Empire East

Three Decades of Breakthroughs

BOLDER FUTURE TOGETHER

2024 ANNUAL AND SUSTAINABILITY REPORT

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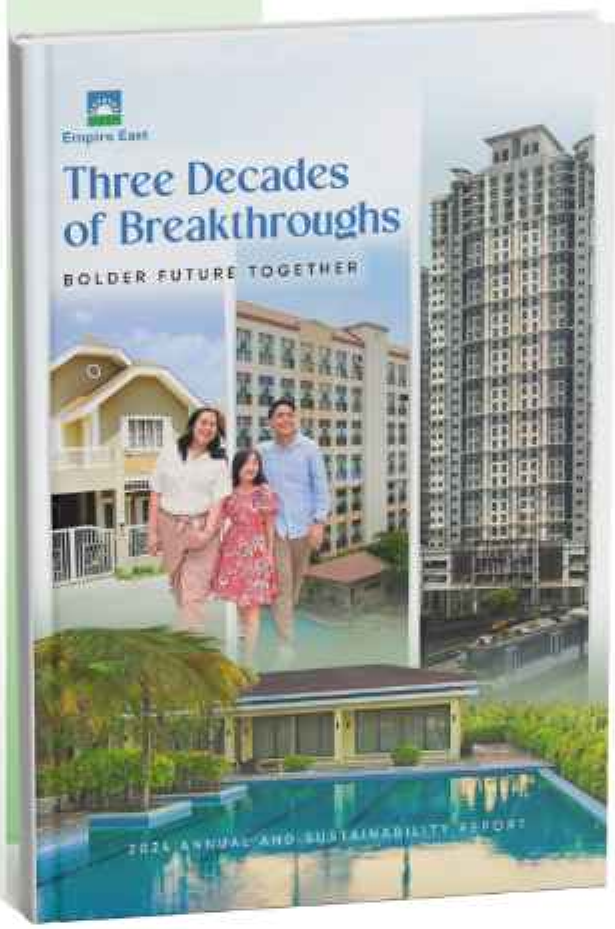
About the Cover

The cover design of Empire East's 2024 Annual and Sustainability Report visually captures the theme **"Three Decades of Breakthroughs: Bolder Future Together"** through powerful, resonant imagery that reflects its enduring impact on Filipino lifestyles. Celebrating 30 years of community development, the Company reflects on its journey from building traditional homes to offering modern mid-rise and high-rise condominiums.

The design uses a vertical three-part layout that shows the Company's progress and vision for the future. The left panel features a single-detached house, symbolizing Empire East's early projects, while the center shows a Filipino family in front of a mid-rise building to reflect its focus on family-friendly communities. On the right, a high-rise condo beside the MRT-3 line highlights the convenience of city living and the Company's growth in urban development.

At the base is a peaceful clubhouse by the pool, surrounded by green spaces—showing the Company's focus on comfort, quality of life, and sustainable living. These images tell a clear story: Empire East has spent three decades building not just homes, but better lives—always moving forward, together with the communities it serves.



About the Report

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This Annual and Sustainability Report (ASR) for the financial year 2024 provides stakeholders with a comprehensive overview of Empire East Land Holdings, Inc.'s ("EELHI", "the Company") performance across financial, operational, and sustainability dimensions. The report articulates EELHI's sustainability strategy, commitments, achievements, and areas for improvement, supporting informed decisions among investors, customers, employees, and other stakeholders.

The scope includes all significant economic, environmental, and social impacts of EELHI and its subsidiaries Eastwood Property Land Holdings, Inc. Unless otherwise specified, financial and sustainability data presented within this report reflect the consolidated operations of EELHI and its subsidiaries.

This report covers the reporting period from January 1, 2024, to December 31, 2024. Prepared in accordance with the Global Reporting Initiative (GRI) Standards, and adheres to the Philippine Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies, demonstrating EELHI's commitment to rigorous disclosure standards and accountability. The Company has also identified and aligned disclosures with the United Nations Sustainable Development Goals (UN SDGs), reinforcing its global responsibility in sustainability practices.

EELHI follows an annual reporting cycle for its ASR, highlighting its commitment to transparency, good governance, and continuous improvement in sustainability performance.

EELHI encourages stakeholders' insights to continuously enhance the quality and relevance of its sustainability reporting. For feedback or queries regarding the content of this 2024 Annual and Sustainability Report, please contact:

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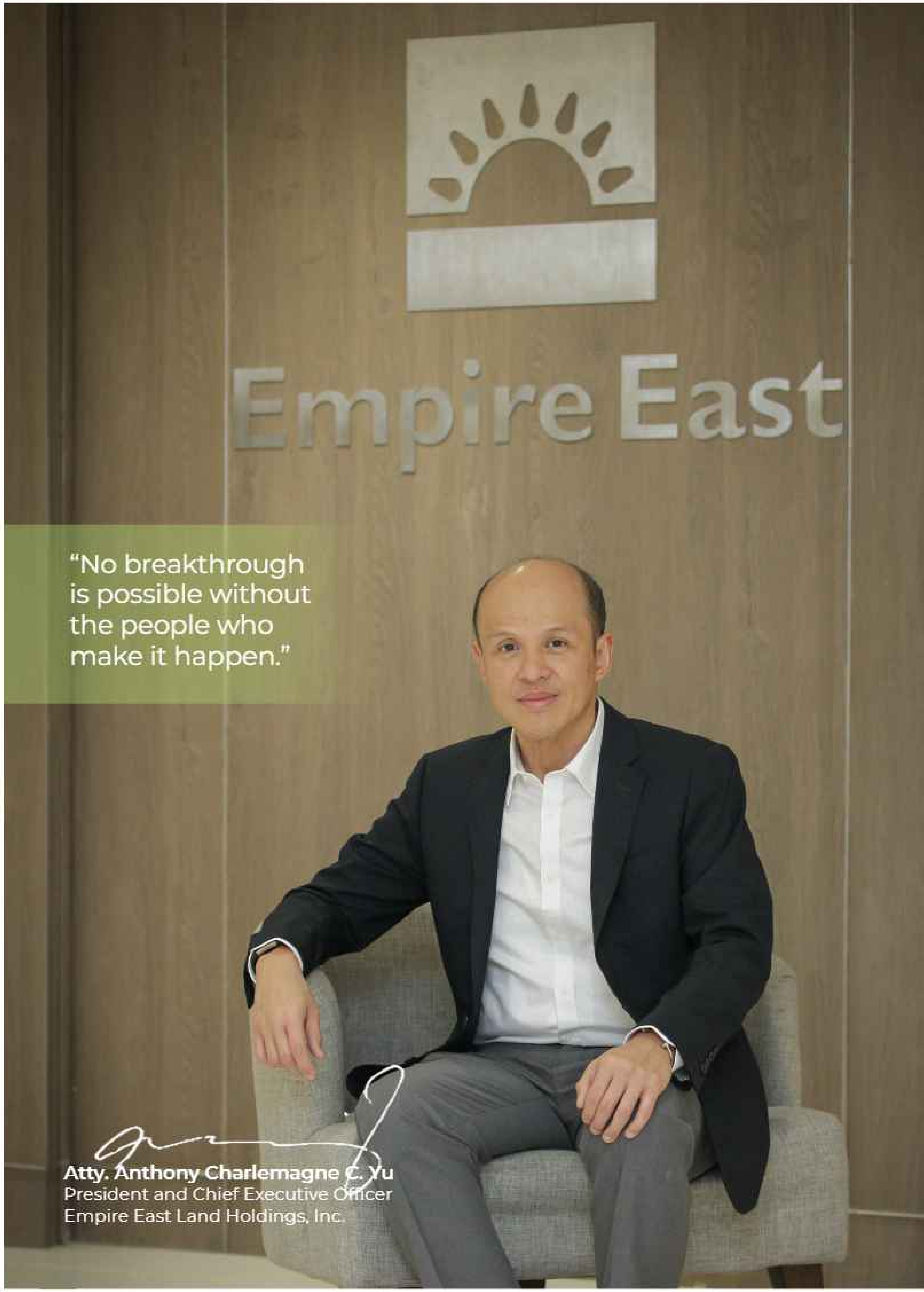

"No breakthrough is possible without the people who make it happen."

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

Message from the Leadership

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2024 marked a defining milestone in Empire East's journey—not only because we celebrated our 30th year in the real estate industry, but because we proved, once again, that breakthroughs are not a matter of chance, but the result of vision, discipline, and courage. Empire East delivered one of its strongest financial and operational performances in a volatile market shaped by post-pandemic shifts, elevated inflation, and global uncertainty. Reservation sales reached nearly Php 12.2 billion, reflecting the continued trust of our homebuyers and the resilience of our business strategy. We now manage an asset base of Php 50 billion and hold a 426-hectare land bank, strategically positioning us for long-term value creation and sustained growth. These figures are not merely numbers but a testament to our steadfast move forward with precision, purpose, and an unwavering drive for impact.

Since 1994, Empire East has been defined by its ability to lead change. From pioneering townships like Laguna Bel Air and transit-oriented developments such as San Lorenzo Place and Pioneer Woodlands, to reimagining affordability with No Down Payment schemes and high-rise communities that prioritize connectivity—we have not followed trends. We have set them. This forward-thinking mindset continues to shape our approach as we look to the future. In 2024 alone, we had 11 residential towers under construction and four more in advanced stages of development—all designed to meet the evolving needs of urban and suburban Filipino families. Our investment in future-ready homes and our reimagined township projects reflect a stronger focus on smart design, mobility, and green integration.

Our sustainability journey is no longer exploratory but embedded in how we plan, build, and grow. In 2024, we took measurable steps to reduce our environmental footprint: implementing the 5-S Waste Management Framework, integrating eco-efficient construction materials, and expanding the Highland Forest phase at Empire East Highland City to foster greener, healthier communities. These initiatives align with Megaworld's MEGreen and AGI's SustainAGIlity programs, affirming our role in a shared commitment to responsible development across the Alliance Global Group. We are also enhancing carbon footprint monitoring, scaling sustainable design across our projects, and partnering with communities to build long-term environmental and social impact.

To serve our customers better and move with greater agility, we accelerated our digital transformation in 2024. Internally, we launched over 100 automation programs to streamline workflows, enhance responsiveness, and future-proof our operations. For our clients, we introduced a seamless experience through platforms like the Ask About Your Home portal and our partnership with Pilipinas Teleserv, providing homebuyers with faster, more transparent access to essential documents. These innovations build the foundation for a smarter, more connected Empire East.

No breakthrough is possible without the people who make it happen. In 2024, we doubled on employee development, mental wellness, and inclusivity. We also continued our Adopt-a-School program and expanded community partnerships focused on waste management and sustainability education. These initiatives go beyond compliance—they are rooted in our belief that nation-building starts with responsible homebuilding.
As we enter our fourth decade, Empire East emerges stronger, more agile, and better prepared than ever. Our Php 25 billion capital expenditure plan over the next five years aims to support creating more resilient, sustainable, and accessible communities, perfectly aligned with customer expectations and global environmental and social standards.
Alongside our affiliates across the Alliance Global Group, under the visionary leadership of our Chairman, Dr. Andrew L. Tan, and CEO, Mr. Kevin Tan, we are building toward a bolder future—guided by shared purpose, long-term value creation, and a deep commitment to a better, more inclusive tomorrow.

To our Stockholders, your confidence fuels our progress.
To our Homeowners and Partners, you remain the reason we build with purpose.
To our Employees, your passion transforms trailblazing ideas into lasting breakthroughs.
Thank you for continuing to shape the future with us.

The next chapter begins with greater focus, stronger momentum, and a bolder vision.

About Empire East

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Company Overview and History

For 30 years, Empire East Land Holdings, Inc. has been shaping urban and suburban landscapes with **transformative residential developments**. Established in 1994 as a spin-off from Megaworld Corporation, the Company pioneered housing solutions that bridge accessibility, comfort, and modern city living.

With a strong legacy in master-planned communities, Empire East has built landmark projects that offer more than just homes—providing vibrant, well-connected lifestyles. The Company remains committed to delivering innovative and sustainable developments from high-rise condominium towers in Metro Manila to expansive house-and-lot communities in progressive suburban areas. Its projects include The Paddington Place, Mango Tree Residences, Covent Garden, Kasara Urban Resort Residences, The Rochester, Pioneer Woodlands, Little Baguio Terraces, San Lorenzo Place, The Cambridge Village, The Sonoma, and South Science Park.

Today, Empire East continues to redefine the residential experience through Transit-Oriented Developments (TODs)—strategically placing communities near key transport hubs, business districts, and essential urban conveniences. By integrating accessibility with quality living, Empire East is enhancing how people live and contributing to more sustainable and future-ready cities.

As of December 31, 2023, Empire East (ELI) holds 100% equity interest in Eastwood Property Holdings, Inc.; Valle Verde Properties, Inc.; Sherman Oak Holdings, Inc.; Empire East Communities, Inc.; and 20th Century Nylon Shirt Co., Inc. The Company also maintains strategic stakes in Laguna BelAir Science School, Inc. (72.5%), Sonoma Premier Land, Inc. (60%), Gilmore Property Marketing Associates, Inc. (47%), and Pacific Coast Megacity Inc. (40%).

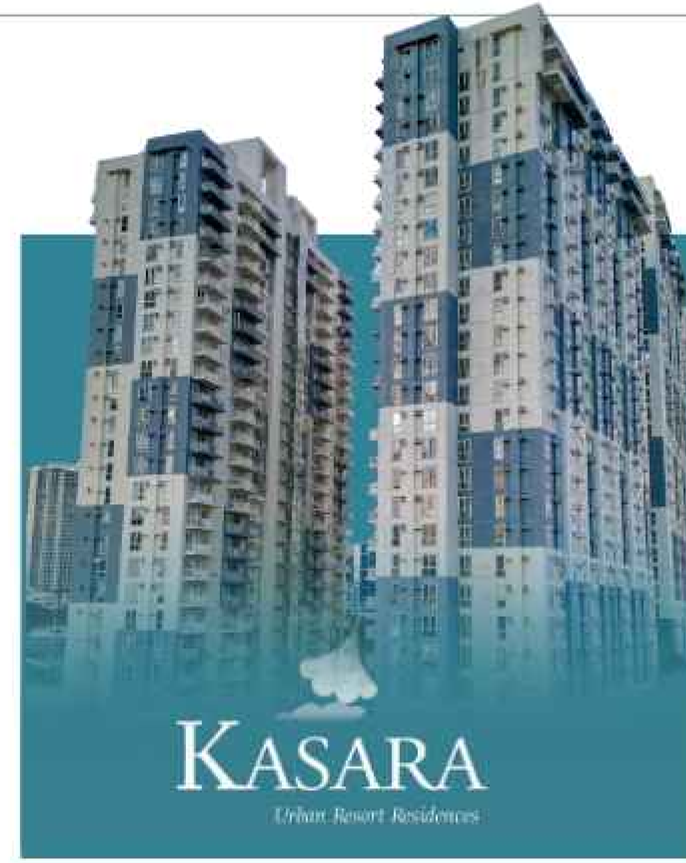
PROJECTS

Empire East Highland City is a 22-hectare township situated along Felix Avenue at the border of Pasig City and Cainta, Rizal. Its proximity to Marcos Highway and Ortigas Avenue Extension places it in a highly accessible location, especially with nearby transit systems like the LRT Line 2 via Marikina Station and the upcoming MRT Line 4 at Cainta Junction Station, which will soon connect to the Metro Manila Subway. This master-planned, sustainable community features the 8,000-square-meter Highland Park—an elevated green space with wide walking paths, water features, and al fresco retail areas. At the center of this park is a majestic Spanish steps that lead up to Highland Mall, a future lifestyle hub that will offer cinemas, restaurants, and essential shops. Empire East Highland City will also be home to luxurious residential towers, a man-made forest, and a private leisure hub called The Chartered Club, all set within an environment of wide roads, bike lanes, and tree-lined sidewalks.

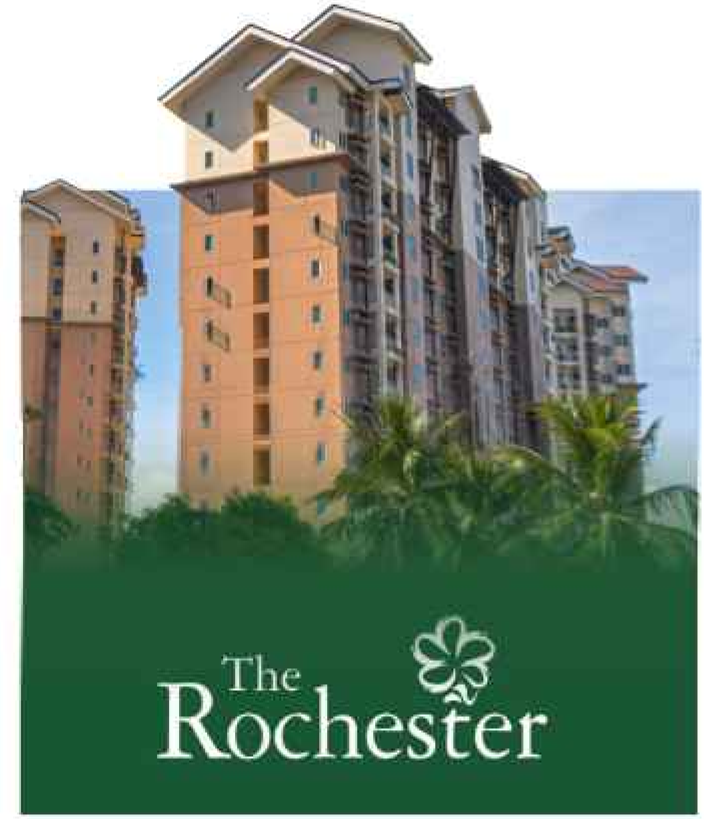
The Paddington Place is a modern four-tower condominium community located along Shaw Boulevard in Mandaluyong City. With its walkable distance to the Ortigas CBD and quick access to the MRT-3 Shaw Boulevard Station, this development offers unmatched urban convenience through its Transit-Oriented Development (TOD) concept. The ground podium will host “The Pad,” a neighborhood mall that will feature everyday essentials and lifestyle options. Elevated amenities on the seventh and eighth floors include a lap pool, fitness gym, function rooms, landscaped gardens, and indoor recreational spaces. The four high-rise towers offer breathtaking skyline views of nearby business districts, further elevating its appeal as a well-positioned city residence.

Mango Tree Residences is a low-density, two-tower high-rise community nestled at the elevated corner of M. Paterno and Ledesma Streets in San Juan City. This enclave offers a peaceful atmosphere, surrounded by decades-old mango trees that have been preserved within the development. Its location near the future MRT Line 4 and major roads like N. Domingo and Santolan provides convenient access to key cities such as Quezon City, Pasig, and Makati. Designed to offer seclusion and serenity, the buildings are built on stilts, allowing for open, green spaces underneath. Residents enjoy landscaped areas, an al fresco lounge, and recreational facilities, all while benefiting from low floor density and exclusive living environments.

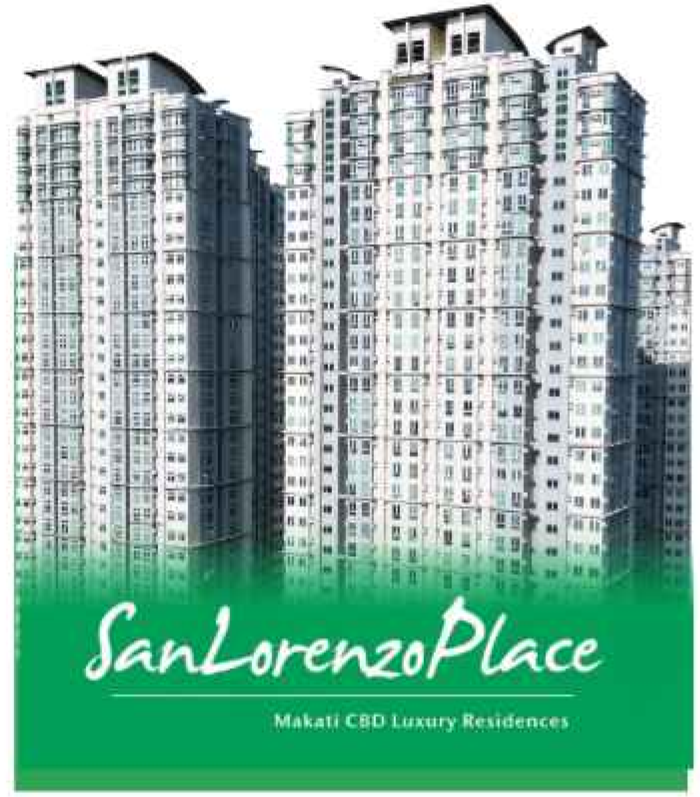
Located at the junction of Magsaysay Boulevard and Santol Street Extension in Santa Mesa, Manila, Covent Garden offers a unique mix of city accessibility and community-oriented living. It is a short walk from the LRT-2 V. Mapa Station and is easily reached via the Skyway Stage 3 Extension and other major roadways. The development features smartly designed structures that provide ample open space and elevated amenity areas, giving residents uninterrupted views of the Metro Manila skyline. With close proximity to LRT-2 that directly links to LRT-1 and MRT-3, this location offers exceptional connectivity to key parts of the metro.



Kasara Urban Resort Residences is a 1.8-hectare resort-inspired community located in Ugong, Pasig City, near C5 Road and within minutes from Ortigas CBD, Tiendesitas, and Valle Verde. The project is designed with nearly 60% open space, offering residents a lush tropical environment complete with a lake-inspired pool, waterfalls, koi ponds, and jogging paths. Other amenities include a clubhouse with a function hall, a fitness gym, play areas, and landscaped gardens. Future infrastructure developments nearby, including the Metro Manila Subway and MRT Line 4, are expected to further improve the site's value and accessibility.



Located along Elisco Road in San Joaquin, Pasig City, The Rochester is a seven-tower mid-rise development that combines urban accessibility with a resort-style residential setting. Just a kilometer away from the C5-Kalayaan intersection, the project offers fast access to Bonifacio Global City, Makati, Ortigas, and Eastwood. Amenities include a clubhouse with lounge areas and a bar, a 25-meter lap pool, a fitness gym, landscaped gardens, and a multipurpose court—providing a full suite of recreational options for families and individuals alike.



Pioneer Woodlands is a transit-oriented high-rise community directly linked to the MRT-3 Boni Avenue Station in Mandaluyong City. Located at the corner of EDSA and Pioneer Street, it offers easy travel to and from key CBDs like Makati, Ortigas, and Bonifacio Global City. The development consists of six towers and features lifestyle amenities on the fifth floor, giving residents both convenience and elevated leisure within the city center.

Nestled between N. Domingo Street and Aurora Boulevard in San Juan City, Little Baguio Terraces offers direct access to the LRT-2 Gilmore and J. Ruiz Stations. This mid-to-high-rise community is ideally located for students and professionals who commute to the University Belt, Katipunan, and central Manila. The property offers a podium-level amenity area, enhancing community life within this city-centered enclave.

San Lorenzo Place is a four-tower residential condominium integrated with the MRT-3 Magallanes Station at the corner of EDSA and Chino Roces Avenue in Makati City. With direct access to the city's major business and lifestyle hubs, this development offers a combination of residential comfort and unmatched connectivity. Amenities include swimming pools, a fitness gym, daycare, jogging paths, and its own lifestyle mall—providing a complete urban living experience for young professionals and families.

Vision, Mission & Core Values

2-23. 2-24

Vision

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

Mission

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

Core Values

I. Commitment to Buyers

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

II. Home and Family Building

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

III. National Progress and Prosperity

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

IV. Expansion of Ideas and Vision

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

History

For three decades, Empire East has shaped the landscape of urban living, pioneering innovative residential concepts that redefine homeownership for Filipinos. Instead of slowing down during economic challenges, the Company adapted and innovated, introducing transit-oriented developments, urban resort-style communities, and pioneering the country's first elevated city.

Through the years, Empire East has continuously expanded its reach and solidified its reputation as a game-changer in the real estate industry with groundbreaking projects, flexible digital solutions, and dynamic marketing strategies that propelled its continuous growth.

EELHI sealed its milestones and achievements through prestigious accolades, including the 2023 Best Developer Award and the 2024 Real Estate Asia Awards. This era also marked the Company's digital transmutation, enhancing customer experience through innovations like the Ask About Your Home portal. Meanwhile, Empire East Cares remained at the forefront of its CSR efforts, which continues to reinforce the Company's mission to build safer, smarter, and more sustainable communities across the country.

Projects Launched

- Laguna Bel-Air 1
- Laguna Bel-Air 2
- Little Baguio Gardens
- Governor's Place
- Kingswood
- Gilmore Heights

- San Francisco Gardens
- Greenhills Garden Square
- The Xavier Hills
- California Garden Square
- Laguna Bel-Air 3
- Cambridge Village

- Laguna Bel-Air 4
- Pioneer Woodlands
- Little Baguio Terraces
- San Lorenzo Place
- The Rochester

- The Sonoma
- Kasara Urban Resort Residences
- Mango Tree Residences
- Covent Garden
- The Paddington Place
- Empire East Highland City

Milestones and Innovations

Pioneered Live-Work-Play Township Model

Flexible Unit Layouts through Unit Combination

First to Offer No Down Payment and Zero Interest Schemes

First to Launch Loft-Type Units

Introduced Cluster-Type Micro-City Concept

First to Open a Mall Showroom

Introduced Resort-Style Condominiums

Pioneered Transit-Oriented Developments

Established "Empire East Networks" Regional Sales Offices

Launched Numerous CSR Projects under "Empire East Cares"

Introduced the "Empire East Elite" Luxury Brand of Developments

Launched the First "Elevated City" in the Philippines

Survived Various Crises: Asian Financial Crisis, Global Recession, COVID-19 Pandemic

Digital Transformation to Upgrade Processes and Customer Services

Trendsetter in Advertising and Marketing Strategies

Multi-Awarded Developer and Residential Projects

Strong Market Leadership for 30 Years

2024 at a Glance

Financial Performance Overview

Php 4,950,790,000 billion 2024 Revenues

Php 381,214
Estimated Value of Retirement benefits

Php 602,557,070
Corporate Social Responsibility Investments

Operational Highlights

426 hectares
Total Landbank

Php 12.2 billion
Reservation Sales

23
Total Developments
- 18 - Completed
- 2 - New
- 3 - Ongoing

Sustainability Highlights

CLIMATE ACTION

100
Seedlings at Highland Forest

5S Framework
Waste Management for Recycling and Waste Segregation

LIFE ON LAND

250
Rescued Dogs and Cats

40%
Open Space for Empire East Highland City

RESPONSIBLE PRODUCTION AND CONSUMPTION

100%
Local Suppliers

26,435,900
Safe Man-Hours

AFFORDABLE AND CLEAN ENERGY

Adoption of Resource-Efficient Building Materials and Practices in our Developments

6
Projects included in the GEOP

DECENT WORK

698
Total Permanent Employees

468.16 M
Employee Wages and Benefits

SUSTAINABLE CITIES AND COMMUNITIES

19,842
Units Near Transit-Oriented Developments

2
Community-Based Initiatives

Hundreds
E-Go Bags Distribution

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Ask About Your Home Online Portal

Empire East Highland City Walkthrough App

Pilipinas Teleserv Partnership

Empire East Connect

Empire East at 30

Empire East celebrated its 30th anniversary with Tanaw at Tanglaw, a commemorative event that brought together employees and executives for an evening of gratitude, reflection, and renewed purpose. The celebration highlighted the Company's journey from its beginnings in 1994 to becoming a leader in the middle-income real estate sector, delivering over 100 residential towers and pioneering housing innovations that have empowered thousands of Filipino families to own homes.

Executives from Alliance Global and Megaworld Corporation joined Empire East President and CEO Atty. Anthony Charlemagne C. Yu in commemorating the milestone. Speeches during the program focused on the Company's three-decade growth and its role in transforming city living through innovations such as transit-oriented developments and flexible payment schemes. Employees also shared personal stories, showcasing how Empire East has served not only as an employer but also as a home where professional and personal growth flourish.

The event included a special musical performance by the Company, whose nostalgic set paid tribute to the Company's early beginnings. The evening was also filled with heartfelt moments as 30 employees shared stories of their Empire East journeys, reinforcing the culture of loyalty and shared purpose that drives the organization.

One of the evening's major highlights was the announcement of 30 CSR pledges, reinforcing Empire East's long-standing commitment to societal and environmental responsibility. These initiatives, in collaboration with various NGOs, aim to support housing access, environmental protection, and inclusive development—underscoring the Company's dedication to building not just homes, but better communities.

Through Tanaw at Tanglaw, Empire East not only looked back on three decades of achievements but also laid the groundwork for future impact. With a steadfast commitment to building homes and supporting Filipino lives, the Company moves forward with renewed vision and purpose for the years ahead.

Certifications, Awards, and Recognitions

Customer Service Innovation of the Year - Philippines

2024 Real Estate Asia Awards

Empire East Land Holdings Inc. secured two prestigious awards at the 2024 Real Estate Asia Awards. These recognitions highlight the Company's holistic and tech-driven approach to enhancing customer experience through digitalisation.

- **Marketing & Brand Initiative of the Year - Philippines**

  Empire East introduced tech-driven strategies like the centralized online hub "AskAboutYourHome.com" for streamlined client communication, the Empire East Highland City Walkthrough App for virtual project presentations, and the Contract Event Tracker for monitoring payment milestones. These tools enhanced customer experience and operational efficiency.

- **ESG Initiative of the Year - Philippines**

  Empire East sustainable efforts included the creation of the Highland Forest, the first natural forest in the landmark development, and "The Hub" at Empire East Highland City, a leisure destination celebrating local culture. Empire East also implemented eco-conscious initiatives to reduce mobility and promote sustainability.

Sapphire Award at BDO Home Loan Developers Awards

Empire East proudly receives the Sapphire Award at the prestigious BDO Home Loan Developers Awards, affirming our strong partnership with BDO in helping more Filipinos turn their dream of homeownership into reality. This recognition reflects the growing number of Empire East buyers who successfully secured bank financing through BDO and completed payment for their units—an important indicator of trust, financial readiness, and our buyers' satisfaction. The award reaffirms Empire East's commitment to offering accessible, flexible, and reliable home financing options, ensuring that owning a home remains within reach for many. Representing Empire East at the awarding ceremony were Enzo Abugan II, EJ Amarille, and Joyous Domondon from Credit and Collection Team.

Board Composition and ESG Leadership

2-9. 2-10, 2-11, 2-12, 2-13

For 2024, the organization has enhanced its governance structure and leadership regarding environmental, social, and economic matters. Designated committees now oversee each major impact area: Mr. Lino Victorioso is at the helm of economic initiatives, Ms. Gemma Romero is dedicated to environmental matters, and Atty. Amiel A. Asuncion is responsible for managing personnel-related matters. The Board of Directors, which includes both executive and non-executive members, guarantees a robust decision-making process centered on long-term sustainability.

The board's composition reflects a balance of experience and independence, with key positions held by seasoned leaders such as Andrew L. Tan as Chairman and Cresencio P. Aquino as Lead Independent Director. By adopting this governance structure, the organization reinforces its continuous commitment to impactful leadership in ESG performance.

Andrew L. Tan

Chairman of the Board
Male
Executive (Chairman)

Atty. Anthony Charlemagne C. Yu

President and Chief Executive Officer
Male
Executive (Member)

Kevin Andrew L. Tan

Director
Male

Lino P. Victorioso, Jr.

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

Enrique Santos L. Sy

Director
Male
- Corporate Governance (Member)
- Board Risk (Member)
- Related Party Transaction (Member

Cresencio P. Aquino

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

Sergio R. Ortiz- Luis, Jr.

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

Andrew L. Tan

Chairman and CEO
75, Male, Filipino

Date of First Appointment: July 1994
Length of Service (as of December 31, 2024): 30 years
Committee Membership: Executive Committee (Chairman)

Mr. Tan has served as Chairman of the Company's Board of Directors since its incorporation in July 1994. He was also Treasurer of the Company from July 1994 to May 1998. He is the Chairman of the Board of Megaworld Corporation, a publicly listed corporation and the parent company of the Company, and Chairman of other publicly listed companies such as Alliance Global Group, Inc., Emperador Inc., and Global-Estate Resorts, Inc. He pioneered the live-work-play-learn model in real estate development through the Company's integrated township communities, fueling the growth of the business process outsourcing (BPO) industry.

He embarked on the development of integrated tourism estates through publicly-listed Alliance Global Group, Inc. and Global-Estate Resorts, Inc., which he both chairs, while continuing to focus on consumer-friendly food and beverage and quick service restaurants. Mr. Tan serves as Chairman of the Board of Suntrust Properties, Inc., a subsidiary engaged in the development and marketing of affordable housing projects. He also serves in the boards of other Megaworld subsidiaries including Eastwood Cyber One Corporation, Megaworld Land, Inc., Megaworld Central Properties Inc., Megaworld Bacolod Properties, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Newport Property Holdings, Inc. and Richmonde Hotel Group International Limited. He is also the Chairman of Emperador Inc., a public-listed Company which owns Emperador Distillers, Inc., the leading brandy manufacturer and distributor in the Philippines.

Mr. Tan is Chairman Emeritus of Megaworld Foundation, the Company's corporate social responsibility arm, which primarily focuses on the promotion of education through scholarship programs for financially handicapped but deserving students, and supports causes that promote poverty alleviation, people empowerment, social justice, good governance and environmental conservation. He is a director of Travellers International Hotel Group, Inc., which owns Newport World Resorts Manila, and the food and beverage companies, Emperador Distillers, Inc. Alliance Global Brands, Inc. and Golden Arches Development Corporation. Dr. Tan graduated magna cum laude from the University of the East with a Bachelor of Science degree in Business Administration. In 2011, Dr. Tan was conferred by the University of the East the Degree of Doctor of Humanities, honoris causa.

Kevin Andrew L. Tan
Director
45, Male, Filipino

Date of First Appointment: June 2015
Length of Service
(as of December 31, 2024): 9 years

Mr. Tan has served as Director since June 2015. He is the Director and Executive Director of Megaworld Corporation. He previously held the position of Vice President and Chief Strategy Officer and also a previously a Senior Vice President for Commercial Division which markets and operates the Megaworld Lifestyle Malls including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill, and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, and Lucky Chinatown Mall in Binondo, Manila and Uptown Mall in Bonifacio Global City.

He is the President, Chief Executive Officer and Vice Chairman of public-listed company, Alliance Global Group, Inc., as well as the President and Chief Executive Officer of MREIT, Inc. He is also concurrently a Director of publicly-listed companies, Emperador Inc. and Global-Estate Resorts, Inc., and other affiliate companies such as Eastwood Cyber One Corporation, Uptown Cinemas, Inc., Megaworld Central Properties Inc., Twin Lakes Corporation, Megaworld Land, Inc., Townsquare Development, Inc., Emperador Distillers, Inc., Alliance Global Brands, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., and New Town Land Partners, Inc.

He is also a Chairman of Megaworld Foundation, Inc. and the Chairman and President of Alliance Global-Infracorp Development, Inc. and Agile Digital Ventures, Inc.

Mr. Tan obtained his bachelor's degree in Business Administration major in Management from the University of Asia and the Pacific.

Enrique Santos L. Sy
Director
75, Male, Filipino

Date of First Appointment: June 2009
Length of Service (as of December 31, 2024): 15 years
Committee Membership:
Corporate Governance (Member)
Board Risk (Member)
Related Party Transaction (Member)

Mr. Sy was elected to the Board on 09 June 2009. Previously, he served as director of the Company from April 1996 to April 1998 and from June 1999 to 23 December 2008. Mr. Sy was Corporate Secretary of the Company from July 1994 until 31 March 2011. Mr. Sy concurrently serves on the Board of the publicly-listed company, Megaworld Corporation. He is a Director of Eastin Holdings and First Oceanic Property Management, Inc. He is also a Director and the Corporate Secretary of Asia Finest Cuisine, Inc. and the Corporate Secretary of Empire East Communities, Inc.

Mr. Sy previously worked as Advertising Manager of Consolidated Distillers of the Far East, Inc., Creative Director of AdCentrum Advertising, Inc., Copy Chief of Admakers, Inc., and Peace Advertising Corporation and Creative Associate of Adformatix, Inc. Mr. Sy graduated with honors from the Ateneo de Manila University with the degree of Bachelor of Arts in Communication Arts.

Cresencio P. Aquino

Lead Independent Director
71, Male, Filipino

Date of First Appointment: February 2018
Length of Service (as of December 31, 2024): 6 years
Committee Membership:
Audit (Chairman)
Corporate Governance (Chairman)
Related Party Transaction (Chairman)
Board Risk (Member)

Atty. Aquino is currently the Managing Partner of The Law Firm of CP Aquino & Partners. He was first elected as independent director of the Company on February 15, 2018. He concurrently serves as an independent director in the Boards of publicly-listed companies, Megaworld Corporation and Global-Estate Resorts, Inc.

Atty. Aquino has extensive experience in both the public and private sectors as Director of Clark Development Corporation from 2012 to 2016, Independent Director of Suntrust Home Developers, Inc. from 2009 to 2012, Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, Director of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bank from September 1992 to June 1998, and Executive Director of the Department of Interior and Local Government ("DILG") from 1988 to 1992, and concurrently Ex-Officio Commissioner of the DILG with the Housing and Land Use Regulatory Board also for the same period.

Atty. Aquino was formerly an Associate Professor with the San Sebastian College. Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus, and the Lawyers League of the Philippines. Atty. Aquino graduated from San Sebastian College Manila with the degree of Bachelor of Arts in 1973. He obtained his Bachelor of Laws from the same institution in 1977.

Sergio R. Ortiz- Luis, Jr.

Independent Director
81, Male, Filipino

Date of First Appointment: June 2022
Length of Service (as of December 31, 2024): 2 years
Committee Membership:
Board Risk (Chairman)
Audit (Member)
Corporate Governance (Member)
Related Party Transaction (Member)

Mr. Sergio R. Ortiz-Luis, Jr. has served as an independent director of the Company since June 2022. He is currently the Head of the Philippine Exporters Confederation, Inc. (PHILEXPORT), the country's umbrella organization for Philippine exporters under the Export Development Act. Mr. Ortiz-Luis is also the Honorary Chairman and Treasurer of the Philippine Chamber of Commerce & Industry (PCCI), President of the Employers Confederation of the Philippines (ECOP), Director and Past President of the Philippine Foundation, Inc. (Team Philippines), and a Founding Director of the International Chamber of Commerce in the Philippines. Additionally, he serves as the Independent Director of MREIT, Inc.

Mr. Ortiz-Luis holds a bachelor's degree in Liberal Arts and Business Administration and is a candidate for a Master of Business Administration from De La Salle College. He has earned a PhD in Humanities from Central Luzon State University, a PhD in Business Technology from the Eulogio "Amang" Rodriguez Institute of Science and Technology, and a PhD in Business Administration from Angeles University Foundation.

Corporate Governance Structure

Atty. Anthony Charlemange C. Yu

President and Chief Executive Officer

62, Male, Filipino

Date of First Appointment: August 1997
Length of Service (as of December 31, 2024):
27 years
Committee Membership:
Committee Membership: Executive (Member)

Atty. Yu has been a member of the Company's Board of Directors since August 1997 and has served as President and CEO of the Company for the same period. He joined Megaworld Land, Inc. in July 1996 and served as its Vice President until July 1997. Mr. Yu obtained his Bachelor of Arts degree major in Political Science from the Ateneo de Manila University and his Juris Doctor degree from the University of the Philippines. He holds a Master's Degree from the University of London. He also holds a Master of Laws (LLM) degree from the University of California at Berkeley. He has also undertaken further studies in Advanced Finance in the University of Michigan.

Atty. Yu previously worked for Ten Knots Development Corporation where he served as Vice President for Corporate and Legal Affairs and was a member of both its Executive and Management Committees. He also worked as a Legal Associate in one of the country's largest and most active law firms then, and served as Special Legal Counsel to the Secretary of Health, Dr. Juan Flavier. He also served as a Consultant in the Senate of the Philippines.

Atty. Yu is a Professor of Law in the College of Law of the University of the Philippines. He was a member of the University Faculty of the Ateneo de Manila University for many years, and sat on the Board of the Institute of the Philippine Culture of the Ateneo de Manila University. He is presently the Chair of a committee of the Board of the Ateneo de Manila University. He was also a Founding Faculty of the College of Law of De La Salle University, and was a Professor of Law at the Lyceum College of Law.
He is presently the Chairperson of the Board of Trustees of World Wide Fund for Nature – WWF Philippines, which works to improve Filipino lives by crafting solutions to climate change, providing sustainable livelihood programs, and conserving the country's richest marine and terrestrial habitats. He was a member of the Philippine Delegation to the Integrated Environmental Management Forum held in Israel.

Atty. Yu was also a member of the Regional Network of Legal Experts on Marine Pollution of a multilateral agency, and sat in the Board of Trustees of Management Advancement Systems, Association, Inc. He served as the Chairman of the Board and President of the Philippine Science-assisted school, Laguna BelAir Science School, Inc. He is the President of the El Nido Foundation, an NGO that promotes sustainable development and environmental protection in northern Palawan. He is a Trustee of Culion Foundation, a social development organization that primarily supports undertakings on the prevention and control of selected communicable and infectious diseases, reproductive health, and micro-enterprise development.

He has served as the Chairman of the ERDA Group of Foundations, which promotes educational assistance to the marginalized sectors of society, including street children. He was also a member of the Board of Trustees of IBON Foundation, a non-profit research and education development institution that provides socio-economic research and analysis on people's issues to various sectors. He also sits in the Board of NVC Foundation - Negrense Volunteers for Change, an organization that fights hunger and poverty by providing proper nutrition for poor children, as well as sustainable livelihood opportunities for their families. He is also a member of the Board of AHA! Learning Center, an NGO that supports public school children in various ways. He also sits as a member of the Board of Kaya Natin Movement for Good Governance and Ethical Leadership (Kaya Natin), which promotes good governance and ethical leadership in the Philippines. Atty. Yu is also President and/or Director of Empire East Communities, Inc., Megaworld Central Properties, Inc., Sherman Oak Holdings, Inc., Sonoma Premier Land, Inc., Valle Verde Properties, Inc. and Megaworld Newport Property Holdings, Inc.

He has been appointed by the Supreme Court to be a member of the Ad Hoc Committee for the Formulation of the Special Rules of Procedure on Anti-Terrorism Cases, the Judicial Committee on Sustainability and Environmental Concerns, the Technical Working Group to draft the Amended Rules on Mandatory Continuing Legal Education of 2025, the Technical Working Group to Study the Freedom Writs (Writ of Habeas Corpus and Writ of Amparo), the Technical Working Group to Amend the Rules on Special Proceedings of the Rules of Court, the Technical Working Group for the Training and Capacity Building of Judges for the Implementation of the Anti-Terrorism Act of 2020 and Related Laws, and the Technical Working Group on Public Interest Lawyering, Alternative Lawyering, Developmental Legal Aid, and Legal Aid, among others. He has also served as a resource person of the Supreme Court's Technical Working Group on The New Code of Judicial Conduct. He was also a resource speaker in the Supreme Court's National Summit on Sustainability and Environmental Law. Atty. Yu has also been appointed by the Supreme Court to be the Chair of the Constitutional Law Department of the Philippine Judicial Academy (PhilJA), a component unit of the Supreme Court which serves as the training school for justices, judges, and other present and aspiring members of the Philippine Judiciary as well as court personnel.

Lino P. Victorioso Jr.

Chief Financial Officer, Chief Information Officer, and Compliance Officer
44, Male, Filipino

Date of First Appointment:
September 2023
Length of Service (as of December 31, 2024):
1 year
Committee Membership:
Executive (Member), Audit (Member)

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

Jhoanna Lyndelou T. Llaga

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

Date of First Appointment:
April 1996
Length of Service (as of December 31, 2024):
28 years

Ms. Llaga concurrently serves as director of Empire East Communities, Inc, the Company's subsidiary, and as a Senior Vice President of Megaworld Central Properties, Inc., an affiliate of the Company. She joined the Company in April 1996 and is currently the Senior Vice President and Chief Marketing Officer. She was appointed Marketing Head in June 2003, Assistant Vice President in July 2009, Vice President in March 2011 and First Vice President in July 2015. Ms. Llaga graduated from the University of the Philippines in March 1994 with the degree of Bachelor of Arts in English
Language Studies.

Giovanni C. Ng

Treasurer
50, Male, Filipino

Date of First Appointment:
January 6, 2002
Length of Service (as of December 31, 2024):
22 years

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

Dennis E. Edaño

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

Date of First Appointment:
September 2003
Length of Service (as of December 31, 2024):
21 years

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

Celeste Z. Sioson-Bumatay

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

Date of First Appointment:
October 2006
Length of Service (as of December 31, 2024):
18 years

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

Franemil T. Ramos

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

Date of First Appointment:
December 1997
Length of Service (as of December 31, 2024):
27 years

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

Arminus M. Madridejos

First Vice President and Head for Property Development Division
53, Male, Filipino

Date of First Appointment:
January 2009
Length of Service (as of December 31, 2024):
15 years

Mr. Arminus M. Madridejos currently heads the Property Development Division. He joined the Company in January 2009 as a Senior Manager, was promoted to Assistant Vice President in 2015, Vice President in 2017, and First Vice President in May 2023. Prior to his tenure with the Company, he gained experience at Jose Aliling & Associates (a construction management firm), SYNA Engineering (a project management firm), and Ayala Land, Inc. (construction management division). Mr. Madridejos holds a B.S. Civil Engineering degree from the University of the Philippines – Diliman, which he completed in 1994, and obtained his Civil Engineering license in the same year.

Amiel R. Asuncion

Senior Assistant Vice President for Human Resources
40, Male, Filipino

Date of First Appointment:
May 2014
Length of Service (as of December 31, 2024):
10 years

Mr. Amiel R. Asuncion has served the Company since May 2014, initially as Assistant Vice President of the Legal and Corporate Affairs Division before transitioning to his current role as Senior Assistant Vice President for Human Resources. He holds a Juris Doctor degree from Ateneo de Manila University School of Law (2010) and a Bachelor of Arts in Philosophy, with a minor in English Literature, from Ateneo de Manila University (2006).

Mr. Asuncion brings extensive experience in civil, criminal, administrative, tax, and labor litigation, as well as labor relations and real estate law. Before joining the Company, he was an Associate at the Siguion Reyna Montecillo Ongsiako Law Offices and Villaraza Cruz Marcelo & Angangco, and also served as a Legal Officer at the Philippine Amusement and Gaming Corporation.

Kim Camille B. Manansala

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

Date of First Appointment:
May 2016
Length of Service (as of December 31, 2024):
8 years

Ms. Manansala currently serves as Senior Assistant Vice President for Audit and Management Services (AMS). She joined the Company in May 2016 as Senior Audit Manager and was appointed as AMS-Head in July 2016, Assistant Vice President for AMS in January 2017, Senior Assistant Vice President for AMS in July 2022 and Vice President for Audit and Management Services in July 2024. She is also the assigned Project Manager for the SAP implementation from January 2017 to the present.

Prior to joining the Company, she worked with SyCip Gorres Velayo & Co. (SGV &; Co.) as Senior Assurance Associate where she gained extensive exposure in financial/operations audit for insurance, service, finance, and holding companies, advertising and non-profit institutions. She also worked with QBE Group Shared Services Centre as Quality Assurance Analyst Level 4 and AMA Group of Companies as Senior Audit Manager.

Ms. Manansala graduated Magna Cum Laude from the Polytechnic University of the Philippines in 2011 with the degree of Bachelor of Science in Accountancy and is a Certified Public Accountant by profession.

Cosca Camille M. Tuason
Assistant Vice President for Human Resources Department
39, Female, Filipino

Date of First Appointment:
May 2006
Length of Service (as of December 31, 2024):
15 years

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

Gemma O. Romero
Vice President for Property Development, Administration and General Services Department
51, Female, Filipino

Date of First Appointment:
August 5, 1998
Length of Service (as of December 31, 2024):
26 years

Engr. Romero entered the Company as AVP for Property Development Department and was promoted as Vice President for Property Development, Administration and General Services Department last February 15, 2025. She has extensive experience in construction, structural consultancy, and real estate. Engr. Romero graduated from Bicol University with a degree in Civil Engineering. She is a licensed Civil Engineer.

Executive Committee

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

Chairman:
Dr. Andrew L. Tan

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

Related Party Transactions Committee

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

Chairman:
Cresencio P. Aquino

Members:
Sergio R. Ortiz-Luis, Jr.
Enrique Santos L. Sy

Audit Committee

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

Chairman:
Cresencio P. Aquino

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

Board Risk Oversight Committee

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

Chairman
Sergio R. Ortiz-Luis, Jr.

Members:
Cresencio P. Aquino
Enrique Santos L. Sy

Corporate Governance Committee

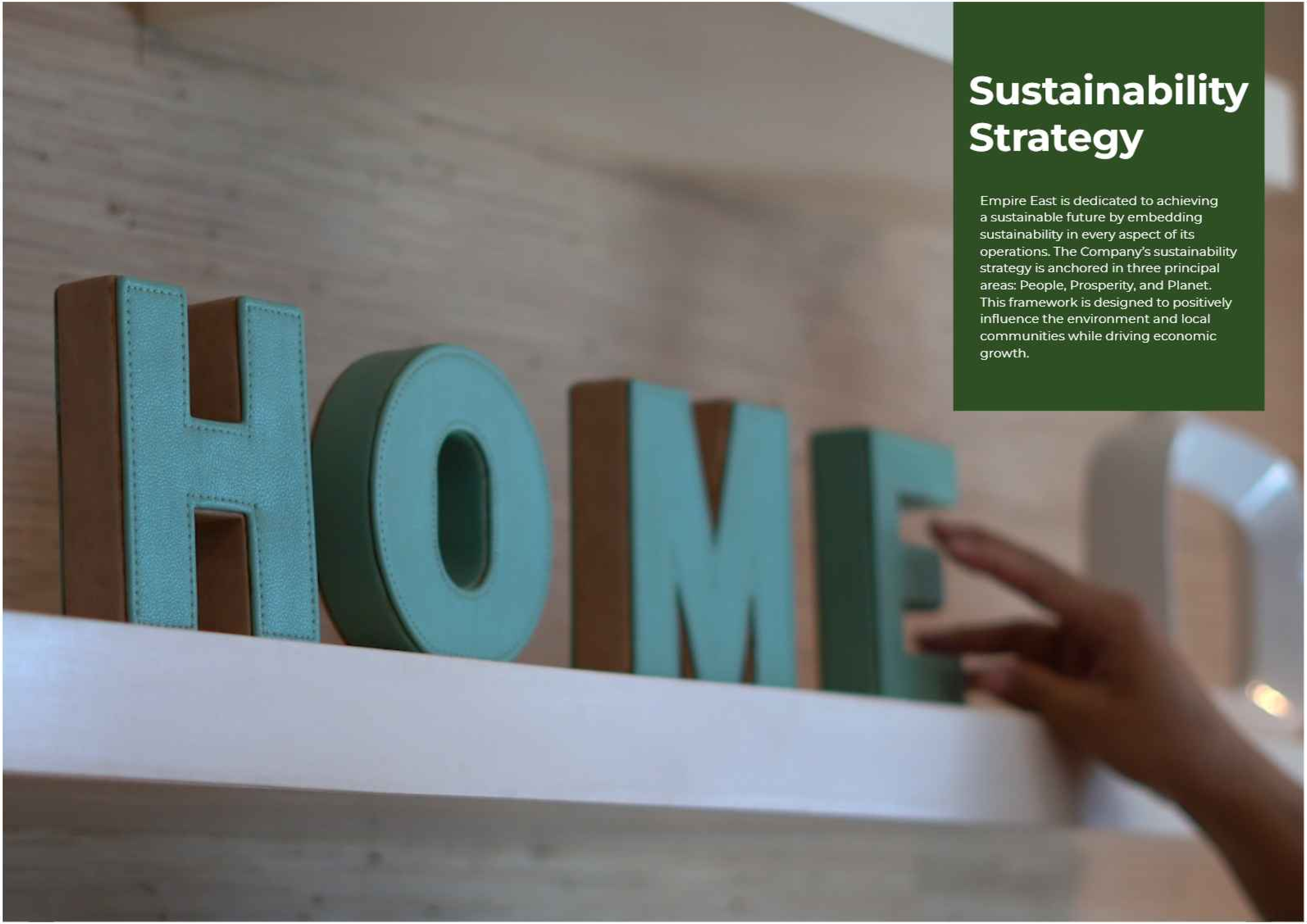
This committee is responsible for upholding strong corporate governance by reviewing policies, assessing Board performance, and ensuring governance practices are in place and up to date.

Chairman:
Cresencio P. Aquino

Members:
Sergio R. Ortiz-Luis, Jr.
Enrique Santos L. Sy

Sustainability Strategy

Empire East is dedicated to achieving a sustainable future by embedding sustainability in every aspect of its operations. The Company's sustainability strategy is anchored in three principal areas: People, Prosperity, and Planet. This framework is designed to positively influence the environment and local communities while driving economic growth.



Sustainability Framework

EELHI's Sustainability Strategy leads the development of transport-oriented townships, resort-style, and residential communities, targeting the middle-income market segment. The Company's strategy embodies its core beliefs—integrity, creativity, innovation, and a deep commitment to both people and the planet. By integrating sustainability into every aspect of its operations, EELHI addresses current challenges and establishes a resilient foundation for future growth.

Aligned with its parent company's SustainAGIlity Framework, EELHI has evolved its sustainability strategy to encompass three interdependent pillars. These pillars organize material topics into three overarching pillars—People, Planet, and Prosperity—to guide long-term sustainable value creation which is crucial for building resilient urban landscapes.

Pillar 1: People

EELHI recognizes the crucial role of workforce and community in its success. The Company is committed to initiatives that enhance employee wellness, training, and community engagement. These programs enhance workplace safety, promote diversity, equal opportunity, and ensure customer care .

Employee Wellness & Empowerment

Diversity and Equal Opportunity, Human Rights, Employee Training and Education, Workforce Health and Safety

- Empire East invests in comprehensive training programs, occupational health and safety measures, and well-being initiatives to foster a resilient and motivated workforce.
- These efforts ensure employee satisfaction, and an improved customer experience.

Community Transformation

Community Impact of Developments

- Empire East engages with local communities, addressing local needs through Corporate Social Responsibility (CSR) programs and sustainable urban development.
- By prioritizing community welfare, the Company strengthens its social license to operate.

Customer Care

Customer Satisfaction

- Through continuous product improvements and safety standards, EELHI ensures its properties and facilities meet or exceed regulatory and client expectations.
- The Company's customer-centric approach enhances brand trust and loyalty.

Pillar 2: Planet

EELHI is dedicated to reducing its environmental impact through strategic sustainability initiatives that emphasize carbon neutrality, resource efficiency and sustainable building operations. The Company's committed to environmental stewardship, and aims to foster eco-friendly community integration.

Carbon Neutrality

GHG Emissions, Climate Change

- EELHI focuses on reducing greenhouse gas emissions through adoption of renewable energy, energy-efficient technologies, and regular monitoring of carbon footprint to align with climate goals.
- Aligns with the parent company's broader climate goals, including net-zero targets.

Resource Efficiency

Water, Waste Management, Energy, Material Consumption

- The Company adopts rigorous measures for energy conservation, water management, responsible waste disposal, and sustainable material sourcing
- Initiatives include installing energy-efficient technologies, optimizing resource usage, and complying with environmental.

Sustainable Building Operations

Continued Development of Design Standards

- EELHI incorporates eco-friendly designs into its development, by following the green building code and focusing on resilience against climate risks and enhancing green spaces to promote seamless integration with local communities.

Pillar 3: Prosperity

EELHI prioritizes economic performance as a key element of its sustainability strategy. The Company aims to enhance its market presence and drive economic growth through governance practices, ensuring compliance to regulation and ethical business conduct.

Impact growth

Economic Performance

- EELHI ensures stable revenue streams and promotes local economic development through continuous innovation.

Good Governance

Risk Management, Business Ethics and Integrity, Anti-Corruption, Procurement Practices, Supplier Management, Strategies and Policies, Stakeholder Management

- The Company maintains transparent financial reporting, ethical sourcing and compliance with relevant laws.
- Supplier accreditation process ensures EELHI meets standards on quality, sustainability, and ethical conduct.

Materiality

3-1, 3-2

Empire East Land Holdings Inc., emphasizes a deep understanding of sustainability priorities , shaping its business strategy to align closely with its objectives, values and stakeholder expectations. EELHI conducts regular materiality assessments that are essential for identifying, assessing, prioritizing and managing the Company's significant economic, environmental and social impacts. The process is aligned with globally recognized standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the United Nations Environment Programme (UNEP).

In the previous reports, Empire East performed an assessment and evaluation of its material topics, beginning with the identification and assessment of actual and potential positive and negative impacts to identify the relevant material topic. As part of the process, the Company engaged internal stakeholders, including various departments, through a survey.

Key steps in the process included:

A comprehensive review of EELHI's economic, environmental and social factors. Positive impacts (achievements) and potential risks of the operation are recognized and identified for proactive management.

Identification & Impact Assessment

Different channels of consultation with internal and external stakeholders ensuring that feedback is integrated into decision-making, reinforcing EELHI's commitment to inclusiveness and responsible management.

Stakeholder Engagement

Material topics were compared against industry, global standards, and regulatory requirements. Key issues were validated with senior management to refine the materiality matrix based on impact and stakeholder relevance.

Benchmarking, Validation, and Prioritization

Unified Impact: An ESG Blueprint

Building upon prior sustainability disclosures, Empire East has refined and enhanced its ESG framework by consolidating the four thematic areas from last year—Economic, Governance, Social, and Environmental—into three clearly defined SustainAGIlity Pillars: People, Planet, and Prosperity. Specifically, the previously separate Economic and Governance areas have now been unified under the overarching "Prosperity" pillar, recognizing the inherent connection between sound governance practices and sustainable economic growth.

Under this newly consolidated Prosperity pillar, Economic Performance is now recognized as a material topic. While economic performance has consistently informed EELHI's reporting, its inclusion now formalizes its integral role within Empire East's sustainability narrative, reflecting Empire East's ongoing emphasis on financial sustainability as fundamental to its long-term success. Concurrently, Risk Management has been distinctly highlighted as a material topic, acknowledging its critical role in proactively safeguarding the Company's operational integrity and long-term viability.

Moreover, Supplier Management, previously under Environmental, is now repositioned within Prosperity, highlighting its role in driving sustainable economic growth through responsible sourcing and strengthened supplier relationships.

Within the Planet pillar, the topic of Design Standards, which was previously discussed in last year's report within the section "Continued Development of Design Standards," has now been formally elevated and included explicitly among Empire East's environmental material topics. This move reinforces the Company's ongoing dedication to environmentally responsible development and innovation.

PEOPLE	PLANET	PROSPERITY
• Diversity and Equal Opportunity • Labor Management and Human Rights • Employee Training and Education • Workforce Health and Safety • Community Impacts of development • Customer Satisfaction	• GHG Emissions • Climate Change • Water • Waste Management • Energy • Material Consumption • Continued Development of Design Standards	• Economic Performance • Risk Management • Business Ethics and Integrity • Anti-corruption • Procurement Practices • Supplier Management
		

Through these thoughtful adjustments—streamlining from four thematic categories to three pillars—Empire East enhances reporting clarity, strengthens alignment with ESG best practices, and clearly defines its path toward integrated and sustainable value creation.

Stakeholder Engagement
2-29

In 2024, Empire East Land Holdings, Inc. (EELHI) actively engaged with its stakeholders, addressing their specific concerns and cultivating substantial relationships. EELHI prioritized transparent communication across all stakeholder groups, including customers, employees, applicants, business partners, government bodies, shareholders, and local communities. Focusing on improving customer service, the Company responded to project updates, payment issues, and unit concerns through enhanced communication channels such as centralized platforms, SMS, calls, and emails. EELHI's customer relations team proactively coordinated with internal departments to ensure timely resolutions and offer flexible payment options, such as an amnesty program and digital payment systems.

For employees, EELHI implemented work-from-home arrangements, upgraded tools, and addressed mental health concerns, promoting a positive and productive work environment.
The transition to digitalized processes, such as paperless applications and streamlined communication platforms, was also extended to applicants to improve hiring efficiency.

EELHI maintained strong relationships with government bodies such as DENR, LLDA, DOLE, and the Department of Health, ensuring compliance with environmental, health, and safety regulations. The Company also collaborated with local communities, including the Anawim Lay Missions Foundation, to implement impactful CSR initiatives and coordinated with Fiber Internet Providers for connectivity improvements. The Company also worked with third-party payment channels to enhance its payment systems.

EELHI's commitment to continuous improvement, digital transformation, and stakeholder satisfaction reinforced its reputation as a responsible and forward-thinking organization.

Stakeholder Group	Concerns	Channels of Communication	Actions Taken
Customers	· Project Update concerns · Project Information concerns · Payment channel concerns · Client's payment concerns · Communication Channel concerns · Customer Service concerns · Unit turnover concerns · Title concerns · Property Management concerns · Unit repair concerns · Warranty concerns · Centralized platform for buyer's payment · Endorsement	· Call · SMS · Emails · Customer Feedback	· Enhanced Customer Relations Management through training and digitalization · Endorsing concerns to the EELHI customer relations group and coordinating with their latest account officer · A proactive approach of periodically capturing images of ongoing property construction and monthly reports of completion percentage · Restructuring of payment tWerms, offering of amnesty payment program · Reopening of Food Hub to draw location awareness · Correcting project locations on various navigation applications · Monthly social media monitoring and correcting to align with communications · Enhancement of the internal flow of the payment system through digitalization · Partnering with third-party payment channels · Digitalization of all internal processes including unit turnover, documentation, and title process · Coordinating with POCG for assessment and resolution · Coordinating with Unit Owners and providing timelines for inspection and repair · Dedicated team from the Property Management Office to handle Unit Owners' concerns
Employees	· Implementation of work-from-home arrangements for select employees · Digitalization and uploading of files for simultaneous visibility to all stakeholders · Optimization of post-pandemic workspace setup · Upgrading tools and resources to current standards Addressing inadequate manpower to meet operational demands · Enhancing Sustainability Awareness initiatives · Sustainability Awareness · Ensuring accurate, quality, best-price, and timely delivery of purchase requests.	· Mail · Call · Messengers · Teleconference, and Videocon-ference; · Google Drive · Individual con-sultations	· Provision of work laptops and reimbursement of telecommunication expenses · Enhancing work performance through replacing and upgrading outdated devices, computer systems, supplies, and other equipment · Expanding the team for the swift delivery of essential marketing assets · Installed SDG boxes and initiated discussions on Sustainability · Program planning and roll-out, one step at a time · Sustainability webpage at 70% · Provides vehicle transportation for buying, pick up of items , and delivery to employees; Coordination with employees

Stakeholder Group	Concerns	Channels of Communication	Actions Taken
	• Providing timely updates to employees regarding the status of their purchase requests • Increase in departmental face-to-face activities as well as out town programs • Addressing mental health concerns within the organization	• Call • SMS • Emails • Customer Feedback	• Regarding the details of their purchase requests • Utilizing Google Drive to provide site employees copies of approved POs and access to CFP PR/PO Monitoring for a real-time status of their requests • Have all Company vehicles in good working condition, maximize utilization of all vehicles in terms of trips, and hire additional drivers • Held regular mental health awareness programs/activities
Applicants	• Preference for remote work arrangements • Transitioning from online to face-to-face interviews • Increasing manpower requirements, including the addition of a Titles Group department	• Google Meet / Video Interview/ Phone calls • Using online job portal messaging functions	• Continue online/face-to-face interview of applicants • Promote job ads in different job portals • Link with fresh graduates by participating in online job fairs and the Kalibrr mastery program • Manage with applicants using a paperless application process
Business Partners	• Implementing electronic submission of bid proposals • Routing contractors' Requests for Information and Shop Drawing & Material Submittals to secure Consultants' approvals		• Bidding Portal is being developed • CMG collaborated with MIS in the creation of the Contractor-Consultant Portal (CCP)
Government/ Regulatory Bodies	• Ensuring compliance with latest DENR/LLDA parameters and requirements • Compliance with Green Building Code requirements • Ensuring compliance with DOLE regulations • Company commitment to comply with Occupational Safety and Health (OSH) requirements • Implementing a policy and program on HIV/ AIDS in the workplace • Implementing a Drug-Free Workplace Policy • Implementing a Workplace Policy and Program on Tuberculosis • Implementing a Workplace Policy and Program on Hepatitis B • Addressing delays in the processing of permits and licenses • Addressing delays in the processing of transfer of titles		• Hired consultants and allowed for construction budget that will take into account designs compliant with the Green Building Code • Regular retraining of assigned Pollution Control Officers for each property • Attended orientation and seminar by DENR/ LLDA • Updated Occupational Safety & Health (OSH) Program • Compliance with reportorial on government requirements • Accident/Incident Reporting • Heightened coordination with the concerned agency/ies; constant follow-ups on applications • Adopted to changes in the requirements by way of gradual internal process adjustment
Shareholders	• Availability of reliable financial information for sound decision-making	• Financial Reports • Disclosures, • Meetings	• Ensuring transparency and accurate representation of financial statements in all material respects, and posting all public reports through the PSE and company website
Communities	• Addressing pet-related concerns within the property • Addressing security concerns within the property • Managing the increase in Property Association Dues • Implementing fiber connectivity within the property • Implementing Corporate Social Responsibility (CSR) activities		• Updating HRR according to property requirements and limitations, as well as the strict implementation of existing HRR, including providing sanctions for violators • Review and evaluation of all Agency and Security Guards/ Officers • Replacement of New Security Agency with much more capability, equipment, and expertise to handle residential properties • Properly discuss increase in Property Association Dues with community members • Coordinate with other Fiber Internet Providers for the Fiber Installation Project • Conducted various activities to raise funds for senior beneficiaries through the Anawim Lay Missions Foundation

UN SDG Contributions

3-3

EELHI's initiatives are deeply rooted in its commitment to contribute to sustainable development in line with the United Nations Sustainable Development Goals (SDGs). By focusing on employee wellness, human rights, community development, and sustainability, it aims to create positive and lasting impacts on society and the environment. Through programs that promote training, safety, and well-being, it empowers its employees while upholding ethical business practices. Additionally, its sustainable design standards and resource efficiency efforts support environmental stewardship to ensure a balance between growth and sustainability with the UN SDGs, driving progress in these key areas:

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Diversity and Equal Opportunity: Empire East ensures a fair hiring practice, equitable career growth and an inclusive workplace through non-discriminatory policies and gender diversity.	**GRI 401:** Employment **GRI 405:** Diversity and Equal Opportunity	▸ Fair hiring ▸ Equitable growth and training	▸ Extended hiring timelines	▸ Streamline recruitment ▸ Implement inclusive policies	3 Good Health and Well-Being 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities
Labor Management and Human Rights: Empire East upholds labor laws, prevents forced and child labor and foster workplace equity through strict hiring policies, supplier screening and compliance with labor standards	**GRI 402:** Labor/ Management Relations **GRI 408**: Child Labor **GRI 409**: Forced or Compulsory Labor	▸ Fair labor practice ▸ Protects employee well-being	▸ Risk of policy non-compliance and labor disputes	▸ Regular compliance audits ▸ Employee feedback	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions
Employee Training and Education Empire East ensures a high-performing workforce through enhancing skills, productivity and career growth with this the Company fosters innovation, retention and long-term business sustainability.	**GRI 404:** Training and Education	▸ Learning and upskilling programs ▸ Training and career development opportunities	▸ Training costs ▸ Employee disengagement ▸ Skills mismatch and lack of retention	▸ Training evaluations ▸ Skill development plans ▸ Mentorship programs	4 Quality Education
Workforce Health and Safety A secure, productive and compliant work environment is important for Empire East to protect its workers from hazards, prevent accidents and promote employees well-being.	**GRI 403:** Occupational Health and Safety	▸ Weekly Safety Meeting ▸ Daily Routine Inspections and Safety Checklists	▸ Compliance issues	▸ Workplace safety training ▸ Compliance monitoring	3 Good Health and Well-Being
Community Impact of Developments Empire East ensures that the development positively impacts the communities through responsible construction and community engagement.	**GRI 413:** Local Communities	▸ Community partnerships ▸ Community programs	▸ Community expectations ▸ Resource constraints	▸ Stakeholder engagement ▸ Community development strategies	1 No Poverty 11 Sustainable Cities and Communities 17 Partnerships for the Goals

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Customer Satisfaction It is essential for Empire East to build trust, brand loyalty and long-term business growth to ensure high-quality developments and excellent customer experience.	**GRI 418:** Customer Privacy	▸ Transparent transaction with buyers ▸ Customer-centric innovations	▸ Data breaches ▸ Customer trust issues	▸ Data security enhancements ▸ Transparency measures	12
GHG Emissions Empire East monitors the activities that contribute greenhouse gas and implement energy-efficient practices and carbon reduction strategies to align with climate action goals and promote responsible urban development.	**GRI 305:** Emissions	▸ Using LED lights ▸ Tree planting	▸ Initial investments cost ▸ Limited adoption for tree planting	▸ Phased Implementation	13, 7
Climate Change Rising temperature, extreme weather events and resource scarcity pose a threat to Empire East real estate development prioritizing climate-adaptation strategies and environmentally responsible developments.		▸ Energy-efficient technologies ▸ Sustainable Development	▸ Higher costs for energy-efficient upgrades	▸ Long term cost-benefit analysis	13, 7
Water Empire East relies on water resources for building developments, recreational facilities, and daily operations. To ensure long term water sustainability, the Company implements responsible consumption practices and water-saving initiatives across its projects.	**GRI 303:** Water and Effluents	▸ Maintenance of water lines and tanks ▸ Potability tests	▸ Water waste ▸ Water infrastructure failures	▸ Regular maintenance checks ▸ Water conservation	6
Waste Management Effective waste management minimizes landfill waste, reduces pollution, and optimizes resource use.	**GRI 306:** Waste	▸ Recycling and processing ▸ Segregation of wastes	▸ Improper waste handling ▸ Increased landfill use	▸ Strict waste management polices and awareness	12

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Energy Energy management ensures operational efficiency, cost-effectiveness and environmental sustainability.	**GRI 302:** Energy	▸ Earth Hour ▸ LED Lights ▸ GEOP Accreditation	▸ Limited participation on Energy activity	▸ Increase awareness ▸ Extend participation drives and strategies	7, 12
Material Consumption Responsible sourcing and durable materials can lower the cost and reduce waste to promote an operational resilience.	**GRI 301:** Materials	▸ Sustainable supply sourcing	▸ Material scarcity ▸ Higher procurement costs	▸ Sustainable sourcing ▸ Supplier partnerships	12
Continued Development of Design Standards Refining architectural and engineering practices ensures that Empire East incorporates green building principles, energy-efficient design and climate adaptive structure allowing it to meet the evolving standard and long-term urban development.		▸ Sustainable construction	▸ High cost integrating sustainable materials and design ▸ Longer project timeline incompliance with green building standards	▸ Optime resource allocation ▸ Streamline compliance process	9, 11, 12
Economic Performance Financial stability drives business growth and attracts stakeholders and ensures contribution to economic development.	**GRI 201:** Economic Performance	▸ Business planning	▸ Financial risks ▸ Economic downturn	▸ Financial resilience ▸ Economic forecasting	8
Risk Management Proactive risk strategies, policy reinforcement and crisis management planning enhances resilience of Empire East against market fluctuation, challenges and uncertainties within the operation.		▸ Risk assessment strategies	▸ Market fluctuations ▸ Operational disruptions	▸ Implement proactive risk mitigation plans ▸ Enhance crisis management strategies and policy frameworks	9

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Business Ethics and Integrity Transparent operations, regulatory compliance and stakeholder trust upholds business practice and accountability for sustainability and growth of Empire East	**GRI 206:** Anti-competitive Behavior	▸ Compliance to regulations	▸ Regulatory fines and legal penalties	▸ Regular audits ▸ Policy reinforcement	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Anti-corruption Ensures ethical business practices, regulatory compliance and stakeholders trust at Empire East.	**GRI 205:** Anti-corruption	▸ Anti-corruption training	▸ Bribery risks ▸ Unethical practices	▸ Ethics training ▸ Strong compliance mechanisms	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 10 REDUCED INEQUALITIES
Procurement Practices Maintaining transparent supplier selection and compliance with standards ensure efficient operation and supply chain integrity at Empire East	**GRI 204:** Procurement Practices **GRI 2-27:** Environmental Standards Compliance	▸ Supply Chain sustainability ▸ Supplier social and environmental assessment	▸ Supplier non-compliance	▸ Supplier audits ▸ ESG performance tracking	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Supplier Management Empire East assesses the environmental and social practices of suppliers to ensure they meet the Company's standards for labor rights, fair practices and promotes sustainability across the supply chain.	**GRI 308:** Supplier Environmental Assessment **GRI 414:** Supplier Social Assessment	▸ Supply chain sustainability ▸ Supplier social and environmental assessment	▸ Non compliance with environmental and social standards ▸ Exploitation of workers and poor working conditions within the suppliers	▸ Supplier evaluation form	13 CLIMATE ACTION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

PEOPLE: Empowering Stakeholders & Society

Empire East Land Holdings, Inc. prioritizes the well-being and empowerment of its employees by upholding fair labor practices and equal opportunities for all.

Each role requires a focus on merit and individual performance in employment decisions. The recruitment and selection process actively assesses the necessary skills and competencies specific to that role. The hiring process disregards factors such as gender, age, marital status, or other personal circumstances. Thorough evaluations, including skill assessments, ensure the identification of the best fit for each role.

Empire East has a fair approach to promotions, which is managed by a governing committee made up of both male and female executives. This group ensures that all promotion suggestions are thoroughly evaluated and rely exclusively on each employee's performance during a designated evaluation period.

Employee Wellness & Empowerment

- Diversity and Equal Opportunity
- Labor Management and Human Rights
- Employee Training and Education
- Workforce Health and Safety
- Community Impact of Developments
- Customer Satisfaction

Employee Wellness & Empowerment

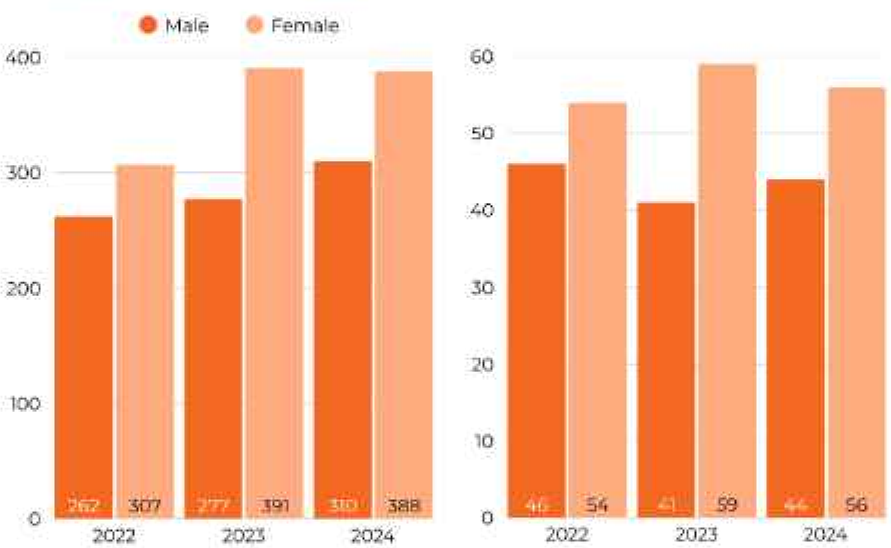
Diversity and Equal Opportunity

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

Real estate developments play a vital role in economic growth, environmental sustainability, and improving the quality of life for communities. These projects contribute to job creation, reduce unemployment, and promote long-term ecological balance through sustainable practices. They also open access to essential services like education and healthcare to local communities.

Empire East promotes diversity, equal opportunity, and fair labor practices, ensuring safe working conditions, ethical business conduct, and responsible investments, actively tracking its impact on employment, community development, and environmental sustainability through comprehensive policies and continuous dialogue
with stakeholders.

Employee breakdown [2-7]



By Number **By Percent**

Total:

2022- 569
2023- 668
2024- 698

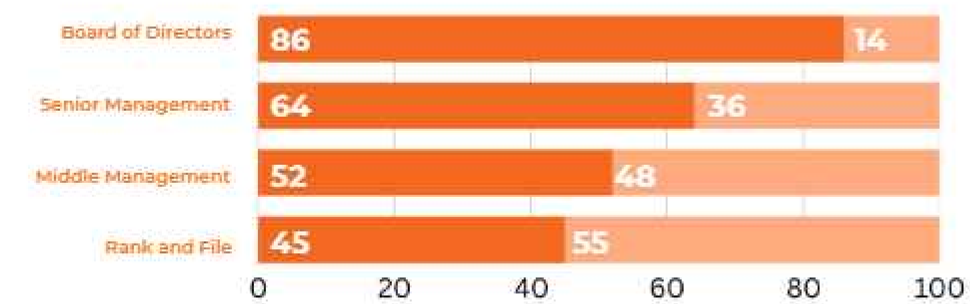
Empire East's approach to employment aligns with its commitment to SDG 8, promoting inclusive and sustainable economic growth, full and productive employment, and decent work for all. The Company seeks to create a dynamic and safe environment where both male and female employees thrive. Positions at various levels, especially entry-level roles, are open to individuals eager to develop their careers in a supportive setting. Vacant positions are filled according to the approved annual Manpower Budget and HR guidelines, ensuring fairness, transparency, and professionalism.

The Company focuses on attracting the most qualified candidates through the recruitment process. The Company uses various communication channels, both online and offline, such as LinkedIn, Kalibrr, and newspapers, as well as virtual interviews to ensure safety protocols are met. Empire East is dedicated to hiring individuals with the necessary skills, educational backgrounds, experience, and character to thrive in their roles.

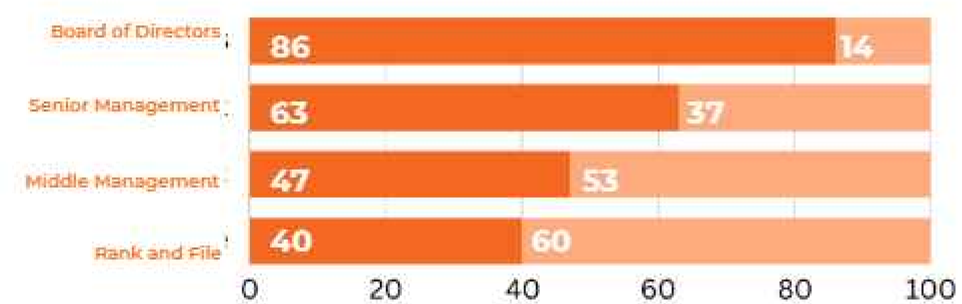
EELHI also advances gender equality in the workplace in line with SDG 5. As of 2024, the Company's workforce consists of 698 employees—388 (56%) women and 310 (44%) men—demonstrating a continued commitment to gender-balanced representation across departments. This balance is also reflected across different organizational levels. In 2024, the number of female non-executive employees slightly decreased from 391 to 388, while male non-executives rose from 277 to 310.

At the executive level, male leadership increased from 86% to 100%, while female representation on the Board declined from 14% to 0%. In senior management, gender balance was maintained in 2024, with both men and women equally represented at 35%. Middle management saw a slight shift, with female representation decreasing to 46% and male representation increasing to 54%. Among rank-and-file employees, women continued to hold the majority at 57%, while men comprised 43%.

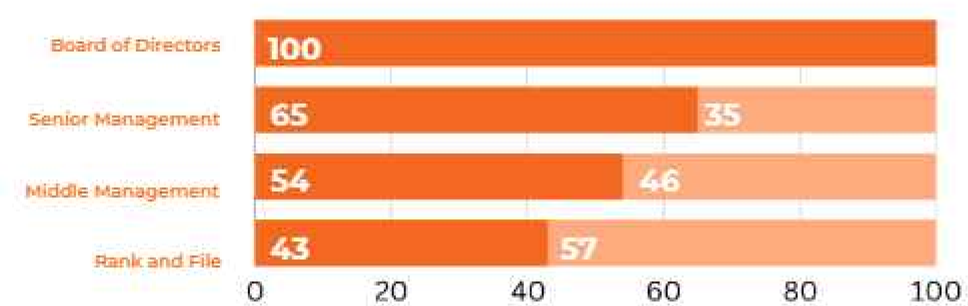
Diversity across Organizational levels by Gender (in %) [405-1]



20
22



20
23



20
24

Total:

2022- 569 **2023-** 668 **2024-** 698

Male Female

Diversity across Organizational Levels by Age (in %) [405-1]

The Group's workforce reflects a diverse age distribution across various organizational levels. At the Senior Management level, employees over 50 years old made up 43% in 2022, dipped to 21% in 2023, and rose again to 53% in 2024. Those aged 30–50 remained the majority in this group, peaking at 79% in 2023 before declining to 47% in 2024.

Middle Management continues to be predominantly composed of individuals aged 30–50, consistently accounting for 66% to 70% from 2022 to 2024. Representation of those under 30 slightly declined from 13% in 2022 and 2023 to 10% in 2024.

The Rank and File category is largely made up of employees below 30 years old, who represented 52% in 2022 and increased to 68% in 2023 before slightly decreasing to 64% in 2024. Meanwhile, employees aged 30–50 made up about a third of this group, while those over 50 accounted for just 1–2% over the three-year period.

At the Board of Directors level, there was a noticeable age shift: the proportion of members aged 30–50 rose from 14% in 2022 and 2023 to 29% in 2024, while those over 50 decreased from 86% to 71%. No members were under 30 across all years. As of 2024, gender diversity at the Board level reflects a gap, with all seven members being male—indicating no female representation.

Workers who are Not Employees [2-8]

Total:

2022- 449 **2023-** 302 **2024-** 2651

Male Female

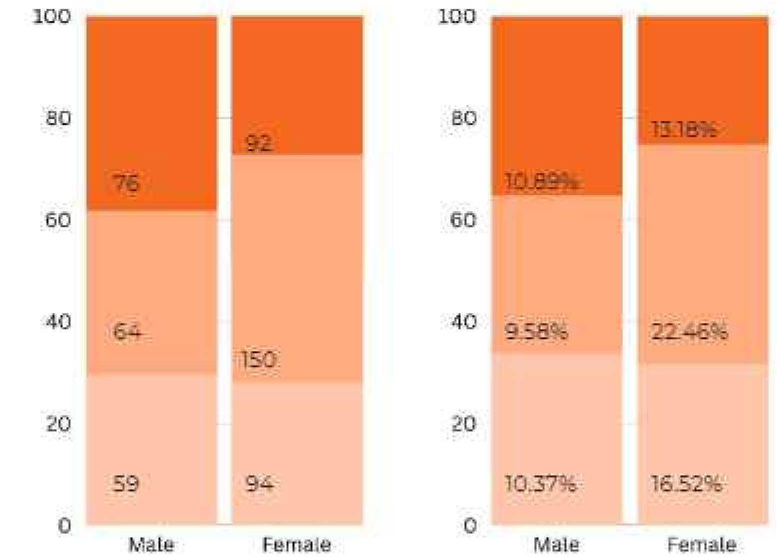
Empire East also engages independent contractors and third-party agency workers to support operations across its construction, sales, and property management activities. These individuals are not classified as direct employees but their contributions remain vital to the Company's continued success.

From 2022 to 2023, the number of contractors decreased as the Company streamlined its engagement with sales agents. However, in 2024, the Company significantly expanded its contractor base to include sales agents and skilled workers for construction projects and personnel for property operations and management. This shift led to a substantial increase in the number of contractors engaged — from 302 in 2023 to 2,651 in 2024. Among them, 2,337 were male and 314 were female, reflecting the labor-intensive nature of construction work.
EELHI also partners with third-party agencies to deploy specialized workers for security, housekeeping, and property management services across its project locations. In 2024, a total of 35 agency workers were deployed, consisting of 33 male and 2 female personnel. These individuals were assigned to site security, office and sales hub housekeeping, and parking operations.

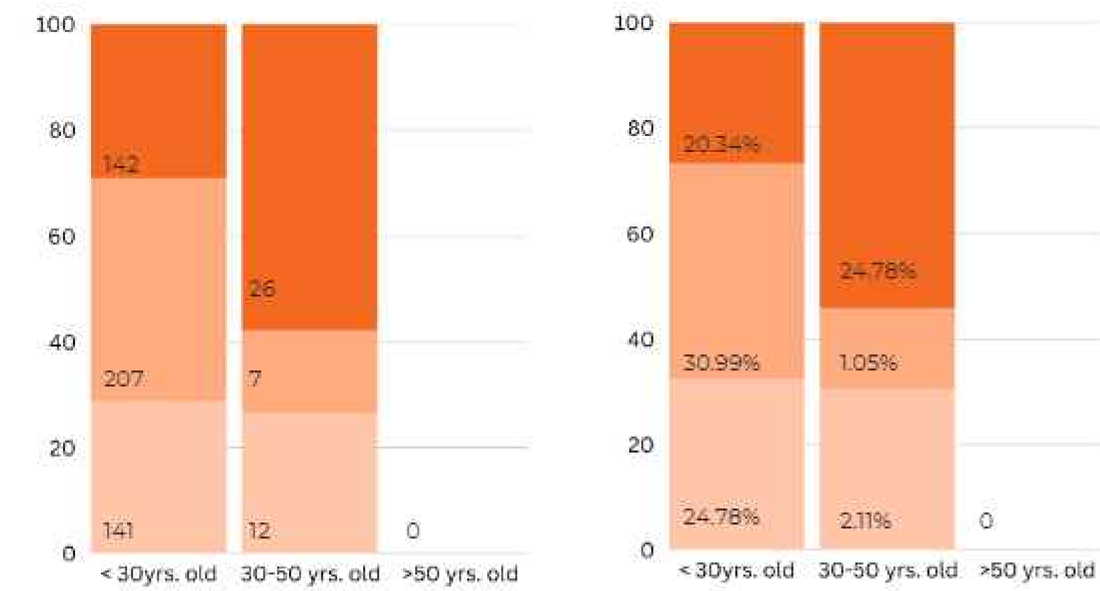
Security services were provided primarily by Matapat Pilipino Security and Investigation Agency, Inc. and Taipan Security Service Inc., whose personnel were deployed across multiple projects such as Empire East Highland, The Cambridge Village, and Laguna Bel Air. Housekeeping roles were handled by Blue Collar Manpower Services Inc. Parking and Property support services were fulfilled by Joblink Business Solution Inc

New Employee Hires [401-1]

By Gender



By Age Group



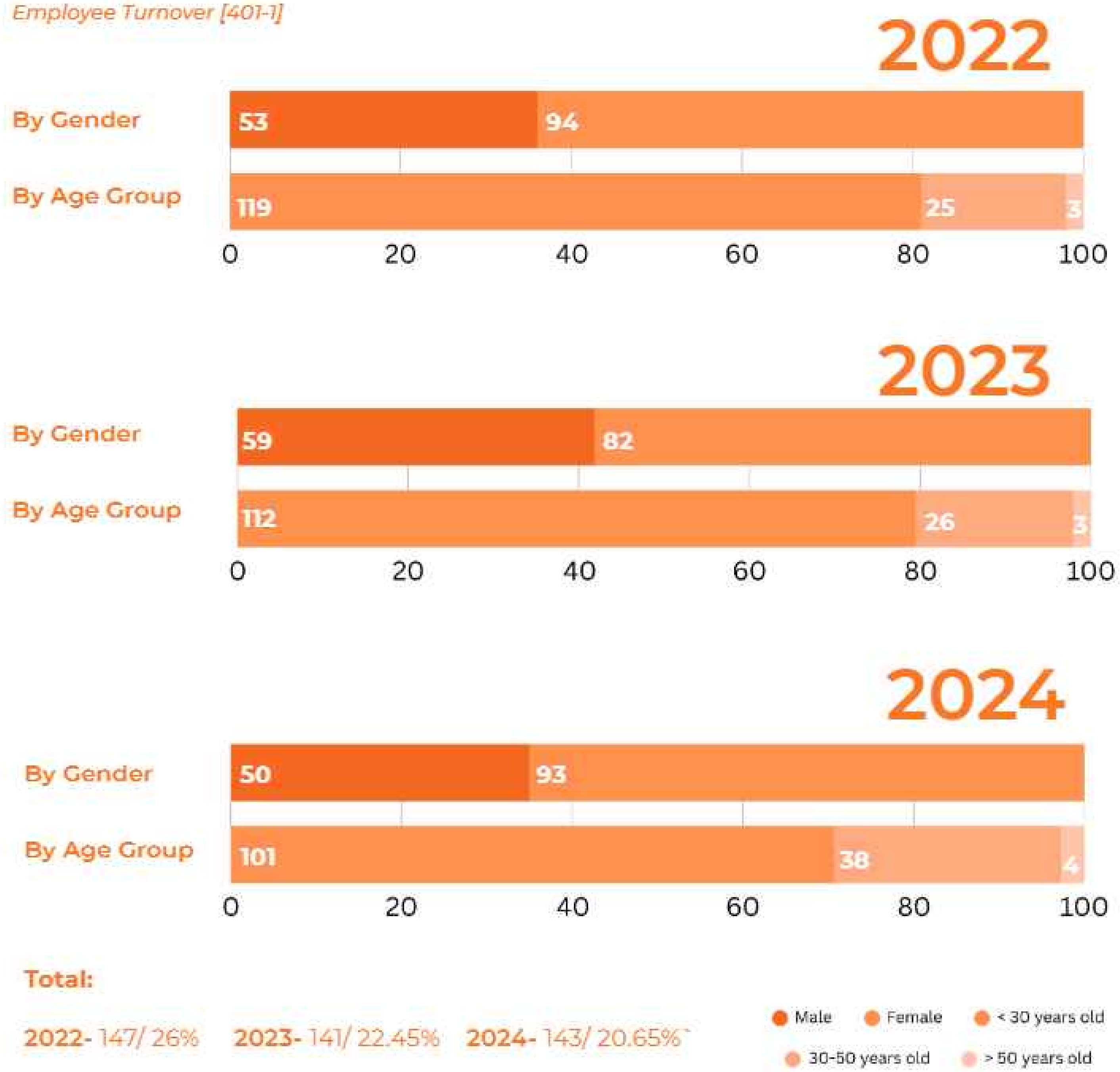
Total

From 2022 to 2024, Empire East maintained a consistent pace in expanding its direct workforce. A total of 168 new employees were hired in 2024, representing 24.07% of the total headcount—a slight decrease from the 32.04% hiring rate in 2023.

Across all three years, female hires consistently outnumbered male hires, affirming the Company's commitment to diversity and inclusion in its workforce. In 2024, 92 women were onboarded, accounting for 13.18% of the total employee base, while 76 men were hired, comprising 10.89%.

The majority of new hires were under the age of 30, reinforcing the Company's emphasis on nurturing young professionals and building a dynamic talent pipeline. In 2024, 142 individuals below 30 years old were brought in, compared to 26 aged between 30 to 50. No hires were recorded for the 50+ age group during the reporting period.

Employee Turnover [401-1]



Total:

2022- 147/ 26% **2023-** 141/ 22.45% **2024-** 143/ 20.65%`

The attrition rate was recorded at 21% in 2024, reflecting a decrease from 26% in 2022. The Company recognizes that voluntary resignations are mainly due to reasons such as career advancement, personal matters, and relocation, and continues to seek ways to improve employee retention. Understanding these factors is critical to refining the opportunities and ensuring a thriving workforce.

Employees who Availed Benefits (in %) [401-2]

Benefits	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
SSS	4.90	4.51	9.50	11.15	3.63	0.32
PhilHealth	3.15	4.92	3.96	4.09	2.59	1.60
Pag-ibig	4.20	4.10	5.54	8.55	0	0
Life Insurance	0	0	0	0	0	0.32
Disability and invalidity coverage	0	0	0	0	0	0.32
Parental leaves	4.90	1.64	4.75	6.32	3.37	1.92
Vacation leaves	90.21	85.66	100	100	37.05	71.47
Sick leaves	38.46	33.20	47.23	75.46	60.88	96.47
Medical benefits (aside from PhilHealth)	13.99	10.25	36.41	21.93	1.30	0.64
Housing assistance (aside from Pag-ibig)	0	0	0.79	1.86	1.04	3.21
Retirement fund (aside from SSS)	0.35	0.41	0.37	0.53	1	1
Telecommuting	78.32	89.75	1.32	1.12	0	0
Flexible-working Hours	78.32	89.75	0	0	0	0

Empire East offers its employees a comprehensive range of benefits, including social security, health insurance, parental leave, vacation leave, and sick leave. The Company strives to ensure that employees of all levels, regardless of gender, can benefit from these offerings.

Parental Leave [401-3]

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

In 2024,24 employees, including both males (9) and females (15), took parental leave. The Company continues to promote gender equality by providing job-protected leave for parents to care for their children, supporting economic development and maternal health.

The return-to-work rate in 2024 was 100% for both male and female employees, underscoring the effectiveness of current reintegration programs and the importance of sustaining inclusive support systems to ensure continued workforce participation for all.

Labor Management and Human Rights

3-3, 402-1

Empire East Land Holdings Inc.upholds local and international labor standards by ensuring fair wages and safe working conditions and promoting a workplace that respects and values non-discrimination. The Company demonstrates its commitment to open communication and employee well-being through transparent policies, mental health support, and wellness programs.

Active engagement through feedback channels and grievance mechanisms ensures a harmonious and inclusive work environment. Open-door policies encourage transparent communication between employees and management, while collaborative decision-making processes allow employee representation in key discussions.

Workplace grievances are addressed through a structured and timely resolution process. Employees are encouraged to raise issues with the Human Resources department, which works closely with a grievance committee to find appropriate solutions. Regular dialogues, meetings, and surveys serve as platforms for open discussion.

EELHI continuously monitors and evaluates the effectiveness of its labor management strategies. Workplace safety measures are regularly reviewed and improved, with audits and compliance checks ensuring adherence to industry best practices. Progress is measured through key indicators such as enhanced communication channels, reduced workplace incidents, and improved employee health and wellness programs. Training and career development investments further demonstrate the Company's commitment to supporting employee growth.

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

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

Security personnel trained in human rights policies or procedures [410-1]

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

Empire East strictly upholds policies that prevent child labor, aligning with its commitment to Sustainable Development Goal (SDG) 8. The Company enforces rigorous compliance measures across its operations, ensuring all employees meet the minimum legal working age. Hiring protocols mandate proper documentation verifying age eligibility, reinforcing its dedication to ethical labor practices. Beyond its internal workforce, Empire East extends this commitment to its partners and contractors. The Company conducts due diligence to verify that all external collaborators adhere to labor laws and ethical employment standards. Empire East mitigates risks and strengthens accountability across its supply chain by requiring documentation before engagement.

Empire East upholds a strict policy against forced or compulsory labor, in fully complying with applicable labor laws and international standards. As stated in the Company's Code of Discipline, coercion, exploitation, or unethical labor practice is strictly prohibited. The Company remains committed to developing a fair and ethical workplace, as there are no legal actions or employee grievances related to forced or child labor have been recorded since 2022.

This commitment to labor and management relations extends beyond internal policies as it actively involves the community in its initiatives. EELHI's policies promote open and respectful communication, ensuring a safe dialogue between management and workers. Such an approach is crucial in preventing and mitigating potential negative impacts related to labor relations, especially within communities where developments occur.

Employee Training and Education 3-3, 404-2

Empire East cultivates employee growth and professional development through a comprehensive training and education program. The Company tracks each employee's training hours, ensuring that both male and female employees access continuous learning opportunities.

EELHI offers various programs to upgrade employee skills, including orientation for new hires, leadership training, and health and wellness initiatives. These programs enhance workplace effectiveness while supporting employees in their ongoing career development.

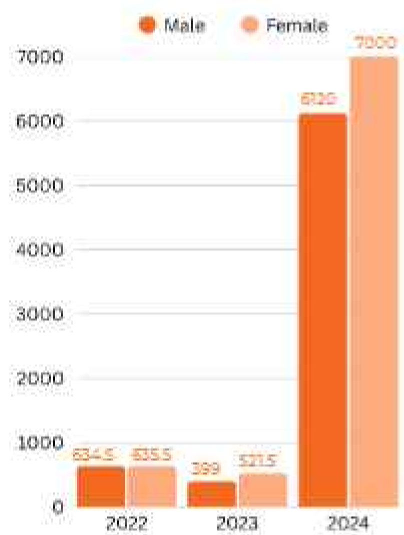
The Company implements structured training initiatives equipping employees with the necessary skills and knowledge to excel in their roles and adapt to industry advancements. The Human Resources department, in collaboration with various teams, assesses training needs and develops targeted programs to enhance workforce capabilities.

Orientation programs for new hires introduce employees to the Company's culture, policies, and operational procedures, ensuring a smooth transition into their roles. Skills enhancement training focuses on developing interpersonal skills, communication, teamwork, and leadership. In-house seminars and webinars provide industry-specific insights through expert-led discussions and interactive learning sessions, keeping employees updated on best practices and innovations. The Company also integrates health and well-being programs to recognize that employee wellness contributes to productivity and job satisfaction.

Employee Training Hours [404-1]

Total:

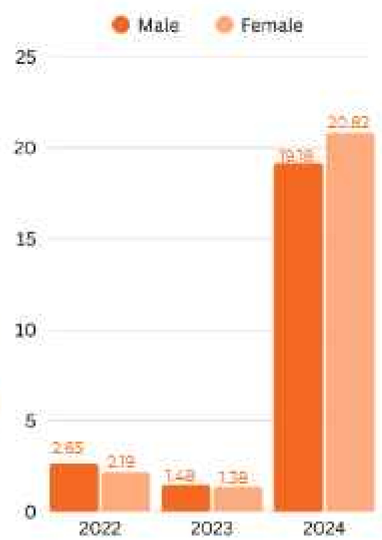
2022- 1270
2023- 920.5
2024- 13,120



Average Training Hours [404-1]

Total:

2022- 2.42
2023- 1.43
2024- 20.00



In 2024, EELHI employees received significantly more training compared to previous years. Male employees recorded an average of 19.18 hours of training per year, up from 2.65 hours in 2022 and 1.48 hours in 2023. Female employees also showed an increase, with 20.82 hours in 2024, compared to 2.19 hours in 2022 and 1.38 hours in 2023.

Total Expenditure on Training and Development [In Philippine peso, Php]

2022	2023	2024
1,598,349	6,915,628	5,637,172

The Company significantly increased its investment in training and development, from Php 1,598,349 in 2022 to Php 6,915,628 in 2023, demonstrating its commitment to employee growth. In 2024, it sustained this commitment with a continued investment of Php 5,637,172.

EELHI also prioritizes regular performance and career development reviews supporting employees' growth within the organization. Empire East utilizes evaluation forms and Key Performance Indicators (KPIs) to measure these initiatives' effectiveness, supplemented by semi-annual performance appraisals. Employees who demonstrate outstanding performance are recognized and provided with opportunities for career progression, reinforcing a culture of merit-based advancement.

AGI Accountant's Conference

Empire East hosted the 11th AGI Accountants' Conference that unites finance leaders and professionals across Alliance Global Group to explore the theme "Innovate to Elevate." The event highlighted the essential role of accountants in driving innovation and resilience amid evolving business and regulatory landscapes.

DICT Secretary Ivan John Uy delivered the keynote address, emphasizing the profession's impact on digital transformation. Empire East President and CEO Atty. Anthony Charlemagne C. Yu also spoke, reflecting on the Group's legacy of innovation under Chairman Dr. Andrew L. Tan—from redefining urban living to setting new industry standards across real estate, hospitality, and consumer goods.

The conference served as a platform for collaboration and continuous learning as EELHI marked its 30th anniversary. It reaffirmed the Company's commitment to empowering professionals who help shape the future of the organization and the industry at large.

Performance reviews by gender (in %) [404-3]

Disclosure	2022	2023	2024
By Gender			
Male	100	82.16	94.84
Female	100	79.68	94.07
Total	100	80.71	94.41
By Employee Category			
Senior Management	100	92.86	75
Middle Management	100	78.64	81.25
Rank and File	100	81.40	96.84
Total	**100**	**80.71**	**94.55**

Empire East ensures regular performance and career development reviews for all employees. In 2022, 100% of both male and female employees participated in these evaluations. In 2023, participation slightly declined to 82.16% for male employees and 79.68% for female employees. By 2024, these figures improved to 94.84% for males and 94.07% for females. The fluctuations may be attributed to several factors. Employees on extended leave—such as maternity leave, medical leave, or career breaks—might not have participated in scheduled evaluations.

Beyond skill development, Empire East supports employees navigating career transitions. Retirement celebration and recognition programs acknowledge the contributions of retiring employees, celebrating their achievements and years of service. Knowledge transfer initiatives for business continuity are also practiced through mentorship and documentation processes.

Workforce Health and Safety

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

Empire East is dedicated to maintaining a safe and healthy work environment for all employees that aligns with the Labor Standards Act and relevant safety regulations. The Company has implemented a comprehensive Occupational Health and Safety (OSH) program that adheres to legal requirements and risk management standards. This includes developing emergency response plans, regular safety drills, and thorough hazard assessments to ensure a proactive approach to safety.

The Health and Safety Committee oversees the implementation of these measures, ensuring continuous improvement through training, employee feedback, and incident investigations. The Company's commitment to safety is reflected in its ongoing efforts to create a culture of responsibility and preparedness.

The Company's Occupational Health and Safety (OHS) program, which adheres to legal requirements and industry standards, includes all workers, from office employees to construction site personnel, ensuring that all areas of operation are covered. The program aligns with the Occupational Safety and Health Standards (OSHS) and Department Order No. 13, series of 1998, guaranteeing compliance with regulations specific to the construction industry.

It is important to note that the data on OSH covers both construction and property management operations, with details on work-related incidents, safety drills, and total safe man-hours for both sectors. On the environmental front, compliance with safety regulations ensures legal conformity and positively influences the workforce's overall welfare, contributing to a healthier, more productive work environment. The impacts are multifaceted for the people, affecting health, job satisfaction, morale, and productivity. The Company's ongoing efforts to maintain and improve these impacts focus on creating a conducive environment for employees to thrive.

Empire East has implemented various preventive measures to manage these impacts, such as regular updates to emergency response plans for natural disasters, accidents, and security incidents. Drills and training exercises are conducted to ensure that employees are well-prepared for emergencies. In cases of actual negative impacts, the Company conducts thorough investigations to determine the root causes of incidents and implements corrective actions to prevent recurrence. These processes enable the Company to evaluate progress toward safety goals and targets, ensuring that employees stay informed and engaged in safety practices. The Company regularly reviews its safety protocols to improve and adapt them based on feedback and evolving risks.

OHS Performance [403-9, 403-10]

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

In 2024, Empire East recorded three hundred twenty-five work-related injuries and eight work-related ill health across both construction and property management operations. The total safe-man hours increased to 26,435,900 in 2024, a remarkable improvement compared to 3,258,005 in 2023 and 4,857,198 in 2022.

Empire East has established transparent processes for investigating work-related hazards and incidents in terms of incident management. These investigations aim to identify the root causes of accidents or unsafe situations, and corrective actions are taken based on the hierarchy of controls to eliminate or minimize the risks. Employees are encouraged to report hazards and unsafe conditions through various channels, ensuring that their concerns are addressed promptly. Workers also have the right to remove themselves from situations they believe could cause injury or ill health, with the assurance that their safety is a top priority.

Regular safety drills remain a cornerstone of the Company's OHS program, with twenty-one conducted in 2024, up from seven in 2023 but slightly lower than 11 in 2022. These ongoing drills and training exercises ensure that employees remain prepared for emergency situations

Strengthening Employee Wellness Through Strategic Healthcare Initiatives

Empire East remains steadfast in its commitment to employee well-being by forging a partnership with the Philippine Mental Health Association (PMHA) alongside the renewal of its HMO coverage. Through this collaboration, the Company enhances its employee wellness programs with expert-led mental health resources, including educational sessions, counseling services, and proactive interventions.

Community Transformation

EELHI townships are designed not only to benefit homebuyers and uplift the surrounding communities. These projects catalyse area revitalisation by strategically locating developments near key establishments, creating job opportunities, and forging vibrant neighborhoods. This approach accelerates the growth of local businesses, bringing prosperity to the entire area.

Community Impact of Developments

3-3, 203, 413-1

Empire East Land Holdings Inc. continuously strengthens community engagement through its Corporate Social Responsibility (CSR) and development programs. EELHI's initiatives create positive local impacts, by advancing job creation, supporting small businesses, and improving overall community well-being. . In alignment with GRI standards, Empire East manages stakeholder relationships, prioritizes customer health and safety, and ensures compliance with labor relations.

The Company remains committed to transparency, tracking non-compliance incidents, and taking necessary actions to uphold its values and contribute to long-term community transformation.
Empire East, a publicly listed Company, serves a diverse community of stakeholders and recognizes its significant responsibility as an active societal participant. The Company is committed to promoting its core values of community growth, resilient cities, and safe, inclusive spaces where individuals can thrive.
At the heart of EELHI's mission is providing sustainable homes supporting Filipino families' growth and prosperity. By focusing on creating homes in strategic locations, Empire East partners with Local Government Units (LGUs) to implement a comprehensive land use program.

The Company also recognizes the vital role that families play in nation-building, alongside the contributions of the youth in shaping a brighter future for all. As EELHI continues to expand its CSR efforts through the Adopt-a-School program and partnerships for responsible waste disposal, it further enhances its commitment to sustainable community development. Empire East encourages these values by ensuring its projects not only meet the immediate needs of its residents but also contribute to the long-term development of the communities it serves.

Brigada Eskwela: Adopt a School

On September 17, 2024, representatives from the General Administrative Services (GAS) team visited Pedro P. Cruz Elementary School in Mandaluyong City to participate in the annual Brigada Eskwela initiative, a nationwide effort that rallies community support in preparing public schools for the upcoming academic year. The visit reaffirmed the Company's commitment to education and community development through active stakeholder engagement and tangible contributions.

In line with this commitment, the team turned over a substantial set of donations aimed at enhancing the learning environment for the school's students and faculty. These included 200 assorted books to enrich the school's library, 6 industrial fans to improve classroom ventilation, 300 monoblock chairs and 30 tables to support classroom and activity space needs, and 120 pieces of jalousie glass for facility repairs and maintenance.

This outreach activity underscores EELHI's broader mission to support inclusive and quality education by fostering safe, well-equipped, and engaging learning spaces. The engagement at Pedro P. Cruz Elementary School has contributed to physical improvements and reflected the Company's dedication to nurturing future generations through collaborative community action.

Empire East and AHA Learning Center Collaborate to Enrich Learning Spaces Through Art and Wellness

In 2024, Empire East partnered with AHA Learning Center to transform educational spaces into vibrant, inspiring environments. This collaboration focused on designing classroom walls adorned with unique artwork and uplifting messages, aiming to foster a more conducive atmosphere for learning.
Research underscores the significance of classroom design in student achievement. A study by the University of Salford revealed that well-designed classrooms could enhance students' academic progress by up to 25% over an academic year. Key factors contributing to this improvement include optimal lighting, color schemes, and classroom layout .

Beyond the visual enhancements, the partnership event featured a feeding program, ensuring students received nutritious meals to support their learning. Additionally, students participated in painting and creative activities, encouraging self-expression and reinforcing the positive messages displayed in their newly transformed classrooms.

Emergency Go Bags Distributed to Barangay Rosario Residents

In the wake of Typhoon Kristine, which severely impacted parts of Metro Manila—including Barangay Rosario in Pasig City—Empire East's Property Development Division (PDD) took swift action to assist affected residents. On November 8, 2024, Empire East organized a relief initiative in partnership with Barangay Captain Aquilino "Ely" Dela Cruz Sr. and his team, distributing Emergency Go Bags (E-GO Bags) to the local community at the Rosario Barangay Hall.

Each E-GO Bag contained essential supplies such as first-aid kits, flashlights, alcohol pads, and bandages—tools meant to help residents respond effectively to emergencies like floods and earthquakes. Empire East recognizes the vital role of public-private partnerships in enhancing disaster response and community resilience. As part of its long-standing Empire East Cares program, the Company continues to partner with local government units to provide tangible support to vulnerable communities. The distribution of E-GO Bags in Pasig is just one example of its broader mission to build not only homes, but also strong, prepared, and connected communities.

Customer Care

3-3,

Empire East has actively enhanced customer care and satisfaction through strategic innovations, particularly in response to the accelerated digital shift brought on by the pandemic EELHI quickly adapted by creating online client and buyer portals that enabled direct communication with the Customer Relations Group.

Customer Satisfaction

Empire East has launched a suite of digital tools designed to improve customer convenience and accessibility. Homebuyers can explore their options remotely through virtual property walkthroughs and presentations, while digital payment systems simplify transactions. Automating document handling further accelerates processes for a smoother customer experience at every stage of their journey.

The Company made significant strides in addressing economic concerns by forming strategic partnerships with Pag-IBIG for housing loans and implementing flexible payment schemes.

EELHI also enhanced its Ask About Your Home online portal and collaborated with Pilipinas Teleserv to provide a hassle-free, user-friendly experience, addressing inquiries about payments, documentation, and property concerns. With a ticketing system in place, homebuyers can easily submit their questions and track progress in real-time.

Further improvements to platforms like the PSA Helpline Portal allows homebuyers to conveniently request essential civil registry documents online, eliminating the need for in-person visits to PSA offices.

Empire East has established a central customer grievance bank to further improve customer satisfaction. This bank provides a formalized system for filing, evaluating, and resolving complaints. This platform allows the Company to respond proactively to concerns so that every issue is addressed promptly and effectively.

Empire East Connect and Pilipinas Teleserv

Empire East Connect is a dedicated event designed to bring essential customer services closer to homebuyers. Held at various project locations, including Covent Garden, the initiative offers direct, on-the-spot assistance for bank and document-related concerns—eliminating long queues and streamlining the support experience.

In partnership with Pilipinas Teleserv, Empire East has further enhanced its services by enabling homebuyers to request PSA-authenticated civil registry documents—such as birth, marriage, and CENOMAR certificates—through a dedicated online portal. This exclusive platform minimizes paperwork, shortens processing times, and removes the need for buyers to physically visit government offices.

This collaboration exemplifies Empire East's forward-thinking approach to improving the homebuying experience. Through the integration of digital tools and trusted partners, the Company ensures that every step—from financing to documentation—is made easier, faster, and more convenient for aspiring
condo owners.

Empire East has established a central customer grievance bank to further improve customer satisfaction. This bank provides a formalized system for filing, evaluating, and resolving complaints. This platform allows the Company to respond proactively to concerns so that every issue is addressed promptly and effectively.

Incidents of Non-Compliance Concerning Health and Safety Impacts of Products and Services [416-2]

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

Empire East remains committed to customer health and safety by upholding a high standard of compliance, ensuring that it does not face any fines, penalties, or warnings due to non-compliance. The Company adheres to voluntary codes in all its operations, resulting in zero incidents of non-compliance in 2024.

EELHI takes proactive steps to ensure transparency and compliance with data privacy regulations. The Company's HR team has successfully met the DPS/DPO Seal requirements, which serves as a testament to its commitment to privacy standards. In addition, the Management Information Systems (MIS) department has implemented enhanced data privacy protocols, significantly strengthening the Company's data security infrastructure.

Actions taken mitigates risks by introducing secure payment methods with encryption, staff training on data privacy best practices, and the restriction of access to customer data to minimize exposure. By strictly limiting access and adhering to DPS/DPO standards, the Company ensures a high transparency and trust with its clients. Furthermore, EELHI bolsters its IT security measures to protect against cyber threats and unauthorized access.

Complaints concerning breaches of customer privacy and losses of customer data [418-1]

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

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged to and acted upon by government agencies.*

The data highlights EELHI's strong commitment to data management and privacy from 2022 to 2024. The number of individual clients whose data was stored decreased from 49,393 in 2022 to 45,333 in 2023, with 44,787 in 2024. Notably, there have been zero data breaches, including leaks, thefts, or losses over these years, indicating effective security measures. Furthermore, there were no substantiated complaints from either outside parties or regulatory bodies regarding customer privacy, marketing, or labeling practices during this period. The absence of complaints addressed in 2022 and 2023, and zero in 2024, reflects the Company's robust compliance and operational integrity in data privacy and security.

PLANET: Protecting the Environment & Resources

Empire East remains steadfast in its commitment to environmental stewardship as it integrates sustainable practices across its operations to minimize ecological impact. Through transit-oriented developments, the Company reduces carbon emissions by promoting public transportation access, lessening reliance on private vehicles.

Energy management initiatives have been incorporated to support more efficient energy consumption. The Company's digital transformation has significantly reduced paper waste, reinforcing its dedication to resource efficiency and sustainability. Despite increased greenhouse gas emissions due to expanded operations, Empire East continues implementing targeted strategies to mitigate its environmental footprint. Collaborations with energy providers, enhanced waste management initiatives, and proactive climate risk assessments ensure that sustainability remains a core pillar of the Company's growth.

Carbon Neutrality
- GHG Emissions
- Climate Change

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

Sustainable Building Operations
- Continued Development of Design Standards

Carbon Neutrality

Even before "sustainability" became a global buzzword, Empire East has long been a pioneer in promoting sustainable practices across its business operations. Transit-oriented homes have been designed to lessen the carbon footprint by offering residents easy access to public transportation while reducing dependence on private vehicles. The Company has also integrated energy management initiatives into its communities to have efficient energy consumption. EELHI's commitment to sustainability extends to waste management and recycling initiatives, which prioritize reducing, reusing, and recycling at every stage of its operations. The ongoing digital transformation has allowed the Company to create a paperless environment for all transactions, culminating in the complete digitalization of its processes.

For 30 years, the Company has committed to raising the standards of urban living but also to redefining authenticity in home buying and lifestyles. Its mission to enhance cityscapes in Metro Manila and beyond drives its efforts toward a sustainable, carbon-neutral future for all.

GHG Emissions

3-3,

Empire East's greenhouse gas (GHG) emissions arise primarily from two key sources, direct emissions from the consumption of non-renewable energy sources such as diesel and gas for generator sets and Company-owned vehicles, and indirect emissions from organizational operations, mainly the use of purchased electricity, which is 100% sourced from the grid.

The Company is committed to continuous improvement to further reduce its environmental impact through tree planting and forest adoption efforts, as part of its broader carbon offset program. It also actively engages in energy conservation initiatives, including promoting participation in Earth Hour across its communities. In line with this, EELHI is collaborating with MERALCO under the Green Energy Option Program (GEOP) to transition to renewable energy sources, further aligning its operations with sustainable energy practices.

Emissions by Scope (in tCO2e) [305-1, 305-2, 305-3]

Total Emissions:

2022- 10,645
2023- 7,214.6
2024- 24,644.81

GAS Emissions by Scope (in tCO2e) [305-1, 305-2, 305-3]

Disclosure	2022	2023	2024
Scope 1 emissions	74.294	94.90	211.77
Scope 2 emissions	372.00	506.40	421.89
Scope 3 emissions*			164.24

**Data not reported from 2022-2023*

PDD Emissions by Scope (in tCO2e) [305-1, 305-2, 305-3]

Disclosure	2022	2023	2024
Scope 1 emissions	1.15	0.947332	-
Scope 2 emissions	294.28	296.39	535.74
Scope 3 emissions*			18,948.246

**Data not reported from 2022-2023*

GHG Emissions Intensity [305-4]

Disclosure	2022	2023	2024
Scope 1 + Scope 2			-
tCO2e per revenue (tCO2e/revenue)	0.000000158	0.000000173	0.000000576
tCO2e per employee (tCO2e/employee)	1.30	1.35	4.09
Scope 3			
tCO2e per revenue (tCO2e/revenue)	0.00000210	0.00000121	0.00000440
tCO2e per employee (tCO2e/employee)	17.40	9.46	31.22
Organization specific metric (revenue, in PhP)	4,707,066,845	5,203,131,447	4,950,793,738
Organization specific metric (employees)	569	668	698

In 2024, Empire East recorded a significant increase in its total GHG emissions, reaching 24,606.77 tCO_2e, compared to 7,214.6 tCO_2e in 2023. This increase is primarily attributed to expanded operational activities and higher energy consumption. Empire East remains dedicated to mitigating its environmental impact through targeted initiatives and strategic partnerships despite this rise.

Direct emissions from fuel consumption in diesel generator sets and Company-owned vehicles increased to 211.89 tCO_2e in 2024. This growth reflects a surge in operational demands requiring additional energy use. To manage this, the Property Development Division (PDD) implements weekly five-minute no-load tests on generator sets to reduce emissions and ensure optimal performance. The team also uses performance monitoring sheets to track and enhance generator efficiency.

Emissions linked to indirect operational activities, including employee commutes, supply chain processes, and outsourced services, rose to 21,749.56 tCO_2e in 2024. This sharp increase was primarily influenced by the expansion of business activities and increased project developments.

Climate Change

Empire East acknowledges the significant impact climate change has on its operations. The growing frequency and intensity of extreme weather events, such as storms and flooding, pose potential risks leading to business disruptions, financial losses, and legal challenges. EELHI is undertaking a comprehensive study to address these challenges and assess the financial implications of climate-related risks and opportunities. This initiative will guide the development of a well-established system designed to evaluate potential impacts, ensuring informed decision-making and effective risk management.

Through its launch of the 100-seedling Highland Forest project, the Company reinforces its dedication to environmental preservation. The integration of the 5S Waste Management Framework also enhances its environmental commitments through recycling efforts and waste segregation.

Resource Efficiency

Empire East actively monitors its usage of raw materials, energy consumption, and reduction, as well as water consumption, wastewater output. The Company also manages both solid and hazardous wastes to adopt a more sustainable approach to its projects. This proactive tracking allows the Company to better manage these resources, reduce its environmental impact and align with its overall design principles for resource efficiency.

Energy

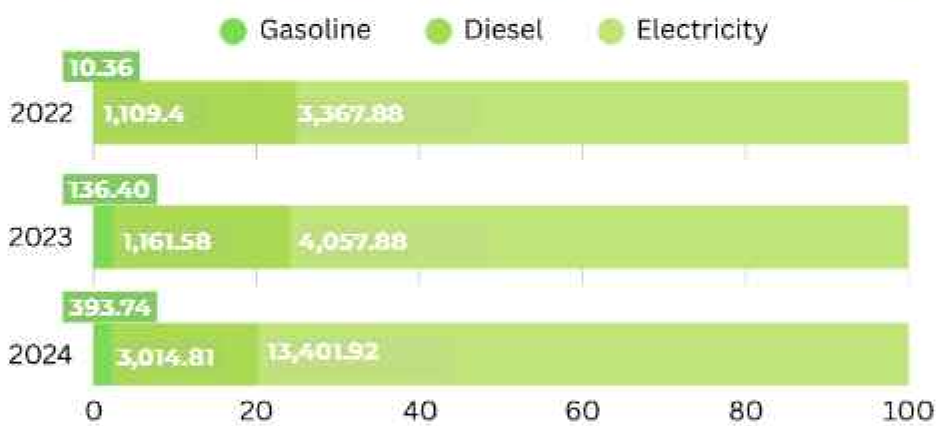
3-3

Empire East recognizes energy efficiency as a vital component of its business operations. In developing integrated townships and innovative lifestyle concepts, the Company prioritizes sustainability, ensuring that its energy policies align with local regulations to promote responsible energy practices. This commitment is reflected in the Company's adherence to the Philippine Green Building Code emphasizing resource management efficiency and site sustainability.

Working alongside technical consultants and contractors, the Company's Design and Construction Management Group ensures that energy conservation strategies are integrated into project designs and construction practices.. Contractors are tasked with identifying and applying energy-saving measures, while the design team emphasizes efficiency in building designs.

The Property Management Group (PMG) further strengthens these efforts by training engineers as Pollution Control Officers (PCOs) to uphold environmental regulations set by the Department of Environment and Natural Resources (DENR). Empire East also collaborates with service providers to maintain efficient generator operations, reducing unnecessary energy use.

Energy Consumption within the Organization (in gigajoules, GJ) [302-1]*



Total Energy Consumption within the Organization:

2022- 4,487.67
2023- 5,355.86
2024- 16,810.47

**Restatement: The 2022 diesel figure was restated from 971.22 GJ to 1109.4 GJ to include D20, which was previously reported under Materials.*

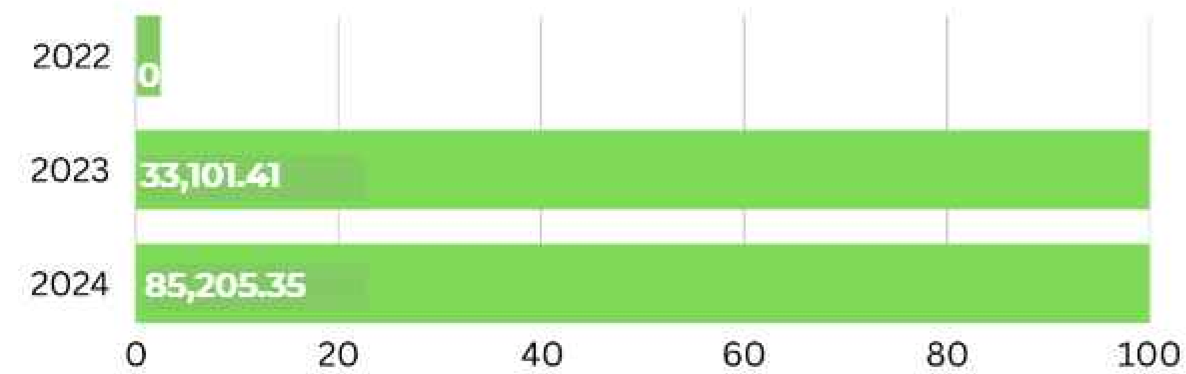
Overview of Empire East Total Energy Consumption (in gigajoules, GJ)

Department/ Facility	2022			2023			2024		
	Electricity	Gasoline	Diesel	Electricity	Gasoline	Diesel	Electricity	Gasoline	Diesel
EPHI	891.57	-	-	1,195.15	-	-	-	-	-
GAS	908.67	10.36	955.81	1,247.29	136.40	1,148.83	2,141.59	393.75	2640.01
PDD	1,487.50	0	15.41	1,498.17	0	12.74	2710.06	-	-
Additional Showrooms	80.14	-	-	117.27	-	-	100.40	-	-
Subtotal	3,367.88	10.36	971.22 4	4,057.88	136.40	1,161.58	4,952.05	393.75	2640.01
Total	**4,349.46**			**5,355.86**			**7,985.81**		

Empire East's energy consumption data demonstrates a consistent increase in electricity, gasoline, and diesel usage over the past three years. In 2024, the Company recorded a total internal energy consumption of 16,437.39 GJ, marking a significant increase from 5,355.86 GJ in 2023. This increase is primarily attributed to the expansion of operational facilities, additional showrooms, and enhanced project activities.

Energy Consumption outside the Organization (in gigajoules, GJ) [302-2]*

Total Energy Consumption outside the Organization



**Data not reported from 2022*

Energy intensity [302-3]*

Disclosure	2022	2023	2024
Energy intensity ratio within the organization			
Gigajoules per revenue (GJ/revenue)	0.000000953	*0.000001029	0.000003396
Gigajoules per employee (GJ/employee)	7.89	8.02	24.08
Energy intensity ratio outside the organization			
Gigajoules per revenue (GJ/revenue)	-	0.000006362	0.00001721
Gigajoules per revenue (GJ/employee)	-	49.55	122.07

**Data restated for FY 2023 due to wrong computation*

Empire East actively pursued energy reduction initiatives to improve efficiency despite the increased energy consumption. In 2024, the Company implemented different energy management strategies such as the conversion of lighting fixtures to energy-efficient alternatives, regular maintenance of generator sets and implementing lights-off at certain hours of operations.

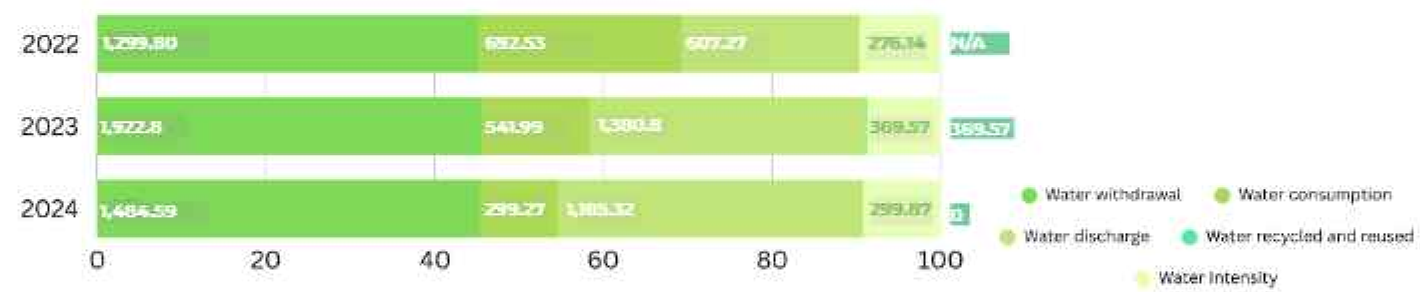
Water

3-3, 303-1, 303-2

Empire East Land Holdings, Inc. (EELHI) recognizes the significant impact of the construction and real estate sectors on water resources. The Company adopts proactive measures addressing water conservation and effluent management to ensure sustainable water management.

EELHI sources water from various providers, including deep wells, Maynilad, and Manila Water. This supply supports a range of activities, such as construction operations, fire water reserves, recreational facilities like pools and fountains, as well as general cleaning, maintenance, and household use. EELHI utilizes a cistern and elevated water tanks to ensure a sufficient potable water supply for condominium units. Regular monthly potability tests are conducted to maintain water safety across all sites.

Water and Effluents (in Megaliters, ML) [303-3, 303-4, 303-5]



EELHI reduced its water withdrawal from 1,922.80 ML in 2023 to 1,484.59 ML in 2024. This decrease reflects improved operational efficiencies and the implementation of targeted water conservation measures.

Water consumption declined significantly, dropping from 541.99 ML in 2023 to 299.27 ML in 2024 in 2024. This substantial decrease was mainly due to enhanced monitoring processes, improved water-saving practices, and conscious efforts to minimize unnecessary consumption. Similarly, water discharge fell from 1,380.80 ML in 2023 to 1,185.32 ML in 2024. This improvement highlights EELHI's strengthened wastewater management practices, including closely monitoring sewage treatment plant (STP) operations by third-party contractors to ensure compliance with regulatory standards.

Although 6.58 ML of water was recycled and reused in 2023, this figure dropped to 0 ML in 2024. The decline reflects a transition period in EELHI's reuse systems, with plans underway to upgrade infrastructure and integrate long-term water recycling technologies.

Water intensity, measured as the volume of water used per unit of output, saw a substantial decrease in 2024—from 369.57 ML/unit in 2023 to 0.29986 ML/unit. This sharp drop demonstrates EELHI's success in decoupling water use from operational growth, highlighting the effectiveness of its conservation initiatives.

Waste Management

3-3, 306-1, 306-2

Empire East actively commits to responsible waste management practices to minimize environmental impact and ensure compliance with regulatory standards. The Company monitors and manages waste generation, diversion, and disposal across its project sites, guided by the regulations set by the Department of Environment and Natural Resources (DENR), particularly DAO 34, DAO 35, and DAO 2016-08.

Waste generation (in metric tonnes, MT) [306-3]

Total Waste Generated

2022- 18,734.77
2023- 26,990.99
2024- 16,966.93

Waste Management (in MT) [306-4, 306-5]

Disclosure	2022	2023	2024
Waste diverted from disposal	**1.37**	***2,601.19**	**3,129.56**
Reusable	1.37	-	-
Recyclable	-		3129.56
Waste directed to disposal	**18,733.40**	**24,389.80**	**18,337.37**
Landfill	-	-	18337.37

**The total amount of wastes also include scrap metals which are neither categorized as Property Operation nor Construction Stage*

In 2024, Empire East generated 16,966.93 metric tons (MT) of total waste, a notable decrease from 26,990.99 MT in 2023. This reduction reflects improved operational efficiencies and enhanced waste management initiatives. Non-hazardous waste comprised the majority of the total waste at 16,962.88 MT, while 4.05 MT accounted for hazardous waste.

Hazardous waste increased slightly from 2.59 MT in 2023, showing the Company's need to improve its hazardous waste management strategies.
The Company successfully diverted 3,129.56 MT of waste from disposal, a significant increase compared to 2,601.19 MT in 2023. The increase in diverted non-hazardous waste highlights EELHI's strengthened recycling and resource recovery initiatives.

SEGREGATION + 5S | Paving the Path to Enhanced Waste Segregation: Empire East's Strategic Approach to Waste Diversion and Operational Excellence

Empire East continues to elevate its commitment to sustainability and operational efficiency through the implementation of targeted waste segregation and diversion initiatives. This roadmap aligns with the Company's overarching objective to minimize environmental impact while fostering systemic order and excellence across its operations.

In 2024, Empire East initiated the Trash to Cash Pilot Program in partnership with BEST My Basurero. The program emphasized proper waste segregation at the source, with all collected waste remitted to BEST every Friday. While the pilot's impact was modest, it laid the groundwork for more structured waste diversion strategies, setting the stage for future initiatives.

Building on this momentum, Empire East launched the STEPS Campaign (Segregate Trash for Environmental Protection and Sustainability) at its former headquarters. The campaign incorporated a unique approach to engage employees effectively, drawing inspiration from the globally popular Squid Game series. The initiative transformed the office's oval-shaped runway into a strategic zone for waste segregation challenges. Four teams were tasked with completing 30 rounds per week, equivalent to approximately 2,100 steps per week (70 steps per round). Through segregation-themed quizzes and games, the campaign fostered employee participation while reinforcing proper waste sorting practices.

of Empire East's 5S Program, a structured

approach aimed at fostering order, efficiency, and excellence. As operations expanded across multiple locations, the Company observed variations in workplace cultures, particularly in managing accounts, documentation, and paper trails. This inconsistency underscored the need to reintroduce 5S principles — Seiri, Seiton, Seiso, Seiketsu, and Shitsuke — which had been the bedrock of Empire East since its establishment.

Now that the Company has consolidated its headquarters into The Paddington Place in 2025, the STEPS Campaign and 5S principles are being systematically reinforced to ensure that all waste is properly classified and disposed of, and that operational processes are standardized across the organization. This unified workspace enables a more consistent application of 5S, ensuring that all departments align with the Company's goal of achieving operational excellence and sustainable growth.

Looking ahead, Empire East plans to extend the STEPS Campaign and 5S principles to its condominium communities, integrating the successful mechanics of the campaign while collaborating with recycling facilities to optimize waste diversion. This expanded focus aligns with the Company's mission to not only foster environmental responsibility but also to establish a culture of operational discipline and excellence across its entire footprint.

Materials Consumption

3-3

Empire East consistently emphasizes efficient material consumption, aligning with sustainability goals to minimize environmental impact. The Company, guided by the Design and Construction Management Group in collaboration with technical consultants, carefully monitors materials usage throughout all stages of its projects. This approach ensures that resource efficiency remains a priority in every design process, as outlined in the Company's Design Terms of Reference.

Materials Used by the Organization (in MT) [301-1]

Disclosure	2022	2023	2024
Construction Stage			
Alcohol*			20.44
Bleach*			3.41
Cement/RMC	5707.91	20,188.37	116,471.64
Belts*			0.002
Deodorizer*			0.004
Building Materials*			11,504.33
Other Chemicals*			0.04
Adhesives*			0.36
Ceramic tiles	169.58	228.04	132.44
Paint	31.32	17.73	25,167.88
Copper*			0.03
Sand*			0.30
Gypsum Board	3.96	297.99	0.19
PVC Pipes	71.41	37.74	0.01
Reinforcing steel bars	5,858.12	8,103.41	15,087.56
Steel pipes	4.76	248.54	748.53
Wood (doors and cabinets)	249.15	42.59	0.05
Glass	66.11	153.97	256.30
Welding Rod*			0.01
Wires	319.67	200.40	11.62
Property Operation Stage			
Fluorescent Lights	0.40	2.56	0.71
LED Lights	0.24	0.24	8.24
Magnetic Contactors	0.02	0.02	0.02
Mixed office supplies*			0.43
Ink	0.06	0.06	0.43
Total	****12,482.71**	****29,521.66**	**169,414.98**

**Data not reported/available in 2022-2023*
***Restatement: realign of materials and computation of correct data*

For 2024, Empire East achieved a significant milestone on its material management from the previous year, particularly in reducing paper usage. The Property Management Group (PMG) continues to innovate by enhancing the PMG mobile and web applications (E-PrOS) across all managed properties to facilitate online transactions for form applications and payments. This initiative promotes digital alternatives for administrative tasks that once relied on heavy physical paperwork.
Empire East remains committed to track and report on materials consumption, with a detailed breakdown of materials used across different categories, including renewable and non-renewable resources, such as paper, cement, and steel. This ongoing initiative reflects the Company's commitment to continuously improving its resource management practices and reducing environmental impact.

A notable increase in the use of Cement/Ready-Mix Concrete (RMC) was recorded in 2024, rising significantly to 116,471.64 MT from 20,188.37 MT in 2023. This sharp rise is primarily attributed to the acceleration of construction activities across various newly developed and itemized properties, including residential towers, showrooms, clubhouses, and common areas under the PDD portfolio. Newly constructed and itemized properties such as Pioneer Woodlands Towers 3–6, San Lorenzo Place Towers 1–4, Kasara Urban Resort Residences, The Rochester developments, The Sonoma Project Sites, and The Paddington Place drove this demand.
The construction of support facilities such as sales offices, information kiosks, and commercial spaces also contributed to the increased material consumption.
The use of paints and other construction finishing materials increased in parallel, reflecting the transition of multiple properties from structural completion to finishing stages, particularly across showrooms, common areas, and newly opened sales offices at The Sonoma, Empire East Elite SM Batangas, SLP Mall, and others.

Recycled input materials used [301-2]

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

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

Sustainable Building Operations

Empire East integrates sustainable design principles throughout its operations, actively promoting environmental responsibility in its project developments.

Continued Development of Design Standards

Empire East Land Holdings, Inc. upholds the highest standards of architectural design in all its developments. The Company has established a strong framework for the ongoing development and enhancement of its design standards, emphasizing strict adherence to the Philippine Green Building Code and the efficient use of materials..

The Design and Construction Management Group collaborates closely with third-party technical consultants and contractors to ensure that all projects meet the stringent requirements of the Philippine Green Building Code. Contractors incorporate energy conservation measures into their projects, while the design team partners with technical consultants to integrate energy-efficient solutions from the very start.

EELHI maintains a comprehensive monitoring system for the materials used in its developments. Both in-house staff from the Design and Construction Management Group and external technical consultants closely oversee this process. Such diligent attention to material selection guarantees that all resources are used efficiently and sustainably.

The Company also provides a Design Terms of Reference, a key guide for the design process. This document streamlines operations, ensuring that environmental considerations are seamlessly integrated into every design stage.

PROSPERITY: Driving Economic Growth & Innovation

Empire East Land Holdings, Inc. (EELHI) remains steadfast in its commitment to economic growth, innovation, and resilience. Despite external challenges, the Company continues strengthening its financial performance through optimized cost management, strategic promotions, and innovative homeownership programs.

Beyond financial success, the Company contributes to nation-building through job creation, community support, and sustainable initiatives. Its comprehensive governance framework, reinforced by ethical business practices and a proactive risk management strategy, ensures long-term stability.

Impactful Growth
- Economic Performance

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

Impactful Growth

Empire East demonstrated resilience and continued its trajectory of growth despite previous years' challenges. Key drivers for this growth included optimized cost management, the acquisition of new clients, and attractive payment options for homebuyers. The Transmutation Program, which focuses on enhancing the homebuyers' experience, remained a cornerstone of the Company's strategy.

EELHI's commitment to affordability during the pandemic, alongside strategic promotions such as the Home Opportunity Alert, further strengthened its position in the market. Despite external economic pressures, including inflation and the effects of the pandemic, the Company achieved outstanding financial results, surpassing its target sales quotas.

The Company's initiatives in nation-building through job creation, support for schools as well as the older people, and environmental efforts such as tree-planting and clean-up drives were also integral to its mission. The Company's hybrid approach, integrating online and face-to-face transactions, enhanced its reach to aspiring homeowners. Empire East's financial growth not only contributed to its own success and had a positive ripple effect on the local economy. Strategic target setting, careful expenditure monitorings, and constant communication within the Company were key to mitigating risks and driving impactful growth in 2024.

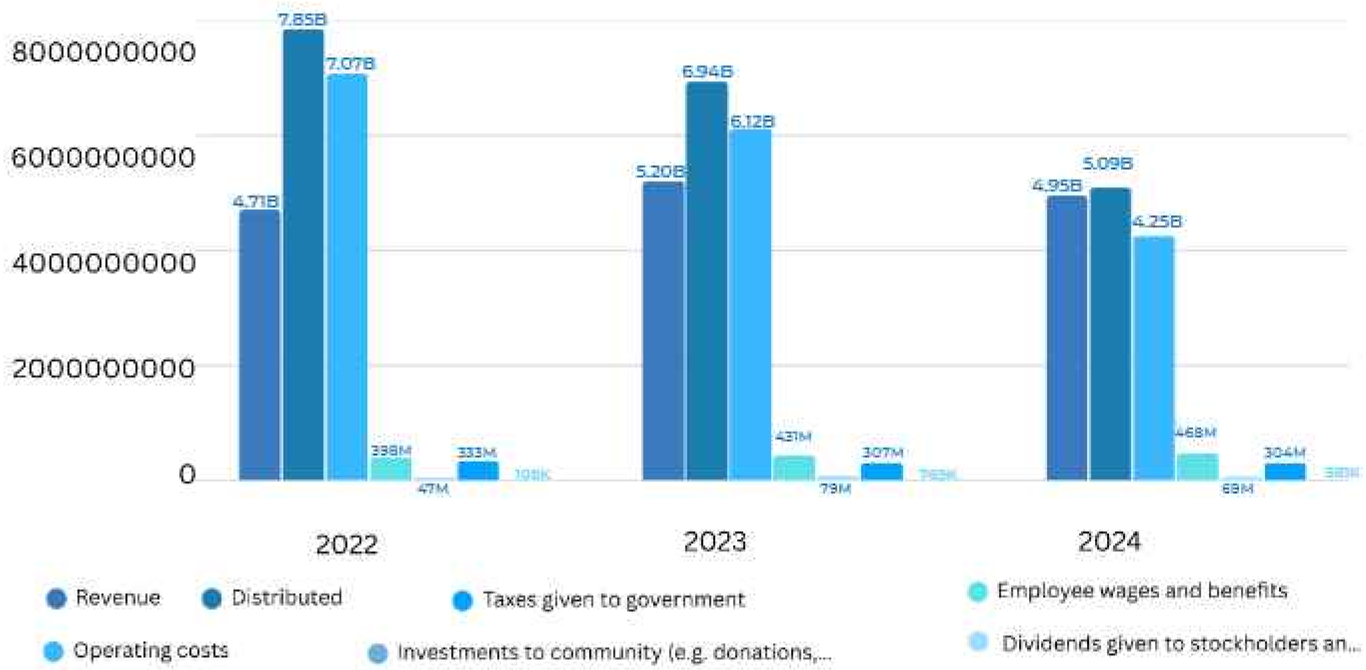
Economic Performance

3-3, 201-2

Empire East Land Holdings, Inc.'s (EELHI) objectives in managing its capital are twofold: safeguarding the Company's ability to continue operations to generate sustainable returns for shareholders and benefits for stakeholders and maintaining an optimal capital structure that reduces the overall cost of capital. EELHI continuously seeks to streamline its operations by reducing non-value-adding tasks and cutting unnecessary operating costs.

EELHI also actively monitors various external risks, including those posed by climate change, which aligns with its comprehensive risk management strategy. Physical risks, such as destructive earthquakes and storms, threaten the Company's properties and operations. Regulatory risks, related to compliance with laws and regulations are a critical area of focus, with non-compliance potentially leading to fines or operational disruptions.

Direct economic value generated and distributed (In Philippine Peso millions, Php millions) [201-1]



The Company has consistently demonstrated a solid economic performance over the years. EELHI's revenue generation in recent years reflects steady growth, reaching Php 5,203,131,447 in 2023, compared to Php 4,707,066,845 in 2022. However, in 2024, revenue slightly dipped to Php 4,950,793,738. Despite this, the Company has remained resilient in managing its operating costs, employee wages, dividends, taxes, and community investments.

Defined benefit plan obligations and other retirement plans (In Philippine peso, Php) [201-3]

Disclosure	2022	2023	2024
Estimated Value of retirement benefits	429,740,305	577,559,995	602,557,070

EELHI adopts a proactive approach to its employee retirement plans. The estimated value of retirement benefits has steadily increased, from Php 429.74 million in 2022 to Php 602.56 million in 2024.

The Company's non-contributory retirement plan follows a final salary-defined benefit type. Benefits are calculated based on years of service and plan salary, providing employees with a meaningful retirement package. Actuarial services are employed to assess the adequacy of the retirement fund, and the Company ensures that any unfunded claims will be covered promptly.

Financial implication due to climate change

Empire East acknowledges that climate change presents both risks and opportunities that can materially affect its business. In line with the TCFD framework, the Company evaluates these factors across four pillars—Governance, Strategy, Risk Management, and Metrics and Targets—to support long-term resilience and sustainable value creation.

TCFD Pillar	Disclosure
Governance	**Board Oversight**: The Board defines and upholds the Company's mission and values, integrating sustainability into its core strategy. It approves long-term strategies, including sustainable development and risk mitigation. It also ensures policy adherence via the Audit and Compliance Committees. Independent directors provide objective oversight on ESG matters. **Senior Management Role**: Executives implement the strategy through operational plans. Leaders in Property Development, Administration, Audit, and MIS spearhead programs like energy efficiency and waste management. Sustainability metrics are tracked and reported to the Board annually.
Strategy	Key climate-related risks and opportunities identified by the Company include the following: • Physical Risks: Earthquakes and intense storms may damage property and halt operations. Impacts include legal claims, business disruptions, and revenue loss. • Regulatory Risks: Non-compliance may result in fines, penalties, or suspension. • Other Risks: High interest rates and commodity price spikes may reduce demand and raise operating costs. • Opportunities/Response: The Company strengthens financial strategies, builds climate-resilient communities, and ensures adherence to environmental regulations.
Risk Management	Risks are managed through: • Due diligence with regulatory deadlines and issuances • Vigilance on compliance obligations • Building sustainable and disaster-resilient developments • Utilizing available internal resources, with no additional financial cost reported
Metrics and Targets	While no quantified financial impacts were reported, the Company identifies the following as key areas for future monitoring: • Losses due to property damage or operational disruption. • Penalties from non-compliance • Rising operational costs from inflation and regulation • A financial assessment framework is not yet in place, but the Company has begun integrating environmental and resilience indicators into its planning processes

Good Governance

Empire East prioritizes transparency, ethical business practices, and effective risk management to promote good governance. The Company addresses natural and unforeseen risks, including environmental hazards and global health challenges, to ensure long-term success. EELHI commits to integrity by implementing strict anti-corruption policies and practicing fair procurement, which supports local suppliers and community growth. Its resilient risk management system undergoes continual evaluation and refinement to mitigate disruptions. Additionally, the Company's focus on ethical operations positions it as a leader in creating resilient, sustainable communities for Filipinos.

Risk Management

3-3

Empire East remains steadfast in its commitment to good governance and effective risk management, ensuring its operations' long-term sustainability and success. With a clear focus on corporate responsibility and resilience, the Company continues to develop thriving communities that are not only safe and sustainable but also empower the Filipinos they serve.

Impact

Empire East plays a transformative role in reshaping urban spaces, turning plots of land into vibrant, mixed-use developments that create opportunities for growth. These communities are designed to promote productive families, generate job opportunities, and provide a quality living experience for first-time homebuyers, starting families, and property investors. The Company's initiatives extend beyond housing, positively impacting the lives of Filipinos through its comprehensive approach to community development. From project conceptualization to partnerships, construction, and eventual occupancy, Empire East creates jobs at every stage, ensuring a positive influence that extends to the broader economy.

Risks

Empire East acknowledges the risks the natural environment poses, particularly the threats of earthquakes and intense storms that could lead to floods. As a Company operating in the Philippines—a region in the Ring of Fire and the Pacific typhoon belt—these risks are ever-present. The West Valley Fault System, which runs through Metro Manila, and the country's frequent tropical cyclones put the Company's assets and communities at risk. Earthquakes, floods, and other natural disasters may cause property damage, legal claims, and disruptions to business operations.

The COVID-19 pandemic introduced unforeseen risks, impacting stakeholders and prompting regulatory challenges related to health and safety guidelines compliance. These emerging risks are closely monitored to ensure business continuity.

Opportunities

Empire East takes a proactive approach to mitigating risks while seizing new opportunities. The Company prioritizes regulatory compliance, meeting all deadlines and staying informed about new regulations. Sustainable development is another key area where Empire East excels, with innovations in community planning and resilient building designs that stand up to the challenges posed by natural disasters. The Company is also embracing digital transformation, improving systems and processes through automation and digitization to increase efficiency and minimize human error. The shift to online transactions reduces the risk of COVID-19 transmission and enhances customer experience, further strengthening Empire East's position in the market.

Enterprise Risk Management System

Empire East's Enterprise Risk Management System provides a structured approach to identifying, assessing, and addressing potential risks. With clear risk management policies, the Company is well-equipped to reduce the likelihood of operational disruptions and to mitigate possible harm.

Risk Management Philosophy

The Company's risk management philosophy is based on continuous evaluation and improvement. The Board, with the support of the Audit Committee, regularly assesses the effectiveness of risk management strategies and ensures that any emerging risks are promptly addressed. An annual risk review, conducted in collaboration with the Internal Audit Department, helps assess the accuracy of identified risks, the effectiveness of mitigation strategies, and the overall adequacy of the risk management framework.

Business Ethics and Integrity

3-3

Empire East Land Holdings Inc. (EELHI) commits to strictly adhering to all relevant Philippine national and local laws and regulations. This includes complying with labor laws, meeting taxation requirements, and following regulatory pronouncements from key agencies such as the Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR), Philippine Stock Exchange (PSE), and the Banko Sentral ng Pilipinas. The Company also upholds the principles of the Anti-Money Laundering Act and ensures conformity with local government unit regulations.

In project design and construction, Empire East ensures that it fully complies with all regulatory requirements. The Company works closely with contractors to meet environmental and construction standards, including securing the necessary Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural Resources (DENR) or the Laguna Lake Development Authority (LLDA), depending on each project location. Empire East meticulously integrates these environmental and regulatory compliance measures into contracts with technical consultants and contractors to ensure seamless implementation.

The Company also follows regulations from the Department of Human Settlements and Urban Development (DHSUD) and adheres to the advertising standards set forth by the Philippine Association of National Advertisers (PANA) and the Ad Standards Council (ASC).

EELHI adheres strictly to its codes of conduct, ensuring that all transactions within the Company are executed fairly. The organization holds its employees to the highest standards of business ethics, expecting them to refrain from engaging in any activities that could create conflicts of interest or interfere with executing their responsibilities. Employees are prohibited from receiving gifts or favors from third parties, ensuring that all material party transactions are thoroughly reviewed for fairness and conducted at arm's length by the Board's Party Transactions Committee.

The Company actively supports transparency and encourages stakeholders, including employees and others, to report any concerns regarding illegal, unethical, or questionable practices. Empire East values information from whistleblowers and anonymous sources, forging a safe environment where individuals can confidently communicate their concerns without fear of reprisal.

Legal actions for anti-competitive behavior, anti-trust, and monopoly practice 206-1

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

Empire East places the utmost importance on ensuring fair and ethical business practices in every aspect of its operations. During the reporting period, there have been no legal actions pending or completed related to anti-competitive behavior, violations of anti-trust laws, or monopoly practices in which the organization has been identified as a participant have occurred.

Enhancing Title and Tax Declaration Transfers

In 2024, significant internal and external changes impacted the title transfer process, prompting necessary adjustments to procedures and compliance requirements. The Bureau of Internal Revenue (BIR) directed the submission of the first and last twelve (12) official receipts, while the Registry of Deeds (RD) required four (4) checks to cover registration fees. Despite these evolving regulatory demands, the Company successfully transferred and secured 931 titles in buyers' names by December 11, 2024—an increase from the 676 titles recorded in 2023. The processing of tax declarations (TDs) also saw growth, with the Company handling 660 TDs in 2024 compared to 511 the previous year.

The Property Registration Department (PRD) navigated multiple operational shifts, including procedural adjustments and broader governmental policy changes. A key development in 2024 involved the transition of PRD under the Finance Department, a structural change with significant implications for PRD and the entire Land and Contract Administration Division (LCAD).

As policies evolve, the Company focuses on aligning internal processes with external regulations. This adaptive approach ensures efficiency in the transfer of titles and tax declarations while maintaining compliance with regulatory standards.

Anti-Corruption

3-3

EELHI strengthens compliance by implementing key monitoring mechanisms, including requiring all vendors to submit Letter 101, adhering to the Site Gate Pass system, overseeing Material Transfers, and enforcing strict vendor accreditation and formal bidding processes. While these measures are in place, the team recognizes that regular monitoring of sites and headquarters needs improvement.

The Company's anti-corruption efforts positively impact both the economy and the environment. By adhering to these policies, Empire East strengthens buyers' confidence, ensuring that property transactions are fair and transparent. This approach helps maintain market stability and guarantees that buyers receive high-quality properties at reasonable prices, with all payments directly applied to construction. However, delays in securing necessary permits and licenses may adversely affect project timelines, impacting buyer confidence and project delivery schedules.

Environmentally, EELHI can allocate resources to sustainable practices that benefit the community and the environment. These efforts allow the Company to pursue projects that contribute positively to environmental restoration and conservation. Regarding people and human rights, Empire East's commitment ensures that buyers' payments are directed towards constructing and maintaining habitable properties. This directly supports the right to secure, sustainable housing. Nevertheless, delays in securing titles and permits pose challenges to timely property transfers, affecting the enjoyment of these rights.

EELHI has experienced difficulties with government agencies regarding permits, licenses, and title transfers. These challenges have occasionally resulted in delays and complaints from stakeholders. Despite this, Empire East remains steadfast in its commitment to anti-corruption and adheres to policies that streamline processes and mitigate these issues. The Company closely works with regulatory bodies to ensure compliance and prevent corrupt practices. Employees are also prohibited from accepting gifts, reinforcing the Company's zero-tolerance stance on corruption.

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

Disclosure	2022	2023	2024
Employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	N/A	N/A
Directors and management that have received anti-corruption training	100	100	100
Employees that have received anti-corruption training	100	100	100

Confirmed incidents of corruption and actions taken [205-3]

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

Empire East upholds strict anti-corruption policies and procedures across all its operations. These policies are communicated to all employees, business partners, and directors, ensuring complete transparency in the Company's dealings. Employees and management are regularly trained on anti-corruption practices to cultivate a culture of integrity, and the Company enforces a no-tolerance policy towards corruption, with actions taken swiftly in the event of any incidents.

Streamlined Processes for Zero Backlogs

The Company eliminated backlogs in filing and scanning buyer documents, which ensured timely creation of digital buyer accounts. They also streamlined warehouse retrieval systems to improve the efficiency of pulling and returning buyer folders. These enhancements strengthened document accessibility and accuracy, reduced processing time, and ensured seamless transactions. The team maintained an updated master list for reopened accounts, title transfers, and reactivated buyer records, reinforcing data accuracy and operational transparency. This improved process flow enhanced coordination among teams handling buyer records, supporting a more structured and error-free document tracking system.

In response to evolving operational demands, the Technical Support—Verification teams prioritized efficiency improvements and cross-departmental collaboration. By achieving zero backlog, they ensured all tasks were completed on schedule, preventing delays and maintaining uninterrupted progress. The teams conducted regular discussions and interdepartmental meetings to refine workflows, address challenges, and align processes with best practices. They strengthened collaboration through DMG team-building activities and year-end gatherings, fostering a cohesive and motivated workforce.

The Contract Processing Unit – Document and Account Services (CPU DAS) introduced key initiatives to enhance transaction accuracy and streamline title transfer procedures. They conducted department-wide training sessions and discussions to clarify title transfer processes, ensuring uniformity and compliance with evolving regulations. By implementing digital forms, they minimized human errors and expedited transactions across all departments involved in title transfers. Activities that fostered camaraderie and closer coordination between CPU and DMG teams reinforced teamwork and operational efficiency.

Procurement Practices

3-3

Empire East actively upholds ethical sourcing practices and engages responsibly with vendors through its procurement policies. The Company prioritizes local suppliers to support the community and economy.

Proportion of spending on local suppliers (in %) [204-1]

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

For the past three years, Empire East has spent 100% of its procurement budget on local suppliers, demonstrating its dedication to fostering the growth of local businesses and the economy.

EELHI employs a procurement strategy that focuses on sourcing from vendors compliant with government regulations and standards. Suppliers undergo rigorous annual assessments and screenings to qualify for business with the group. The procurement team requires all suppliers to present the necessary documentation to evaluate their operational stability, legality, and fairness. The Company excludes any vendor that fails to comply.

Empire East has also taken strict measures to prevent its purchasing staff from accepting favoritism or gifts from suppliers. The Company remains dedicated to enhancing diversity and competition by consistently expanding its supplier network and driving innovation and efficiency in its procurement practices.

Supplier Management

3-3

Empire East Land Holdings, Inc. (EELHI) has implemented rigorous measures to ensure its suppliers meet stringent social and environmental criteria. As part of the Company's commitment to sustainability and ethical operations, all suppliers will undergo screening and must pass based on social and environmental criteria screening to align with the Company's environmental stewardship goals.

The Purchasing Department plays a critical role in managing suppliers, mandating that they provide government permits for assessment. Currently, the Company screens one new supplier solely based on environmental criteria. PDD requires suppliers to create accounts and log into the Company's accreditation website, where they can easily access the supplier policy. In contrast, the General Administrative Services Department (GAS) requires suppliers to submit essential government permits, such as the Mayor's/Sanitary Permit and PCAB license, which serve as environmental performance indicators.

Through these screening measures, EELHI has not encountered any suppliers engaged in illegal practices, showcasing the effectiveness of its due diligence processes. The Pre-Construction Group (PrCG) contributes to social assessment by incorporating a technical competence evaluation within its Pre-Qualification criteria. This evaluation includes a review of training certificates and overall satisfaction ratings derived from background investigations. While technical assessments form only a small part of the overall evaluation, they help ensure that all documentation is complete and that suppliers meet the required qualifications.

PrCG further strengthens its social assessment by conducting background investigations to verify that suppliers do not have a history of serious legal actions before accreditation. To build trust and mutual respect with vendors, EELHI-PrCG encourages suppliers to present their products and invites them to training sessions to enhance the team's knowledge and understanding of vendor capabilities.

EELHI continues to prioritize social compliance through systematic evaluations, using collected data to refine and improve its accreditation questionnaires. As part of its ongoing efforts to enhance supplier relations and uphold sustainability standards, the Company plans to strengthen its assessment of vendors' environmental compliance in the upcoming year, as outlined in the Environmental Compliance section of this report.
Empire East is committed to sustainability in constructing and designing integrated townships and innovative lifestyle concepts. The Company emphasizes transport-oriented planning and ensures that all buildings comply with the Philippine Green Building Code.

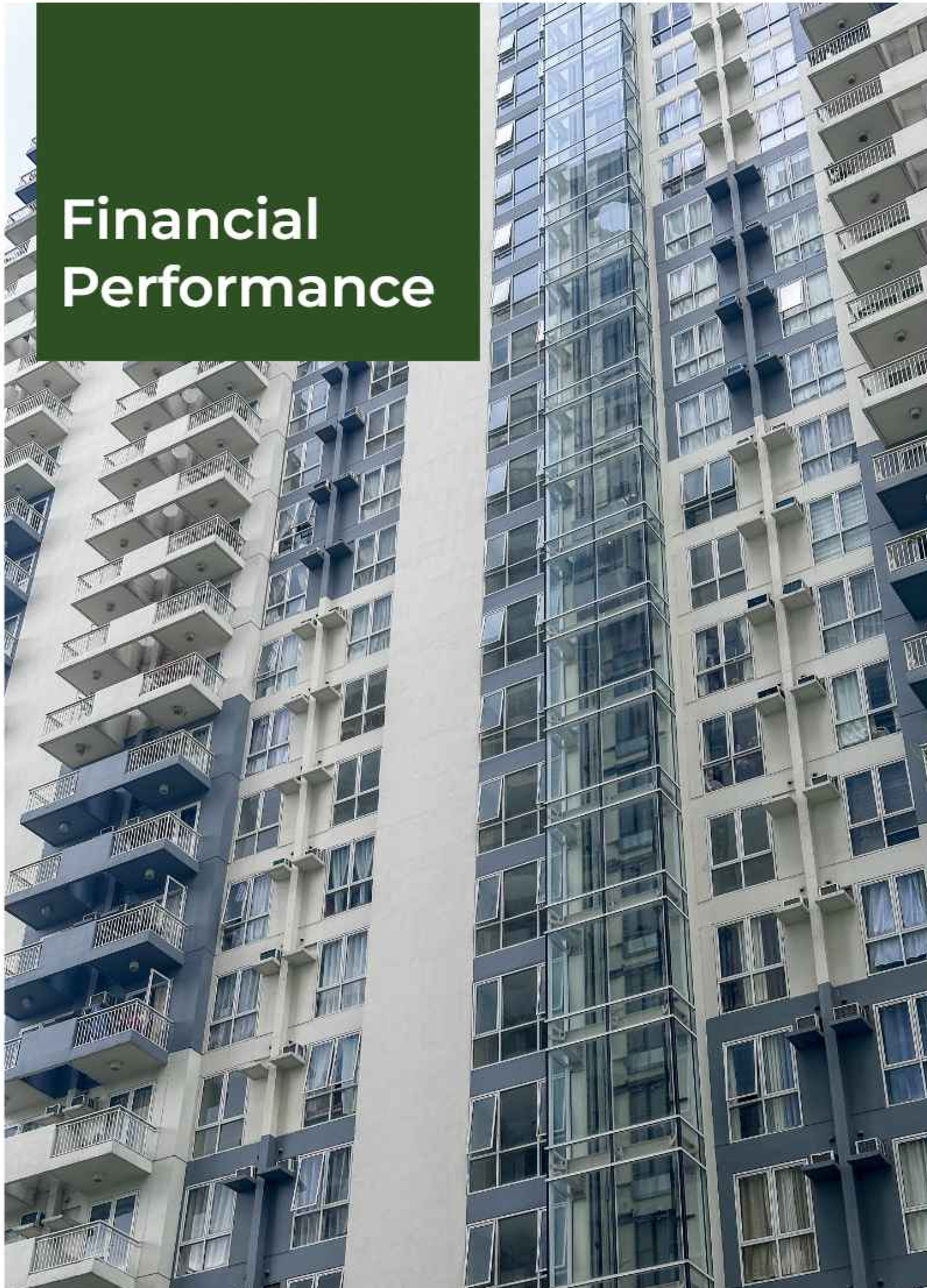
Empire East strictly adheres to environmental laws and regulations throughout the design and construction phases. It collaborates closely with contractors to guarantee compliance with key regulatory mandates, such as obtaining the Environmental Compliance Certificate (ECC) from agencies like the Department of Environment and Natural Resources (DENR) and the Laguna Lake Development Authority (LLDA). The contracts of the Company's technical consultants and contractors specify these compliance requirements.

Compliance with laws and regulations [2-27]

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

In 2024, Empire East reported 0 environmental infractions, reinforcing its dedication to sustainable practices and regulatory compliance. Professionals from the Design, Pre-Construction, and Construction Management Groups, along with technical consultants and contractors, play a crucial role in overseeing adherence to environmental regulations.

Financial Performance



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FOR SEC FILING

Consolidated Financial Statements and Independent Auditors' Report

Empire East Land Holdings, Inc. and Subsidiaries

December 31, 2024, 2023 and 2022

P&A Grant Thornton

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Report of Independent Auditors

The Board of Directors and Stockholders
Empire East Land Holdings, Inc. and Subsidiaries
(A Subsidiary of Megaworld Corporation)
2nd Floor, Kasara Urban Resort Residences Tower 2
P. Antonio St., Barangay Ugong
Pasig City 1604, Metro Manila

Opinion

We have audited the consolidated financial statements of Empire East Land Holdings, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, 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, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group, and its consolidated financial performance and its consolidated cash flows as at and for the year ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards), and as at December 31, 2023 and for the years ended December 31, 2023 and 2022 in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

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Emphasis of Matter

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

Key Audit Matters

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

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

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because of the volume of transactions, complexity of the application of PFRS 15 and the related financial reporting interpretations, and involvement of significant judgment and estimation. Moreover, real estate sales amounting to P3.2 billion and cost of real estate sales amounting to P2.1 billion account for 65.5% of consolidated Revenues and Income and 48.1% of consolidated Costs and Expenses, respectively, for the year ended December 31, 2024. The areas affected by revenue recognition and determination of related costs, which require significant judgment and estimate, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects that defines the amount of revenue to be recognized, and determining the amount of actual costs incurred as cost of real estate sales.

In addition, the Group adopted in 2024 the previously deferred provisions of PFRS 15 and the related financial reporting interpretations affecting the real estate industry using modified retrospective approach. These areas were significant to our audit as an error in the application of such complex accounting framework, which also requires significant judgment and estimate, could cause a material misstatement in the consolidated financial statements.

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

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How the Matter was Addressed in the Audit

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

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

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

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

In relation to the adoption of the previously deferred provisions of PFRS 15 and the related financial reporting interpretations, we obtained an understanding of the relevant changes in the Group's revenue recognition policy and related business processes. We evaluated the Group's application of the adopted provisions mentioned above and compliance thereto. We also performed tests of mathematical accuracy of the Group's analysis and schedule of significant financing component and completeness of the relevant supporting contract summary and calculations, review of reasonableness of applicable prior period adjustments accounted for under modified retrospective approach, examination of supporting documents of a sample of agreements, and performing overall analytical review of actual results.

In relation to cost of real estate sales, we obtained an understanding of the Group's cost accumulation process. On a sampling basis, we traced costs accumulated to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

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(b) Net Realizable Value of Real Estate Inventories

Description of the Matter

Real estate inventories consist of raw land and residential real estate projects under development or construction. As of December 31, 2024, real estate inventories amounted to P20.9 billion, which accounts for 42.3% of total consolidated assets of the Group. Inventory is measured at the lower of cost and net realizable value. The cost of inventory includes, among others, land, engineering and construction fees, professional fees directly attributable to the project, construction overheads and other directly related costs.

The Group assessed internally the net realizable value of the inventory and reduced the carrying amount when the net realizable value was lower than the cost. The net realizable value calculation is highly dependent on estimates like, among others, the estimated sales prices per square meter, the estimated remaining construction costs and the expected timing of sale of the units. The Group's management performed the valuation and assessed any possible write-downs on inventory for each project separately.

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

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

How the Matter was Addressed in the Audit

We have obtained an understanding and evaluated the net realizable value assessment process. We also examined whether real estate inventories are periodically assessed by the Group's management and the net realizable values are estimated based on accuracy and completeness of data. Additionally, we performed substantive audit procedures and tested in detail with the Group's management the net realizable value method applied and the key assumptions used. Moreover, we performed test of reasonableness on the assumption used and obtained supporting documents on the samples selected for the data inputs.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

PUNONGBAYAN & ARAULLO

By: **Edcel U. Costales**
Partner

CPA Reg. No. 0134633
TIN 274-543-395
PTR No. 10465902, January 2, 2025, Makati City
BIR AN 08-002551-045-2023 (until January 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-017 (until August 12, 2027)

February 24, 2025

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2024	2023
CURRENT ASSETS			
Cash and cash equivalents	5	P 2,863,878,581	P 3,717,469,500
Trade and other receivables - net	6	9,254,431,239	9,697,626,445
Contract assets	19	2,498,252,566	2,534,011,730
Advances to related parties	25	5,965,760,162	5,467,534,052
Real estate inventories	7	20,922,248,973	20,625,100,501
Prepayments and other current assets	17, 19	1,365,047,387	1,258,346,299
Total Current Assets		42,869,618,908	43,300,088,527
NON-CURRENT ASSETS			
Trade and other receivables	6	3,516,695,723	3,411,569,342
Contract assets	19	768,746,952	207,184,338
Financial asset at fair value through other comprehensive income (FVOCI)	8	1,013,400,000	1,270,128,000
Advances to landowners and joint ventures	9	237,504,599	242,894,346
Investment in an associate	10	280,274,248	279,875,774
Property and equipment - net	11	146,640,719	160,858,357
Intangible assets - net	12	28,050,013	34,262,307
Investment properties - net	13	559,063,862	587,082,411
Other non-current assets		5,190,893	5,190,893
Total Non-current Assets		6,555,567,009	6,199,045,768
TOTAL ASSETS		P 49,425,185,917	P 49,499,134,295

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	Notes	2024	2023
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14, 33	P 200,000,000	P 200,000,000
Trade and other payables	15	2,512,630,683	2,558,733,723
Customers' deposits	16	4,743,665,793	5,140,775,975
Advances from related parties	25	6,394,850,556	6,061,736,667
Contract liabilities	19	170,000,828	96,357,478
Other current liabilities	18	1,208,620,531	1,042,240,285
Total Current Liabilities		15,229,768,391	15,099,844,128
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	14, 33	450,000,000	650,000,000
Contract liabilities	19	112,633,789	160,409,459
Retirement benefit obligation	23	238,098,964	153,998,592
Deferred tax liabilities - net	24	2,062,813,578	2,071,285,858
Total Non current Liabilities		2,863,546,331	3,035,693,909
Total Liabilities		18,093,314,722	18,135,538,037
EQUITY			
Attributable to the Parent Company's stockholders			
Capital stock	26	14,803,455,238	14,803,455,238
Additional paid-in capital	26	4,307,887,996	4,307,887,996
Treasury stock - at cost	26	(102,106,658)	(102,106,658)
Revaluation reserves	26	259,448,994	547,624,726
Other reserves	26	(292,118,243)	(292,118,243)
Retained earnings	26	9,577,871,830	9,314,581,026
Total equity attributable to the Parent Company's stockholders		28,554,439,157	28,579,324,085
Non-controlling interests		2,777,432,038	2,784,272,173
Total Equity		31,331,871,195	31,363,596,258
TOTAL LIABILITIES AND EQUITY		P 49,425,185,917	P 49,499,134,295

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
REVENUES AND INCOME				
Real estate sales	19	P 3,242,642,998	P 3,997,538,260	P 3,799,965,640
Finance income	22	913,658,775	587,439,873	491,376,516
Rental income	13, 28	134,162,268	107,466,532	89,620,201
Commission income	25	35,514,891	37,121,681	29,635,160
Equity share in net earnings of an associate	10	398,474	125,202	194,160
Other income	21	624,416,332	473,439,890	296,275,168
		4,950,793,738	5,203,131,447	4,707,066,845
COSTS AND EXPENSES				
Cost of real estate sales	20	2,053,715,778	2,497,388,384	2,228,021,015
Finance costs	22	491,862,711	391,092,973	398,806,384
Salaries and employee benefits	23	468,163,427	431,102,206	398,502,593
Commissions	19	240,443,765	224,455,776	237,653,397
Association dues		159,961,688	141,761,997	72,107,916
Taxes and licenses	13	150,401,638	89,199,114	68,696,660
Advertising and promotion		75,205,029	71,299,910	112,144,138
Travel and transportation		61,114,262	82,738,992	65,475,732
Depreciation and amortization	11, 12, 13	54,216,921	61,679,519	46,836,096
Other expenses	12, 13, 21	307,622,515	234,472,848	122,241,931
Tax expense	24	207,804,930	219,999,156	241,204,860
		4,270,512,664	4,445,190,875	3,991,690,722
NET PROFIT		680,281,074	757,940,572	715,376,123
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently through profit or loss:				
Fair value gains (losses) on financial assets at FVOCI	8	(256,728,000)	(69,812,000)	11,260,000
Remeasurements on retirement benefit	23	(41,930,310)	(112,290,070)	53,225,333
Tax income (expense)	24	10,482,578	28,072,519	(13,306,334)
		(288,175,732)	(154,029,551)	51,178,999
TOTAL COMPREHENSIVE INCOME		P 392,105,342	P 603,911,021	P 766,555,122
Net profit (loss) attributable to:				
Parent company's shareholders		P 687,121,209	P 765,784,371	P 720,214,688
Non-controlling interest		(6,840,135)	(7,843,799)	(4,838,565)
		P 680,281,074	P 757,940,572	P 715,376,123
Total comprehensive income (loss) attributable to:				
Parent company's shareholders		P 398,945,477	P 611,754,820	P 771,393,687
Non-controlling interest		(6,840,135)	(7,843,799)	(4,838,565)
		P 392,105,342	P 603,911,021	P 766,555,122
EARNINGS PER SHARE - Basic and Diluted	27	P 0.047	P 0.052	P 0.049

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(Amounts in Philippine Pesos)

	Attributable to Parent Company's Shareholders								
	Capital Stock (see Note 26)	Additional Paid-in Capital (see Note 26)	Treasury Stock (see Note 26)	Revaluation Reserves (see Notes 8, 23 and 26)	Other Reserves (see Note 26)	Retained Earnings (see Note 26)	Total	Non-controlling Interests	Total
Balance at January 1, 2024	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 547,624,726	(P 292,118,243)	P 9,314,581,026	P 28,579,324,085	P 2,784,272,173	P 31,363,596,258
Effect of adoption of PFRS 15 and other related interpretations	-	-	-	-	-	(423,830,405)	(423,830,405)	-	(423,830,405)
Balance at January 1, 2024, as adjusted	14,803,455,238	4,307,887,996	(102,106,658)	547,624,726	(292,118,243)	8,890,750,621	28,155,493,680	2,784,272,173	30,939,765,853
Total comprehensive income (loss) for the year	-	-	-	(288,175,732)	-	687,121,209	398,945,477	(6,840,135)	392,105,342
Balance at December 31, 2024	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 259,448,994	(P 292,118,243)	P 9,577,871,830	P 28,554,439,157	P 2,777,432,038	P 31,331,871,095
Balance at January 1, 2023	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 701,654,277	(P 292,118,243)	P 8,548,796,655	P 27,567,569,265	P 2,792,115,972	P 30,359,685,237
Total comprehensive income (loss) for the year	-	-	-	(154,029,551)	-	765,784,371	611,754,820	(7,843,799)	603,911,021
Balance at December 31, 2023	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 547,624,726	(P 292,118,243)	P 9,314,581,026	P 28,579,324,085	P 2,784,272,173	P 31,363,596,258
Balance at January 1, 2022	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 650,475,278	(P 292,118,243)	P 7,828,581,967	P 27,156,175,578	P 2,796,954,537	P 29,953,130,115
Total comprehensive income (loss) for the year	-	-	-	51,178,999	-	720,214,688	771,393,687	(4,838,565)	766,555,122
Balance at December 31, 2022	P 14,803,455,238	P 4,307,887,996	(P 102,106,658)	P 701,654,277	(P 292,118,243)	P 8,548,796,655	P 27,567,569,265	P 2,792,115,972	P 30,359,685,237

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 888,086,004	P 977,939,728	P 956,380,983
Adjustments for:				
Finance income	22	(913,658,775)	(587,439,873)	(491,376,516)
Finance costs	22	491,862,711	391,092,973	398,806,384
Depreciation and amortization	11, 12, 13	54,216,921	61,679,519	46,836,096
Equity share in net income of an associate	10	(398,474)	(125,202)	(194,160)
Gain on sale of property and equipment	11	(132,890)	-	(2,990,545)
Gain on lease credits	17, 25	-	(106,091,000)	-
Impairment loss on goodwill	12	-	77,347,634	-
Operating profit before working capital changes		519,975,497	814,403,779	907,662,242
Decrease (increase) in trade and other receivables		527,919,505	(1,572,900,204)	(533,075,583)
Increase in contract assets		(572,668,404)	(158,082,689)	(530,165,133)
Decrease (increase) in real estate inventories		(553,518,846)	543,476,571	605,876,885
Increase in prepayments and other current assets		(92,473,228)	(250,484,915)	(137,735,794)
Decrease (increase) in advances to landowners and joint ventures		5,389,747	(1,238,456)	(4,236,502)
Increase (decrease) in trade and other payables		(42,779,051)	544,026,857	186,847,189
Increase (decrease) in contract liabilities		526,987	(52,088,508)	28,285,405
Increase (decrease) in customers' deposits		(397,110,182)	655,071,477	25,075,724
Increase in other current liabilities		166,380,246	150,516,990	2,910,374
Increase (decrease) in retirement benefit obligation		29,589,653	(29,411,976)	(21,688,699)
Cash generated from (used in) operations		(408,768,076)	643,288,926	529,756,108
Interest received from receivables		30,387,934	22,589,169	39,312,613
Cash paid for income taxes		(153,191,036)	(108,892,140)	(144,228,994)
Net Cash From (Used in) Operating Activities		(531,571,178)	556,985,955	424,839,727
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received from cash and cash equivalents	22	91,440,493	80,959,550	50,753,912
Cash advances granted to related parties	25	(69,804,896)	(41,858,557)	(49,432,452)
Acquisitions of property and equipment	11	(6,065,687)	(13,732,576)	(1,379,768)
Collections of advances to related parties	25	3,480,018		15,009,671
Proceeds from the sale of property and equipment	11	430,137	-	4,354,889
Acquisition of intangible assets	12	-	-	(7,405,722)
Net Cash From (Used in) Investing Activities		19,480,065	25,358,417	(7,899,410)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of interest-bearing loans and borrowings	14, 33	(200,000,000)	(150,000,000)	(250,000,000)
Repayments of advances from related parties	25, 33	(72,427,181)	(73,278,886)	(71,474,025)
Interest paid	14, 33	(69,072,625)	(79,388,749)	(47,095,609)
Proceeds from additional advances from related parties	25, 33	-	5,759	-
Net Cash Used in Financing Activities		(341,499,806)	(302,661,876)	(368,569,632)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(853,590,919)	279,682,496	48,370,685
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,717,469,500	3,437,787,004	3,389,416,319
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 2,863,878,581	P 3,717,469,500	P 3,437,787,004

Supplemental Information on Non-cash Investing Activities –

In 2023, additional right-of-use assets amounting to P42.7 million was recognized (see Note 11). No lease liabilities were recognized since the Group has been granted with lease credits amounting to P106.1 million, which was presented as part of Other Income in the 2023 consolidated statement of comprehensive income (see Notes 21 and 25). The outstanding balance of lease credits amounting to P63.4 million is presented as part of Prepayments and Other Current Assets in the 2023 consolidated statement of financial position.

See Notes to Consolidated Financial Statements.

EMPIRE EAST LAND HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Megaworld Corporation)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

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

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

1.1 Composition of the Group

As of December 31, 2024 and 2023, the Company holds ownership interests in the following entities:

Subsidiaries/ Associates	Explanatory Notes	Percentage of Ownership
Subsidiaries:		
Eastwood Property Holdings, Inc. (EPHI)	(a)	100.00%
Valle Verde Properties, Inc. (VVPI)	(b)	100.00%
Sherman Oak Holdings, Inc. (SOHI)	(b)	100.00%
Empire East Communities, Inc. (EECI)	(c)	100.00%
20th Century Nylon Shirt Co., Inc. (20th Century)	(d)	100.00%
Laguna BelAir Science School, Inc. (LBASSI)	(e)	72.50%
Sonoma Premier Land, Inc. (SPLI)	(b)	60.00%
Pacific Coast Megacity, Inc. (PCMI)	(f)	40.00%
Associate –		
Gilmore Property Marketing Associate, Inc. (GPMAI)	(b)	47.00%

Explanatory Notes:

(a) Subsidiary incorporated to market real estate properties of the Group and other related parties.
(b) Subsidiaries/associate incorporated in prior years but have not yet started commercial operations as of December 31, 2024.
(c) Subsidiary incorporated in 2008 but ceased its operations as a marketing arm of real estate properties in 2014.
(d) Subsidiary acquired in 2015 which is yet to resume its operations, which is primarily to manufacture, distribute, and buy and sell wearing apparel and its accessories such as zipper, buttons, etc.
(e) Subsidiary primarily engaged in operating a school for primary and secondary education. In 2022, the subsidiary ceased its operations.
(f) Subsidiary of the Company starting 2018 when the Company obtained de facto control over the entity and was accounted for under the pooling-of-interest method [see Note 3.1(j)].

The registered office address, which is also the place of operations, of the Company and its subsidiaries and associates, except for EPHI, LBASSI, 20th Century and PCMI, is located at 2nd Floor, Kasara Urban Resort Residences Tower 2, P. Antonio St., Brgy. Ugong, Pasig City 1604, Metro Manila.

Below is the summary of the registered office address of the other subsidiaries, which is also the place of their operation.

(a) EPHI – #188 EC Information Center, E. Rodriguez Jr. Ave., Eastwood CyberPark City, Bagumbayan, Quezon City
(b) LBASSI – Brgy. Don Jose, Sta. Rosa, Laguna
(c) 20th Century – 632 Shaw Blvd. Highway Hills, Mandaluyong City
(d) PCMI – 7th Floor, 1880 Building Eastwood City Cyberpark, 188 E. Rodriguez Jr. Ave. Bagumbayan, Quezon City

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

Megaworld Corporation (Megaworld or Parent Company) is the parent company of Empire East Land Holdings, Inc. and subsidiaries (the Group). Megaworld is presently engaged in property-related activities, such as, project design, construction and property management. Megaworld is 53.90% owned by Alliance Global Group, Inc. (AGI), the Company's Ultimate Parent Company. AGI is a holding company with diversified investments in food and beverage, real estate, tourism-entertainment and gaming and quick service restaurant businesses. The shares of common stock of both Megaworld and AGI are also listed at the PSE.

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

1.2 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2024 (including the comparative consolidated financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Group's Board of Directors (BOD) on February 24, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

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

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

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

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

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

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

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

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

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

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

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

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

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

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The following table shows the summary of the impact of the adoption of IFRIC Agenda (PAS 23) and PIC Q&A No. 2018-12D on the Group's retained earnings as at January 1, 2024.

(Amounts in PHP)	Note	As previously reported	Restatement	As restated
January 1, 2024				
Total assets				
Current assets:				
Contract assets	2.1b(ii)	2,534,011,730	**(1,854,393,691)**	679,618,039
Real estate inventories	2.1b(i)	20,625,100,501	**(256,370,374)**	20,368,730,127
			(2,110,764,065)	
Non-current assets –				
Contract assets	2.1b(ii)	207,184,338	**1,651,678,160**	1,858,862,498
			(459,085,905)	
Total liabilities				
Current liabilities –				
Contract liabilities	2.1b(ii)	96,357,478	**(15,866,289)**	112,223,767
Non-current liabilities:				
Contract liabilities	2.1b(ii)	160,409,459	**(1,481,807)**	161,891,266
Deferred tax liabilities - net	2.1b(i)	2,071,285,858	**52,603,596**	2,018,682,262
			35,255,500	
Impact on net assets			**(423,830,405)**	

(c) *Presentation of Consolidated Financial Statements*

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

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

(d) *Functional and Presentation Currency*

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

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

2.2 Adoption of New and Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the Group

The Group adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flow, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The required disclosures under these amendments are disclosed in Note 14.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements.* The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback.* The amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease.

(b) Effective Subsequent to 2024 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

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

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

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

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

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2.3 Basis of Consolidation

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

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

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

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

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

Acquired investment in associate is subject to the purchase method.

2.4 Financial Instruments

(a) Financial Assets

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

(i) Classification, Measurement and Reclassification of Financial Assets

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

Financial Assets at Amortized Cost

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

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

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Financial Assets at FVOCI

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

(ii) Impairment of Financial Assets

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

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

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

(b) Financial Liabilities

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

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2.5 Real Estate Inventories

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

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

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

2.6 Property and Equipment

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

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as presented below. Leasehold improvements are amortized over the lease term or the estimated useful lives of the improvements, whichever is shorter.

Building and other improvements	5 to 25 years
Office furniture and equipment	3 to 5 years
Transportation equipment	5 years

2.7 Intangible Assets

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

Capitalized costs of intangible assets are amortized on a straight-line basis over the estimated useful life (10 years) as the lives of these intangible assets are considered finite. Goodwill is classified as intangible asset with infinite life and, thus, not subject to amortization but requires an annual test for impairment. Goodwill is subsequently carried at cost less accumulated impairment losses.

2.8 Investment Properties

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

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2.9 Revenue and Expense Recognition

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

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

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

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

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

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

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

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

(e) *Tuition and miscellaneous fees* – Revenue is recognized over time over the corresponding school term.

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

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

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

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

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

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

2.10 Direct Contract Cost

Commissions represent a certain percentage of contract price given to the real estate brokers and/or agents who handle the sales and marketing of the Group's residential and high-rise projects. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Current Assets in the consolidated statement of financial position (see Note 19.3). Commissions are charged to profit or loss proportionate to the progress of the project development and are presented as Commissions under Costs and Expenses section in the consolidated statement of comprehensive income.

2.11 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

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

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

(b) *Group as Lessor*

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

2.12 Impairment of Non-financial Assets

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

2.13 Employee Benefits

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

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

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

2.14 Earnings Per Share

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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3.1 Critical Judgments in Applying Accounting Policies

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

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

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The renewal and termination option for the lease of office space was not included as part of the lease term due to the provisions in its contract that require mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

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

(b) Determining Existence of a Contract with Customer

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

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

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

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

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(c) Evaluation of Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

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

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

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

(ii) Marketing, Management Fees and Commission

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

(iii) Tuition Fees

The Group determines that its revenue from tuition fees shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the counterparties. The Group renders services without the need for reperformance of other companies. This demonstrates that the counterparties simultaneously receive and consume the benefits of the Group's rendering of services as it performs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) *Distinction Between Operating and Finance Leases*

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

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

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

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

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

(k) *Recognition of Provisions and Contingencies*

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

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

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

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3.2 Key Sources of Estimation Uncertainty

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

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

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

(b) Revenue Recognition for Performance Obligation Satisfied Over Time

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

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

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

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

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

(d) Estimation of Allowance for ECL

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

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

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

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

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

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

The carrying amounts of Property and Equipment, Intangible Assets, and Investment Properties are analysed in Notes 11, 12 and 13, respectively. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of Property and Equipment, Intangible Assets and Investment Properties during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(g) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the balance of deferred tax assets recognized as at December 31, 2024 and 2023 will be utilized in the succeeding years.

The carrying values of the Group's deferred tax assets as of December 31, 2024 and 2023 are disclosed in Note 24.

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

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

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

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

Based on management's assessment, impairment loss amounting to P77.3 million on goodwill has been recognized since the recoverable amount of the cash generating units is less than their carrying amount in 2023 (see Note 12). There was no similar impairment in 2024 and 2022.

No impairment losses were recognized on Advances to Landowners and Joint Ventures, Investment in an Associate, Property and Equipment, Investment Properties, and other non-financial assets in 2024, 2023 and 2022 (see Notes 9, 10, 11 and 13).

(i) Valuation of Post-employment Defined Benefit

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

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

(j) Determination of Fair Value of Investment Properties

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

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

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

4. SEGMENT INFORMATION

4.1 Business Segments

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

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

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

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

4.2 Segment Assets and Liabilities

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

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

4.3 Intersegment Transactions

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

4.4 Analysis of Segment Information

The tables presented in the succeeding pages present the revenue and profit information for the years ended December 31, 2024, 2023 and 2022 and certain asset and liability information regarding segments as at December 31, 2024 and 2023.

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(Amounts in PHP)	High Rise Projects			Horizontal Projects			Total		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022
REVENUES									
Real estate sales	**3,136,454,171**	3,651,882,437	3,566,584,650	**106,188,827**	345,655,832	233,380,990	**3,242,642,998**	3,997,538,269	3,799,965,640
Finance income	**353,968,172**	136,631,933	135,808,063	**3,587,572**	11,635,045	8,450,489	**357,555,744**	148,266,978	144,258,552
Rental income	**12,495,355**	14,677,006	17,189,304	**-**	-	-	**12,495,355**	14,677,006	17,189,304
Other income	**541,813,821**	277,426,111	155,670,753	**27,673,152**	9,399,769	10,842,544	**569,486,973**	286,825,880	166,513,297
	4,044,731,519	4,080,617,487	3,875,252,770	**137,449,551**	366,690,646	252,674,023	**4,182,181,070**	4,447,308,133	4,127,926,793
COSTS AND OTHER OPERATING EXPENSES									
Cost of real estate sales	**1,991,192,143**	2,310,566,542	2,096,109,839	**62,523,635**	186,821,842	131,911,176	**2,053,715,778**	2,497,388,384	2,228,021,015
Commissions	**207,456,664**	199,293,899	199,731,748	**8,585,499**	11,848,142	18,641,320	**216,042,163**	211,142,041	218,373,068
Association dues	**146,717,756**	131,765,698	61,985,205	**8,622,422**	6,237,793	7,761,307	**155,340,178**	138,003,491	69,746,512
Advertising and promotion	**57,073,323**	49,276,760	90,405,992	**9,901,501**	14,325,457	12,595,558	**66,974,824**	63,602,217	103,001,550
Taxes and licenses	**89,206,859**	49,575,127	32,620,734	**9,890,989**	8,940,581	8,774,720	**99,097,848**	58,515,708	41,395,454
Rentals	**9,424,912**	3,814,336	6,108,597	**-**	-	388,488	**9,424,912**	3,814,336	6,497,085
Finance costs	**7,992,596**			**-**			**7,992,596**		
Salaries and employee benefits	**607,416**	799,383	1,132,027	**37,347**	113,256	-	**644,763**	912,639	1,132,027
Travel and transportation	**134,509**	105,978	90,277	**14,116**	28,118	26,536	**148,625**	134,096	116,813
Other expenses	**149,803,793**	63,000,076	50,939,530	**10,004,394**	5,163,020	4,416,464	**159,808,187**	68,163,096	55,355,994
	2,659,609,971	2,808,197,799	2,539,123,949	**109,579,903**	233,478,309	184,515,369	**2,769,189,874**	3,041,676,108	2,723,639,318
SEGMENT OPERATING PROFIT	**1,385,121,548**	1,272,419,688	1,336,128,821	**27,869,648**	133,212,337	68,158,454	**1,412,991,196**	1,405,632,125	1,404,287,275
SEGMENT ASSETS AND LIABILITIES									
Segment assets	**25,439,444,587**	24,154,408,651		**6,807,674,065**	7,004,218,353		**32,247,118,652**	31,158,627,004	
Segment liabilities	**4,688,829,079**	4,948,182,003		**317,272,561**	310,890,758		**5,006,101,640**	5,259,072,761	

There was no segment interest expense allocated in 2023 and 2022.

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4.5 *Reconciliations*

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

(Amounts in PHP)	**2024**	2023	2022
Revenues			
Total segment revenues	**4,182,181,070**	4,447,308,133	4,127,926,793
Unallocated revenues:			
Finance income	**556,103,031**	439,172,895	347,117,963
Rental income from investment property	**121,666,913**	92,789,526	72,430,897
Commission income	**35,514,891**	37,121,681	29,635,160
Other income	**55,327,833**	186,739,212	129,956,032
	768,612,668	755,823,314	579,140,052
Revenues as reported in the consolidated statements of comprehensive income	**4,950,793,738**	5,203,131,447	4,707,066,845
Profit or loss			
Segment operating profit	**1,412,991,196**	1,405,632,125	1,404,287,275
Other unallocated income	**768,612,668**	755,823,314	579,140,052
Other unallocated expenses	**(1,501,322,790)**	(1,403,514,867)	(1,268,051,204)
Net profit as reported in the consolidated statements of comprehensive income	**680,281,074**	757,940,572	715,376,123
Assets			
Segment assets	**32,247,118,652**	31,158,627,004	
Unallocated assets:			
Cash and cash equivalents	**2,863,878,581**	3,717,469,500	
Trade and other receivables - net	**4,713,256,801**	5,316,865,352	
Advances to related parties	**5,965,760,162**	5,467,534,052	
Prepayments and other current assets	**1,365,047,387**	1,258,346,299	
Financial asset at FVOCI	**1,013,400,000**	1,270,128,000	
Advances to landowners and joint ventures	**237,504,599**	242,894,346	
Investment in an associate	**280,274,248**	279,875,774	
Property and equipment - net	**146,640,719**	160,858,357	
Investment property - net	**559,063,862**	587,082,411	
Intangible assets - net	**28,050,013**	34,262,307	
Other non-current assets	**5,190,893**	5,190,893	
	17,178,067,265	18,340,507,291	
Total assets as reported in the consolidated statements of financial position	**49,425,185,917**	49,499,134,295	

(Amounts in PHP)	2024	2023
Liabilities		
Segment liabilities	**5,006,101,640**	5,259,072,761
Unallocated liabilities:		
Interest-bearing loans and borrowings	**650,000,000**	850,000,000
Trade and other payables	**2,512,630,683**	2,558,733,723
Customers' deposits	**416,417,484**	426,106,702
Advances from related parties	**6,394,850,556**	6,061,736,667
Other current liabilities	**812,401,817**	754,603,734
Retirement benefit obligation	**238,098,964**	153,998,592
Deferred tax liabilities - net	**2,062,813,578**	2,071,285,858
	13,087,213,082	12,876,465,276
Total liabilities as reported in the consolidated statements of financial position	**18,093,314,722**	18,135,538,037

5. CASH AND CASH EQUIVALENTS

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

(Amounts in PHP)	2024	2023
Cash on hand and in banks	**1,510,537,269**	2,198,642,524
Short-term placements	**1,353,341,312**	1,518,826,976
	2,863,878,581	3,717,469,500

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

Peso-denominated short-term placements are made for varying periods of up to 72 days in 2024, 76 days in 2023 and 2022 and earn annual effective interest ranging from 4.50% to 6.25% in 2024, 3.13% to 6.25% in 2023, and 0.38% to 5.75% in 2022. Dollar-denominated short-term placements are made for varying periods of up to 90 days in 2024, 2023 and 2022 and earn annual effective interest ranging from 1.50% to 5.25% in 2024, 1.50% to 5.00% in 2023, and 0.05% to 4.00% in 2022 (see Note 22.1).

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

(Amounts in PHP)	Note	2024	2023
Current:			
Trade receivables	25.2	**5,305,013,429**	5,222,281,770
Advances to suppliers and contractors		**2,591,659,737**	2,934,983,423
Advances to condominium associations		**403,803,520**	375,842,604
Rent receivable	25.2	**395,271,465**	386,081,089
Interest receivable		**94,773,830**	96,333,778
Management fee receivable	25.2	**44,119**	44,119
Others		**463,998,845**	682,245,864
		9,254,564,945	9,697,812,647
Allowance for impairment		**(133,706)**	(186,202)
		9,254,431,239	9,697,626,445
Non-current:			
Trade receivables		**3,377,226,648**	3,277,067,010
Refundable security deposits		**139,469,075**	134,502,332
		3,516,695,723	3,411,569,342
		12,771,126,962	13,109,195,787

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

Trade receivables of the Group are either interest-bearing or noninterest-bearing. The installment period of interest-bearing sales contracts ranges from 2 to 15 years while interest ranges from 8% to 22%. The related interest earned on these sales contracts amounting to P28.8 million, P27.0 million, and P26.5 million in 2024, 2023 and 2022, respectively, are reported as part of Finance Income account in the consolidated statements of comprehensive income (see Note 22.1).

The installment period of noninterest-bearing sales contracts ranges from two to five years with imputed interest of 9.01% in 2024, 7.33% in 2023 and 5.75% in 2022. Noninterest-bearing trade receivables are measured at amortized cost using the effective interest method based on the interest rate of similar financial instruments in the market. Day-one loss amounting to P193.5 million, P172.9 million and P121.3 million in 2024, 2023 and 2022, respectively, are presented as a deduction against the Real Estate Sales account in the consolidated statements of comprehensive income. Amortization of day one loss amounting to P172.9 million, P121.3 million and P117.8 million in 2024, 2023 and 2022, respectively, are presented as Amortization of day-one loss on noninterest-bearing financial instruments under Finance Income account in the consolidated statements of comprehensive income (see Note 22.1).

Advances to suppliers and contractors represent down payments made by the Group to the suppliers and contractors based on a certain percentage of the contract price, construction materials purchased by the Group that is used by the contractors, and utility consumption that are chargeable to contractors. The initial payment will eventually be recouped or deducted from the amount payable of the Group either on a pro-rated basis or in full once billed by the suppliers and contractors.

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

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

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

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

In 2024, the Group wrote off certain receivables that are fully provided with allowance amounting to P52,596 as the management assessed that those receivables are no longer collectible.

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

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**186,202**	186,202
Write off	**(52,496)**	-
Balance at end of year	**133,706**	186,202

7. REAL ESTATE INVENTORIES

The Group's real estate inventories at the end of 2024 and 2023 were stated at cost. The composition of this account as at December 31 is shown below (see Note 20).

(Amounts in PHP)	**2024**	2023
Residential and condominium units for sale	**14,605,650,957**	14,307,097,266
Raw land inventory	**4,424,215,132**	4,424,215,132
Property development costs	**1,892,382,884**	1,893,788,103
	20,922,248,973	20,625,100,501

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

(Amounts in PHP)	Notes	**2024**	2023
Balance at beginning of year		**20,625,100,501**	21,105,557,021
Effect of adoption of PFRS 15	2.1(b)	**(256,370,374)**	-
		20,368,730,127	21,105,557,021
Development costs incurred		**2,607,234,624**	1,953,911,813
Capitalized borrowing cost		**-**	63,020,051
Amount charged to cost of sales	20	**(2,053,715,778)**	(2,497,388,384)
		20,922,248,973	20,625,100,501

Prior to the adoption of the IFRS Agenda Decision on PAS 23, borrowing costs capitalized in 2023 as part of inventories amounted to P63.0 million (nil in 2024), which represent the interest costs incurred on the general borrowings obtained by the Group to fund its construction projects [see Notes 2.1(b)(i), and 14)].

7.1 Residential and Condominium Units for Sale

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

No property is used as a security for the Group's interest-bearing loans and borrowings for the years ended December 31, 2024 and 2023.

7.2 Property Development Costs

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

7.3 Net Realizable Value

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

8. FINANCIAL ASSETS AT FVOCI

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

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**1,270,128,000**	1,339,940,000
Fair value losses	**(256,728,000)**	(69,812,000)
Balance at end of year	**1,013,400,000**	1,270,128,000
Cost	**832,950,000**	832,950,000
Accumulated fair value gains:		
Balance at beginning of year	**437,178,000**	506,990,000
Fair value losses for the year	**(256,728,000)**	(69,812,000)
	180,450,000	437,178,000
Balance at end of year	**1,013,400,000**	1,270,128,000

Financial assets at FVOCI pertain to investments held by EPHI in equity securities of the Ultimate Parent Company, whose shares are listed in the PSE. The fair value of these securities has been determined directly by reference to published prices in an active market. The fair value of these investments as of December 31, 2024 and 2023, is categorized as Level 1 in the fair value hierarchy (see Note 31.2).

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

Dividend income earned amounted to P11.3 million, P16.9 million, and P13.5 million in 2024, 2023 and 2022, respectively, and is presented as Dividend income under Finance Income in the consolidated statements of comprehensive income (see Note 22.1).

9. ADVANCES TO LANDOWNERS AND JOINT VENTURES

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

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

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

(Amounts in PHP)	**2024**	2023
Advances to landowners:		
Balance at beginning of year	**137,457,632**	136,561,076
Additional advances (payments)	**(5,393,047)**	896,556
Balance at end of year	**132,064,585**	137,457,632
Advances to joint ventures:		
Balance at beginning of year	**105,436,714**	105,094,814
Additional advances	**3,300**	341,900
Balance at end of year	**105,440,014**	105,436,714
	237,504,599	242,894,346

The Group commits to developing the properties based on the terms agreed with the joint venture partners. The Group has no existing commitment for cash advances under the joint venture agreements as this commitment has been fully complied with by the Group as of December 31, 2024 and 2023.

The net commitment for construction expenditures amounts to:

(Amounts in PHP)	**2024**	2023
Total commitment for construction expenditures	**11,205,054,936**	11,205,054,936
Total expenditures incurred	**(9,436,413,353)**	(9,187,561,472)
Net commitment	**1,768,641,583**	2,017,493,464

The Group's interest in jointly controlled operations and projects ranges from 55% to 82% in 2024 and 2023. The Group's jointly controlled projects are as follows:

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

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

As of December 31, 2024 and 2023, the Group has no other material contingent liabilities with regard to these joint ventures.

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

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

(Amounts in PHP)	**2024**	2023
Investments in associate at equity	**293,960,618**	293,960,618
Accumulated equity in net losses	**(14,084,844)**	(14,210,046)
Equity shares in net income for the year	**398,474**	125,202
Balance at end of year	**(13,686,370)**	(14,084,844)
	280,274,248	279,875,774

10.1 Summarized Financial Information

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

(Amounts in PHP)	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Profit (Loss)
2024	**573,829,498**	**18,669,885**	**12,118,088**	**-**	**10,319,433**	**3,878,617**
2023	570,994,799	17,591,437	12,083,558	-	9,758,990	792,367
2022					3,496,283	(2,283,127)

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

(Amounts in PHP)	**2024**	2023
Net assets at end of year	**580,381,295**	576,502,678
Share of GPMAI in net asset of MCPI	**(56,215,498)**	(53,178,075)
	524,165,797	523,324,603
Equity ownership interest	**47.37%**	47.37%
	248,297,338	247,898,864
Nominal goodwill	**31,976,910**	31,976,910
Balance at end of year	**280,274,248**	279,875,774

As of December 31, 2024 and 2023, there are no available fair values for this investment in an associate as this is not listed in stock markets.

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

10.2 Subsidiaries with Material Non-controlling Interest

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

(Amounts in PHP)	Proportion of Ownership Interest and Voting Rights Held by NCI		Subsidiary's Consolidated Loss Allocated to NCI		Accumulated Equity of NCI	
Name	**2024**	2023	**2024**	2023	**December 31, 2024**	December 31, 2023
LBASSI	**27.50%**	27.50%	**(1,317,861)**	(1,420,269)	**75,169,746**	76,487,607
SPLI	**40.00%**	40.00%	**(76,946)**	(77,978)	**542,143,906**	542,220,852
PCMI	**60.00%**	60.00%	**(5,445,328)**	(6,345,552)	**2,160,118,386**	2,165,563,714

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

(Amounts in PHP)	LBASSI		SPLI		PCMI	
	2024	2023	**2024**	2023	**2024**	2023
Current assets	**1,358,255**	1,442,521	**512,198,117**	512,174,092	**2,792,331,992**	2,801,397,159
Non-current assets	**111,957,079**	114,849,887	**-**	-	**816,261,150**	816,261,150
Total assets	**113,315,334**	116,292,408	**512,198,117**	512,174,092	**3,608,593,142**	3,617,658,309
Current liabilities	**5,973,065**	3,639,945	**23,536,563**	23,320,172	**8,395,840**	8,385,460
Non-current liabilities	**5,739,497**	5,739,497	**-**	-	**-**	-
Total liabilities	**11,712,562**	9,379,442	**23,536,563**	23,320,172	**8,395,840**	8,385,460
Equity	**101,602,772**	106,912,966	**488,661,554**	488,853,920	**3,600,197,302**	3,609,272,849

(Amounts in PHP)	LBASSI			SPLI			PCMI		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022
Revenues	**-**	-	11,037,376	**-**	-	-	**921**	801	1,096
Net loss	**(5,310,194)**	(3,554,720)	(1,387,283)	**(192,366)**	(198,946)	(200,716)	**(9,075,347)**	(10,575,022)	(8,212,916)
Net cash used in operating activities	**-**	-	(19,063,095)	**(202,234)**	(299,740)	(220,778)	**(195,084)**	(263,551)	(186,473)
Net cash from investing activities	**-**	-	4,420,500	**-**	-	-	**-**	-	-
Net cash from financing activities	**-**	-	1,008,009	**205,411**	376,998	214,591	**-**	-	-
Net cash inflow (outflow)	**-**	-	(13,614,447)	**3,177**	77,258	(6,187)	**(195,084)**	(263,551)	(186,473)

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

10.3 Contingent Liabilities

As of December 31, 2024 and 2023, the Group has no contingent liabilities for subsidiaries with significant non-controlling interest and associate which were incurred jointly with other investors and the Group is not severally liable for all or part of the contingent liabilities of the subsidiaries and associate.

11. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of items of property and equipment at the beginning and end of 2024 and 2023 are shown below.

(Amounts in PHP)	Land	Building and Other Improvements	Leasehold Improvements	Transportation Equipment	Office Furniture and Equipment	Right-of-use Assets	Total
December 31, 2024							
Cost	81,095,000	92,376,453	97,269,393	56,290,358	134,461,386	42,663,054	504,155,644
Accumulated depreciation and amortization	-	(61,862,822)	(91,360,395)	(50,649,121)	(129,493,574)	(24,149,013)	(357,514,925)
Net carrying amount	**81,095,000**	**30,513,631**	**5,908,998**	**5,641,237**	**4,967,812**	**18,514,041**	**146,640,719**
December 31, 2023							
Cost	81,095,000	92,376,453	96,912,251	56,525,304	131,771,269	42,663,054	501,343,331
Accumulated depreciation and amortization	-	(59,024,808)	(88,110,105)	(52,115,699)	(126,833,381)	(14,400,981)	(340,484,974)
Net carrying amount	81,095,000	33,351,645	8,802,146	4,409,605	4,937,888	28,262,073	160,858,357
January 1, 2023							
Cost	81,095,000	92,376,453	92,141,300	54,852,804	137,284,205	-	457,749,762
Accumulated depreciation and amortization	-	(55,060,371)	(82,370,476)	(53,109,590)	(135,063,136)	-	(325,603,573)
Net carrying amount	81,095,000	37,316,082	9,770,824	1,743,214	2,221,069	-	132,146,189

A reconciliation of the carrying amounts at the beginning and end of 2024, 2023 and 2022 is shown as follows:

(Amounts in PHP)	Land	Building and Other Improvements	Leasehold Improvements	Transportation Equipment	Office Furniture and Equipment	Right-of-use Assets	Total
Balance at January 1, 2024, net of accumulated depreciation, amortization, and impairment	81,095,000	33,351,645	8,802,146	4,409,605	4,937,888	28,262,073	160,858,357
Additions	-	-	357,142	2,983,518	2,725,027	-	6,065,687
Disposal	-	-	-	(297,247)	-	-	(297,247)
Depreciation and amortization charges for the year	-	(2,838,014)	(3,250,290)	(1,454,639)	(2,695,103)	(9,748,032)	(19,986,078)
Net carrying amount at December 31, 2024	**81,095,000**	**30,513,631**	**5,908,998**	**5,641,237**	**4,967,812**	**18,514,041**	**146,640,719**
Balance at January 1, 2023, net of accumulated depreciation, amortization, and impairment	81,095,000	37,316,082	9,770,824	1,743,214	2,221,069	-	132,146,189
Additions	-	-	4,770,951	4,173,679	4,787,946	42,663,054	56,395,630
Write off	-	-	-	-	(232,766)	-	(232,766)
Depreciation and amortization charges for the year	-	(3,964,437)	(5,739,629)	(1,507,288)	(1,838,361)	(14,400,981)	(27,450,696)
Net carrying amount at December 31, 2023	81,095,000	33,351,645	8,802,146	4,409,605	4,937,888	28,262,073	160,858,357
Balance at January 1, 2022, net of accumulated depreciation, amortization, and impairment	81,095,000	40,038,670	11,746,585	4,125,739	5,929,988	-	144,534,830
Additions	-	-	-	378,379	1,001,188	-	1,379,758
Disposal	-	(88,125)	-	(141,283)	(1,334,552)	-	(1,564,344)
Depreciation and amortization charges for the year	-	(2,634,463)	(1,975,761)	(2,617,832)	(3,377,055)	-	(12,603,233)
Net carrying amount at December 31, 2022	81,095,000	37,316,082	9,770,824	1,743,214	2,221,069	-	132,146,189

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

In 2024 and 2023, the Group derecognized certain fully depreciated transportation equipment with a cost of P3.2 million and P2.1 million, respectively, and certain furniture and fixtures with a carrying value of P0.2 million in 2023. There was no similar transaction in 2022.

In 2021, certain leasehold improvements amounting to P78.5 million were derecognized due to termination of related lease. In 2023, such cost of leasehold improvements were considered as part of lease credits in the Group's new lease agreement with Megaworld (see Note 17). There were no similar transactions in 2024 and 2022.

The Group sold various fixed assets with total carrying value of P0.3 million in 2024 and P1.6 million in 2022. The Group received proceeds amounting to P0.4 million and P4.6 million from the sale of property and equipment and recognized gain amounting to P0.1 million and P3.0 million in 2024 and 2022, respectively, and is presented as part of Miscellaneous under Other Income in the Revenue and Income section of the consolidated statements of comprehensive income (see Note 21.1). There were no similar transactions in 2023.

Property and equipment are subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was recognized in 2024, 2023 and 2022 as the recoverable amount of these assets determined by management is higher than its carrying value.

The cost of fully depreciated assets still used in business amounted to P254.6 million and P281.0 million as of December 31, 2024 and 2023, respectively.

12. INTANGIBLE ASSETS

This account is composed of the following:

(Amounts in PHP)	2024	2023
Software licenses	**27,070,890**	33,283,184
Goodwill	**979,123**	979,123
	28,050,013	34,262,307

In 2023, the Group has recognized an impairment loss on goodwill related to LBASSI amounting to P77.3 million (see Note 3.2). The remaining goodwill arose from the acquisition of VVPI.

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

The gross carrying amounts and allowance for impairment of goodwill at the beginning and end of 2024 and 2023 are shown below.

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

The gross carrying amounts and accumulated amortization of software licenses at the beginning and end of 2024 and 2023 are shown below.

(Amounts in PHP)	**2024**	2023
Cost	**62,122,935**	62,122,935
Accumulated amortization	**(35,052,045)**	(28,839,751)
Net carrying amount	**27,070,890**	33,283,184

A reconciliation of the carrying amounts of intangible assets for the beginning and end of 2024, 2023 and 2022 is shown below.

(Amounts in PHP)	**2024**	2023	2022
Balance at beginning of year	**34,262,307**	117,822,235	116,628,807
Amortization expense for the year	**(6,212,294)**	(6,212,294)	(6,212,294)
Impairment loss on goodwill	**-**	(77,347,634)	-
Additions	**-**	-	7,405,722
Balance at end of year	**28,050,013**	34,262,307	117,822,235

The impairment loss on goodwill is presented as part of Other Expenses account, while the amount of amortization charges is presented as part of Depreciation and Amortization account under Costs and Expenses section of the consolidated statements of comprehensive income (see Note 21.2).

Intangible assets are subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was recognized in 2024 and 2022 as the recoverable amount of intangible assets determined by management is higher than its carrying value.

13. INVESTMENT PROPERTIES

The Group's investment properties pertain to building and office and commercial units held for lease and a parcel of land held for capital appreciation. Rental income arising from the Group's operating leases recognized for the years ended December 31, 2024, 2023 and 2022 amounted to P121.7 million, P92.8 million, and P72.4 million, respectively, and are presented as part of Rental Income in the consolidated statements of comprehensive income. There is no rental income arising from finance lease in 2024, 2023 and 2022. Real estate taxes and depreciation substantially represent direct costs incurred related to these properties. Since all recorded investment properties earned rental income during the year, there were no direct operating expenses pertaining to investment properties not generating rental income. Real estate tax amounting to P2.3 million in 2024, P1.5 million in 2023 and 2022 and repairs and maintenance amounting to P1.8 million, P2.6 million, and P1.8 million, in 2024, 2023 and 2022, respectively, were recognized as related expense in those years, and were presented as part of Taxes and Licenses, and Repairs and maintenance under Other Expenses account in the consolidated statements of comprehensive income (see Note 21.2).

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

(Amounts in PHP)	**2024**	2023	2022
Fixed	**82,709,280**	81,021,234	60,145,927
Variable	**38,957,633**	11,768,292	12,284,970
	121,666,913	92,789,526	72,430,897

The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of 2024 and 2023 are shown below.

(Amounts in PHP)		Held for Lease		
	Land	**Building**	**Other Properties**	**Total**
December 31, 2024				
Cost	1,040,000	47,274,140	925,460,396	973,774,536
Accumulated depreciation	-	(40,892,129)	(373,818,545)	(414,710,674)
Net carrying value	**1,040,000**	**6,382,011**	**551,641,851**	**559,063,862**
December 31, 2023				
Cost	1,040,000	47,274,140	925,460,396	973,774,536
Accumulated depreciation	-	(38,764,793)	(347,927,332)	(386,692,125)
Net carrying value	1,040,000	8,509,347	577,533,064	587,082,411
January 1, 2022				
Cost	1,040,000	47,274,140	925,460,396	973,774,536
Accumulated depreciation	-	(36,637,457)	(322,036,119)	(358,673,576)
Net carrying value	1,040,000	10,636,683	603,424,277	615,100,960

A reconciliation of the carrying amount of investment properties at the beginning and end of 2024, 2023, and 2022 is shown below.

(Amounts in PHP)	Land	Held for Lease: Building	Held for Lease: Other Properties	Total
Balance at January 1, 2024, net of accumulated depreciation	1,040,000	8,509,347	577,533,064	587,082,411
Depreciation charges for the year	-	(2,127,336)	(25,891,213)	(28,018,549)
Balance at December 31, 2024, net of accumulated depreciation	**1,040,000**	**6,382,011**	**551,641,851**	**559,063,862**
Balance at January 1, 2023, net of accumulated depreciation	1,040,000	10,636,683	603,424,277	615,100,960
Depreciation charges for the year	-	(2,127,336)	(25,891,213)	(28,018,549)
Balance at December 31, 2023, net of accumulated depreciation	1,040,000	8,509,347	577,533,064	587,082,411
Balance at January 1, 2022, net of accumulated depreciation	1,040,000	12,764,019	629,315,490	643,119,509
Depreciation charges for the year	-	(2,127,336)	(25,891,213)	(28,018,549)
Balance at December 31, 2022, net of accumulated depreciation	1,040,000	10,636,683	603,424,277	615,100,960

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

Investment properties are subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was recognized in 2024, 2023 and 2022 as the recoverable amount of these assets determined by management is higher than its carrying value.

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

14. INTEREST-BEARING LOANS AND BORROWINGS

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

(Amounts in PHP) 2024	2023	Interest Rate	Interest Rate	Maturity
650,000,000	850,000,000	Floating rate at 8.5% subject to quarterly repricing	Unsecured	Up to 2028

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

The bank loan requires the Group to maintain a debt-to-equity ratio of not more than 1:1, a debt service coverage ratio of not less than 1.25:1, and a current ratio of not less than 2:1. As of December 31, 2024 and 2023, the Group is in compliance with such financial covenant obligations.

The total interest on these interest-bearing loans and borrowings in 2024, 2023, and 2022 amounted to P65.7 million, P80.4 million, and P52.5 million, respectively (see Note 22.2). The related interest amounting to P63.0 million in 2023 is capitalized as part of Real Estate Inventories account in the 2023 consolidated statement of financial position. Unpaid interest as of December 31, 2024 and 2023 amounted to P8.6 million, and P11.9 million, respectively, and is presented as Interest payable under the Trade and Other Payables account in the consolidated statements of financial position (see Note 15).

Capitalization rate used in determining the amount of interest charges qualified for capitalization is 8.04% in 2023 (see Note 7). There was no similar transaction in 2022. As a result of the adoption of the IFRIC Agenda Decision on PAS 23 in 2024, no borrowing costs are capitalized on the Group's real estate inventories.

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

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

(Amounts in PHP)	**2024**	2023
Current	**200,000,000**	200,000,000
Non-current	**450,000,000**	650,000,000
	650,000,000	850,000,000

15. TRADE AND OTHER PAYABLES

This account consists of:

(Amounts in PHP)	Note	**2024**	2023
Trade payable		**2,158,166,886**	2,342,747,639
Accrued expenses		**179,767,902**	70,669,220
Taxes payable		**165,880,217**	133,177,197
Interest payable	14	**8,615,678**	11,939,667
Miscellaneous		**200,000**	200,000
		2,512,630,683	2,558,733,723

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

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

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16. CUSTOMERS' DEPOSITS

Presented below are the details of this account.

(Amounts in PHP)	2024	2023
Advances from customers	**3,567,815,251**	3,884,867,069
Other deposits	**1,175,850,542**	1,255,908,906
	4,743,665,793	5,140,775,975

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

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

17. LEASES

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

In 2024 and 2023, portions of the lease credits amounting to P51.4 million and P42.7 million, respectively, were applied as payment for the lease agreement with Megaworld. The remaining lease credits amounting to P12.0 million and P63.4 million in 2024 and 2023, respectively, were presented as part of Prepayments and Other Current Assets in the consolidated statements of financial position.

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

The Group has elected not to recognize lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis.

The December 31, 2024, 2023, and 2022 expenses relating short-term leases amounted to P19.8 million, P13.0 million, and P13.5 million, respectively, are presented as Rentals under Other Expenses account in the consolidated statements of comprehensive income (see Notes 21.2).

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18. OTHER CURRENT LIABILITIES

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

(Amounts in PHP)	Notes	2024	2023
Retention payable		**749,941,703**	694,122,718
Refund liability	21.2	**396,218,713**	287,636,550
Refundable deposits	28.1	**50,913,269**	48,934,172
Miscellaneous		**11,546,846**	11,546,845
		1,208,620,531	1,042,240,285

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

Refund liability pertains to the amount due to buyers of real estate properties which is the cash surrender value of the payments made by them on the cancelled real estate contracts as required by Republic Act (R.A.) 6552, *Realty Installment Buyer Act*. The amount of provision for the years ended 2024, 2023, and 2022 amounted to P111.7 million, P57.8 million, and P44.2 million, respectively, and is presented as Provision for refund liability under Other Expenses account in the consolidated statement of comprehensive income (see Note 21.2).

19. REAL ESTATE SALES

19.1 Disaggregation of Revenues

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

(Amounts in PHP)	2024	2023	2022
Geographical areas			
Within Metro Manila	**3,004,498,017**	3,439,460,043	3,130,268,670
Outside Metro Manila	**238,144,981**	558,078,226	669,696,970
	3,242,642,998	3,997,538,269	3,799,965,640
Types of product or services			
Residential condominium	**3,136,454,171**	3,651,882,437	3,566,584,650
Residential lots and house and lots	**106,188,827**	345,655,832	233,380,990
	3,242,642,998	3,997,538,269	3,799,965,640

19.2 Contract Accounts

a. Contract Assets

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

(Amounts in PHP)	**2024**	2023
Current	**2,498,252,566**	2,534,011,730
Non-current	**768,746,952**	207,184,338
	3,266,999,518	2,741,196,068

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

(Amounts in PHP)	Notes	**2024**	2023
Balance at beginning of year		**2,741,196,068**	2,583,113,379
Effect of adoption of PFRS 15	2.1(b)	**(202,715,531)**	-
		2,538,480,537	2,583,113,379
Increase as a result of changes in measurement of progress		**572,668,405**	1,131,957,897
Accretion of interest income from significant financing component	22.1	**155,850,576**	-
Transfers from contract assets recognized at the beginning of year to trade receivables		**-**	(973,875,208)
Balance at end of year		**3,266,999,518**	2,741,196,068

b. Contract Liabilities

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

(Amounts in PHP)	**2024**	2023
Current	**170,000,828**	96,357,478
Non-current	**112,633,789**	160,409,459
	282,634,617	256,766,937

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

(Amounts in PHP)	Notes	**2024**	2023
Balance at beginning of year		**256,766,937**	308,855,445
Effect of adoption of PFRS 15	2.1(b)	**17,348,096**	-
		274,115,033	308,855,445
Increase (decrease) due to cash received in excess of performance to date		**23,177,108**	(27,218,382)
Revenue recognized that was included in contract liabilities at the beginning of year		**(22,650,120)**	(24,870,126)
Accretion of interest expense from significant financing component	22.2	**7,992,596**	-
Balance at end of year		**282,634,617**	256,766,937

19.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and are presented as part of Prepayments and Other Current Assets in the consolidated statements of financial position. These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its revenue contracts. The total amount of amortization for 2024, 2023, and 2022 is presented as part of Commissions account under Cost and Expenses section of the consolidated statements of comprehensive income.

The movements in balances of deferred commission in 2024 and 2023 are presented below.

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**353,313,187**	286,738,125
Additional capitalized cost	**156,217,463**	120,344,045
Amortization for the year	**(40,325,268)**	(53,768,983)
Balance at end of year	**469,205,382**	353,313,187

19.4 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2024 and 2023 is P6.1 billion and P4.7 billion, respectively. As of December 31, 2024 and 2023, the Group expects to recognize revenue from unsatisfied contracts as presented below.

(Amounts in PHP)	**2024**	2023
Within a year	**2,913,019,941**	2,061,764,238
More than one year to three years	**3,008,620,097**	2,083,346,476
More than three years to five years	**228,062,716**	546,532,407
Balance at end of year	**6,149,702,754**	4,691,643,121

20. COST OF REAL ESTATE SALES

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

(Amounts in PHP)	**2024**	2023	2022
Contracted services	**1,800,065,159**	2,097,483,149	1,902,020,736
Land cost	**224,542,314**	286,217,315	234,409,831
Borrowing cost	**-**	75,798,696	40,525,285
Other costs	**29,108,305**	37,889,224	51,065,163
	2,053,715,778	2,497,388,384	2,228,021,015

21. OTHER INCOME AND EXPENSES

21.1 Other Income

The details of this account are shown below.

(Amounts in PHP)	Notes	**2024**	2023	2022
Forfeited collections and deposits		**522,563,375**	247,937,294	131,996,577
Marketing and management fees	25.2	**91,611,260**	115,119,420	145,106,942
Income from lease credits	17	**-**	106,091,000	-
Tuition and miscellaneous fees		**-**	-	13,637,376
Miscellaneous	11	**10,241,697**	4,292,176	5,534,273
		624,416,332	473,439,890	296,275,168

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

Miscellaneous fees include manning charges, registration fees, medical and dental fees, laboratory fees, energy fees, and other fees charged to students upon enrollment.

21.2 Other Expenses

The breakdown of this account is shown below.

(Amounts in PHP)	Notes	**2024**	2023	2022
Provision for refund liability	18	**111,670,352**	57,795,155	44,213,877
Repairs and maintenance	13	**35,036,943**	10,152,921	6,431,019
Professional fees	25.3	**26,769,046**	12,093,101	5,400,740
Rentals	17	**19,782,740**	12,955,227	13,487,284
Security services		**18,943,242**	11,099,402	7,201,534
Utilities		**16,911,713**	15,360,839	14,893,935
Computer license subscription		**13,333,781**	4,413,127	5,303,189
Outside services		**12,558,756**	1,256,786	493,868
Janitorial services		**12,144,154**	5,525,555	10,916,172
Insurance		**11,413,934**	6,674,259	4,279,546
Office supplies		**8,416,762**	2,189,651	1,920,155
Training, seminars and other benefits		**5,637,172**	6,915,628	1,598,349
Marketing events and awards		**3,938,543**	4,827,844	2,124,595
Documentation		**2,346,785**	1,620,282	1,080,904
Representation		**446,082**	208,212	298,346
Impairment loss on goodwill	12	**-**	77,347,634	-
Miscellaneous		**8,272,510**	4,037,225	2,598,418
		307,622,515	234,472,848	122,241,931

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

22. FINANCE INCOME AND FINANCE COSTS

22.1 Finance Income

The breakdown of this account is shown below.

(Amounts in PHP)	Notes	**2024**	2023	2022
Interest income:				
Advances to related parties	25.1	**446,129,092**	341,017,636	302,459,256
Significant financing component	19.2(a)	**155,850,576**	-	-
Cash and cash equivalents	5	**91,440,493**	80,949,550	30,753,942
Trade and other receivables	6	**28,827,986**	27,007,752	26,482,239
Tuition fees		**-**	-	223,759
Amortization of day-one loss on noninterest-bearing financial instruments	6	**172,877,182**	121,259,226	117,776,313
Dividend income	8	**11,260,000**	16,890,000	13,512,000
Foreign currency gain - net		**7,273,446**	315,709	169,007
		913,658,775	587,439,873	491,376,516

22.2 Finance Costs

The breakdown of finance costs is shown below.

(Amounts in PHP)	Notes	2024	2023	2022
Interest expense on advances from related parties	25.1	**405,541,070**	370,332,612	340,333,360
Bank loans	14	**65,748,636**	17,360,365	52,478,297
Net interest expense on post-employment defined benefit obligation	23.2	**12,580,409**	3,399,996	5,994,727
Significant financing component	19.2(b)	**7,992,596**	-	-
		491,862,711	391,092,973	398,806,384

23. SALARIES AND EMPLOYEE BENEFITS

23.1 Salaries and Employee Benefits Expense

Expenses recognized for salaries and employee benefits are presented below.

(Amounts in PHP)	Note	2024	2023	2022
Short-term benefits		**435,323,774**	407,014,182	369,691,292
Post-employment benefits	23.2	**32,839,653**	24,088,024	28,811,301
		468,163,427	431,102,206	398,502,593

23.2 Post-employment Benefits

(a) Characteristics of the Defined Benefit Plan

The Group maintains a partially funded, tax qualified, non-contributory, post-employment defined benefit plan that is being administered by a trustee bank that is legally separated from the Group. The post-employment defined benefit plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The post-employment defined benefit plan provides for retirement ranging from 60% to 200% of final monthly salary for every year of credited service but shall not be less than the regulatory benefit under the R.A. 7641, *The Retirement Pay Law*, or the applicable retirement law at the time of the member's retirement.

(b) Explanation of the Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made regularly to update the retirement benefit costs and the amount of contributions. All amounts presented in the succeeding pages are based on the latest actuarial valuation reports obtained from independent actuaries.

The amounts of post-employment benefit recognized in the consolidated statements of financial position are determined as follow:

(Amounts in PHP)	2024	2023
Present value of the obligation	**602,557,070**	577,559,995
Fair value of the assets	**(364,458,106)**	(423,561,403)
	238,098,964	153,998,592

The movements in the present value of the post-employment DBO recognized in the books are as follows:

(Amounts in PHP)	2024	2023
Balance at beginning of year	**577,559,995**	429,740,305
Interest expense	**37,402,074**	32,071,256
Current service cost	**32,839,653**	24,088,024
Remeasurements:		
Actuarial losses (gains) arising from:		
Experience adjustments	**18,437,581**	(1,680,455)
Changes in financial assumptions	**13,305,192**	99,593,708
Changes in demographic assumptions	**8,309,751**	4,141,883
Benefits paid	**(85,297,176)**	(10,394,726)
Balance at end of year	**602,557,070**	577,559,995

The movements in the fair value of plan assets are presented below.

(Amounts in PHP)	2024	2023
Balance at beginning of year	**423,561,403**	362,019,803
Benefits paid	**(85,297,176)**	(10,394,726)
Interest income	**24,821,665**	28,671,260
Actual contribution	**3,250,000**	53,500,000
Loss on plan assets (excluding amounts included in net interest)	**(1,877,786)**	(10,234,934)
Balance at end of year	**364,458,106**	423,561,403

The fair value of plan assets is composed of the following (in millions):

(Amounts in PHP)	2024	2023
Cash and cash equivalents	**231.4**	336.9
Investment in government issued debt securities	**133.1**	86.7
	364.5	423.6

The plan assets earned a return of P22.9 million, P18.4 million and 1.8 million in 2024, 2023 and 2022, respectively.

As of December 31, 2024 and 2023, the Group's retirement fund does not include any investments in any equity securities issued by the Group or any of its related parties.

The components of amounts recognized in the consolidated statements of comprehensive income in respect of the post-employment defined benefit plan are as follows:

(Amounts in PHP)	Notes	**2024**	2023	2022
Reported in profit or loss:				
Current service cost	23.1	**32,839,653**	24,088,024	28,811,301
Net interest expense	22.2	**12,580,409**	3,399,996	5,994,727
		45,420,062	27,488,020	34,806,028
Reported in other comprehensive income:				
Actuarial gains (losses) arising from:				
- experience adjustments		**(18,437,581)**	1,680,455	(34,571,389)
- changes in financial assumptions		**(13,305,192)**	(99,593,708)	81,517,258
- demographic assumptions		**(8,309,751)**	(4,141,883)	21,939,946
Loss on plan assets (excluding amounts included in net interest)		**(1,877,786)**	(10,234,934)	(15,660,482)
		(41,930,310)	(112,290,070)	53,225,333

Current service cost is presented as part of Salaries and Employee Benefits under Costs and Expenses section in the consolidated statements of comprehensive income (see Note 23.1) while the amounts of net interest expense are included under Finance Costs under Costs and Expenses section in the consolidated statements of comprehensive income (see Note 22.2).

The amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

	2024	2023	2022
EELHI:			
Discount rates	**6.11%**	6.56%	7.54%
Expected rate of salary increases	**6.00%**	6.00%	4.00%
EPHI:			
Discount rates	**6.15%**	6.04%	7.10%
Expected rate of salary increases	**6.32%**	6.81%	6.16%

The other subsidiaries currently do not have employees and their accounting and other administrative functions are being handled by the Company; hence, there was no cost of retirement benefits recognized.

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working life of an individual retiring at the age of 60 to 65 for both males and females is shown below.

	Retirement Age	Average Remaining Working Life
EELHI	60	27
EPHI	60	17

These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating the terms of the retirement obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment and interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Rate Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents and debt securities. Due to the long-term nature of the plan obligation, a level of continuing debt investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described in the succeeding page.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the DBO as of December 31:

(Amounts in PHP)	Impact on Post-employment Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2024			
EELHI			
Discount rate	**+7.3%/-8.3%**	**(36,603,911)**	**41,895,892**
Salary increase rate	**+8.3%/-7.4%**	**41,522,960**	**(36,965,740)**
EPHI			
Discount rate	**+/-0.5%**	**(2,991,909)**	**3,272,690**
Salary increase rate	**+/-1.0%**	**6,377,735**	**(5,490,264)**
2023			
EELHI			
Discount rate	+7.0%/-8.1%	(33,690,228)	39,049,479
Salary increase rate	+8.0%/-7.1%	38,876,517	(34,155,083)
EPHI			
Discount rate	+/-0.5%	(3,296,529)	3,561,268
Salary increase rate	+/-1.0%	6,598,703	(6,065,819)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the DBO as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the DBO has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the DBO recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Group through its BOD, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve those long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in debt securities and maintaining cash and cash equivalents that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration, and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

There has been no change in the Group's strategies to manage its risks from previous periods.

(iii) Funding Arrangements and Expected Contributions

The plans are currently underfunded by P238.1 million based on the latest actuarial valuation. While there are no minimum funding requirements in the country, the size of the underfunding may pose a cash flow risk in about 10 to 20 years' time when a significant number of employees is expected to retire.

The Group expects to make a contribution of at least P53.3 million to the plan during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan for the next 20 years follows:

(Amounts in PHP)	**2024**	2023
Within one year	**202,205,422**	233,389,173
More than one year to five years	**65,488,416**	69,425,699
More than five years to 10 years	**389,468,040**	250,680,503
More than 10 years to 15 years	**45,425,892**	47,848,610
More than 15 years to 20 years	**89,200,000**	108,613,342
More than 20 years	**133,162,434**	151,371,858
	924,950,204	861,329,185

The weighted average duration of the DBO at the end of the reporting period is 7.8 to 13 years.

24. TAX EXPENSE

The components of tax expense reported in the consolidated statements of comprehensive income for the years ended December 31 are presented below.

(Amounts in PHP)	**2024**	2023	2022
Reported in profit or loss:			
Current tax expense:			
Regular corporate income tax (RCIT) at 25%, 20% and 10% in 2024 and 2023 and 25%, 20% and 1% in 2022	**133,993,061**	92,737,922	138,094,908
Final tax at 20%, 15% and 7.5%	**18,185,780**	16,154,222	6,134,086
Minimum corporate income tax (MCIT) at 2%	**1,012,195**	-	-
	153,191,036	108,892,144	144,228,994
Reported in other comprehensive loss (income) –			
Deferred tax expense relating to origination and reversal of temporary differences	**54,613,894**	111,107,012	96,975,866
	207,804,930	219,999,156	241,204,860

(Amounts in PHP)	**2024**	2023	2022
Reported in other comprehensive income or loss			
Deferred tax expense (income) relating relating to:			
Origination and reversal of temporary differences	**(10,482,578)**	(28,072,519)	13,306,334

LBASSI, as an educational institution, is subject to 10% tax rate on its taxable income as defined under the tax regulations of the National Internal Revenue Code Section 27(B).

The reconciliation of tax on pre-tax profit computed at the applicable statutory rates to tax expense as reported in the profit or loss section of the consolidated statements of comprehensive income is as follows:

(Amounts in PHP)	**2024**	2023	2022
Tax on pre-tax profit at 25%, 20% and 10% in 2024 and 2023 and 25%, 20% and 1% in 2022	**222,758,890**	264,703,460	239,018,108
Adjustment for income subjected to lower income tax rates	**(4,674,333)**	(4,083,157)	(1,553,446)
Tax effects of:			
Non-taxable income on forfeited collections	**(32,186,712)**	(48,230,566)	(285,708)
Non-deductible taxes and licenses	**7,996,056**	3,292,722	2,710,567
Non-deductible interest expense	**6,569,144**	4,046,398	1,536,540
Others – net	**7,341,885**	270,299	(221,201)
	207,804,930	219,999,156	241,204,860

The net deferred tax liabilities as of December 31 relate to the following:

	Consolidated Statements of Financial Position		Consolidated Statement of Profit or Loss		
(Amounts in PHP)	**2024**	2023	**2024**	2023	2022
Deferred tax assets:					
Provision for refund liability	**99,054,677**	71,909,137	**(27,145,540)**	(13,983,010)	(10,355,166)
Retirement benefit obligation	**59,524,741**	38,499,648	**(10,542,515)**	6,502,996	3,923,492
	158,579,418	110,408,785	**(37,688,055)**	(7,480,014)	(6,431,674)
Deferred tax liabilities:					
Uncollected realized gross profit	**(2,096,466,090)**	(2,033,618,301)	**62,847,789**	127,381,806	122,945,667
Deferred commission	**(117,301,347)**	(88,328,299)	**28,973,048**	16,643,766	6,936,333
Right of use assets – net	**(4,628,511)**	(7,065,519)	**(2,437,008)**	7,065,519	-
Unrealized foreign exchange loss - net	**(1,818,363)**	(78,928)	**1,739,435**	36,675	33,465
Rental income recognized based on PFRS 16	**(1,178,685)**	-	**1,178,685**	-	
Capitalized borrowing cost	**-**	(52,603,596)	**-**	(32,540,740)	(26,510,125)
	(2,221,392,996)	(2,181,694,643)	**92,301,949**	118,587,026	103,407,540
Deferred Tax Expense			**54,613,894**	111,107,012	96,975,866
Net Deferred Tax Liabilities	**(2,062,813,578)**	(2,071,285,858)			

The deferred tax expense presented in Other Comprehensive Income (Loss) section in the consolidated statements of comprehensive income pertains to the tax effect of remeasurements of retirement benefit obligation which resulted to a tax income amounting to P10.5 million in 2024, P28.1 million in 2023, and a tax expense amounting to P13.3 million in 2022.

In 2024 and 2023, the Group is subject to the MCIT, which is computed at 2% and 1%, respectively, of gross income net of allowable deductions, as defined under the tax regulations, or RCIT, whichever is higher.

Presented below are the details of the Group's remaining net operating loss carry over (NOLCO), which can be claimed as deductions from future taxable profit within three to five years from the year the tax loss was incurred. NOLCO incurred for the taxable years 2021 and 2020 can be claimed as a deduction from the future taxable income until 2026 and 2025, respectively, in accordance with R.A. 11494, *Bayanihan to Recover as One Act.*

(Amounts in PHP) Year	Original Amount	Expired Amount	Remaining Balance	Valid Until
2024	15,388,592	-	15,388,592	2027
2023	15,512,903	-	15,512,903	2026
2022	9,319,501	-	9,319,501	2025
2021	28,708,937	-	28,708,937	2026
2020	11,885,277	-	11,885,277	2025
	80,815,210	**-**	**80,815,210**	

PCMI, LBASSI, EECI, SPLI, SOHI, VVPI and 20th Century did not recognize deferred tax assets on their respective NOLCO as management believes that the related deferred tax assets may not be recovered within the prescriptive period. The amount of NOLCO for the year ended 2024 for which the related deferred tax asset has not been recognized amounted to a total of P15.4 million with a total tax effect of P3.0 million.

In 2024, 2023 and 2022, the Group opted to claim itemized deductions in computing for its income tax due.

25. RELATED PARTY TRANSACTIONS

The Group's related parties include the Ultimate Parent Company, the Parent Company, related parties under common ownership, associate, key management personnel, and the Group's retirement plan as described in the succeeding pages.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the Parent Company's board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

The summary of the Group's significant transactions and outstanding balances with its related parties are as follows:

(Amounts in PHP) Related Party Category	Notes	Amount of Transactions 2024	2023	2022	Outstanding Balance 2024	2023
Ultimate Parent:						
Financial assets at FVOCI	8	**(256,728,000)**	(69,812,000)	11,260,000	**1,013,400,000**	1,270,128,000
Dividend income	8, 22.1	**11,260,000**	16,890,000	13,512,000	**11,260,000**	16,890,000
Parent:						
Right-of-use assets	11	**9,748,032**	14,409,981	-	**18,534,041**	28,262,073
Lease credits	17	**(51,385,426)**	106,091,000	-	**12,642,520**	63,427,946
Repayment of advances - net	25.1, 25.4	**4,891,885**	4,519,394	5,027,487	**(5,737,525,504)**	(5,354,893,778)
Interest expense	22.2, 25.1	**(387,523,611)**	(349,390,876)	(316,098,291)	-	-
Commission income	25.2	**35,514,891**	37,121,681	29,635,160	**685,207,769**	665,485,535
Obtaining of services	25.3	**1,141,140**	1,244,880	1,037,400	-	-
Associate –						
Availment of advances	25.1	**4,517,837**	2,817,756	2,211,467	**(374,343,362)**	(378,861,199)
Under common ownership:						
Granting of advances	25.1	**52,097,018**	41,858,557	34,422,761	**5,965,760,162**	5,467,534,052
Interest income	22.1, 25.1	**446,129,092**	341,017,636	302,459,236	-	-
Repayment of advances	25.1	**63,017,459**	65,941,736	64,235,069	**(282,981,690)**	(327,981,690)
Interest expense	22.2, 25.1	**(18,017,459)**	(20,941,736)	(24,235,069)	-	-
Management services	25.2	**47,344,889**	80,287,703	113,133,951	**44,119**	44,119
Lease of property	25.2	**41,135,041**	34,201,327	32,088,357	**4,714,741**	-
Obtaining of services	25.3	**21,569,706**	-	-	-	-
Key management personnel						
Compensation	25.5	**76,595,422**	84,889,579	83,834,398	-	-

Unless otherwise stated, the Group's outstanding receivables from and payables to related parties arising from interest-bearing and noninterest-bearing advances, joint venture agreements, lease of property and cash advances to related party are unsecured, collectible, or payable on demand, and are generally settled in cash or through offsetting arrangements with the related parties (see Note 30.2).

There were no impairment losses recognized on the outstanding receivables from related parties in 2024, 2023 and 2022 based on management's ECL assessment.

25.1 Advances to and from Related Parties

The Group grants to and obtains unsecured advances from its Parent company, associate and other related parties for working capital purposes.

The Advances to Related Parties account represents the outstanding balances arising from cash advances granted by the Group to certain related parties under common ownership. Some of the advances to related parties are interest-bearing with interest rates ranging from 12.00% to 15.00% both in 2024 and 2023. The interest income arising from these interest-bearing advances is presented as part of Finance Income in the consolidated statements of comprehensive income (see Note 22.1). The change in the Advances to Related Parties account are shown below and in the succeeding page.

(Amounts in PHP)	Note	**2024**	2023
Balance at beginning of year		**5,467,534,052**	5,084,657,859
Interest income	22.1	**446,129,092**	341,017,636
Additional advances		**69,804,896**	41,858,557
Reclassification		**(14,227,860)**	-
Collections		**(3,480,018)**	-
Balance at end of year		**5,965,760,162**	5,467,534,052

The Advances from Related Parties account represents the outstanding balances arising from cash advances obtained by the Group from its Parent Company, associate, and certain related parties under common ownership. Some of the advances from related parties are interest-bearing with interest rates ranging from 7.00% to 12.00% both in 2024 and 2023. The details as of December 31 are as follows:

(Amounts in PHP)	**2024**	2023
Parent	**5,737,525,504**	5,354,893,778
Associate	**374,343,362**	378,861,199
Related parties under common ownership	**282,981,690**	327,981,690
	6,394,850,556	6,061,736,667

The movements in the Advances from Related Parties account is shown below.

(Amounts in PHP)	Note	**2024**	2023
Parent:			
Balance at beginning of year		**5,354,893,778**	5,010,016,537
Accrued interests	22.2	**387,523,611**	349,390,876
Repayments		**(4,891,885)**	(4,519,394)
Additions		**-**	5,759
Balance at end of year		**5,737,525,504**	5,354,893,778
Associate:			
Balance at beginning of year		**378,861,199**	381,678,955
Repayments		**(4,517,837)**	(2,817,756)
Balance at end of year		**374,343,362**	378,861,199
Other related parties under common ownership:			
Balance at beginning of year		**327,981,690**	372,981,690
Repayments		**(63,017,459)**	(65,941,736)
Accrued interests	22.2	**18,017,459**	20,941,736
Balance at end of year		**282,981,690**	327,981,690

Cash advances from Parent company and other related parties under common ownership bear fixed interest rate ranging between 7% and 12% per annum in 2024, 2023 and 2022. Interest expense is presented as part of Finance Costs account in the consolidated statements of comprehensive income (see Note 22.2).

25.2 Rendering of Services

The summary of services offered by the Group is presented below.

(Amounts in PHP)	Amount of Transactions **2024**	2023	2022
Parent:			
Commission income	**35,514,891**	37,121,681	29,635,160
Other related parties under common ownership:			
Management services	**47,344,889**	80,287,703	113,133,951
Lease of property	**41,135,041**	34,201,327	32,088,357
	88,479,930	114,489,030	145,222,308
	123,994,821	151,610,711	174,857,468

The Group handled the administrative functions of certain related parties under common ownership for the latter's ongoing construction and development activities. The amount of revenue earned from such transaction is recognized as part of Marketing and management fees under Other Income account in the consolidated statements of comprehensive income (see Note 21.1) while the outstanding balances are presented as Management fee receivable under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

The Group earns marketing fees from the sale of Megaworld's real estate properties. The marketing fee recognized is presented as Commission Income under Revenues and Income section in the consolidated statements of comprehensive income. The outstanding receivables related to these transactions are presented as part of Trade receivables under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

The Group leases certain investment property to a related party under common ownership in 2024, 2023, and 2022. The revenues earned from the lease are included as part of Rental Income account under Revenues and Income section in the consolidated statements of comprehensive income (see Note 28.1). The related outstanding receivables from these transactions are presented as part of Rent receivable under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

25.3 Obtaining of Services

The Group incurred management fees for accounting and marketing services obtained from its Parent Company and a related party under common ownership amounting to P22.7 million, P1.2 million and P1.0 million in 2024, 2023, and 2022, respectively, and is presented as part of Professional Fees under Other Expenses in the consolidated statements of comprehensive income (see Note 21.2). There was no outstanding payable from this transaction as of December 31, 2024 and 2023.

25.4 Joint Development Agreement with Parent Company

The Group, together with Megaworld, executed a joint development agreement for the development of a mixed-use condominium project; whereby the Group shall contribute land and the Parent company shall develop and sell the property. The entities shall be entitled to a certain percentage of the total saleable area based on the agreed sharing. The land contributed to the joint venture is presented as part of the Real Estate Inventories under Property development cost in the consolidated statements of financial position (see Note 7). As of the end of the reporting period, the property is still being developed and there are no profits received yet from this agreement.

25.5 Key Management Personnel Compensation

The compensation of the Group's key management personnel are as follows:

(Amounts in PHP)	**2024**	2023	2022
Short-term benefits	**64,642,439**	64,860,294	59,695,978
Post-employment benefits	**11,952,983**	20,029,285	24,158,420
	76,595,422	84,889,579	83,854,398

These are presented as part of Salaries and Employee Benefits account under Cost and Expenses section in the consolidated statements of comprehensive income for the years ended December 31, 2024, 2023, and 2022 (see Note 23.1).

25.6 Retirement Plan

The Group has a formal retirement plan established separately for EELHI and EPHI. The Group's retirement fund for its post-employment defined benefit plan is administered and managed by trustee banks. The fair value and the composition of the plan assets as of December 31, 2024 and 2023 are presented in Note 23.2. As of December 31, 2024 and 2023, the Group's retirement fund does not include any investments in any equity securities issued by the Group or any of its related parties.

The Group's transactions with the fund mainly pertain to contributions, benefit payments and interest income.

The retirement fund neither provides any guarantees or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

26. EQUITY

26.1 Capital Stock

Capital stock as of December 31, 2024 and 2023 consists of:

(Amounts in PHP)	No. of Shares	Amount
Common shares – P1 par value		
Authorized	31,495,200,000	31,495,200,000
Issued	14,803,455,238	14,803,455,238
Treasury shares – at cost	(127,256,071)	(102,106,658)
Total outstanding	14,676,199,167	14,701,348,580
Preferred shares – P1 par value		
Authorized	2,000,000,000	2,000,000,000

Megaworld has 81.73% ownership interest in the Group as of December 31, 2024 and 2023.

The Series B preferred shares are nonredeemable, convertible into common shares and are nonvoting. The shares have zero coupon rates and shall not be entitled to dividends. The Series B preferred shares shall be convertible to common shares any time after the end of the 18 months from the implementation date, May 29, 1998, as defined in the subscription agreements. There are no subscribed and issued preferred shares as of December 31, 2024 and 2023.

On April 24, 1996, the SEC approved the listing of the Group's shares totaling 425,000,000. The shares were issued at an offer price of P12.90 per share. As of December 31, 2024, 2023, and 2022, there are 12,252, 12,297 and 12,336 shareholders of the listed shares, respectively. The shares were listed and closed at a price of P0.12, P0.13 and P0.19 per share as of December 27, 2024 and 2023, and December 31, 2022, respectively.

26.2 Additional Paid-in Capital

The additional paid-in capital (APIC) pertains to the excess of the total proceeds received from the Group's shareholders over the total par value of the common shares. There were no movements in the Group's APIC accounts in 2024 and 2023.

26.3 Treasury Stock

On March 23, 2006, the Group's BOD authorized the buy-back of up to P1.0 billion worth of Group's shares of common stock within a 24-month period under certain terms and conditions as the Group's senior management may deem beneficial to the Group and its stockholders.

As of December 31, 2024 and 2023, the Group's treasury shares amounted to P102.1 million, representing the cost of 127,256,071 shares reacquired by the Group.

26.4 Revaluation Reserves

Revaluation reserves of the Group are composed of re-measurements on its retirement benefit obligation and fair value movements of the Group's financial assets at FVOCI (see Notes 8 and 23.2).

The components and reconciliation of items of other comprehensive income presented in the consolidated statement of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below.

(Amounts in PHP)	**Financial Assets at FVOCI** (see Note 8)	**Retirement Benefit Obligation** (see Note 23.2)	**Total**
Balance as of January 1, 2024	437,178,000	110,446,726	547,624,726
Remeasurement of retirement benefit obligation	-	(41,930,310)	(41,930,310)
Fair value losses on FVOCI	(256,728,000)	-	(256,728,000)
Other comprehensive loss before tax for the year	(256,728,000)	(41,930,310)	(298,658,310)
Tax income	-	10,482,578	10,482,578
Other comprehensive loss after tax for the year	(256,728,000)	(31,447,732)	(288,175,732)
Balance as of December 31, 2024	**180,450,000**	**78,998,994**	**259,448,994**
Balance as of January 1, 2023	506,990,000	194,664,277	701,654,277
Remeasurement of retirement benefit obligation	-	(112,290,070)	(112,290,070)
Fair value losses on FVOCI	(69,812,000)	-	(69,812,000)
Other comprehensive loss before tax for the year	(69,812,000)	(112,290,070)	(182,102,070)
Tax income	-	28,072,519	28,072,519
Other comprehensive loss after tax for the year	(69,812,000)	(84,217,551)	(154,029,551)
Balance as of December 31, 2023	437,178,000	110,446,726	547,624,726
Balance as of January 1, 2022	495,730,000	154,745,278	650,475,278
Remeasurement of retirement benefit obligation	-	53,225,333	53,225,333
Fair value gains on FVOCI	11,260,000	-	11,260,000
Other comprehensive income before tax for the year	11,260,000	53,225,333	64,485,333
Tax expense	-	(13,306,334)	(13,306,334)
Other comprehensive income after tax for the year	11,260,000	39,918,999	51,178,999
Balance as of December 31, 2022	506,990,000	194,664,277	701,654,277

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26.5 Other Reserves

Other reserves of the Group pertains to the difference between the fair value of consideration paid and the relevant share in the carrying value of the net assets of PCMI as a result of obtaining de facto control over PCMI in 2018 and any subsequent change in ownership interest in the subsidiary (see Note 1.1).

26.6 Retained Earnings

Retained earnings are restricted in the amount of P102.1 million representing the cost of 127,256,071 shares held in treasury as of the end of the reporting periods.

27. EARNINGS PER SHARE

Basic and diluted earnings per share amounts were computed as follows:

(Amounts in PHP)	**2024**	2023	2022
Net profit attributable to parent Group's shareholders	**687,121,209**	765,784,371	720,214,688
Number of issued and outstanding common shares	**14,676,199,167**	14,676,199,167	14,676,199,167
Basic and diluted earnings per share	**0.047**	0.052	0.049

Diluted earnings per share equal the basic earnings per share since the Group does not have dilutive shares as of December 31, 2024, 2023 and 2022.

28. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

28.1 Operating Lease Commitments – Group as Lessor

The Group is subject to risk incidental to the operation of its office and commercial properties, which include, among others, changes in market rental rates, inability to renew leases upon lease expiration, and inability to collect rent from tenants due to bankruptcy or insolvency of tenants. Majority of the Group's revenue from rental properties are derived from commercial and parking spaces.

To mitigate these risks, tenants pay security deposits and advance rent equal to three to six months' rent, which are forfeited in case a tenant pre-terminates without prior notice or before the expiry of lease term without cause. In addition, tenants are usually required to pay the monthly rent in advance on a monthly basis, without need of further demand. Security deposits and advance rent are presented as part of Refundable deposits under Other Current Liabilities in the consolidated statements of financial position (see Note 18).

The Group is a lessor under various non-cancellable operating lease agreements covering real estate properties for commercial use. This consists of fixed lease payments with terms ranging from one to 10 years, with renewal options, and include annual escalation rates of 3% to 10%.

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The future minimum rental receivable under these non-cancellable operating leases are as follows as of December 31:

(Amounts in PHP)	**2024**	2023	2022
Within one year	**92,465,532**	87,091,504	60,486,736
After one year but not more than two years	**77,502,033**	66,419,329	30,607,954
After two years but not more than three years	**56,244,394**	57,583,883	19,311,320
After three years but not more than four years	**22,599,392**	48,775,972	15,485,223
After four years but not more than five years	**-**	22,599,392	6,566,925
More than five years	**-**	-	1,004,708
	248,811,351	282,470,080	133,462,866

The total rentals from these operating leases amounted to about P134.2 million, P107.5 million, and P89.6 million in 2024, 2023, and 2022, respectively, which are recognized as Rental Income account under Revenues and Income section in the consolidated statements of comprehensive income.

28.2 Legal Claims

As of December 31, 2024, and 2023, the Group does not have any litigations within and outside the normal course of its business.

28.3 Credit Lines

The Group has existing credit lines with local banks for a maximum amount of P1,520.0 million as of December 31, 2024 and 2023. The Group has unused lines of credit amounting to P520.0 million as of December 31, 2024 and 2023.

28.4 Capital Commitments

As of December 31, 2024, and 2023, the Group has commitments amounting to P1.8 billion and P2.0 billion for the construction expenditures in relation to the Group's joint venture (see Note 9).

28.5 Others

There are other commitments and contingent liabilities that may arise in the normal course of operations of the Group which is not reflected in the consolidated financial statements. The management of the Group is of the opinion that losses, if any, from these items will not have any material effect on its consolidated financial statements, taken as a whole.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from its operating, investing, and financing activities. Risk management is carried out by a central treasury department under policies approved by the BOD and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not engage in the trading of financial assets for speculative purposes, nor does it write options. The financial risks to which the Group is exposed to are described below and in the succeeding pages.

29.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, and interest rate risk which results from both its operating, investing and financing activities.

(a) Foreign Currency Risk

There is no significant exposure to foreign currency risks since most of the Group's transactions are denominated in Philippine peso, which is its functional currency. The Group's financial asset denominated in foreign currency only pertains to cash and cash equivalents. However, the amount is insignificant to the consolidated financial statements as of December 31, 2024 and 2023 (see Note 22.1). The Group has no financial liabilities denominated in foreign currency.

(b) Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually obtained and negotiated at fixed rates. However, as of December 31, 2024 and 2023, the Group has an outstanding long-term loan with a variable interest rate (see Note 14).

There is no fixed rate debt in 2024, 2023 and 2022.

As of December 31, 2024 and 2023, the Group is exposed to other changes in market interest through its cash and cash equivalents and other fixed rate long-term borrowings, which are deemed by management to be not significant.

All other financial assets and liabilities have either short-term maturity, noninterest-bearing or are subject to fixed rates (e.g., related party advances).

(c) Other Price Risk

The Group's market price risk arises from its investments carried at fair value (classified as financial assets at FVOCI). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, the observed volatility rates of the fair values of the Group's investment held at fair value is determined based on the average market volatility in quoted prices, using standard deviation, in the previous 12 months, estimated at 99% level of confidence. An average volatility 4.8% and 5.4% has been observed during 2024 and 2023, respectively. The impact on the Group's consolidated other comprehensive income and consolidated equity would have increased or decreased by P36.7 million and P51.8 million in 2024 and 2023, respectively.

The investments in quoted equity securities are considered long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity instruments are utilized in the Group's favor. The Group is not subject to commodity price risk.

29.2 Credit Risk

The maximum credit risk exposure of the Group is the carrying amount of the financial assets and contract assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements), as summarized below.

(Amounts in PHP)	Notes	**2024**	2023
Cash and cash equivalents	5	**2,863,878,581**	3,717,469,500
Trade and other receivables - net (excluding advances to suppliers and contractors and advances to condominium associations)	6	**9,775,663,705**	9,798,369,760
Contract assets	19.2	**3,266,999,518**	2,741,196,068
Advances to related parties	25.1	**5,965,760,162**	5,467,534,052
		21,872,301,966	21,724,569,380

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents, and trade receivables, as described below and in the succeeding pages.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) Trade and Other Receivables and Contract Assets

Trade and other receivables (excluding advances to suppliers and contractors and advances to condominium associations) and contract assets are subject to credit risk exposure. The Group, however, does not identify specific concentrations of credit risk with regard to trade receivables and contract assets, as the amounts recognized resemble a large number of receivables from various customers. The Group also retains the titles to the property until such time that the trade receivables are fully collected. Repossessed properties are offered for sale to other customers.

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Credit risk of receivables from sale of real estate properties is managed primarily through credit reviews and analyses of receivables on a regular basis. The Group undertakes credit review procedures for all installment payment terms. Customer payments are facilitated through the use of post-dated checks. Exposure to doubtful accounts is not substantial as title to real estate properties are not transferred to the buyers until full payment of the amortization has been made and the requirement for remedial procedures is negligible considering the Group's buyers' profile.

The Group has used the simplified approach in measuring ECL and has calculated ECL based on lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rate is based on days past due of all customers as they have similar loss patterns. The credit enhancements such as advance payment and value of the real estate for sale are considered in the calculation of impairment as recoveries.

The Group considers trade receivables in default when contractual payments are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. Furthermore, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The management determined that there is no required ECL to be recognized since the real estate sold is collateralized to the related receivable arising from real estate sales. Therefore, expected loss given default is nil as the recoverable amount from subsequent resale of the real estate is sufficient.

The estimated fair value of the security enhancements held against contract receivables and contract assets arising from real estate sales are presented in the below.

(Amounts in PHP)	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2024				
Contract assets	3,266,999,518	17,357,759,211	-	3,266,999,518
Contract receivables	7,966,247,858	27,721,663,399	-	7,966,247,858
	11,233,247,376	**45,079,422,610**	**-**	**11,233,247,376**
2023				
Contract assets	2,741,196,068	11,392,051,862	-	2,741,196,068
Contract receivables	7,702,542,915	20,562,776,892	-	7,702,542,915
	10,443,738,983	31,954,828,754	-	10,443,738,983

Other components of receivables such as rental receivables and others are also evaluated by the Group for impairment and assessed that no ECL should be provided. A significant portion of the Group's rental receivables are from Megaworld, wherein the impairment of receivables is assessed using the latter's ability to pay [see Note 29.2(c)]. The remaining rental receivables are secured to the extent of advance rental and rental deposit received from the lessees, which are on average equivalent to six months.

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Some of the unimpaired trade receivables and other receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period. The trade receivables that are past due but not impaired are as follows:

(Amounts in PHP)	**2024**	2023
Not more than three months	**267,859,203**	190,494,813
More than three months but not more than six months	**381,995,646**	312,624,389
More than six months but not more than one year	**458,683,713**	340,066,126
More than one year	**195,219,873**	124,782,369
	1,303,758,435	967,967,697

(c) *Advances to Related Parties and Rent Receivable and Management Fee Receivable from Related Parties*

ECL for receivables from related parties, including advances, rent and management fee receivables, are measured and recognized using the liquidity approach. Management determines possible impairment based on the related parties' ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

The Group does not consider any significant risks in the advances to other related parties with financial difficulty since Megaworld, whose credit risk for liquid funds is considered negligible, have committed to financially support these related parties as part of AGI and its long-term corporate strategy. As of December 31, 2024 and 2023, the aggregate impairment allowance on balances from Megaworld and other related parties is identified to be not material.

The table below shows the credit quality by class of financial assets and contract assets as of December 31, 2024 and 2023.

(Amounts in PHP)	Neither Past Due nor Specifically Impaired			Past Due but Not Impaired	Total
	High Grade	Standard Grade	Substandard Grade		
2024					
Cash and cash equivalents	2,863,878,581	-	-	-	2,863,878,581
Trade and other receivables	-	8,471,905,270	-	1,303,758,435	9,775,663,705
Contract assets	-	3,266,999,518	-	-	3,266,999,518
Advances to related parties	-	5,965,760,162	-	-	5,965,760,162
	2,863,878,581	**17,704,664,950**	**-**	**1,303,758,435**	**21,872,301,966**
2023					
Cash and cash equivalents	3,717,469,500	-	-	-	3,717,469,500
Trade and other receivables	-	8,830,402,063	-	967,967,697	9,798,369,760
Contract assets	-	2,741,196,068	-	-	2,741,196,068
Advances to related parties	-	5,467,534,052	-	-	5,467,534,052
	3,717,469,500	17,039,132,183	-	967,967,697	21,724,569,380

The Group uses an internal credit rating concept based on the counterparties' overall credit worthiness as follows:

High Grade – Rating given to counterparties who have very strong capacity to meet their obligations.

Standard Grade – Rating given to counterparties whose outstanding obligation is within the acceptable age of group.

Substandard Grade – Rating given counterparties whose outstanding obligation is nearing to be past due or impaired.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired for each of the reporting dates are of good credit quality, including those that are past due.

29.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for 6-month and one-year periods are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at December 31, 2024, the Group's financial liabilities have contractual maturities which are presented below.

(Amounts in PHP)	**Within One Year**	**One to Five Year**	**More than Five Years**	**Total**
Interest-bearing loans and borrowings	252,191,125	494,735,250	-	746,926,375
Trade and other payables	2,346,750,466	-	-	2,346,750,466
Advances from related parties	6,591,745,091	-	-	6,591,745,091
Other current liabilities	1,197,073,685	-	-	1,197,073,685
	10,387,760,367	**494,735,250**	**-**	**10,882,495,617**

As at December 31, 2023, the Group's financial liabilities have contractual maturities which are presented below.

(Amounts in PHP)	Within One Year	One to Five Year	More than Five Years	Total
Interest-bearing loans and borrowings	267,173,167	743,585,917	-	1,010,759,084
Trade and other payables	2,425,556,526	-	-	2,425,556,526
Advances from related parties	6,248,464,134	-	-	6,248,464,134
Other current liabilities	1,030,693,440	-	-	1,030,693,440
	9,971,887,267	743,585,917	-	10,715,473,184

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of each reporting period.

30. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

(Amounts in PHP)	Notes	**2024** Carrying Amounts	**2024** Fair Values	2023 Carrying Amounts	2023 Fair Values
Financial asset					
Financial assets at amortized cost					
Cash and cash equivalents	5	**2,863,878,581**	**2,863,878,581**	3,717,469,500	3,717,469,500
Trade and other receivables - net	6	**9,775,663,705**	**9,969,197,903**	9,798,369,760	9,971,246,943
Contract assets	19.2	**3,266,999,518**	**3,266,999,518**	2,741,196,068	2,741,196,068
Advances to related parties	25.1	**5,965,760,162**	**5,965,760,162**	5,467,534,052	5,467,534,052
		21,872,301,966	**22,065,836,164**	21,724,569,380	21,897,446,563
Financial assets at FVOCI	8	**1,013,400,000**	**1,013,400,000**	1,270,128,000	1,270,128,000
		22,885,701,966	**23,079,236,164**	22,994,697,380	23,167,574,563
Financial Liabilities at amortized cost					
Interest bearing loans and borrowings	14	**650,000,000**	**559,048,102**	850,000,000	710,526,434
Trade and other payables	13	**2,346,750,466**	**2,346,750,466**	2,425,556,526	2,425,556,526
Advances from related parties	25.1	**6,394,850,556**	**6,394,850,556**	6,061,736,667	6,061,736,667
Other current liabilities	18	**1,197,073,685**	**1,197,073,685**	1,030,693,440	1,030,693,440
		10,588,674,707	**10,497,722,809**	10,367,986,633	10,228,513,067

Management considers that the fair values of the above enumerated financial assets and financial liabilities measured at amortized costs approximate their carrying values either because these instruments are short-term in nature or the effect of discounting for those with maturities of more than one year is not material (except for interest-bearing loans and borrowings).

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

(Amounts in PHP)	**Gross amounts Recognized in the consolidated statement of financial position** – Financial assets	Financial liabilities set-off	**Net amount presented in the consolidated statement of financial position**	**Related amounts not set-off in the consolidated statement of financial position** – Financial instruments	Collateral received	**Net amount**
December 31, 2024						
Advances to related parties	**5,965,760,162**	-	**5,965,760,162**	-	-	**5,965,760,162**
December 31, 2023						
Advances to related parties	5,467,534,052	-	5,467,534,052	-	-	5,467,534,052

The following financial liabilities with net amounts presented in the consolidated statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts recognized in the consolidated statement of financial position		Net amount presented in the consolidated statement of financial position	Related amounts not set-off in the consolidated statement of financial position		
(Amounts in PHP)	Financial liabilities	Financial assets set-off		Financial instruments	Collateral provided	Net amount
December 31, 2024						
Interest-bearing loans and borrowings	650,000,000	-	650,000,000	(215,741,362)	-	434,258,638
Advances from related parties	6,394,850,556	-	6,394,850,556	-	(15,045)	6,394,835,511
	7,044,850,556	-	7,044,850,556	(215,741,362)	(15,045)	6,829,094,149
December 31, 2023						
Interest-bearing loans and borrowings	850,000,000	-	850,000,000	(243,849,512)	-	606,150,488
Advances from related parties	6,061,736,667	-	6,061,736,667	-	(42,945)	6,061,693,722
	6,911,736,667	-	6,911,736,667	(243,849,512)	(42,945)	6,667,844,210

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between the Group and counterparties (i.e., related parties including subsidiaries and associates) allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

The Group has cash in a local bank to which it has an outstanding loan (see Note 14). In case of the Group's default on loan amortization, cash in bank amounting to P215.7 million and P243.8 million can be applied against its outstanding loans from the bank amounting to P650.0 million and P850.0 million as of December 31, 2024 and 2023, respectively.

31. FAIR VALUE MEASUREMENT AND DISCLOSURES

31.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement,* the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy is shown below.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

31.2 Financial Instruments Measured at Fair Value

As of December 31, 2024 and 2023, only the equity securities classified as financial assets at FVOCI in the consolidated statements of financial position is classified as Level 1. These securities were valued based on their market prices quoted in the PSE at the end of each reporting period (see Note 8). There were no other financial assets measured at fair value on these dates. Further, the Group has no financial liabilities measured at fair value as of December 31, 2024 and 2023. There were no transfers between Levels 1 and 2 in both years.

31.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

Management considers that due to the short duration of these financial assets (except long-term receivables) and financial liabilities (except long-term interest-bearing loans) measured at amortized cost, their carrying amounts as of December 31, 2024 and 2023 approximate their fair value. Except for cash and cash equivalents which are classified under Level 1, all other financial instruments are classified under Level 3 wherein inputs are not based on observable data.

The fair values of the financial assets and financial liabilities included in Level 3 which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

31.4 Fair Value Measurement of Non-Financial Assets

The table below shows the Levels within the hierarchy of investment properties for which fair value is disclosed as of December 31, 2024 and 2023.

(Amounts in PHP)	**Level 1**	**Level 2**	**Level 3**	**Total**
December 31, 2024				
Land	-	-	40,828,184	40,828,184
Buildings and office/commercial units	-	-	4,110,981,492	4,110,981,492
	-	**-**	**4,151,809,676**	**4,151,809,676**
December 31, 2023				
Land				
Buildings and office/commercial units	-	-	40,828,183	40,828,183
	-	-	4,689,378,913	4,689,378,913
	-	-	4,730,207,096	4,730,207,096

The fair value of the Group's investment properties earning rental income was determined through discounted cash flows valuation technique done by a professionally qualified independent appraiser for one of the properties, and by management for the rest of the other investment properties. The Group uses assumptions that are mainly based on market conditions existing at each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are based on current market rentals for similar properties in the same location and condition.

As at December 31, 2024 and 2023, the fair values of the Group's investment properties are classified within Level 3 of the fair value hierarchy. The Group determines the fair values using market-based approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property. On the other hand, if the observable recent prices of the reference properties were not adjusted, the fair value is included in Level 2. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value. Also, there were no transfers into or out of Level 3 fair value hierarchy in 2024 and 2023.

32. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital components for cost of capital purposes include loans and borrowings, preferred stock, common equity and retained earnings. The Group may issue new shares and may prepay some of its interest-bearing loans. Further, it intends to allocate its earnings and available cash in the acquisition and development of new/existing properties to ensure continuous business activities.

The Group monitors its capital gearing by measuring the ratio of interest-bearing loans and borrowings to total capital. As of December 31, the Group's ratio of interest-bearing loans and borrowings to equity is as follows:

(Amounts in PHP)	**2024**	2023
Interest-bearing loans and borrowings	**650,000,000**	850,000,000
Total equity	**31,331,871,195**	31,363,596,258
Debt-to-equity ratio	**0.02 : 1.00**	0.03 : 1.00

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio for both years (see Note 14).

33. RECONCILATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

(Amounts in PHP)	**Interest-bearing Loans and Borrowings** (See Note 14)	**Advances from Related Parties** (See Note 25.1)	**Interest Payable** (See Note 15)	**Total**
Balance as of January 1, 2024	850,000,000	6,061,736,667	11,939,667	6,923,676,334
Cash flows from financing activities –				
Repayment of loans and borrowings	(200,000,000)	(72,427,181)	(69,072,625)	(341,499,806)
Non-cash financing activities –				
Accrual of interest	-	405,541,070	65,748,636	471,289,706
Balance as of December 31, 2024	**650,000,000**	**6,394,850,556**	**8,615,678**	**7,053,466,234**
Balance as of January 1, 2023	1,000,000,000	5,764,677,182	10,948,000	6,775,625,182
Cash flows from financing activities –				
Repayment of loans and borrowings	(150,000,000)	(73,278,886)	(79,388,750)	(302,667,636)
Additional advances from related parties	-	5,759	-	5,759
Non-cash financing activities –				
Accrual of interest	-	370,332,612	80,380,417	450,713,029
Balance as of December 31, 2023	850,000,000	6,061,736,667	11,939,667	6,923,676,334
Balance as of January 1, 2022	1,250,000,000	5,495,817,845	5,565,312	6,751,383,157
Cash flows from financing activities –				
Repayment of loans and borrowings	(250,000,000)	(71,474,023)	(47,095,609)	(368,569,632)
Non-cash financing activities –				
Accrual of interest	-	340,333,360	52,478,297	392,811,657
Balance as of December 31, 2022	1,000,000,000	5,764,677,182	10,948,000	6,775,625,182

GRI Content Index

Statement of use	**Empire East Land Holdings Inc.** has reported in accordance with the GRI Standards for the period **January 1, 2024** to **December 31, 2024.**
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	12-17	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*			
	2-2 Entities included in the organization's sustainability reporting	5				
	2-3 Reporting period, frequency and contact point	5				
	2-4 Restatements of information	105, 111				
	2-5 External assurance	External assurance not conducted in 2024 ASR				
	2-6 Activities, value chain and other business relationships	12-17				
	2-7 Employees	74				
	2-8 Workers who are not employees	78				
	2-9 Governance structure and composition	See Organizational Chart on Empire East Land Holdings Inc Website				
	2-10 Nomination and selection of the highest governance body	See Board Committees on Empire East Land Holdings Inc Website				
	2-11 Chair of the highest governance body	34-35				
	2-12 Role of the highest governance body in overseeing the management of impacts	30, 34-35				
	2-13 Delegation of responsibility for managing impacts	30				
	2-14 Role of the highest governance body in sustainability reporting	30, 34-35				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
	2-15 Conflicts of interest	122				
	2-16 Communication of critical concerns	122				
	2-17 Collective knowledge of the highest governance body	34-35				
	2-18 Evaluation of the performance of the highest governance body	119				
	2-19 Remuneration policies	All departments are mandated to prepare a Manpower Plan, which undergoes annual review, revision, and approval as an integral part of the Budget Preparation Process. This plan adheres to the Salary Structure, which outlines salary grades and levels per rank, prepared by the HR & Finance Department. The Manpower Plan is submitted to the Human Resource Department at the outset of the Budgeting Process each year, detailing the projected salaries of employees for the upcoming year. Performancebased pay and other bonuses are contingent upon Management approval.				
	2-20 Process to determine remuneration	74				
	2-21 Annual total compensation ratio	None	2-21 a, b, c	Confidentiality constraints	No disclosure due to Data Privacy	
	2-22 Statement on sustainable development strategy	6-7, 51				
	2-23 Policy commitments	122				
	2-24 Embedding policy commitments	119-121				
	2-25 Processes to remediate negative impacts	64-71				
	2-26 Mechanisms for seeking advice and raising concerns	119				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
	2-27 Compliance with laws and regulations	127, 129				
	2-28 Membership associations	None	2-28 a	Information unavailable/ incomplete	Challenges in consolidating data	
	2-29 Approach to stakeholder engagement	58-61				
	2-30 Collective bargaining agreements	None	2-30 a, b	Not applicable	The Company is not unionized	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	56	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available*			
	3-2 List of material topics	57				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss		101-1 a, b, c			
	101-2 Management of biodiversity impacts		101-2 a, b, c, d, e, f			
	101-3 Access and benefit-sharing		101-3 a, b			
	101-4 Identification of biodiversity impacts		101-4 a			
	101-5 Locations with biodiversity impacts		101-5 a, b, c, d			
	101-6 Direct drivers of biodiversity loss		101-6 a, b, c, d, e, f			
	101-7 Changes to the state of biodiversity		101-7 a, b			
	101-8 Ecosystem services		101-8 a, b			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	304-1 a	Not applicable	Not a material topic	
	304-2 Significant impacts of activities, products and services on biodiversity		304-2 a, b			
	304-3 Habitats protected or restored		304-3 a, b, c, d			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		304-4 a			
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	116				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	117				
	201-2 Financial implications and other risks and opportunities due to climate change	118				
	201-3 Defined benefit plan obligations and other retirement plans	117				
	201-4 Financial assistance received from government	None	201-4 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	13-17				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	None	202-1 a, b, c, d	Information unavailable/ incomplete	Challenges in consolidating data	
	202-2 Proportion of senior management hired from the local community	None	202-2 a, b, c, d	Information unavailable/ incomplete	Challenges in consolidating data	
Indirect economic						
GRI 3: Material Topics 2021	3-3 Management of material topics	13-17, 91				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	91				
	203-2 Significant indirect economic impacts	91				
Procurement practice						
GRI 3: Material Topics 2021	3-3 Management of material topics	126				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	126				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	124				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	124				
	205-2 Communication and training about anti-corruption policies and procedures	124				
	205-3 Confirmed incidents of corruption and actions taken	125				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	122				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	123				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 207: Tax 2019	207-1 Approach to tax		207-1 a			
	207-2 Tax governance, control, and risk management		207-2 a, b, c			
	207-3 Stakeholder engagement and management of concerns related to tax		207-3 a			
	207-4 Country-by-country reporting		207-4 a, b, c			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	111				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	111				
	301-2 Recycled input materials used	112				
	301-3 Reclaimed products and their packaging materials	None	301-3 a, b	Information unavailable/ incomplete	Challenges in consolidating data	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	104				
GRI 301: Materials 2016	302-1 Energy consumption within the organization	104				
	302-2 Energy consumption outside of the organization	105				
	302-3 Energy intensity	106				
	302-4 Reduction of energy consumption	106				
	302-5 Reductions in energy requirements of products and services	None	302-5 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	106				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	106				
	303-2 Management of water discharge-related impacts	107				
	303-3 Water withdrawal	107				
	303-4 Water discharge	107				
	303-5 Water consumption	107				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	100				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	100-101				
	305-2 Energy indirect (Scope 2) GHG emissions	100-101				
	305-3 Other indirect (Scope 3) GHG emissions	100-101				
	305-4 GHG emissions intensity	101				
	305-5 Reduction of GHG emissions	100-102				
	305-6 Emissions of ozone-depleting substances (ODS)	EELHI does not produce, import, and/or export ODS.				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None	305-7 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
Spills						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 306: Effluents and Waste 2016	306-3 Significant spills		306-3 a, b, c			
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	107				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	107-110				
	306-2 Management of significant waste-related impacts	108				
	306-3 Waste generated					
	306-4 Waste diverted from disposal					
	306-5 Waste directed to disposal					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	127				
GRI 401: Employment 2016	308-1 New suppliers that were screened using environmental criteria	None	308-1 a	Information unavailable/ incomplete	Challenges in consolidating data	
	308-2 Negative environmental impacts in the supply chain and actions taken	None	308-2 a, b, c, d, e	Information unavailable/ incomplete	Challenges in consolidating data	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	74				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	79				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	82				
	401-3 Parental leave	83				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	84				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	4 weeks				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	89-90				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	89-90				
	403-2 Hazard identification, risk assessment, and incident investigation	89-90				
	403-3 Occupational health services					
	403-4 Worker participation, consultation, and communication on occupational health and safety					
	403-5 Worker training on occupational health and safety					
	403-6 Promotion of worker health					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships					
	403-8 Workers covered by an occupational health and safety management system					
	403-9 Work-related injuries	90				
	403-10 Work-related ill health	90				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	86				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	86				
	404-2 Programs for upgrading employee skills and transition assistance programs	87				
	404-3 Percentage of employees receiving regular performance and career development reviews	88				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	74				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	75-76				
	405-2 Ratio of basic salary and remuneration of women to men	None	405-2 a, b	Confidentiality constraints	Confidential information.	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None	406-1 a, b	Not applicable	Not a material topic	
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None	407-1 a, b	Not applicable	Not a material topic	
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	84				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	85				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	84				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	85				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	85				
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	None	411-1 a, b	Not applicable	Not a material topic	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	91				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	100% of significant product and service categories were assessed for health and safety impacts and improvement				
	413-2 Operations with significant actual and potential negative impacts on local communities	91				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	127				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	127				
	414-2 Negative social impacts in the supply chain and actions taken	127				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 415: Public Policy 2016	415-1 Political contributions	None	415- a, b	Not applicable	Not a material topic	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	96				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	96				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	100% of significant product or service categories were assessed for compliance				
	417-2 Incidents of non-compliance concerning product and service information and labeling	97				
	417-3 Incidents of non-compliance concerning marketing communications	None				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	97				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	97				

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