Realty Management Corporation*	Real estate	92%

*No commercial operations as of December 31, 2025.

All of the Parent Company's subsidiaries are incorporated and registered with the SEC and operate in the Philippines.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2025. Adoption of these pronouncements did not have any significant impact on the consolidated financial position or performance of the Group, unless otherwise indicated.

- Amendments to PAS 21, *Lack of exchangeability*
The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on the consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective:

Effective Beginning On or After January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*



- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective Beginning On or After January 1, 2027

- Amendments to PFRS 7, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred Effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Current and Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current and noncurrent classification.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Fair Value Measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Details as to how fair value of assets and liabilities are measured are provided in Note 27.

Financial Instruments: Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs. Trade receivables are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue recognition.



The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Contractual Cash Flows Characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding. In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

Business Model

The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument. The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial Assets at Amortized Cost

The Group's debt financial assets consist of cash and cash equivalents and trade and other receivables. The Group assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Group concluded these debt financial assets to be measured at amortized cost.

Financial Instruments: Financial Liabilities

Initial Recognition and Measurement

The Group's financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Subsequent Measurement - Financial Liabilities at Amortized Cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.



The Group's financial liabilities at amortized cost include trade and other payables (excluding unearned rent revenue, deferred credits, statutory payables, and income tax payable), bank loans, long-term debt and refundable deposits.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when, and only when:

- the rights to receive cash flows from the asset expires;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or,
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities, the Group treats the transaction as a transfer of a financial asset if the Group:

- has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and,
- has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and it retains control over the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Group could be required to repay (the guarantee amount). When the Group's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

When the Group's continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the Group's continuing involvement is measured in the same way as that which results from non-cash settled options.

Financial Liabilities

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such



an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments

Financial instruments are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a legally enforceable right to offset and intention to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Real Estate Held For Sale

Real estate inventories consist of house and lots and condominium units. These are carried at the lower of cost or net realizable value (NRV). NRV is estimated selling price in the ordinary course of business less cost of completion and estimated cost necessary to make the sale.

Cost includes:

- Land cost
- Amounts paid to contractors for construction

Real estate inventories are carried at cost as of December 31, 2025 and 2024.

Advances to Suppliers

Advances to suppliers are carried at cost less any impairment in value. The current portion of advances to suppliers is presented as part of “Prepayments and other current assets”, while the noncurrent portion is presented as part of “Other noncurrent assets”.

Investment in Associate

The Group’s investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group’s share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group’s other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group’s share of profit or loss of an associate is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between



the recoverable amount of the associate or joint venture and its carrying value and recognizes the loss in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Investment Properties

Investment properties consist of land and the improvements thereon, and buildings and the improvements thereon, which are held for rental or capital appreciation. Investment properties also consist of buildings under construction which are to be held for rental or capital appreciation upon completion. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property, except for land and construction-in-progress, are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Category</u>	<u>Number of Years</u>
Land improvements	5–20
Buildings and improvements	5–30

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of investment property.

Construction in progress is stated at cost. This includes cost of construction, equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and become available for operational use.

The Group transfers a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. Since the Group uses the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment in value.



Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Category</u>	<u>Number of Years</u>
Land improvements	5–20
Buildings and improvements	5–30
Leasehold improvements	5–10
Transportation equipment	5
Office furniture and equipment	5–10
Computer equipment	5–10

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Intangible Assets

Franchise, presented as part of “Other noncurrent assets”, is stated initially at cost. After initial recognition, franchise is valued at cost less accumulated amortization and any impairment in value. Costs incurred to acquire the license to operate Phinma Microtel Hotels Inc. (formerly Microtel Inns and Suites Pilipinas, Inc.) are amortized over 20 years which is equivalent to the license period granted to the Group.

Deferred Credits

Deferred credits, presented as part of “Trade and other payables”, pertain to payments from real estate buyers to cover various processing fees in relation to the sale of real estate inventories including, but not limited to, fees related to transfer of title and water and electricity connection fees. Deferred credits are applied against payments of the Group for the various aforementioned processing fees on behalf of the buyers. Excess of payments made over deferred credits shall be billed to the buyer. Excess deferred credits over payments made shall be recognized as income in the consolidated statement of comprehensive income upon full project close out.

Refundable Deposits

Refundable deposits pertain to security deposits given by the Group’s tenants at the start of the lease term. These will either be applied against damages caused or done to the leased property or refunded to tenants upon termination of the contract.

Revenue Recognition

Revenue is recognized when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. The Group has generally concluded that it is the principal in its revenue arrangements (unless otherwise indicated) because it typically controls the services before transferring them to the customers.

- Sale of real estate

The Group derives its real estate revenue from selling and developing house and lots, condominium units and industrial lots. The Group enters into contract with customers to sell property that are either completed or under development.

For sale of completed real estate inventories, the transaction constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control



transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied. Payments are received when legal title transfers.

For sale of real estate inventories under development, revenue is recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, 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. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The Group also considers the buyer's commitment to continue the sale which may be ascertained through the significance of the buyer's initial payments and the stage of completion of the project.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is assessed by considering factors such as history with the buyer, and age and pricing of the property. Also, management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component. The Group determines whether a contract contains a significant financing component using portfolio approach by considering (a) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (b) the effect of the expected length of time between when the entity transfers the promised goods or services and the prevailing EIR. The Group applied practical expedient by not adjusting the effect of financing component if the period when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

In measuring the progress of its performance obligation over time, the Group uses both output and input method. For its Seawind and Fairlane projects, the Group uses the output method and recognizes revenue on the basis of 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. For its Ameria, Harborview, Bridgeport, Kahi, and Agriya Gardens projects, the Group uses the input method and recognizes revenue on the basis of actual costs incurred to date relative to the total expected costs to complete the service. Progress is measured in accordance to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Input method excludes the effects of any inputs that do not depict the entity's performance in transferring control of goods or services to the customer.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as trade receivables, is included in the "Contract assets" account in the consolidated statement of financial position. Contract assets for units that are expected to be turned over to the buyer within one year are presented as part of current assets. Those that are expected to be turned over beyond one year are presented as part of noncurrent assets.



Any excess of collections over the total of recognized trade receivables and contract assets is included in the “contract liabilities” account in the consolidated statement of financial position.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Sales Cancellations

The Group currently adopts Approach 3 in accounting for its sales cancellations as discussed in PIC Q&A 2018-14 (as amended by PIC Q&A 2020-05). The cancellation is accounted for as modification of the contract - from noncancellable to being cancellable. In applying the provisions of modification of contract, the Group will have to reverse the previously recognized revenues and related costs recognized. The difference between the revenue and costs reversed after considering payments to buyers required under the Maceda Law and the write off of any unamortized portion of costs of obtaining a contract is recorded as part of “Miscellaneous - net” in the statements of comprehensive income.

- Rental

The Group entered into lease agreements for its commercial, industrial and office spaces with the following identified performance obligations: (a) lease of space, (b) office revenue, (c) non-office revenue, (d) provision of common usage area (CUSA) services.

- Lease of Space

Revenue from lease of space is accounted for on a straight-line basis over the lease term. Rental fees collected in advance, which are applicable to succeeding months are presented as part of “Unearned rental income” under “Trade and other payables” in the Group’s consolidated statement of financial position.

- Office Revenue

Office revenue pertains to revenue earned from providing fully furnished, staffed and equipped instant office spaces to its customers. These services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. Hence, the Group recognizes office revenue over time and applies the time elapsed method to measure progress.

- Non-office Revenue

Non-office revenue, which pertains to revenue earned from providing video conferencing, information technology, telephone communications services to its customers and other incidental revenues, is recognized at a point in time when services have been rendered.

- CUSA Services

The Group has assessed that it is a principal in the revenue arrangement related to CUSA services. The Group has the ability to direct the use of and obtain substantially all the remaining benefits from the services being delivered to the tenants. The entity can direct the maintenance, security and cleaning and administrative services. These services represent a series of daily services and therefore revenue from CUSA charges is recognized over time.

- Hotel Operations

Revenue from room accommodation services are recognized over time since the guests simultaneously receive and consume the services provided by the Group. The Group elects



the practical expedient to recognize revenue based on amounts invoiced to the customers, since the Group has a right to consideration from the customers in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

Revenue from food and beverage and other operated department are recognized at a point in time when the events take place.

- Other Revenue

Other revenue, which is incidental to the Group's real estate, leasing, and hotel operations, includes revenue from ticket fees and goods of various events, property management, forfeited deposits and rentals from parking space and event area. Rentals and fees from property management are recognized over time since the customers simultaneously receive and consume the services provided by the Group. All other revenue are recognized at a point in time when the events take place.

- Interest

Revenue is recognized as the interest accrues, taking into account the effective yield of the asset.

- Miscellaneous Income

Miscellaneous income are those income that do not qualify as other revenue. Miscellaneous income, which mainly includes processing fees earned from real estate buyers, is earned when the services are rendered.

Contract Balances

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Hence, any excess of progress of work over the right to an amount of consideration that is unconditional, recognized under trade receivables, is included in the "Contract asset" account in the consolidated statement of the financial position. Contract assets are subject to impairment assessment on the same basis as financial assets that are within the scope of PFRS 9.

The Group has contract assets and has outstanding performance obligations as at December 31, 2025 and 2024.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.



The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

The Group has contract liabilities as at December 31, 2025 and 2024.

Costs to Obtain Contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Accordingly, when the percentage of completion method is used, commissions are likewise charged to expense in the period the related revenue is recognized. Commission expense is included in the “Direct cost and expenses of real estate sales” account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, Derecognition and Impairment of Capitalized Costs to Obtain a Contract

The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within cost of sales.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. These are recognized in profit or loss in the period these are incurred.

Cost Recognition for the Sale of Real Estate

The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

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, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Income Tax

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the reporting date.



Deferred Tax

Deferred tax is provided using the liability method on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Value-Added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of "Trade and other payables" in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as part of "Prepayments and other current assets" in the consolidated statement of financial position to the extent of the recoverable amount.

Operating Lease

Group as a Lessor

Leases where the Group does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and amortized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned. Operating lease receipts are recognized as an income in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leased, 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.

Right-of-use Assets

The Group recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease



liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease Liabilities

At 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 depends on an index or 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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 its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. 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 or an option to purchase the underlying asset.

Borrowing Costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period. All other borrowing costs are expensed in the period they occur.

Interest are capitalized on the purchase cost of a site of property acquired specifically for sale but only to the extent where activities necessary to prepare the asset for selling are in progress prior to any pre-selling activities.



Retirement Costs

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

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 expense in profit or loss. 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 expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Re-measurements are not reclassified to profit or loss in subsequent periods.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the consolidated net income for the year by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period. Diluted EPS is computed by dividing the net income for the year by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

Operating Segment

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different services and serves different markets. Financial information on operating segments is presented in Note 25 to the consolidated financial statements.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS Accounting Standards requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments, estimates and 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. 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:

- Operating Lease

The Group has entered into lease agreements as a lessee and as a lessor. As a lessee, the Group has determined that the lessor retains all significant risks and rewards of ownership of the properties which are leased out on operating lease. The Group, as a lessor, has also determined that it retains all significant risks and rewards of ownership of the property which are leased out to the lessee on operating lease.

- Uncertainty over Income Tax Treatments

The Group has assessed whether it has any uncertain tax position and applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, in consultation with its tax counsel, that it is probable that its income tax treatments will be accepted by the taxation authorities.

- Collectability of the Sales Price

In determining whether the sales prices are collectible, the Group considers that initial and continuing investments by the buyer would demonstrate the buyer's commitment to pay.

- Existence of a Contract

For real estate sales, the Group's primary document for a contract with a customer is a signed contract to sell.

- Significant Influence on Associate with Ownership Interest of Less Than 20% of Issued Shares

Accendo Commercial Corporation, an entity incorporated in the Philippines to engage in real estate activities, is considered an associate of the Parent Company because it has, together with ANFLOCOR (ultimate parent) and Pioneer Trading & Supply Company, Inc. (an entity under common control), representation in the board of directors of the investee, giving it the significant influence in Accendo's financial and operating policies.

- Classification of Properties

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



The Group determines whether a property is classified as investment property or real estate held for sale as follows:

- Investment property comprises land and buildings (principally offices, commercial and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Real estate held for sale comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.
- Identifying Performance Obligations

The Group identifies performance obligations by considering whether the promised services in the contract are distinct services. A service is distinct when the customer can benefit from the service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the service to the customer is separately identifiable from the other promises in the contract.

The Group assesses performance obligations as a series of distinct services that are substantially the same and have the same pattern of transfer if i) each distinct services in the series are transferred over time and ii) the same method of progress will be used to measure the entity's progress towards complete satisfaction of the performance obligation.

Estimates and Assumptions. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

- Impairment Losses on Financial Assets and Contract Assets

The measurement of impairment losses under PFRS 9 across all categories of financial assets and contract assets requires judgment, in particular, the estimation of the amount and timing of future cash flows, including collectability, collateral values and other credit enhancements, when determining impairment losses. Increases or decreases to the allowance balance are recorded as general and administrative expenses in the consolidated statement of comprehensive income.

Under PFRS 9, additional judgments are also made in assessing a significant increase in credit risk in the case of financial assets measured using the general approach. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Elements of the impairment models that are considered accounting judgments and estimates include:

- The Group's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;



- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD); and,
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Measurement of Expected Credit Losses

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The Group leverages existing risk management indicators (e.g. internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased.

As of December 31, 2025 and 2024, the total gross carrying amount of the Group's cash and cash equivalents (excluding cash on hand), trade and other receivables, and contract assets amounted to ₱2.2 billion and ₱1.8 billion, respectively (see Notes 4, 5 and 6). No additional provision for expected credit loss was recognized in 2025 and 2024.

As of December 31, 2025 and 2024, the Group's allowance for expected credit losses amounted to ₱0.6 million (see Note 5).

- Revenue Recognition and Amortization of Costs to Obtain Contracts

The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and amortization of costs to obtain contracts. The Group's revenue from real estate is recognized based on the percentage of completion measured principally on the basis of the estimated completion of a physical proportion of the contract work, and by reference to the actual costs incurred to date over the estimated total costs of the project. Amortization of costs to obtain contracts is also determined based on the same percentage of completion. Changes in estimate may affect the reported amounts of revenue in real estate sales and amortization of costs to obtain contract.

Revenue from real estate sales, which is recognized over time, amounted to ₱1.2 billion, ₱1.0 billion and ₱0.8 billion in 2025, 2024 and 2023, respectively (see Note 19).

Amortization of costs to obtain contracts amounted to ₱90.3 million, ₱78.3 million and ₱64.8 million in 2025, 2024 and 2023, respectively (see Notes 6 and 20).



Determining Transaction Price of Sale of Real Estate

The Group determines whether a contract contains a significant financing component by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or service; and (2) the effect of the expected length of time between when the entity transfer the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate. The Group applied practical expedient by not adjusting the effect of financing component in the period when the entity transfers a promised good or service to a customer and when the customer pays for the good or service will be one year or less. The Group assessed that the significant financing component is not significant in determining the transaction price on sale of real estate.

- Net Realizable Value of Real Estate Held for Sale

Real estate held for sale is valued at the lower of cost and net realizable value. Determining the fair value requires the determination of cash flows from the expected sale of the asset less cost of marketing and requires the Group to make estimates and assumptions that may materially affect the consolidated financial statements. Future events could cause the Group to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's consolidated financial position and results of operations.

As of December 31, 2025 and 2024, the carrying value of real estate held for sale amounted to ₱1.1 billion and ₱1.0 billion, respectively (see Note 7). No provision for impairment loss was recognized in 2025, 2024 and 2023.

- Useful Lives of Investment Properties and Property and Equipment

The Group estimates the useful lives of investment properties and property and equipment based on the economic lives of investment property and property and equipment. The estimated useful lives of investment properties and property and equipment are reviewed periodically and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the investment properties and property and equipment. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the investment properties and property and equipment would increase the recorded expenses and decrease the noncurrent assets.

As of December 31, 2025 and 2024, the aggregate carrying values of investment properties and property and equipment, excluding land and construction-in-progress, amounted to ₱1.6 billion and ₱1.7 billion, respectively (see Notes 10 and 11).

- Impairment of Costs to Obtain Contract

The Group capitalized those sales commissions paid to its employees for contracts obtained to sell residential properties when they represent incremental costs of obtaining a contract. The capitalized costs are amortized on a systematic basis that is consistent with the transfer to the customer of the property to which the asset relates and amortization for the period is recognized in direct costs of real estate sales.



In line with the Group's accounting policy, as set out in Note 2, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgement was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific key performance indicators that could trigger variable consideration, or service credits. No impairment was considered necessary as the remaining amount of consideration exceeded to a significant extent the remaining budgeted costs and the carrying amount of the contract cost assets.

As of December 31, 2025 and 2024, the carrying amount of unamortized costs to obtain contract (presented as part of "Prepayments and other current assets") amounted to ₱89.5 million, and ₱105.9 million, respectively (see Notes 6 and 8). No provision for impairment losses was recognized in 2025, 2024 and 2023.

- **Impairment of Nonfinancial Assets**

The Group assesses at each reporting period whether there is an indication that prepayments and other current assets (except unamortized costs to obtain contract), investment in associate, investment properties, property and equipment and other noncurrent assets may be impaired. Determining the value in use of these assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of these assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and results of operations. The preparation of the estimated future cash flows involves significant judgments and estimates. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future impairment charges.

As of December 31, 2025, and 2024, the aggregate carrying values of these assets follow:

	2025	2024
Prepayments and other current assets (Note 8)	₱588,067	₱584,093
Investment in associate (Note 9)	938,566	712,251
Investment properties (Note 10)	3,019,948	3,099,471
Property and equipment (Note 11)	467,559	409,892
Right-of-use assets (Note 18)	52,955	62,187
Other noncurrent assets* (Notes 5, 8 and 28)	52,074	53,577
	₱5,119,169	₱4,921,471

**Excluding noncurrent portion of trade receivables*

No provision for impairment losses was recognized in 2025, 2024 and 2023.

- **Retirement Costs**

The determination of the Group's pension liability and annual pension retirement costs is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 23 to the consolidated financial statements and which include among others, discount rates and rates of compensation increase. In



accordance with the PAS 19, actual results that differ from Group's assumptions are accumulated and recognized in other comprehensive income and therefore, generally affect the Group's recognized other comprehensive income and recorded obligation in such future periods.

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. The mortality rate is based on publicly available mortality table for Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for Philippines.

While management believes that the assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in the assumptions may materially affect the pension obligation.

As of December 31, 2025 and 2024, pension liabilities amounted to ₱31.5 million and ₱22.5 million, respectively (see Note 23). Retirement costs recognized in profit or loss amounted to ₱3.8 million, ₱5.1 million and ₱3.0 million in 2025, 2024 and 2023, respectively (see Notes 22 and 23).

- **Deferred Tax Assets**

The Group's assessment on the recognition of deferred tax assets on deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses is based on the forecasted taxable income of the following reporting period to allow all or part of the deferred tax assets to be utilized. This forecast is based on the Group's past results and future expectations on revenue and expenses. As of December 31, 2025, and 2024, deferred tax assets recognized in the consolidated statements of financial position amounted to ₱98.8 million and ₱53.3 million, respectively (see Note 24).

4. **Cash and Cash Equivalents**

	2025	2024
Cash on hand and in banks	₱352,224	₱320,792
Cash equivalents	1,182	1,195
	₱353,406	₱321,987

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

Cash equivalents are short-term cash deposits which are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Interest earned from cash in banks and cash equivalents amounted to ₱0.2 million, ₱0.1 million, and ₱3.6 million in 2025, 2024, and 2023, respectively.



5. Trade and Other Receivables

	2025	2024
Trade		
Third parties	₱235,410	₱159,432
Related companies (Note 16)	2,866	180
Rental	23,551	20,202
Advances subject to liquidation	6,590	2,890
Nontrade receivables	504	1,126
Others	11,433	8,908
	280,354	192,738
Less allowance for expected credit loss	643	643
	279,711	192,095
Less noncurrent portion of trade receivables	10,934	10,934
	₱268,777	₱181,161

Trade receivables include receivables from leasing which are non-interest bearing and are generally on 30-day terms, and receivables from sale of real estate which are generally non-interest-bearing and are collectible within a year. The Group records any excess of progress of work over the right to an amount of consideration that is unconditional as contract assets (see Note 6).

Noncurrent portion of trade receivables arises from the sale of a diverse range of equipment that is included in the overall transaction involving the sale of cold storage facilities. This is presented as part of "Other noncurrent assets" in the consolidated statement of financial position as of December 31, 2025. Interest income from the said receivables amounted to ₱0.1 million, ₱0.2 million, and ₱0.5 million in 2025, 2024 and 2023, respectively.

Rental receivable pertains to the additional rent expected to be received by the Group in future periods as a result of recognizing rental revenue on a straight-line basis from rentals of office spaces, condominium units, commercial spaces, IT park, warehouse units and industrial lots.

Other receivables pertains to advances to officers and employees.

6. Contracts Balances and Costs to Obtain Contract

Contract assets and liabilities

The account consists of the following as of December 31:

	2025	2024
Contract assets		
Current portion	₱829,126	₱896,276
Noncurrent portion	728,837	372,620
Contract liabilities	217,566	121,785

Contract assets are initially recognized for revenue earned from real estate sales. Upon completion of performance obligation and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade receivables (see Note 5). Contract assets are expected to be realized in 1 to 2 years.

Contract liabilities consist of excess of collections over the recognized receivables and contract assets based on percentage of completion.



Revenue recognized from the amount of contract liabilities included at the beginning of the year amounted to ₱18.1 million, ₱47.6 million and ₱34 million in 2025, 2024 and 2023, respectively.

Costs to Obtain Contracts

The balances below pertain to the costs to obtain contracts included in “Prepayments and other current assets” (see Note 8):

	2025	2024
At January 1	₱105,932	₱116,493
Additions	73,853	67,695
Amortization (Note 20)	(90,265)	(78,256)
At December 31	₱89,520	₱105,932

7. Real Estate Held for Sale

	2025	2024
At January 1	₱1,011,943	₱585,258
Construction/development costs	794,656	456,696
Costs of real estate sold (Note 20)	(725,569)	(663,274)
Reclassification from investment properties (Note 10)	–	537,688
Land acquisitions	–	95,575
At December 31	₱1,081,030	₱1,011,943

Sale of real estate included in the statements of comprehensive income amounted to ₱1.2 billion in 2025 and ₱1.1 billion each in 2024 and 2023 (see Note 19). Construction of the residential subdivisions and condominium units is on-going as of December 31, 2025 and 2024.

8. Prepayments and Other Current Assets

	2025	2024
Prepaid income tax	₱310,247	₱261,095
Advances to suppliers	116,823	157,941
Unamortized costs to obtain contract (Note 6)	89,520	105,932
Net input VAT	64,715	71,050
Prepaid insurance	914	16
Others	22,356	8,310
	604,575	604,344
Less noncurrent portion of advances to suppliers	16,508	20,251
	₱588,067	₱584,093

Prepaid income tax pertains to the excess of tax credits over income tax due.

Advances to suppliers mainly pertain to the advance payments made for the construction of a building to be held for lease and for the various procurement of construction materials used in real estate development. Advances to suppliers that are presented as part of noncurrent assets pertain to those that are not related to real estate held for sale.



Unamortized costs to obtain a contract consists of commissions to be paid in relation to the sales of real estate which is to be amortized in the same pattern as the revenue recognition for such contracts (see Note 6).

Net input VAT will be applied against output VAT in the succeeding periods.

9. Investments in Associate

The Group's investment in associate represents its interest in Accendo Commercial Corporation, an entity incorporated in the Philippines to engage in real estate activities. The Group has 19% ownership interest with its associate.

	2025	2024
Cost at January 1 and December 31	₱46,380	₱46,380
Accumulated equity in net earnings:		
At January 1	665,442	602,461
Equity in net earnings of associate	197,436	62,981
Share in dividends declared	(13,062)	-
At December 31	849,816	665,442
Accumulated equity in other comprehensive income:		
At January 1	429	296
Equity in other comprehensive income of associate	41,941	133
At December 31	42,370	429
	₱938,566	₱712,251

The earnings of the associate is not available for distribution to the stockholders unless declared as dividends by the associates.

Summarized statements of financial position follow:

	2025	2024
Current assets	₱4,598,187	₱4,352,892
Noncurrent assets	13,194,602	6,495,116
Current liabilities	8,219,307	4,495,282
Noncurrent liabilities	4,362,562	2,359,074
Equity	₱5,210,920	₱3,993,652
Group's share in identifiable net assets	972,358	745,215
Carrying amount of investment*	₱938,566	₱712,251

*Difference pertains to elimination of profit from downstream transactions

Summarized statements of income for the years ended December 31, 2025 and 2024 follow:

	2025	2024
Revenue	₱4,271,738	₱1,889,531
Costs and expenses	3,213,758	1,551,950
Net income	1,057,980	337,581
Group's share in net income for the year	₱197,436	₱62,981



10. Investment Properties

2025

	Land	Land Improvements	Buildings and Improvements	Construction in Progress	Total
Cost					
At January 1	P1,526,499	P126,057	P1,999,419	P153,020	P3,804,995
Additions	–	1,556	10,230	20,012	31,798
Reclassifications	–	–	4,898	(5,033)	(135)
Retirement/disposal	(1,409)	–	(15,175)	–	(16,584)
At December 31	1,525,090	127,613	1,999,372	167,999	3,820,074
Accumulated Depreciation					
At January 1	–	74,866	630,658	–	705,524
Depreciation (Notes 20 and 21)	–	7,822	89,815	–	97,637
Retirement/disposal	–	–	(3,035)	–	(3,035)
At December 31	–	82,688	717,438	–	800,126
Net Book Value	P1,525,090	P44,925	P1,281,934	P167,999	P3,019,948

2024

	Land	Land Improvements	Buildings and Improvements	Construction in Progress	Total
Cost					
At January 1	P1,569,847	P126,070	P2,072,015	P383,268	P4,151,200
Additions	218,138	–	520	53,500	272,158
Reclassification to real estate held for sale (Note 7)	(392,412)	–	(697)	(144,795)	(537,904)
Reclassifications	130,926	275	11,794	(138,953)	4,042
Retirement/Disposal	–	(288)	(84,213)	–	(84,501)
At December 31	1,526,499	126,057	1,999,419	153,020	3,804,995
Accumulated Depreciation					
At January 1	–	67,353	555,607	–	622,960
Depreciation (Notes 20 and 21)	–	7,691	90,789	–	98,480
Reclassification to real estate held for sale (Note 7)	–	–	(216)	–	(216)
Retirement/Disposal	–	(188)	(15,522)	–	(15,710)
Reclassifications	–	10	–	–	10
At December 31	–	74,866	630,658	–	705,524
Net Book Value	P1,526,499	P51,191	P1,368,761	P153,020	P3,099,471



The fair values of land and buildings and improvements are based on valuations made by professionally-qualified independent appraisers. The value of land appraised, that form part of investment properties, was estimated using the Market Approach. This is a comparative approach that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. The value of improvements appraised, that form part of investment properties, was estimated using the Cost Approach. This is a comparative approach to the value of property or another asset that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay. The fair values of the investment properties amounted to ₱18.7 billion as of December 31, 2025 and 2024.

In determining the appropriate class of investment properties, the Group has considered the nature, characteristics and risks of its properties as well as the level of the fair value hierarchy within which the fair value measurements are categorized. This resulted in determining the fair value of investment properties under Level 3 of the fair value hierarchy.

Significant increase in the economic market value of the land brought by inflation, area stability, development and improvements per hectare, per location over time would result in a significantly higher fair value of the property.

Construction in-progress is mainly attributable to the construction of a building to be held for future lease and the development of the Group's master-planned township with commercial, institutional, and agritourism components. In 2025, the construction in-progress includes ongoing construction of roadworks and land developments in addition to those in-progress in 2024. These projects are expected to be completed in 2028 to 2030.

Total revenue from the above investment properties amounted to ₱414.8 million, ₱375.3 million and ₱343.7 million in 2025, 2024 and 2023, respectively (see Note 19). Direct costs and expenses incurred for the above investment properties amounted to ₱277.8 million in 2025 and ₱219.2 million in 2024 and 2023.

Investment properties of the Group with carrying amounts of ₱34.6 million and ₱37.3 million as of December 31, 2025 and 2024, respectively, are part of the collaterals for the long-term debt obtained by the Group and its related parties (see Notes 14 and 16).

Depreciation and Amortization

Depreciation and amortization were charged to the following accounts:

	2025	2024	2023
Direct costs and expenses (Note 20)			
Rental	₱145,741	₱129,569	₱119,167
Hotel operations	13,575	11,096	10,250
	159,316	140,665	129,417
General and administrative expenses (Note 21)	6,727	6,709	7,244
	₱166,043	₱147,374	₱136,661



Sources of depreciation and amortization are as follows:

	2025	2024	2023
Investment properties	₱97,637	₱98,480	₱101,498
Property and equipment (Note 11)	48,891	32,948	25,558
Right-of-use assets (Note 18)	19,215	15,646	9,305
Franchise fee (Note 29)	300	300	300
	₱166,043	₱147,374	₱136,661



11. Property and Equipment

2025

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Transportation Equipment	Office Furniture and Equipment	Computer Equipment	Construction In-Progress	Total
Cost									
At January 1	₱33,497	₱12,411	₱218,258	₱101,641	₱36,831	₱161,571	₱39,036	₱126,660	₱729,905
Additions	–	15,543	18,099	10,580	1,940	10,657	–	44,996	101,815
Retirement/disposal	–	–	–	–	(39)	(54)	–	–	(93)
Reclassifications	–	300	21,975	31,656	5,291	985	–	(55,393)	4,814
At December 31	33,497	28,254	258,332	143,877	44,023	173,159	39,036	116,263	836,441
Accumulated Depreciation									
At January 1	–	8,076	128,165	25,784	29,043	98,396	30,549	–	320,013
Depreciation (Notes 20 and 21)	–	2,132	13,137	14,729	2,979	15,909	5	–	48,891
Retirement/disposal	–	–	–	–	–	(22)	–	–	(22)
At December 31	–	10,208	141,302	40,513	32,022	114,283	30,554	–	368,882
Net Book Value	₱33,497	₱18,046	₱117,030	₱103,364	₱12,001	₱58,876	₱8,482	₱116,263	₱467,559

2024

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Transportation Equipment	Office Furniture and Equipment	Computer Equipment	Construction In-Progress	Total
Cost									
At January 1	₱37,456	₱12,494	₱207,885	₱101,641	₱37,054	₱115,587	₱35,860	₱54,995	₱602,972
Additions	–	–	6,804	–	2,727	9,085	3,176	112,495	134,287
Retirement/disposal	–	–	–	–	(2,950)	(362)	–	–	(3,312)
Reclassifications	(3,959)	(83)	3,569	–	–	37,261	–	(40,830)	(4,042)
At December 31	33,497	12,411	218,258	101,641	36,831	161,571	39,036	126,660	729,905
Accumulated Depreciation									
At January 1	–	7,284	120,075	15,022	28,356	91,190	27,168	–	289,095
Depreciation (Notes 20 and 21)	–	802	8,090	10,762	2,623	4,729	5,942	–	32,948
Reclassifications	–	(10)	–	–	–	–	–	–	(10)
Retirement/disposal	–	–	–	–	(1,936)	2,477	(2,561)	–	(2,020)
At December 31	–	8,076	128,165	25,784	29,043	98,396	30,549	–	320,013
Net Book Value	₱33,497	₱4,335	₱90,093	₱75,857	₱7,788	₱63,175	₱8,487	₱126,660	₱409,892

Cost of fully depreciated assets still in use in the Group's operations amounted to ₱138.8 million and ₱119.7 million as of December 31, 2025 and 2024, respectively.



12. Trade and Other Payables

	2025	2024
Trade		
Third parties	₱185,576	₱199,281
Related companies (Note 16)	120,747	136,176
Commissions payable	164,042	145,792
Deferred credits	70,062	51,944
Unearned rental income	50,386	23,551
Accrued expenses	45,640	43,111
Nontrade payable	29,032	34,385
Income tax payable	977	–
Others	24,095	17,257
	690,557	651,497
Less: noncurrent portion of trade payables	16,056	20,111
	₱674,501	₱631,386

Trade payables to third parties are non-interest bearing and are generally on 30–45 day terms, while trade payables to related companies pertain to various transactions, which include the purchase of investment property from Kensington Ventures Inc. (KVI), an affiliate, in 2023 (see Note 16).

Commissions payable pertains to the excess of the total commissions to be paid under contract over the total commissions paid as of date on open real estate contracts.

Deferred credits mainly pertain to the deposits made by real estate buyers to cover various processing fees in relation to the sale of real estate inventories including, but not limited to, fees related to transfer of title and water and electricity connection fees.

Unearned rent revenue represents advanced payments from lessees.

Accrued expenses mainly include accruals made for interest and utilities.

Nontrade payable represents the unpaid consideration payable to Davao Centre Felcris Inc. (DCFI) exclusive of VAT, as a result of the business combination entered into by the Group (see Note 28). This payable is secured by a guarantee from ANFLOCOR (see Note 16).

Cash and non-cash movements of the nontrade payable and the related unamortized discount in 2025 and 2024 are as follows:

	2025	2024
Nontrade payable		
At January 1	₱37,242	₱43,912
Payments	(6,670)	(6,670)
At December 31	30,572	37,242
Unamortized discount		
At January 1	2,857	4,551
Amortization	(1,317)	(1,694)
At December 31	1,540	2,857
	29,032	34,385
Less current portion	12,976	14,274
Noncurrent portion	₱16,056	₱20,111



Accretion of interest expense on unamortized discount amounted to ₱1.3 million, ₱1.7 million and ₱1.8 million in 2025, 2024 and 2023, respectively (see Note 14). This was recorded as part of “Interest and other financing charges” in the consolidated statements of comprehensive income.

13. Bank Loans

The Group’s bank loans consist of short-term peso denominated loans obtained from local banks for working capital requirements with carrying value amounting to ₱645.0 million and ₱399.5 million as of December 31, 2025 and 2024, respectively.

These loans bear annual interest of 5.25% to 7.40% and 5.75% to 6.75% in 2025 and 2024, respectively. These are payable over a period of 1 to 12 months. These loans are collateralized by a continuing suretyship from ANFLOCOR (see Note 16).

The table below shows cash and non-cash movements of bank loans:

At January 1, 2024	₱224,400
Additions	249,445
Payments	(74,307)
At December 31, 2024	399,538
Additions	1,645,000
Payments	(1,399,538)
At December 31, 2025	₱645,000

Total interest expense recognized as part of “Interest and other financing charges” in the consolidated statements of comprehensive income amounted to ₱45.3 million, ₱14.3 million and ₱3.7 million in 2025, 2024 and 2023, respectively (see Note 14). Total interest capitalized as part of “Construction in progress” under investment properties amounted to nil in 2025 and 2024, and ₱17.6 million in 2023 (see Note 10). These represent general borrowing costs incurred for the construction of its buildings to be held for future lease. The rate used to determine the amount of borrowing costs eligible for capitalization were nil in 2025 and 2024 and 7.06% in 2023 which represent the weighted average rate of the general borrowing.

14. Long-Term Debt

The Group’s long-term debt as of December 31 is composed of the following:

Year Availed	Interest Rate	Payment Terms	2025	2024
Local bank 1				
2022	7.60%	Payable quarterly with 1-year grace period up to December 17, 2027	₱159,040	₱238,576
2022	7.59%	Payable quarterly with 1-year grace period up to December 17, 2027	149,100	223,666
2023	7.66%	Payable quarterly with a 1-yr grace period up to December 17, 2027	90,000	135,000
			398,140	597,242

(Forward)



Year Availed	Interest Rate	Payment Terms	2025	2024
Local bank 2				
2018	6.05%	Payable quarterly with a maximum grace period of 3 years up to December 7, 2028	₱129,600	₱172,800
2019	6.05%	Payable quarterly with a maximum grace period of 3 years up to December 7, 2028	388,800	518,400
2021	4.74%	Payable quarterly with a 1-year grace period up to September 17, 2026	18,750	43,750
2021	5.82%	Payable quarterly with a 1-year grace period up to September 17, 2026	13,125	30,625
2021	5.88%	Payable quarterly with a 1-year grace period up to September 17, 2026	11,250	26,250
2022	6.20%	Payable quarterly with a 1-year grace period up to September 17, 2026	13,125	30,625
2023	7.95%	Payable quarterly with a 2-year grace period up to January 13, 2028	37,500	50,000
2023	7.82%	Payable quarterly with a 2-year grace period up to January 13, 2028	37,500	50,000
2023	7.65%	Payable quarterly with a 2-year grace period up to January 13, 2028	67,500	90,000
2023	7.58%	Payable quarterly with a 2-year grace period up to January 13, 2028	75,000	100,000
2023	7.48%	Payable quarterly with a 2-year grace period up to January 13, 2028	45,000	60,000
2023	7.46%	Payable quarterly with a 2-year grace period up to January 13, 2028	187,500	250,000
			1,024,650	1,422,450
Local bank 3				
2021	7.75%	Payable quarterly with a 2-year grace period up to January 12, 2031	269,063	320,312
2023	7.75%	Payable quarterly with a 2-year grace period up to January 12, 2031	59,062	70,312
			328,125	390,624
Local bank 4				
2025	6.00%	Payable quarterly with a 2-year grace period up to November 13, 2029	300,000	—
2025	6.00%	Payable quarterly with a 2-year grace period up to November 13, 2029	200,000	—
2025	6.00%	Payable quarterly with a 2-year grace period up to November 13, 2029	100,000	—
			600,000	—
			2,350,915	2,410,316
Less current portion			689,690	657,541
Noncurrent portion			₱1,661,225	₱1,752,775

The loans obtained in 2023 were used to finance the development of a condominium project, while the loans obtained in 2019 and 2021 were used to finance the development of a building. The loan obtained in 2018 was used for the construction of the Group's residential subdivision and condominium projects.

These loans are collateralized by a continuing suretyship from ANFLOCOR (Note 16).



The loans are covered by an agreement which provides certain restrictions and requirements for the Group to maintain certain financial ratios. The table below shows the externally imposed requirements of December 31, 2025 and 2024.

	Required Ratio
Debt to equity ratio	Not greater than 1.5:1
Debt service ratio	Not less than 1:1
Current ratio	Not less than 1:1

The Group was able to comply with the required ratios as of December 31, 2025 and 2024, except for debt service ratio as of December 31, 2025 for which the Parent Company obtained a waiver/tolerance from the bank.

Total interest expense recognized as part of “Interest and other financing charges” in the consolidated statements of comprehensive income amounted to ₱152.8 million, ₱188.7 million and ₱138.0 million in 2025, 2024 and 2023, respectively. Total interest capitalized presented as part of “Construction in Progress” under investment properties amounted to nil in 2025 and 2024, and ₱38.2 million in 2023 (see Note 10).

Movements of long-term debt are as follows:

	2025	2024
At January 1	₱2,410,316	₱2,919,683
Additions	600,000	–
Payments	(659,401)	(509,367)
At December 31	2,350,915	2,410,316
Less current portion	689,690	657,541
Long-term debt - noncurrent portion	₱1,661,225	₱1,752,775

Interest and Other Financing Charges

Details of the Group’s interest and other financing charges recognized in the consolidated statements of comprehensive income are as follows:

	2025	2024	2023
Interest expense			
Long-term debts	₱152,752	₱188,701	₱137,965
Bank loans (Note 13)	45,329	14,349	3,700
Bank charges	52,422	2,011	687
Nontrade payable (Note 12)	1,317	1,694	1,792
Lease liabilities (Note 18)	3,478	2,987	2,502
	₱255,298	₱209,742	₱146,646

15. Refundable Deposits

Refundable deposits pertain to security deposits given by the Group’s tenants at the start of the lease term. This is equivalent to two months of rent and will be applied against damages caused or done to the property or returned to the tenants upon termination of the contract. As of December 31, 2025 and 2024, the Group’s refundable deposits amounted to ₱84.5 million and ₱66.3 million, respectively.



16. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Group's consolidated statements of financial position and consolidated statements of comprehensive income include the following accounts resulting from transactions with related parties:

	2025	
	Amount	Balance*
<i>Ultimate Parent</i>		
ANFLOCOR		
Lease of office space and others (see Notes 16e and 18)	P22,653	P-
<i>Entities Under Common Control</i>		
Tagum Agricultural Development Group, Inc. (TADECO)		
Lease of office space and others (see Notes 16e and 18)	13,313	-
Kensington Ventures, Inc. (KVI)		
Lease of office space and others (see Notes 16e and 18)	5,890	2,479
Davao International Container Terminal, Inc. (DICT)		
Lease of office space and others (see Notes 16e and 18)	2,738	254
Anflo Resort Development Corp. (ARDC)		
Lease of office space and others (see Notes 16e and Note 18)	1,659	2
Anflo Construction Corp. (ANFLOCON)		
Electricity and water charges (see Note 16f)	1,804	131
Others		
Lease of office space and others (see Notes 16e and 18)	2,293	-
		P2,866

*Outstanding balance is included as part of "Trade and other receivables" (see Note 5).

	2024	
	Amount	Balance*
<i>Ultimate Parent</i>		
ANFLOCOR		
Lease of office space and others (see Notes 16e and 18)	P21,202	P-
<i>Entities Under Common Control</i>		
TADECO		
Lease of office space and others (see Notes 16e and 18)	10,404	96
ARDC		
Lease of office space and others (see Notes 16e and 18)	1,512	1
ANFLOCON		
Electricity and water charges (see Notes 16f)	1,345	82
Others		
Lease of office space and others (see Notes 16e and 18)	8,083	1
		P180

*Outstanding balance is included as part of "Trade and other receivables" (see Note 5).

The balances above have 30-day terms and are non-interest bearing. These are unsecured and are not impaired as of December 31, 2025 and 2024.

	2025		Terms	Conditions
	Amount	Balance**		
<i>Ultimate Parent</i>				
ANFLOCOR				
Service fees (see Note 16a)	P31,038	P16,627	20 days, non-interest bearing	Unsecured, no collateral
<i>(Forward)</i>				



	2025		Terms	Conditions
	Amount	Balance**		
<i>Entities Under Common Control</i>				
ANFLOCOR				
Contract labor and services (see Note 16f)	₱76,698	₱95,454	On demand, non-interest bearing	Unsecured, no collateral
KVI				
Restaurant services (see Note 16g)	830	130	On demand, non-interest bearing	Unsecured, no collateral
NESTFARMS				
Landscaping services and others (see Note 16h)	16,457	3,001	On demand, non-interest bearing	Unsecured, no collateral
Others				
Various purchases (see Note 16i)	16,775	5,535	On demand, non-interest bearing	Unsecured, no collateral
		₱120,747		

**Outstanding balance is included as part of "Trade and other payables" (see Note 12)

	2024		Terms	Conditions
	Amount	Balance**		
<i>Ultimate Parent</i>				
ANFLOCOR				
Service fees (see Note 16a)	₱30,031	₱20,565	20 days, non-interest bearing	Unsecured, no collateral
Purchase of land (see Note 16c)	95,575	–		
<i>Entities Under Common Control</i>				
ANFLOCOR				
Contract labor and services (see Note 16f)	190,122	78,089	On demand, non-interest bearing	Unsecured, no collateral
KVI				
Purchase of land (see Note 16d)	–	26,162	On demand, non-interest bearing	Unsecured, no collateral
Restaurant services (see Note 16g)	1,729	286		
NESTFARMS				
Landscaping services and others (see Note 16h)	9,872	1,996	On demand, non-interest bearing	Unsecured, no collateral
Others				
Various purchases (see Note 16i)	15,484	9,078	On demand, non-interest bearing	Unsecured, no collateral
		₱136,176		

**Outstanding balance is included as part of "Trade and other payables" (see Note 12)

The above transactions are to be settled in cash.

The Group, in its regular course of business, has transactions with related parties, which principally consists of the following:

- a. The Group incurred support services fees in accordance with its service agreement with ANFLOCOR. Total support services fees incurred amounted to ₱31.0 million and ₱30.0 million in 2025 and 2024, respectively (see Note 12).
- b. Various properties of the Group and its related companies are covered by a mortgage for the long-term debt obtained by the Group and ARDC. All of the bank loans and some of the long-term debt of the Group are also collateralized with a continuing suretyship from ANFLOCOR (see Notes 10, 13 and 14).
- c. In 2024, the Group acquired parcels of land situated in Brgy. Limao, Island Garden City of Samal, Davao del Sur and in Brgy. Cagangohan, Panabo City, Davao del Norte from



ANFLOCOR, for a total cash consideration of ₱95.6 million. This transaction has been settled during the same year.

- d. In 2023, the Group acquired a parcel of land from its affiliate, KVI, for a total consideration of ₱74.1 million. The outstanding balance for this transaction amounted to nil and ₱26.2 million as of December 31, 2025 and 2024, respectively, and are payable on demand.
- e. The Group leases out office spaces to related parties for a period of 1 to 10 years (up to January 31, 2033), renewable for another 5 to 10 years upon mutual agreement of both parties (see Note 18).
- f. The Group availed services of ANFLOCON for the construction and project management of the Group's various real estate projects such as Ameria, Harborview Estates, Bridgeport, Kahi Estates, and Agriya Gardens. In relation to this, the Group has also covered electricity and water charges for ANFLOCON, which the Group charges the latter.
- g. The Group availed services and incurred expenses on restaurants, catering and other related services provided by establishments owned by KVI. The outstanding balance for these transactions amounted to ₱0.1 million and ₱0.3 million as of December 31, 2025 and 2024 respectively.
- h. The Group availed services of NESTFARMS for landscaping and other related services for the Group's lots located at Brgy. Marapangi, Davao City.
- i. Various purchases and services were availed by the Group from related parties such as, among others, Securus Security Agency Inc. (SSAI) for security services, and ARDC for restaurant and accommodation.
- j. In 2021, ANFLOCOR issued and granted a guarantee for the benefit of DCFI in relation to the asset purchase agreement relating to the business of the latter. ANFLOCOR unconditionally and irrevocably guarantees that all of the Group's obligations under such agreement will be duly and punctually paid and performed. On default by the Group, ANFLOCOR will immediately make each payment and perform each obligation required to be made or performed by the Group under the said agreement. As of December 31, 2025 and 2024, the carrying value of the long-term nontrade payable related to this acquisition amounted to ₱29.0 million and ₱34.4 million, respectively (see Note 12).

Compensation of Key Management Personnel

The compensation of the Group's key management personnel, which includes its general manager, administrative managers and executive officers, follows:

	2025	2024	2023
Short-term employee benefits	₱50,618	₱49,649	₱55,034
Post-employment benefits	2,570	3,473	2,275
	₱53,188	₱53,122	₱57,309



17. Equity

Capital Stock

Details of the Group's authorized capital stock are as follows:

Authorized Capital Stock (ACS)	Number of Shares		2025	2024
	2025	2024		
Common Class A at January 1 and December 31, ₱100 par value	7,500,000	7,500,000	₱750,000	₱750,000
Preferred shares, ₱1,000 par value				
At January 1	1,700,000	1,400,000	1,700,000	1,400,000
Increase in ACS	—	300,000	—	300,000
At December 31	1,700,000	1,700,000	1,700,000	1,700,000
			₱2,450,000	₱2,450,000

Details of the Group's issued capital stock are as follows:

Issued Capital Stock	Number of Shares		2025	2024
	2025	2024		
Common Class A - ₱100 par value				
At January 1 and December 31	7,500,000	7,500,000	₱750,000	₱750,000
Preferred shares - ₱1,000 par value				
At January 1	1,568,487	1,176,687	1,568,487	1,176,687
Issuance during the year	50,000	391,800	50,000	391,800
At December 31	1,618,487	1,568,487	1,618,487	1,568,487
			₱2,368,487	₱2,318,487

The Group has class "A" common shares with a par value of ₱100 per share and shall be transferable only to Philippine nationals.

The Group has preferred shares with a par value of ₱1,000 per share. These shares are redeemable, participating, non-voting and non-cumulative preferred shares with a fixed preferential dividend of 3% per annum based on the issue price, subject to availability of unrestricted retained earnings. The preferred shares may be redeemable, in whole or in part, at the sole option of the Parent Company at any time, at a price and upon such terms and conditions as the BOD may determine and approve at the time of the redemption.

On October 11, 2023, the Parent Company's BOD approved the declaration of special cash dividends amounting to ₱300.0 million (₱40.00 per share) and paid to all shareholders of record based on outstanding common shares as of December 31, 2022. The Parent Company paid portion of the dividends declared amounting to ₱239.5 million in 2023 and the remaining amount is paid in 2024.

On March 22, 2024, the Parent Company's BOD approved the increase in the Parent Company's authorized capital stock (ACS) from ₱2.2 billion divided into 7.5 million common shares with a par value of ₱100 per share and 1.4 million preferred shares with a par value of ₱1000 per share, to ₱2.5 billion divided into 7.5 million common shares with a par value ₱100 per share and 1.7 million preferred shares with a par value of ₱1,000 per share. The increase in ACS was also approved by the Parent Company's stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a meeting held on March 22, 2024. The SEC approved the increase in ACS on December 26, 2024.



On March 22, 2024, the Parent Company's BOD approved the declaration of cash dividends amounting to ₱30.0 million (₱4.00 per share) and paid to all shareholders of record based on outstanding common shares as of December 31, 2023.

On March 28, 2025, the Parent Company received capital infusion from ANFLOCOR amounting to ₱50.0 million for 50,000 preferred shares with par value of ₱1,000 per share.

Capital Management

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 issue new common shares or obtain additional funding from its ultimate parent company and related companies. To ensure the adequacy of the Group's capital, management prepares annual cash flow forecast projecting the Group's future cash requirements, which is used to assess if additional capital may be required. No changes were made in the objectives, policies or processes in 2025 and 2024.

The Group is exposed to externally imposed capital requirement in relation to its long-term debt (see Note 14).

As of December 31, 2025 and 2024, the Group considers the following as its core economic capital:

	2025	2024
Capital stock		
Common shares	₱750,000	₱750,000
Preferred shares	1,618,487	1,568,487
Additional paid-in capital	207,905	207,905
Retained earnings	1,601,993	1,345,658
	₱4,178,385	₱3,872,050

18. Lease and Other Agreements

Group as a Lessor

The Group leases out the following:

- Office spaces for a period of 1 to 10 years (up to January 31, 2033) to related parties (see Note 16) and other entities, renewable for another 5 to 10 years upon mutual agreement of both parties. Total rental income in 2025, 2024 and 2023 amounted to ₱57.3 million, ₱38.4 million and ₱39.7 million, respectively (see Note 19);
- Commercial spaces for periods of 1 to 15 years (up to December 31, 2028) and can be extended upon mutual agreement by both parties subject to the terms and conditions stipulated in the contract. Total rental income amounted to ₱137.1 million, ₱130.2 million, and ₱118.9 million in 2025, 2024 and 2023, respectively (see Note 19);
- IT park for a period of one to five years and can be extended upon mutual agreement by both parties subject to the terms and conditions stipulated in the contract. Rental income amounted to ₱220.4 million, ₱206.7 million, and ₱185.1 million in 2025, 2024, and 2023, respectively (see Note 19).



In 2016, the Group entered into a 10-year profit-share lease agreement with a local corporation covering an area of 1,393 square meters in the Group’s IT Park. In 2016, the Group billed the lessee the cost of the fit-out and equipment, in accordance with the agreement. The lessee is obligated to commence payment of the aforesaid billing not later than after the 24th month of operations. Share in net income of the said lessee, presented in profit or loss under rental revenue, amounted to ₱1.2 million, ₱6.5 million, and ₱4.3 million in 2025, 2024 and 2023, respectively.

Future minimum rent receivable under renewable long-term operating leases are as follows:

	2025	2024
Within one year	₱189,557	₱281,763
After one year but not more than five years	873,430	744,228
More than five years	418,309	434,091
	₱1,481,296	₱1,460,082

Group as a Lessee

The Group has the following lease agreements:

- The Group has entered into a contract of lease with a third party for the office space located at the 12th floor of SM CDO Downtown Tower at Claro M. Recto Avenue corner Osmeña Street, Cagayan de Oro City for a term of three years commencing from October 15, 2024 to October 14, 2027. A five percent (5%) increase in the monthly rent, computed on an annual basis, shall be imposed on the first (1st) month of the third (3rd) year of the lease. In 2025, the lease term was revised to a term of five years commencing on December 1, 2024 to November 30, 2029. The lease contract may be renewed for another five (5) years upon agreement of the parties, with a written notice of lessee’s intention, which both parties will negotiate twelve months prior to the expiration of the initial lease term.
- The Group has entered into a contract of lease with a third party for the office space located at the 12th floor of SM CDO Downtown Tower at Claro M. Recto Avenue corner Osmeña Street, Cagayan de Oro City for a term of five years commencing from July 1, 2023 to June 30, 2028. The applicable monthly rent shall be subject to an annual five percent (5%) escalation starting on the second (2nd) year. The lease contract may be renewed for another period at such terms and conditions, with a written notice of lessee’s intention, which both parties will negotiate twelve months prior to the expiration of the initial lease term.
- The Group has entered into a noncancellable lease contract with a third party for its office space located at the 6th floor BPO Building of Feleris Centrale at Quimpo Boulevard, Davao City for a term of seven years commencing from April 1, 2021 to March 31, 2028. The applicable basic rent shall be subject to an annual five percent (5%) escalation starting on the second (2nd) year. The lease contract may be renewed for another period at such terms and conditions which both parties will negotiate three months prior to the expiration of the contract.

Under PFRS 16, the lessee shall recognize right-of-use assets consisting of the amount of the initial measurement of the lease liabilities, any lease payments made at or before the commencement date, less any incentives received and any initial direct costs incurred by the lessee.



The rollforward analysis of the Group's right-of-use assets follows:

	2025	2024
Cost		
At January 1	₱100,464	₱87,102
Addition	–	13,362
Reassessment	9,983	–
At December 31	110,447	100,464
Accumulated Amortization		
At January 1	38,277	22,631
Amortization (Note 20)	19,215	15,646
At December 31	57,492	38,277
Net Book Value	₱52,955	₱62,187

The rollforward analysis of the Group's lease liabilities follows:

	2025	2024
At January 1	₱63,361	₱64,165
Addition	–	12,561
Reassessments	9,983	–
Accretion of interest	3,478	2,987
Payments		
Principal portion	(17,800)	(13,252)
Interest	(3,477)	(3,100)
At December 31	55,545	63,361
Less current portion of lease liabilities	19,979	18,608
Lease liabilities - net of current portion	₱35,566	₱44,753

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2025 and 2024:

	2025	2024
Within one year	₱22,458	₱21,403
After one year but not more than five years	37,481	47,207
	₱59,939	₱68,610

Other Agreements

Office revenue relates to revenue earned from providing fully furnished, staffed, and equipped instant office spaces to customers. The Group recognizes office revenue over time, using the time elapsed method to measure progress. Non-office revenue relates to revenue earned from providing video conferencing, information technology, telephone communication services to customers, as well as other incidental revenues, and is recognized at a point in time when the services have been rendered. The Group provides office spaces and services for a period of 1 to 5 years, of which those agreements with terms exceeding 1 year are renewable every year. Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2025	2024
Office revenue	₱87,983	₱45,839
Non-office revenue	8,242	6,607
	₱96,225	₱52,446



The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) related to the Group's office revenue as at December 31, 2025 is as follows:

	2025	2024
Within 1 year	₱25,566	₱21,062
After 1 year but not more than 5 years	165	8,631
	₱25,731	₱29,693

19. Revenue

Disaggregated Revenue Information

The Group derives revenue from the transfer of goods and services over time and at a point in time in different product types. Set out below is the disaggregation of the Group's revenue in 2025, 2024 and 2023:

By Type	2025	2024	2023
Revenue from contracts with customers			
Sale of real estate (Note 7)	₱1,224,355	₱1,121,061	₱1,129,001
Hotel operations	100,453	94,724	85,591
Rental income (Notes 10 and 18)	511,072	427,779	395,106
	₱1,835,880	₱1,643,564	₱1,609,698
By Customers	2025	2024	2023
Revenue from contracts with customers			
Real estate buyers (Note 7)	₱1,224,355	₱1,121,061	₱1,129,001
Guests	100,453	94,724	85,591
Lessees (Note 18)	511,072	427,779	395,106
	₱1,835,880	₱1,643,564	₱1,609,698

Sale of Real Estate

The Group's main source of revenue is from contracts with customers involving real estate sales. The disaggregation for this source of revenue is presented as follows:

	2025	2024	2023
At a point in time			
Sale of lots	₱9,590	₱131,642	₱319,416
Others	4,335	4,415	10,196
	13,925	136,057	329,612
Over time			
Condominium units	676,836	625,824	315,437
Residential house and lots	316,069	318,901	483,952
Residential lots	217,525	40,279	-
	1,210,430	985,004	799,389
	₱1,224,355	₱1,121,061	₱1,129,001



Rental

	2025	2024	2023
Lease of space (see Notes 10 and 18)	₱359,997	₱324,477	₱298,222
CUSA services (see Notes 10 and 18)	54,850	50,856	45,443
Office revenue	87,983	45,839	45,753
Non-office revenue	8,242	6,607	5,688
	₱511,072	₱427,779	₱395,106

Revenue from lease of space is recognized on a straight-line basis over the lease term.

Hotel Operations

	2025	2024	2023
Room accommodation	₱84,602	₱79,151	₱69,274
Food and beverage	13,144	12,914	13,531
Other operated departments	2,707	2,659	2,786
	₱100,453	₱94,724	₱85,591

Revenue from room accommodation is revenue from contracts with customers recognized over time at the amount of consideration to which the Group has a right to invoice. All other revenue of the Group from hotel operations is recognized at a point in time.

Miscellaneous – Net

	2025	2024	2023
Gain on disposal of investment property and property and equipment	₱39,588	₱8,452	₱400
Gain on cancellation of real estate contracts	8,470	2,532	2,112
Processing fees	6,262	4,112	4,710
Administrative fees	2,974	190	1,349
Penalties	2,243	3,028	1,266
Claims under damaged properties	1,510	–	–
Boat services	908	948	1,187
Events, sponsorships and incentives	151	537	135
Parking fees	120	301	269
Other hotel services	101	580	86
Sale of various materials	39	156	109
Foreign exchange gain (loss) - net	26	(92)	(178)
Other income	334	418	455
	₱62,726	₱21,162	₱11,900

20. Direct Costs and Expenses

	2025	2024	2023
<i>Real Estate Sales</i>			
Cost of real estate sold (Note 7)	₱725,569	₱663,274	₱650,200
Amortization of costs to obtain contracts (Note 6)	90,265	78,256	64,769
	₱815,834	₱741,530	₱714,969



	2025	2024	2023
<i>Rental Operations</i>			
Depreciation (Note 10)	₱145,741	₱129,569	₱119,167
Outside services	53,367	46,996	50,830
Travel and transportation	31,433	17,185	14,545
Light and water	31,165	31,859	24,996
Maintenance and repairs	22,158	12,414	8,675
Salaries, wages and benefits (Note 22)	19,202	13,842	11,070
Taxes and licenses	13,790	15,711	3,666
Rental	15,603	10,156	2,331
Insurance	4,463	5,910	5,403
Retirement costs (Notes 22 and 23)	553	535	668
Others	263	178	569
	₱337,738	₱284,355	₱241,920

	2025	2024	2023
<i>Hotel Operations</i>			
Outside services	₱18,613	₱15,312	₱13,631
Depreciation and amortization (Notes 10, 11 and 28)	13,575	11,096	10,250
Room and guest supplies	10,354	11,082	10,514
Salaries, wages and benefits (Note 22)	9,679	8,790	8,340
Management and license fees (Note 28)	6,947	5,853	5,775
Communication, light and water	6,817	6,965	7,217
Commissions	2,203	1,840	1,445
Advertising and marketing (Note 28)	1,808	1,492	1,265
Maintenance and repairs	1,458	1,876	1,478
SSS, Pag-ibig and other contributions (Note 22)	924	860	732
Insurance	846	1,002	767
Travel and transportation	789	1,013	778
Retirement costs (Notes 22 and 23)	373	64	-
Taxes and licenses	46	24	46
Office supplies	-	2,265	2,012
Others	3,449	1,856	1,393
	₱77,881	₱71,390	₱65,643



21. General and Administrative Expenses

	2025	2024	2023
Salaries, wages and benefits (Note 22)	₱102,519	₱80,870	₱82,108
Outside services	96,795	70,981	93,508
Taxes and licenses	38,073	34,307	40,099
Selling expense	27,069	29,131	28,286
Promotions	12,899	7,426	7,204
Communication, light and water	9,762	6,523	4,994
Travel and transportation	7,756	4,111	3,888
Entertainment, amusement and representation	6,788	6,481	4,744
Stationery and office supplies	6,738	6,216	10,665
Depreciation (Notes 10 and 11)	6,727	6,709	7,244
SSS, Pag-ibig and other contributions (Note 22)	6,056	4,431	3,966
Maintenance and repairs	4,553	3,743	3,960
Insurance	3,668	5,938	3,180
Fuel, oil and lubricants	2,845	2,429	2,718
Retirement costs (Notes 22 and 23)	2,832	4,542	2,340
Trainings and seminars	–	–	538
Rent and landscaping expense	–	11,585	7,258
Others	8,924	10,042	2,901
	₱344,004	₱295,465	₱309,601

22. Personnel Expenses

	2025	2024	2023
Salaries, wages and benefits (Notes 20 and 21)	₱131,400	₱103,502	₱101,518
SSS, Pag-ibig and other contributions (Notes 20 and 21)	6,980	5,291	4,698
Retirement costs (Notes 20, 21 and 23)	3,758	5,141	3,008
	₱142,138	₱113,934	₱109,224

23. Retirement Costs

The Group has a funded and noncontributory defined benefit retirement plan, covering substantially all of its regular employees. Total retirement costs charged to operations amounted to ₱3.8 million, ₱5.1 million and ₱3.0 million in 2025, 2024 and 2023, respectively (see Notes 20, 21 and 22). The retirement plan meets the minimum retirement benefit specified under Republic Act 7641.



The following tables summarize the components of retirement costs recognized in the statements of comprehensive income and amounts recognized in the statements of financial position for the retirement plan as of December 31:

2025

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1	₱23,848	₱1,325	₱22,523
Retirement costs in profit or loss:			
Current service cost	2,384	—	2,384
Interest cost on defined benefit obligation	1,455	81	1,374
	3,839	81	3,758
Re-measurement in other comprehensive income:			
Actuarial gain due to changes in financial assumptions	(974)	—	(974)
Actuarial loss due to changes in experience adjustments	6,147	—	6,147
Loss on return on plan asset	—	(7)	7
	5,173	(7)	5,180
At December 31	₱32,860	₱1,399	₱31,461

2024

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Pension Liability
At January 1	₱24,060	₱—	₱24,060
Retirement costs in profit or loss:			
Current service cost	3,686	—	3,686
Interest cost on defined benefit obligation	1,455	—	1,455
	5,141	—	5,141
Re-measurement in other comprehensive income:			
Actuarial loss due to changes in financial assumptions	(3,028)	—	(3,028)
Actuarial loss due to changes in experience adjustments	1,397	—	1,397
Gain on return on plan asset	—	47	(47)
	(1,631)	47	(1,678)
Actual contribution to the fund	—	5,000	(5,000)
Benefits paid	(3,722)	(3,722)	—
At December 31	₱23,848	₱1,325	₱22,523

The re-measurement loss on pension liability, net of the deferred income tax effect, amounting to ₱1.3 million in 2025, and the re-measurement gain on pension liability, net of the deferred income tax effect, amounting to ₱0.4 million in 2024 is recognized in the consolidated statements of comprehensive income.

The cost of defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.



The principal assumptions used in determining pension obligation for the defined benefit plan are shown below:

	2025	2024	2023
Discount rates	6.39%	6.11%	6.10%
Future salary increases	4.00%	4.00%	5.00%
Turnover rate	A scale ranging from 12% at age 18 decreasing to 1.7% at age 59	A scale ranging from 12% at age 18 decreasing to 1.7% at age 59	A scale ranging from 12% at age 18 decreasing to 1.7% at age 59
Mortality rate	2017 PICM	2017 PICM	2017 PICM
Disability rate	1952 Disability Study, Period 2, Benefit 5	1952 Disability Study, Period 2, Benefit 5	1952 Disability Study, Period 2, Benefit 5

The fair value of plan assets by each class as of December 31 are as follow:

	2025	2024
Fixed income	₱951	₱926
Equity instruments	11	37
Money markets	437	362
	₱1,399	₱1,325

The Group expects to contribute to the defined benefit pension plan up to the extent of normal cost in 2026.

The sensitivity analysis below as of December 31, 2025 and 2024, has been determined based on reasonably possible changes of each assumption on the defined benefit obligation as of December 31, assuming all other assumptions were held constant:

	Increase (Decrease)	Increase (Decrease) in Present Value of Defined Benefit Obligation	
		2025	2024
Discount rates	+1.00%	(₱3,189)	(₱2,444)
	-1.00%	3,713	2,864
Future salary increases	+1.00%	3,916	3,010
	-1.00%	(2,381)	(2,605)

The average duration of the defined benefit obligation as of December 31, 2025 and 2024 is 12.56 years and 15.03 years, respectively.



Shown below is the maturity analysis of the undiscounted benefit payments:

2025

	Normal Retirement	Other than Normal Retirement	Total
Less than 1 year	₱1,812	₱486	₱2,298
One to less than 5 years	4,423	1,435	5,858
Five to less than 10 years	6,132	7,671	13,803
Ten to less than 15 years	41,464	11,465	52,929
Fifteen to less than 20 years	36,202	7,806	44,008
Twenty years and above	49,128	13,259	62,387
	₱139,161	₱42,122	₱181,283

2024

	Normal Retirement	Other than Normal Retirement	Total
Less than 1 year	₱250	₱377	₱627
One to less than 5 years	5,261	1,124	6,385
Five to less than 10 years	868	4,675	5,543
Ten to less than 15 years	29,064	9,006	38,070
Fifteen to less than 20 years	33,098	7,168	40,266
Twenty years and above	38,566	10,697	49,263
	₱107,107	₱33,047	₱140,154

24. Income Tax

The provision for current income tax represents the minimum corporate income tax (MCIT) and regular corporate income tax (RCIT) in 2025, MCIT in 2024 and RCIT in 2023.

Furthermore, the current income tax includes 5% tax on the PEZA registered activities.

The components of the Group's net deferred tax liabilities are as follows:

	2025	2024
Net deferred tax liabilities:		
Difference in accounting and tax bases for real estate sales and rental revenue	₱182,474	₱145,210
NOLCO	(46,008)	(18,261)
MCIT	(22,098)	(10,300)
Unearned revenue	(8,136)	—
Pension cost recognized in statements of income	(7,303)	(6,367)
Pension costs recognized in other comprehensive income	(413)	882
Others	299	(756)
	₱98,815	₱110,408
Net deferred tax assets:		
Lease liabilities	₱13,886	₱15,840
Right-of-use assets	(12,191)	(14,499)

(Forward)



	2025	2024
NOLCO	P-	P1,926
Difference in accounting and tax base of property and equipment	1,253	1,770
Unamortized discount on notes payable	(385)	(714)
MCIT	-	42
Pension costs recognized in statements of income	16	12
	P2,579	P4,377

The details for the Group's NOLCO and excess MCIT over RCIT are as follows:

NOLCO

Year Incurred	Year of Expiry	At January 1, 2025	Addition	Application	As of December 31, 2025
2024	2027	P80,746	P-	(P7,702)	P73,044
2025	2028	-	110,991	-	110,991
		P80,746	P110,991	(P7,702)	P184,035

Excess of MCIT over RCIT

Year Incurred	Year of Expiry	At January 1, 2025	Addition	Application	As of December 31, 2025
2024	2027	P10,342	P-	(P42)	P10,300
2025	2028	-	11,798	-	11,798
		P10,342	P11,798	(P42)	P22,098

The reconciliation between the provision for income tax computed at the statutory income tax rate to actual provision for (benefit from) income tax follows:

	2025	2024	2023
Income before income tax	P265,621	P125,524	P196,714
At statutory income tax rate	P66,405	P31,381	P49,179
Additions to (reductions in) income taxes resulting from:			
Equity in net earnings of associate	(49,359)	(15,745)	(12,454)
Effect of difference in rate of RCIT and Gross Income Tax (GIT) on PEZA-registered activity	(11,883)	(6,048)	(4,708)
Change in value of unrecognized deferred tax assets	-	-	(1,030)
Change in value of deferred tax assets	-	(27,503)	(528)
Others	4,123	9,092	23,246
	P9,286	(P8,823)	P53,705

Current income tax expense for PEZA registered activity amounted to P3.2 million in 2025, and P1.5 million each in year 2024 and 2023.



25. Operating Segment

Business Segment Information

For management purposes, the Group is organized into three (3) major business units that are largely organized and managed separately. Reporting operating segments are as follows:

- Sale of real estate – primarily engaged in the sale of condominium units, residential houses, residential lots, and industrial lots.
- Leasing operations – primarily engaged in leasing and renting out buildings, industrial lots, warehouses, condominium units, office spaces, commercial spaces and IT Park.
- Hotel operations – engaged in hotel management which includes restaurant and other related services through a Unit License Agreement with Phinma Microtel Hotels, Inc. (formerly Microtel Inns and Suites (Pilipinas), Inc.) (see Note 28)

No operating segments have been aggregated to form the above reportable operating segments.

The President monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, income taxes and depreciation and amortization (EBITDA) and operating profit or loss, and is measured consistently in the consolidated financial statements. The Group's management reporting and controlling systems use accounting policies that are the same as those described in Note 2 in the material accounting policy information under PFRS Accounting Standards.

EBITDA is the measure of segment profit (loss) used in segment reporting and comprises of revenues, cost of sales and services and selling and general administrative expenses before interest, taxes and depreciation and amortization.

Group financing and income taxes are also managed per operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Business Segments

The following tables present revenue, net income and depreciation and amortization information regarding business segments for the years ended December 31, 2025, 2024 and 2023.

December 31, 2025

	Sale of Real Estate	Leasing Operations	Hotel Operations	Total
Revenue	₱1,224,355	₱511,072	₱100,453	₱1,835,880
Equity in net earnings of associate	197,436	–	–	197,436
Other income	57,604	5,323	133	63,060
	1,479,395	516,395	100,586	2,096,376
Cost of sales and services (before depreciation and amortization)	815,835	191,997	64,305	1,072,137
Operating expenses (before depreciation and amortization)	289,034	34,549	13,694	337,277
	1,104,869	226,546	77,999	1,409,414
EBITDA	374,526	289,849	22,587	686,962
Other expenses				
Depreciation and amortization	2,986	147,764	15,293	166,043
Interest and other financing charges	201,029	53,346	923	255,298
Pretax income	170,511	88,739	6,371	265,621
Provision for (benefit from) income tax	(14,190)	20,914	2,562	9,286
Net income	₱184,701	₱67,825	₱3,809	₱256,335



	Sale of Real Estate	Leasing Operations	Hotel Operations	Total
Segment Assets				
Cash	₱188,498	₱138,968	₱25,940	₱353,406
Receivables and contract assets	1,695,621	120,413	10,706	1,826,740
Inventories	1,079,980	379	671	1,081,030
Investment in associate	938,566	–	–	938,566
Fixed assets and right-of-use assets*	1,182,365	2,201,864	156,233	3,540,462
Others	531,152	48,881	73,620	653,653
	₱5,616,182	₱2,510,505	₱267,170	₱8,393,857
Segment Liabilities				
Payables and contract liabilities	₱674,212	₱183,119	₱50,792	₱908,123
Short-term and long-term debt	2,562,602	433,313	–	2,995,915
Others	133,282	137,084	–	270,366
	₱3,370,096	₱753,516	₱50,792	₱4,174,404

*Includes property and equipment and investment properties

December 31, 2024

	Sale of Real Estate	Leasing Operations	Hotel Operations	Total
Revenue	₱1,121,061	₱427,779	₱94,724	₱1,643,564
Equity in net earnings of associate	62,981	–	–	62,981
Other income	15,404	5,050	1,007	21,461
	1,199,446	432,829	95,731	1,728,006
Cost of sales and services (before depreciation and amortization)	741,530	154,786	60,294	956,610
Operating expenses (before depreciation and amortization)	239,362	39,967	9,427	288,756
	980,892	194,753	69,721	1,245,366
EBITDA	218,554	238,076	26,010	482,640
Other expenses				
Depreciation and amortization	1,477	133,607	12,290	147,374
Interest and other financing charges	126,011	83,077	654	209,742
Pretax income	91,066	21,392	13,066	125,524
Benefit from income tax	(6,785)	(2,038)	–	(8,823)
Net income	₱97,851	₱23,430	₱13,066	₱134,347
Segment Assets				
Cash	₱199,495	₱89,603	₱32,889	₱321,987
Receivables and contract assets	1,381,220	59,971	8,866	1,450,057
Inventories	1,011,943	–	–	1,011,943
Investment in associate	712,251	–	–	712,251
Fixed assets and right-of-use assets*	1,176,279	2,246,498	148,773	3,571,550
Others	515,660	70,891	66,430	652,981
	₱4,996,848	₱2,466,963	₱256,958	₱7,720,769
Segment Liabilities				
Payables and contract liabilities	₱573,171	₱162,601	₱37,510	₱773,282
Short-term and long-term debt	2,214,291	595,563	–	2,809,854
Others	135,908	126,663	–	262,571
	₱2,923,370	₱884,827	₱37,510	₱3,845,707

*Includes property and equipment and investment properties.



December 31, 2023

	Sale of Real Estate	Leasing Operations	Hotel Operations	Total
Revenue	₱1,129,001	₱395,106	₱85,591	₱1,609,698
Equity in net earnings of associate	49,814	–	–	49,814
Other income	10,870	4,986	125	15,981
	1,189,685	400,092	85,716	1,675,493
Cost of sales and services (before depreciation and amortization)	714,969	122,753	55,393	893,115
Operating expenses (before depreciation and amortization)	223,478	65,781	13,098	302,357
	938,447	188,534	68,491	1,195,472
EBITDA	251,238	211,558	17,225	480,021
Other expenses				
Depreciation and amortization	1,304	123,571	11,786	136,661
Interest and other financing charges	61,785	84,322	539	146,646
Pretax income	188,149	3,665	4,900	196,714
Provision for income tax	52,407	1,298	–	53,705
Net income	₱135,742	₱2,367	₱4,900	₱143,009
Segment Assets				
Cash	₱29,767	₱399,587	₱28,098	₱457,452
Receivables and contract assets	1,120,255	274,233	8,234	1,402,722
Inventories	664,080	–	–	664,080
Investment in associate	657,112	–	–	657,112
Fixed assets and right-of-use assets*	472,699	3,289,775	144,114	3,906,588
Others	389,118	69,062	70,019	528,199
	₱3,333,031	₱4,032,657	₱250,465	₱7,616,153
Segment Liabilities				
Payables and contract liabilities	₱534,997	₱160,342	₱30,118	₱725,457
Short-term and long-term debt	2,386,270	757,813	–	3,144,083
Others	143,591	127,533	–	271,124
	₱3,064,858	₱1,045,688	₱30,118	₱4,140,664

*Includes property and equipment and investment properties.

26. Earnings Per Share

The following table presents information necessary to calculate basic earnings per share on consolidated net income (amounts in thousands, except basic earnings per share and number of shares):

	2025	2024	2023
Net income	₱256,335	₱134,347	₱143,009
Divided by weighted average number of common shares	7,500,000	7,500,000	7,500,000
Basic/diluted earnings per share	₱34.18	₱17.91	₱19.07

There were no potentially dilutive ordinary shares as at December 31, 2025, 2024 and 2023.



27. Financial Instruments

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

- *Cash and cash equivalents, trade and other receivables, trade and other payables (excluding deferred credits, unearned rent income, statutory payable, and income tax payable) and bank loans.* The carrying amounts of these financial instruments approximate their fair values due to relatively short-term maturity of these financial instruments.
- *Noncurrent trade receivables.* The carrying amounts in the consolidated financial statements also reflect the face value of the receivables. The amount of unrecognized discount to carry them at present value is not material to affect the fair presentation of the consolidated financial statements.
- *Long-term debt.* The fair value of long-term debt is based on the present value of future cash flows discounted using current rates available for debt with the same profile as of reporting date (Level 3). Discount rates used as of December 31, 2025 and 2024 range from 4.70% to 5.73% and 5.71% to 6.12%, respectively. The carrying value of long-term debt amounted to ₱2.4 billion as of December 31, 2025 and 2024. The fair values amounted to ₱2.2 billion and ₱2.1 billion as of December 31, 2025 and 2024, respectively.
- *Refundable deposits.* The fair value of refundable deposits approximates the carrying values as the timing and related amounts of future cash flows cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

As of December 31, 2025 and 2024, the Group has no financial instruments measured at fair value.

28. Financial Risk Management Objectives and Policies

The Group's principal financial instrument pertains to its long-term debt and bank loans. The main purpose of these financial instruments is to finance for the Group's operations. The Group also has various financial instruments such as cash and cash equivalents, trade receivables, and trade and other payables (excluding deferred credits, unearned rent revenue, statutory payables and income tax payable), lease liabilities and refundable deposits, which arise directly from its operations. The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

The BOD reviews and approves the Group's risk management objectives and policies as summarized below.

a. 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. In general, the Group trades with its related companies and recognized, credit-worthy third parties. The maximum exposure to credit risk for the Group's financial assets and contract assets at the reporting date is the carrying amounts as disclosed in Notes 4, 5 and 6.



The Group applies the PFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade receivables and contract assets and the general approach is applied for all other financial assets.

- For cash in banks and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. 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 uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs. While cash is also subject to the impairment requirements of PFRS 9, the identified impairment loss was immaterial.
- For trade receivables and contract assets from real estate sales, customer credit risk is managed primarily through credit review procedures for certain installment payment structures. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.
- For trade receivables from leasing operations, the Group's exposure to credit risk is influenced mainly by the assessment made according to the Group's criteria prior to entering into lease agreements with prospective tenants. In accordance with the provisions of the contracts, tenants are required to pay advance rentals and refundable deposits, which helps reduce the Group's credit exposure in case of defaults. An impairment analysis is performed at each reporting date on an individual basis for major tenants. The credit quality is further classified and assessed by reference to historical information about each of the counterparty's historical default rates. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, the Group has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed to be amounting to ₱0.6 million as of December 31, 2025 and 2024.
- For all other receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. To measure the expected credit losses, these trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of revenues/sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers or counterparties to settle the receivables. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, the Group has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed as insignificant.

The Group considers a financial asset in default when contractual payments are past due. 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 cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Concentration Risk

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

b. Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group monitors its risk of a shortage of funds by considering the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The tables below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of December 31, 2025 and 2024:

December 31, 2025

	Total	On Demand	Less Than One Year	More Than One Year
Financial Liabilities:				
Trade and other payables*	₱518,110	₱518,110	₱ –	₱ –
Nontrade payable	32,373	–	15,564	16,809
Bank loans	645,000	–	645,000	–
Long-term debt	2,350,915	–	689,690	1,661,225
Future interest on bank loans and long-term debt	382,851	–	225,786	157,065
Refundable deposits	84,545	–	–	84,545
Lease liabilities	59,939	–	22,458	37,481
Total undiscounted financial liabilities	₱4,073,733	₱518,110	₱1,598,498	₱1,957,125

*Excluding deferred credits, unearned rent revenue, statutory payables, and income tax payable

December 31, 2024

	Total	On Demand	Less Than One Year	More Than One Year
Financial Liabilities:				
Trade and other payables*	₱521,748	₱521,748	₱ –	₱ –
Nontrade payable	37,242	–	15,564	21,678
Bank loans	399,538	–	399,538	–
Long-term debt	2,410,316	–	657,541	1,752,775
Future interest on bank loans and long-term debt	382,851	–	225,786	157,065
Refundable deposits	66,279	–	–	66,279
Lease liabilities	68,610	–	21,403	47,207
Total undiscounted financial liabilities	₱3,886,584	₱521,748	₱1,319,832	₱2,045,004

*Excluding deferred credits, unearned rent revenue, statutory payables, and income tax payable

The financial liabilities in the above table are gross undiscounted cash flows. However, these amounts may be settled using liquid assets such as cash and cash equivalents and trade receivables. Furthermore, available credit lines may also be used to manage liquidity.



29. Franchise Agreements

Set out below is the carrying amount of the Group’s “Franchise” presented under “Other noncurrent assets”:

	2025	2024
DAMOSA	₱715	₱881
DWSI	708	842
	₱1,423	₱1,723

DAMOSA

On May 4, 2006, DAMOSA entered into a Unit License Agreement with Phinma Microtel Hotels, Inc. (formerly Microtel Inns and Suites Pilipinas, Inc.), a Company granted by Microtel International, Inc. to sublicense its hotel system within the Philippines.

The hotel system includes, without limitation, the trade names, trademarks and service marks; prototypical architectural plans, designs, and layouts; the Microtel directory; management and personnel trainings; management and operational procedures and techniques; standards and specifications for construction, equipment and furnishings; advertising, marketing and promotional programs; and such other improvements that the licensee may make from time to time. Under the agreement, DAMOSA will pay a one-time fee of \$700/guest room or equivalent to \$35,000. Furthermore, DAMOSA shall pay a licensee fee of 4% of the gross revenue of the hotel and marketing/reservation contribution of 2% of the gross revenue. The agreement shall expire without notice effective 20 years from the authorized opening date subject to earlier termination as set forth in the agreement. In 2011, DAMOSA paid for additional franchise fee amounting to ₱1.5 million for its Microtel Inns and Suites established in General Santos City. Amortization of additional franchise fee began in February 2013.

Unamortized franchise fee is presented as part of “Other noncurrent assets” account in the consolidated statements of financial position. Movement of the unamortized license fee is as follows (see Note 8):

	2025	2024
Cost		
At January 1 and December 31	₱3,315	₱3,315
Accumulated Amortization		
At January 1	2,434	2,268
Amortizations	166	166
At December 31	2,600	2,434
Net Book Value	₱715	₱881

Total license fee amounted to ₱3.3 million in 2025, ₱1.4 million in 2024 and ₱1.5 million in 2023 which is included as part of “Management and license fees” under costs and expenses – hotel operations (see Note 20). Total marketing/reservation fee amounted to ₱1.8 million in 2025, ₱1.5 million in 2024 and ₱1.3 million in 2023 is included as part of “Advertising and marketing” under costs and expenses - hotel operations (see Note 20).

On July 4, 2007, DAMOSA entered into a management agreement with Phinma Hospitality, Inc. (formerly Microtel Development Corporation). for the latter to operate, direct, manage and supervise DAMOSA’s hotel operations. DAMOSA is to pay management fee amounting to 10% of Microtel’s total gross operating profit.



The agreement shall commence for five years from the start of the commercial operations of the Hotel and is renewable for another three years upon mutual agreement of the parties. Total management fee amounting to ₱3.5 million, ₱4.5 million and ₱4.3 million in 2025, 2024 and 2023, respectively, is included as part of “Management and license fees” under costs and expenses - hotel operations (see Note 20).

DWSI

In 2021, as a result of acquiring business from DCFI, DWSI and Franchise International GmbH (“IWG”) executed a Business Services and Centre Development Agreement (“BSD”). Pursuant to the BSD, DWSI paid ₱1.3 million for IWG to issue a business center operating certificate (“Certificate”) to DWSI, which relates to the Business Centre to be operated (“Site”). The Certificate grants DWSI the right within the territory to open and operate the Site subject to certain terms and conditions for a term of 10 years or such longer period as allowed within the agreement. The said payments is recognized as “Franchise” under “Other noncurrent assets” in the consolidated statement of financial position. The carrying amount of the franchise amounted to ₱0.7 million and ₱0.8 million as of December 31, 2025 and 2024, respectively.

Movement of the unamortized franchise fee in 2025 and 2024 follows:

	2025	2024
Cost		
At January 1 and December 31	₱1,345	₱1,345
Accumulated Amortization		
At January 1	503	369
Amortizations	134	134
At December 31	637	503
Net Book Value	₱708	₱842



DAMOSIA LAND, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

Schedule	Contents
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Long-term Debt
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers
G	Capital Stock
H	Reconciliation of Retained Earnings Available for Dividend Declaration
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company, Co-subsidiaries and Associate



SCHEDULE A

DAMOSALAND, INC. AND SUBSIDIARIES
FINANCIAL ASSETS
DECEMBER 31, 2025
(Amounts in Thousands)

Name of Issuing entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Consolidated Statement of Financial Position	Value Based on Market Quotation at End of Reporting Period	Income Received and Accrued
Cash and Cash Equivalents				
<i>Cash on hand</i>				
Damosa Land, Inc. and Subsidiaries		P917	P917	P-
<i>Cash in bank</i>				
Security Bank Corporation		192,573	192,573	44
BDO Unibank, Inc.		103,549	103,549	24
Metropolitan Bank and Trust Company		12,175	12,175	122
Bank of the Philippine Islands		25,143	25,143	9
Rizal Commercial Banking Corporation		8,374	8,374	11
Development Bank of the Philippines		6,103	6,103	11
China Banking Corporation		161	161	1
Asia United Bank		227	227	-
Philippine National Bank		899	899	1
Philippine Business Bank		60	60	1
Land Bank of the Philippines		2,043	2,043	-
<i>Cash equivalents</i>				
Rizal Commercial Banking Corporation		1,182	1,182	17
		P353,406	P353,406	P241



SCHEDULE B

**DAMOSALAND, INC. AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,
EMPLOYEES, RELATED PARTIES,
AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025**

Name and Designation of Debtor	December 31, 2024	Additions	Amounts collected	Amounts written off	Current	Noncurrent	December 31, 2025
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– Not applicable –

The Group's receivable from officers and employees pertain to ordinary purchases to usual terms, travel and expense advances and other transactions arising from the Group's ordinary course of business.

This schedule shall be filed with respect to each person among the directors, officers, employees, and principal stockholders (other than related parties) from whom an aggregate indebtedness of more than ₱1,000,000 or one percent (1%) of total assets, whichever is less, is owed.

For the purpose of this schedule, all amounts receivable from such persons for purchases subject to usual terms, for ordinary travel and expense advances and for other such items arising in the ordinary course of business are excluded.



SCHEDULE C

**DAMOSIA LAND, INC. AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025**

Related Party	Nature of Affiliation	Nature of Transaction	Terms and Conditions	2025
<i>- Not applicable -</i>				
<i>The Group does not have receivables from related parties which are eliminated during the consolidation of financial statements.</i>				



SCHEDULE D

DAMOSALAND, INC. AND SUBSIDIARIES
LONG-TERM DEBT
DECEMBER 31, 2025
(Amounts in Thousands)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-term Debt" in related Consolidated Statement of Financial Position	Amount shown under Caption "Long-term Debt" in related Consolidated Statement of Financial Position
<i>Bank loan - Philippine Peso</i>			
Local Bank 1	P159,040	P 79,040	P80,000
Local Bank 1	149,100	74,100	75,000
Local Bank 1	90,000	45,000	45,000
Local Bank 2	67,500	30,000	37,500
Local Bank 2	37,500	16,667	20,833
Local Bank 2	75,000	33,333	41,667
Local Bank 2	37,500	16,667	20,833
Local Bank 2	45,000	20,000	25,000
Local Bank 2	187,500	83,333	104,167
Local Bank 2	129,600	43,200	86,400
Local Bank 2	388,800	129,600	259,200
Local Bank 2	18,750	18,750	—
Local Bank 2	13,125	13,125	—
Local Bank 2	11,250	11,250	—
Local Bank 2	13,125	13,125	—
Local Bank 3	269,063	51,250	217,813
Local Bank 3	59,062	11,250	47,812
Local Bank 4	100,000	—	100,000
Local Bank 4	200,000	—	200,000
Local Bank 4	300,000	—	300,000
	P2,350,915	P689,690	P1,661,225



SCHEDULE E

**DAMOSIA LAND, INC. AND SUBSIDIARIES
INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2025**

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
– Not Applicable –		
<i>The Group does not have long-term loans from related companies in its consolidated statements of financial position.</i>		



SCHEDULE F

**DAMOSIA LAND, INC. AND SUBSIDIARIES
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025**

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
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– Not Applicable –

The Group does not have any guarantees of securities of other issuing entities by the Company for which the statement is filed.



SCHEDULE G

**DAMOSALAND, INC. AND SUBSIDIARIES
CAPITAL STOCK
DECEMBER 31, 2025**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Consolidated Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants Conversion and Other Rights	Number of Shares held by Related Parties	Number of Shares held by	
					Directors, Officers and Employees	Number of Shares held by Others
Common shares	7,500,000	7,500,000	–	6,123,638	889,244	487,118
Preferred shares	1,700,000	1,618,487	–	1,605,377	10,133	252,977



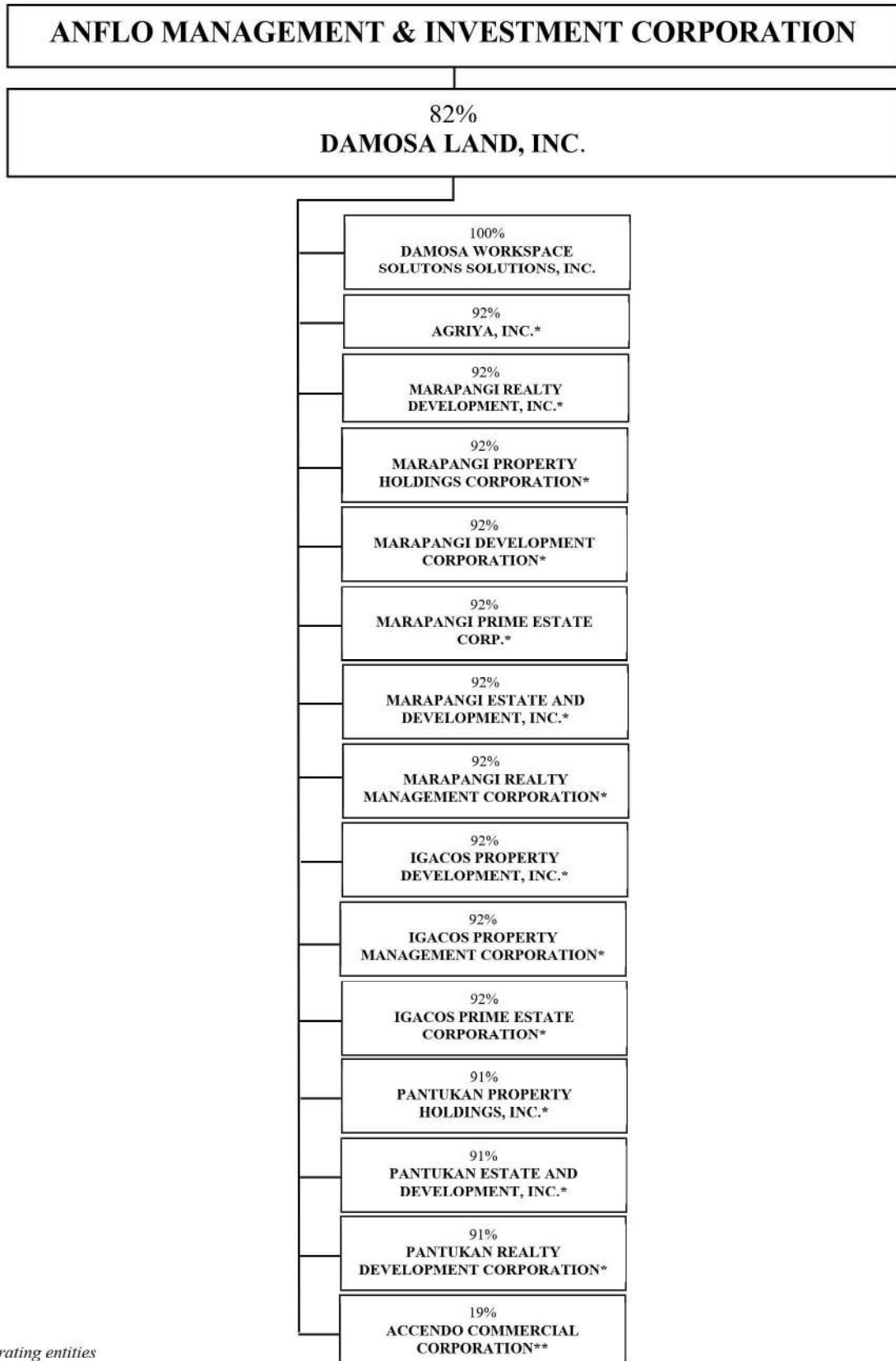
SCHEDULE H

**DAMOSALAND, INC.
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16-2023
DECEMBER 31, 2025**

Unappropriated Retained Earnings, beginning of reporting period	P646,166,085
Add: <u>Category A</u> : Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriations	—
Less: <u>Category B</u> : Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	—
Retained Earnings appropriated during the reporting period	—
Unappropriated Retained Earnings, as adjusted	646,166,085
Add: Net Income for the current year	58,317,518
Less: <u>Category C.1</u> : Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Unrealized foreign exchange gain, except those attributed to cash and cash equivalents	(49,785)
Adjusted net income	58,267,733
Add/Less: <u>Category F</u> : Other items that should be excluded from the determination of the amount available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(47,215,154)
Total Retained Earnings, end of the reporting period available for dividend	P657,218,664



**DAMOSA LAND, INC. AND SUBSIDIARIES
 MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE
 COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY, CO-
 SUBSIDIARIES AND ASSOCIATE
 DECEMBER 31, 2025**



*Non-operating entities
 **Associate



DAMOSA LAND, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2025 AND 2024

	December 31	
	2025	2024
Liquidity and Solvency		
Current ratio	1.39	1.64
$\frac{\text{Current assets}}{\text{Current liabilities}}$		
Acid-test ratio	0.28	0.28
$\frac{\text{Cash + Accounts Receivable}}{\text{Current liabilities}}$		
Solvency ratio	0.99	0.99
$\frac{\text{Total liabilities}}{\text{Total equity}}$		
Debt-to-equity ratio	0.71	0.73
$\frac{\text{Total debt}}{\text{Total equity}}$		
Asset-to-equity ratio	1.99	1.99
$\frac{\text{Total assets}}{\text{Total equity}}$		
Interest rate coverage ratio	2.34	1.62
$\frac{\text{Earnings before interest and taxes}}{\text{Interest expense}}$		
Profitability		
Return on equity	0.06	0.04
$\frac{\text{Net income}}{\text{Ave. total equity}}$		
Return on assets	0.03	0.02
$\frac{\text{Net income}}{\text{Ave. total assets}}$		
Profit margin	0.14	0.08
$\frac{\text{Net income}}{\text{Net revenues}}$		



DAMOSA LAND, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2025 AND 2024

	December 31	
	2025	2024
Total Audit Fees	₱1,310,000	₱910,000
Non-audit services fees:		
Other assurance services	1,000,000	–
Tax services	1,413,290	–
All other services	–	–
Total Non-audit Fees	2,413,290	–
Total Audit and Non-audit Fees	₱3,723,290	₱910,000

