SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE

1. For the fiscal year ended **31 December 2024**

2. SEC Identification Number: **167423** 3. BIR Tax Identification No.: **000-477-103**

4. **MEGAWORLD CORPORATION**
Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code

7. **30th Floor, Alliance Global Tower**
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City 1634
Address of principal office

8. **(632) 8894-6300/6400**
Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**32,558,251,872**[1]
Preferred	**6,000,000,000**
Total	**38,558,251,872**

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

Yes [x] No [ ]

Philippine Stock Exchange **Common Shares**

11. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months.

Yes [x] No [ ]

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

Yes [x] No [ ]

[1] As of 31 March 2025. The Corporation has issued an additional 1,375,000,000 common shares pursuant to the increase in authorized capital stock approved by the Securities and Exchange Commission on 29 July 2024. 31,183,251,872 outstanding common shares are listed with the Philippine Stock Exchange (PSE), while the additional 1,375,000,000 common shares recently issued has been applied for listing in accordance with the PSE Listing Rules.

Aggregate Market Value of Voting Common Stock held by Non-Affiliates as of **31 March 2025** is Php15,148,127,262.91 based on the closing price of Php1.79.

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Business Development

Megaworld Corporation (the "**Company**" or "**Megaworld**") was founded by Dr. Andrew L. Tan and incorporated under Philippine law on 24 August 1989. It started as a developer of high-end residential condominiums in Metro Manila before introducing the "live-work-play" township model. Now on its 35th year, Megaworld has launched 35 master-planned townships and tourism estates across the Philippines, continually expanding through strategic land acquisitions and sustainable urban planning. The Company has maintained strong financial stability, demonstrating resilience and steady growth in the real estate industry.

In 2021, Megaworld launched MREIT, Inc. unlocking the value of its prime office assets while strengthening its position in the real estate investment trust (REIT) market. Committed to integrated and sustainable communities, the Company continues to expand its township developments across the country, catering to the evolving needs of residents, businesses, and investors.

Since its incorporation in 1989, Megaworld and its affiliates have launched over 800 residential developments, including condominium buildings, residential and commercial lots, alongside more than 1.5 million square meters of gross leasable office space, over 500,000 square meters of mall retail space, and more than 5,000 hotel room keys across 14 homegrown hotels.

Megaworld's common shares have been listed on the Philippine Stock Exchange ("PSE") since 15 June 1994. As of 31 March 2025, the Company had a market capitalization of approximately Php58,279,270,850.88.

Subsidiaries and Associates[1]

As of 31 December 2024, the Company holds interests in the following subsidiaries and associates:

Subsidiaries and Associates	Date of Incorporation	Percentage Ownership
Subsidiaries		
Megaworld Land, Inc.	May 26, 1994	100.00%
Prestige Hotels & Resorts, Inc.	February 16, 1999	100.00%
Mactan Oceanview Properties and Holdings, Inc.	August 16, 1996	100.00%
Megaworld Cayman Islands, Inc.	August 14, 1997	100.00%
Richmonde Hotel Group International Ltd.	June 24, 2002	100.00%
Eastwood Cyber One Corporation	October 21, 1999	100.00%
Megaworld Cebu Properties, Inc.	February 6, 2002	100.00%
Megaworld Newport Property Holdings, Inc.	October 6, 2003	100.00%
Megaworld Oceantown Properties, Inc.	August 15, 2006	100.00%
Piedmont Property Ventures, Inc.	August 28, 1996	100.00%
Stonehaven Land, Inc.	August 21, 1996	100.00%
Streamwood Property, Inc.	August 21, 1996	100.00%
Suntrust Properties, Inc.	November 14,1997	100.00%
Arcovia Properties, Inc.	March 28, 1985	100.00%
Luxury Global Hotels and Leisure, Inc.	July 17, 2013	100.00%
Global One Integrated Business Services, Inc.	September 25, 2014	100.00%
Luxury Global Malls, Inc.	September 18, 2014	100.00%

[1] Please refer to pages 1 to 5 of the Notes to Consolidated Financial Statements forming part of the attached Audited Consolidated Financial Statements ended December 31, 2024 for a complete list.

Davao Park District Holdings, Inc.	April 14, 2014	100.00%
Belmont Newport Luxury Hotels, Inc.	March 5, 2015	100.00%
Global One Hotel Group, Inc.	May 4, 2015	100.00%
Landmark Seaside Properties, Inc.	January 6, 2011	100.00%
Megaworld San Vicente Coast, Inc.	March 7, 2016	100.00%
Hotel Lucky Chinatown, Inc.	October 19, 2018	100.00%
Savoy Hotel Manila, Inc.	March 1, 2018	100.00%
Savoy Hotel Mactan, Inc.	December 13, 2018	100.00%
Kingsford Hotel Manila, Inc.	January 10, 2020	100.00%
Agile Digital Ventures, Inc.	June 3, 2020	100.00%
MREIT Fund Managers, Inc.	November 18, 2020	100.00%
MREIT Property Managers, Inc.	October 13, 2020	100.00%
Belmont Hotel Mactan Inc.	May 18, 2022	100.00%
Grand Westside Hotel, Inc.	September 15, 2023	100.00%
Megaworld Bacolod Properties, Inc.	May 12, 1918	91.55%
Global-Estate Resorts, Inc.	May 18, 1994	82.51%
Empire East Land Holdings, Inc.	July 15, 1994	81.73%
Megaworld Central Properties Inc.	September 15, 2005	76.55%
Megaworld Capital Town, Inc.	June 26, 2012	76.28%
Soho Café and Restaurant Group, Inc.	February 15, 2005	75.00%
Manila Bayshore Property Holdings, Inc.	October 14, 2011	68.03%
La Fuerza, Inc.	January 24, 1958	66.67%
MREIT, Inc.	October 2, 2020	63.44%
Megaworld-Daewoo Corporation	November 29, 1996	60.00%
Northwin Properties, Inc.	December 14, 2016	60.00%
Gilmore Property Marketing Associates, Inc.	September 5, 1996	52.14%
Megaworld Resort Estates, Inc.	April 30, 2007	51.00%
Megaworld-Globus Asia, Inc.	March 17, 1995	50.00%
Integrated Town Management Corporation	March 25, 2002	50.00%
Maple Grove Land, Inc.	July 20, 2016	50.00%

Associates

Bonifacio West Development Corporation	November 15, 2001	46.11%
Suntrust Resort Holdings, Inc. (formerly: Suntrust Home Developers, Inc.)	January 18, 1956	34.00%
Palm Tree Holdings & Development Corporation	August 15, 2005	40.00%

Set out below is a description of each subsidiary or associate and its main activity.

Empire East Land Holdings, Inc. is a publicly-listed company engaged in the development and marketing of affordable housing projects either in the form of condominium communities or house-and-lot packages, and to a limited extent, commercial and office space and mixed-use complexes.

Global-Estate Resorts, Inc. is a publicly-listed company engaged in diversified portfolio including integrated tourism estates development; horizontal residential subdivision lots and residential/commercial complexes; residential communities integrated with golf, resort and other leisure-related and commercial complexes; residential, office and commercial high rise; business park; and low-cost housing.

Suntrust Resort Holdings, Inc. (formerly: Suntrust Home Developers, Inc.) is a publicly-listed company which is authorized to engage in tourism-related businesses.

MREIT, Inc. is a publicly-listed company engaged in the business of a real estate investment trust (REIT), as provided under Republic Act (R.A.) No. 9856 otherwise known as The Real Estate Investment Trust Act of 2009, its implementing rules and regulations and other applicable laws.

Megaworld Land, Inc. provides a leasing service to the Company by locating tenants for rental properties and coordinating relations with brokers primarily in relation to the Eastwood Cyberpark.

Prestige Hotels & Resorts, Inc. owns and operates Richmonde Hotel located in Ortigas Center, Pasig City, Eastwood Richmonde Hotel located in Eastwood, Bagumbayan, Quezon City, and Richmonde Hotel located in Mandurriao, Iloilo City.

Mactan Oceanview Properties and Holdings, Inc. was organized to develop a resort property in Cebu.

Megaworld Cayman Islands, Inc. was incorporated in the Cayman Islands to act as a promoter and entrepreneur, carry on the business as a financier, broker, dealer, agent, and importer and to undertake investments, financial, trading and other operations.

Richmonde Hotel Group International Ltd. was incorporated in the British Virgin Islands to undertake various investments on behalf of the Company and engage in trading, hotel, restaurant and related businesses.

Eastwood Cyber One Corporation was set up as a special purpose entity to own and develop certain Business Process Outsourcing rental properties located in the Eastwood City CyberPark.

Megaworld Cebu Properties, Inc. was organized primarily to act as a principal agent or broker, on commission basis or otherwise, and to acquire by purchase or lease, construct, manage or sell real estate properties.

Megaworld Newport Property Holdings, Inc. provides sales and marketing service for development of the Newport City projects.

Megaworld Oceantown Properties, Inc. was incorporated to own land in Mactan, Cebu.

Piedmont Property Ventures, Inc. was incorporated on 28 August 1996 and was acquired by the Company in 2008. It is engaged in real estate activities.

Stonehaven Land, Inc. was incorporated on 21 August 1996 and was acquired by the Company in 2008. It is engaged in real estate activities.

Streamwood Property, Inc. was incorporated on 21 August 1996 and was acquired by the Company in 2008. It is engaged in real estate activities.

Suntrust Properties, Inc. is engaged in the development of affordable real estate projects.

Arcovia Properties, Inc. is engaged primarily in real estate activities which include leasing out of real properties.

Luxury Global Hotels and Leisure, Inc. was formed to own, lease and manage hotels.

Global One Integrated Business Services, Inc. is engaged in the BPO business.

Luxury Global Malls, Inc. is engaged in the BPO business.

Davao Park District Holdings, Inc. is engaged in the real estate business.

Belmont Newport Luxury Hotels, Inc. is engaged in owning, leasing, operation and management of hotels.

Global One Hotel Group, Inc. is engaged in owning, leasing, operation and management of hotels.

Landmark Seaside Properties, Inc. is engaged primarily in real estate activities.

Megaworld San Vicente Coast, Inc. is engaged primarily in real estate activities.

Hotel Lucky Chinatown, Inc. is engaged in owning, leasing, operation and management of hotels.

Savoy Hotel Manila, Inc. is engaged in owning, leasing, operation and management of hotels.

Savoy Hotel Mactan, Inc. is engaged in owning, leasing, operation and management of hotels.

Kingsford Hotel Manila, Inc. is engaged in owning, leasing, operation and management of hotels.

Agile Digital Ventures, Inc. is engaged in e-commerce through PICK.A.ROO, an online platform and the first premium all in-one, on-demand lifestyle delivery app.

MREIT Fund Managers, Inc. is engaged in the business of providing fund management services to REIT companies.

MREIT Property Managers, Inc. is engaged in the business of providing services in relation to property management, lease management, marketing and project management.

Megaworld Bacolod Properties, Inc. is engaged primarily in real estate activities.

Megaworld Central Properties Inc. was formed to provide sales services in respect of residential units in the Manhattan Garden City project.

Megaworld Capital Town, Inc. is engaged in real estate business and was acquired by the Company in 2017.

Soho Café and Restaurant Group, Inc. is engaged primarily in the business of restaurants, cafes, cocktail bars, lounges, inns, apartments, private clubs and other allied businesses.

Manila Bayshore Property Holdings, Inc. was organized to engage in real estate development.

La Fuerza, Inc. is engaged in the real estate business, including leasing of real estate properties.

Megaworld-Daewoo Corporation is a joint venture between the Company and Daewoo Corporation which developed three residential condominium towers in Eastwood City.

Northwin Properties, Inc. is engaged primarily in real estate activities.

Gilmore Property Marketing Associates, Inc. was incorporated on 05 September 1996 primarily to act as a principal agent or owner, on commission basis or otherwise, and to acquire, lease and construct or dispose of buildings and other real estate properties.

Megaworld Resort Estates, Inc. was incorporated to engage in the real estate business.

Megaworld-Globus Asia, Inc. was formed to develop and sell “The Salcedo Park”, a twin-tower residential condominium project located in Makati City which has been completed.

Integrated Town Management Corporation was incorporated to develop, sell, lease and hold for investment or otherwise, real estate properties to establishing or pursuing the business of owning, developing, managing, administering or otherwise dealing in any and all kinds of real property whether used for residential office, industrial, or commercial/retail purposes, and in relation thereto, nursery/plant growth building and to provide or render management and specialized technical services to the owners or users of such real property.

Maple Grove Land, Inc. is engaged primarily in real estate activities.

Belmont Hotel Mactan, Inc. is engaged in owning, leasing, operation and management of hotels.

Bonifacio West Development Corporation is engaged in real estate business.

Palm Tree Holdings & Development Corporation was acquired in connection with its landholdings adjacent to the Company’s Eastwood City township, and is currently engaged in the real estate business.

Grand Westside Hotel, Inc. is engaged to operate and manage hotels and restaurants that cater to the guests of the hotel.

Neither the Company nor any of its subsidiaries have, during the past three (3) years, been the subject of a bankruptcy, receivership or similar proceeding, or involved in any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

Business of Issuer

Overview

Megaworld is one of the leading property developers in the Philippines, primarily engaged in the development of large-scale, mixed-use communities or townships that seamlessly integrate residential, commercial and office developments, with leisure, entertainment, and educational facilities. Established in 1989, the Company initially gained recognition for developing high-quality residential condominiums and commercial properties in strategic locations across Metro Manila. In 1996, responding to growing demand for integrated lifestyle communities, Megaworld pioneered the live-work-play concept with the launch of Eastwood City, its first mixed-use township development.

The Company's diverse real estate portfolio includes residential condominium, residential and commercial lots, office buildings, retail space, and hotels. Its operations are structured into three primary business segments: real estate sales, which involve the development and sale of residential properties, including condominium units, residential and commercial lots; leasing properties, which focus on renting out office spaces, primarily catering to Business Process Outsourcing (BPO) enterprises, as well as leasing retail spaces within its townships; and hotel operations, which involve the management of a growing portfolio of homegrown hotel brands that offer hospitality services, including MICE (Meetings, Incentives, Conventions, and Exhibitions) venues, across key tourism and high-growth business destinations in the Philippines.

The Company posted a net income of Php 21.7 billion for the year 2024, up by 12% from Php 19.4 billion in 2023, boosted by double-digit revenue growth across all of its business segments. Net income attributable to the parent company stood at Php 18.7 billion. The Group's consolidated revenues grew by 17% to Php 81.7 billion for the year 2024 from Php 69.7 billion in the same period last year.

Market	2024	2023	2022
North America	25%	41.1%	53%
Europe	68%	46.1%	34%
Asia	4%	6.4%	3%
Middle East	3%	6.4%	10%
Total	100%	100%	100%

Foreign sales contributed approximately 17%, 18% and 20% to the Company's consolidated sales and revenues for the years 2024, 2023 and 2022, respectively. The percentage of sales broken down by major markets is as follow:

Current Property Development Projects

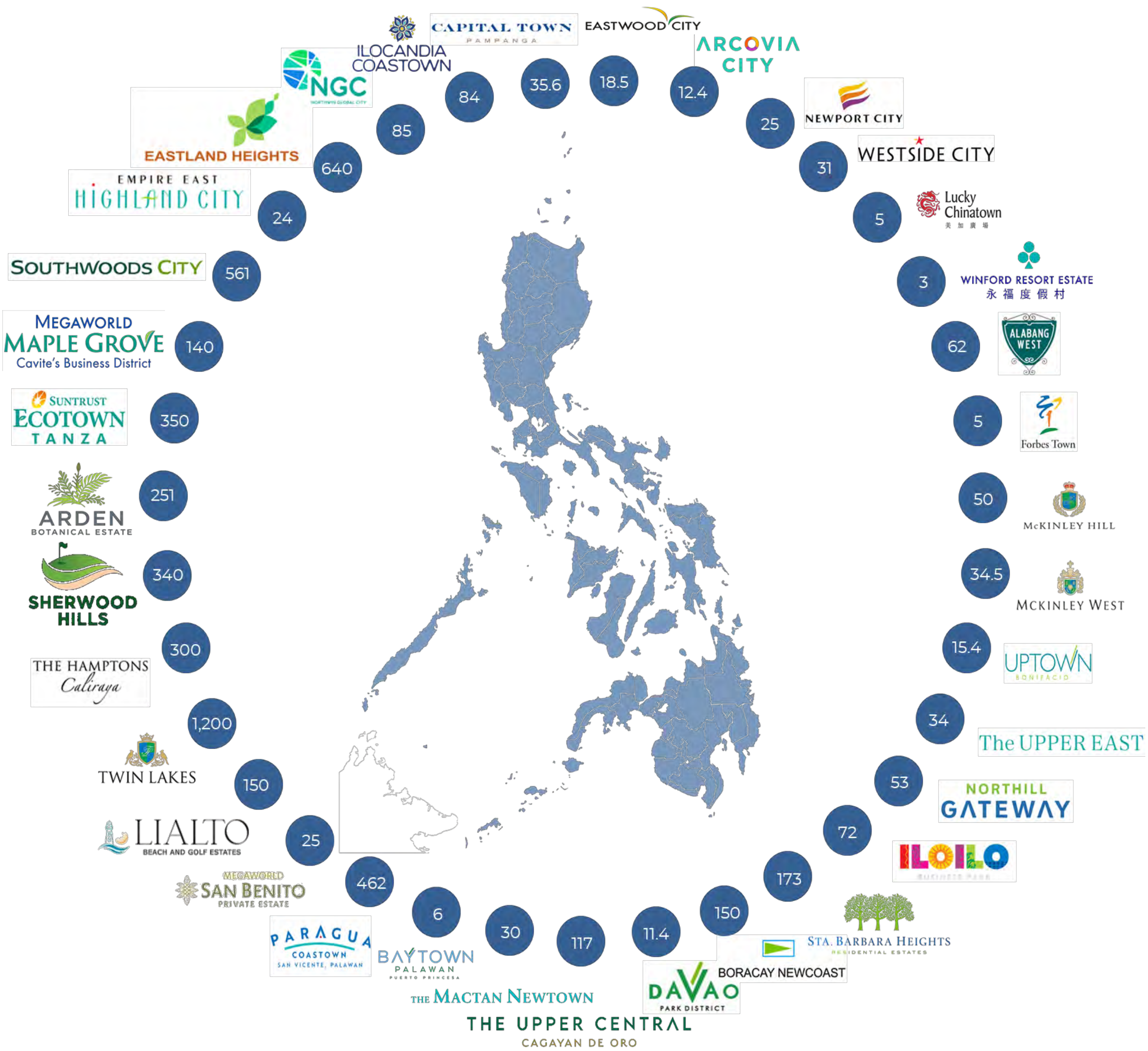
The Company's ongoing development projects primarily consist of mixed-use township developments that seamlessly integrate residential, office, commercial, and hospitality components. Strategically located across key cities and emerging growth centers in the Philippines, these developments are designed to cater to the evolving needs and preferences of urban dwellers, businesses, and tourists.

Each township is master-planned to foster a well-balanced live-work-play lifestyle, offering a diverse range of high-quality amenities, green spaces, and modern infrastructure. These developments establish self-sustaining communities where people can seamlessly live, work, shop, stay, and unwind within a single destination, enhancing overall quality of life and contributing to economic growth in their respective regions.

As of the 2024, Megaworld has established 35 master-planned townships and tourism estates spanning 5,554 hectares of land across various cities in the Philippines.

35 TOWNSHIPS

(5,554 Hectares)



METRO MANILA TOWNSHIPS

1. Eastwood City (Quezon City | 18.5 hectares)

Eastwood City is Megaworld first-ever township, launched in 1997, and the Philippines' first IT cyberpark, granted special economic zone status by the Philippine Economic Zone Authority (PEZA). Covering 18.5 hectares in Quezon City, it is home to a thriving residential, business, and lifestyle district, featuring 21 residential towers, 12 BPO office buildings, 4 commercial centres, and one hotel. Key retail establishments such as Eastwood Mall and Citywalk 1 & 2 provide shopping and leisure experiences, reinforcing Eastwood City's position as a premier urban destination.

2. Forbes Town (Taguig City | 5 hectares)

Forbes Town is a 5-hectare township in Fort Bonifacio, Taguig City, offering an upscale residential and commercial environment inspired by resort-style living. It features 12 high-end residential condominiums, complemented by Forbes Town Road and Burgos Circle, which host dining, retail, and entertainment options. The township's strategic location within Fort Bonifacio provides accessibility to key business districts and lifestyle hubs, making it a preferred address for high-end urban living.

3. McKinley Hill (Taguig City | 50 hectares)

McKinley Hill, spanning 50 hectares, is Megaworld's largest township in Metro Manila, designed with Spanish-Mediterranean and Italian-inspired architecture. The township features an exclusive residential village, premium office towers, and key commercial and lifestyle developments such as the Venice Grand Canal Mall and McKinley Hill Stadium. It is home to foreign embassies, international schools, and business hubs, making it a self-sustaining business district with a well-integrated live-work-play environment.

4. Newport City (Pasay City | 25 hectares)

Newport City is a 25-hectare integrated tourism estate located across NAIA Terminal 3 in Pasay City. Recognized as the country's first leisure and entertainment township, it features Newport World Resorts, which includes luxury hotels, a performing arts theatre, a gaming and entertainment complex, and the Marriott Grand Ballroom, the largest events venue in the Philippines. The township also houses residential condominiums, office developments, and lifestyle destinations, including Newport Mall, which offers high-end retail and dining experiences. Runway Manila, a pedestrian bridge linking Newport City to the NAIA Terminal 3 airport, enhances connectivity, positioning the township as a key destination for business and tourism.

5. McKinley West (Taguig City | 34.5 hectares)

McKinley West is a 34.5-hectare upscale township located in Fort Bonifacio, Taguig City, adjacent to McKinley Hill and Forbes Park. Designed as an exclusive, modern enclave, the township integrates high-end residential condominiums, a luxury village, premium office spaces, and commercial developments. It is home to the McKinley West Village, a premier gated community offering expansive lots and world-class amenities.

The township also features residential developments such as The Albany, St. Moritz, and Park McKinley West, catering to the luxury market with sophisticated designs and smart-home technology. McKinley West's office district houses modern corporate headquarters and commercial spaces, complementing the residential lifestyle with retail establishments, dining options, and recreational facilities. Positioned as a high-end business and residential hub, McKinley West provides seamless connectivity to Bonifacio Global City (BGC) and major thoroughfares, making it a prime address for professionals and investors.

6. Uptown Bonifacio (Taguig City | 15.4 hectares)

Uptown Bonifacio is a 15.4-hectare master-planned township in Fort Bonifacio, Taguig City, designed to reflect cosmopolitan living. It features high-rise luxury residential condominiums, state-of-the-art office towers, and premier commercial establishments, including Uptown Mall and Uptown Parade, which provide high-end retail and entertainment offerings. Strategically located near international schools, corporate headquarters, and the future Mega Manila Subway, Uptown Bonifacio is one of Megaworld's fastest-growing townships, attracting a mix of local and multinational businesses, investors, and residents.

7. **Alabang West (Las Piñas City | 62 hectares)**

Alabang West is a 62-hectare exclusive residential township located in Las Piñas City. Designed as a premier suburban enclave, it features 785 residential lots, complemented by upscale lifestyle amenities such as a clubhouse, fitness center, swimming pools, sports courts, and landscaped parks. The township's commercial hub is envisioned as a lifestyle destination, integrating retail, dining, and entertainment spaces to enhance the live-work-play experience.

8. **ArcoVia City (Pasig City | 12.3 hectares)**

ArcoVia City is a 12.3-hectare mixed-use township along E. Rodriguez Avenue in Pasig City. The township integrates residential, commercial, and office developments within a well-planned urban environment. It features 18 Avenue de Triomphe, ArcoVia Palazzo, and ArcoVia Park Place, as well as the 31-story ArcoVia Hotel. The township also highlights Arco de Emperador, a 19-meter monument symbolizing success and perseverance. Retail and commercial establishments, such as The View Deck and Arco Parade, further enhance the community's dynamic lifestyle.

9. **Westside City (Paranaque City | 31 hectares)**

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

10. **Lucky Chinatown (Manila City | 5 hectares)**

Lucky Chinatown is a 5-hectare mixed-use development in Binondo, Manila, serving as a cultural and commercial hub that bridges tradition with modernity. Anchored by Lucky Chinatown Mall, the development offers a diverse retail experience, lifestyle attractions, and entertainment options. It also features residential and office spaces, along with heritage-inspired elements such as the Chinatown Museum, creating a unique and immersive experience in the world's oldest Chinatown.

11. **Winford Resort Estate (Manila City | 3 hectares)**

Winford Resort Estate is a 3-hectare integrated urban resort development in Manila, envisioned as a premier lifestyle and entertainment destination. The estate includes high-end residential towers, retail and commercial spaces, and future mixed-use developments. Positioned near Manila's historic districts, Winford Resort Estate combines modern urban living with upscale leisure and entertainment options, redefining the city's luxury lifestyle experience.

NORTH LUZON TOWNSHIPS

1. **The Capital Town (San Fernando, Pampanga| 35.6 hectares)**

Capital Town is a 35.6-hectare mixed-use township located in San Fernando, Pampanga, envisioned as the region's premier central business district. As Megaworld's first township in Central Luzon, it integrates residential, commercial, cultural, and institutional developments while preserving Pampanga's historical significance. The township features a 6.3-hectare Shophouse District, a three-level Capital Mall, and several high-rise residential condominiums, including Chelsea Parkplace, Bryant Parklane, Montrose Parkview, and Saint Marcel Residences. Sustainable and cultural landmarks such as the Pasudeco Sugar Mill Museum, Rainwater Park, and the statue of Gen. Maximino H. Hizon further enhance its identity. The township is strategically located 70 kilometers from Manila and 30 minutes from Clark International Airport, providing excellent connectivity for businesses, investors, and residents. Capital Town will also feature the

16-story Savoy Hotel Capital Town further supporting its position as Pampanga's emerging business and lifestyle hub.

2. **Northwin Global City (Marilao and Bocaue, Bulacan | 85 hectares)**

Northwin Global City is an 85-hectare mixed-use township development spanning Marilao and Bocaue, Bulacan, positioned as the province's first global business district. The township will serve as a key economic hub, integrating corporate office towers, a commercial district, residential developments, hotels, malls, and educational institutions. Designed as an iTownship, it will incorporate green infrastructure, wide sidewalks, underground utility cabling, fiber-optic connectivity, and solar-powered streetlights. Northwin Global City is strategically located 20 kilometers from Metro Manila, accessible via the NLEX Marilao Exit, and will host a station for the Manila-Clark Railway Project, providing seamless connectivity to Clark, Metro Manila, and the future New Manila International Airport. With its master-planned urban landscape, Northwin Global City is set to transform Bulacan into a thriving business and lifestyle destination.

3. **Ilocandia Coastown (Laoag City, Ilocos Norte | 84 hectares)**

Ilocandia Coastown is an 84-hectare tourism and eco-lifestyle township development located in Laoag City, Ilocos Norte, envisioned as a sustainable beachfront community. As Megaworld's first township in Northern Luzon, it will integrate residential, commercial, and hospitality components, catering to both local and international tourists. The development features a 1.4-kilometer beach line along the West Philippine Sea, with planned upscale residential villages, a shophouse district, a commercial center, and a town center that will include office spaces, hotels, and event venues. Approximately 30% of the township is dedicated to open spaces, ensuring a sustainable and environmentally conscious urban landscape.

SOUTH LUZON TOWNSHIPS

1. **Twin Lakes (Laurel, Batangas| 1,300 hectares)**

Twin Lakes is a 1,300-hectare master-planned tourism estate in Laurel, Batangas, offering a distinct European-inspired countryside living experience. Designed as the Philippines' first vineyard resort township, it features residential villages, resort accommodations, commercial hubs, and a vineyard plantation. The development is nestled in a high-altitude location, providing a cooler climate and panoramic views of Taal Lake and Volcano. Twin Lakes integrates nature, leisure, and wellness, making it a premier residential and tourism destination in Southern Luzon.

2. **Suntrust Ecotown (Tanza, Cavite | 350 hectares)**

Suntrust Ecotown is a 350-hectare industrial township in Tanza, Cavite, positioned as an eco-friendly business and logistics hub. It integrates industrial zones, commercial areas, residential developments, and leisure spaces, creating a self-sustaining economic hub. The township prioritizes sustainable infrastructure, including waste management systems and energy-efficient facilities, making it an ideal location for industrial locators and investors It features residential villages, office developments, commercial centers, and leisure facilities, including the Jack Nicklaus-designed Southwoods Golf and Country Club. Strategically located near major highways, Southwoods City is positioned as a business and lifestyle hub in the South.

3. **Maple Grove (General Trias, Cavite | 140 hectares)**

Maple Grove is a 140-hectare sustainable urban township in General Trias, Cavite, designed with eco-friendly infrastructure and green spaces. The development includes residential and commercial districts, office spaces, and a greenhouse-themed mall. Notable features include a 2-hectare Rainwater Park with a flood detention facility, dedicated bike lanes, and tree-lined roads, reinforcing its position as Cavite's first green Central Business District.

4. **Eastland Heights (Antipolo City, Rizal | 640 hectares)**

Eastland Heights is a 640-hectare integrated lifestyle township in Antipolo City, Rizal, designed around the concept of ecotherapy. The development is 1,000 feet above sea level, offering panoramic views of the

Sierra Madre. It features exclusive residential communities, a 36-hole golf course, a retail hub, and a private international school, positioning it as a premier wellness and nature-oriented township.

5. **The Hamptons Caliraya (Cavinti, Laguna | 300 hectares)**

The Hamptons Caliraya is a 300-hectare lakefront lifestyle township in Cavinti, Laguna, inspired by the luxurious waterfront communities of The Hamptons, New York. It features private residential estates, a golf course, and a marina complex, offering high-end leisure and recreational living. The township provides direct access to Caliraya Lake, making it an ideal location for watersports, golf, and luxury tourism.

6. **Highland City (Cainta, Rizal | 24 hectares)**

Highland City is a 24-hectare elevated township in Cainta, Rizal, envisioned as a modern "city in the sky". The development integrates residential towers, commercial spaces, and retail hubs within a master-planned urban setting. With wide open spaces, tree-lined roads, and a central park, Highland City is designed as a self-sustaining residential and business hub in the Eastern Metro Manila corridor.

7. **Arden Botanical Estate (Trece Martires and Tanza, Cavite | 251 hectares)**

Arden Botanical Estate is a 251-hectare nature-inspired township spanning Trece Martires and Tanza, Cavite. Developed as an eco-friendly and sustainable community, it features residential villages, a commercial district, an adventure park, and a botanical garden. The township incorporates sustainable infrastructure, including stormwater recycling, permeable pavements, and electric trams, reinforcing its commitment to environmental conservation.

8. **Paragua Coastown (San Vicente, Palawan | 462 hectares)**

Paragua Coastown is a 462-hectare eco-tourism township in San Vicente, Palawan, positioned as a sustainable tourism and lifestyle hub. It features beachfront hotels, private villas, a wellness center, a cultural events space, and a town center, all designed with low-impact, eco-friendly architecture. Located 10-15 minutes from San Vicente Airport, Paragua Coastown is set to become a premier international tourism destination.

9. **Sherwood Hills (Trece Martires, Cavite | 142 hectares)**

Sherwood Hills is a 142-hectare premier golf and residential estate in Cavite, home to the Jack Nicklaus-designed Sherwood Hills Golf Club. The development integrates private residences with leisure and recreational facilities, creating a high-end lifestyle community. Its strategic location near Metro Manila and major highways makes it a sought-after address for golf enthusiasts and investors.

10. **Baytown Palawan (Puerto Princesa, Palawan | 5.4 hectares)**

Baytown Palawan is a 5.4-hectare mixed-use township in Puerto Princesa, Palawan, featuring residential condominiums, hotel developments, and commercial spaces. Positioned as Megaworld’s second township in Palawan, it is located along Puerto Princesa South Road, just 3.7 kilometers from the international airport. The township offers scenic bay views and is set to become a business and tourism hub in Puerto Princesa.

11. **Lialto Beach and Golf Estate (Lian, Batangas | 150 hectares)**

Lialto Beach and Golf Estate is a 150-hectare exclusive beachfront and golf township in Lian, Batangas, featuring an 18-hole golf course, private estates, a beach clubhouse, and a resort community. It boasts 900 meters of beachfront along the West Philippine Sea, making it an ideal destination for resort-style living and high-end tourism. Located just three hours from Metro Manila and one hour from Tagaytay, it offers a balance of luxury, nature, and recreation.

12. **San Benito Private Estate (Lipa, Batangas | 24.4 hectares)**

San Benito Private Estate is a 24.4-hectare luxury residential and wellness township in Lipa, Batangas, featuring premium residential estates, a wellness-focused hotel, and commercial spaces. Approximately 50% of the development is dedicated to open spaces, with views of the Malepunyo Mountain Range. Located 30 minutes from Lipa City Hall and two hours from Metro Manila, it is designed to be a tranquil, health-centric retreat for residents and visitors.

VISAYAS-MINDANAO TOWNSHIPS

1. **The Mactan Newtown (Lapu-Lapu City, Cebu | 30 hectares)**

The Mactan Newtown is a 30-hectare integrated township in Lapu-Lapu City, Cebu, designed as a premier business, residential, and tourism hub. The development features 10 residential projects, five office towers, a retail and lifestyle center, and two hotels, including the Savoy Hotel Mactan. The township also houses the Newtown School of Excellence and Mactan Newtown Beach, reinforcing its identity as a self-sustaining live-work-play-learn tourism estate. Future developments include the Mactan Newtown Beach Mall, Mactan Expo, and World Museum, further enhancing the township's retail, events, and cultural offerings.

2. **Boracay Newcoast (Malay, Aklan | 150 hectares)**

Boracay Newcoast is a 150-hectare master-planned tourism estate on the eastern side of Boracay Island, offering a balance of residential, commercial, and leisure developments. The township consists of 11 residential projects, four hotels, and a commercial and entertainment district. It is home to the 18-hole Fairways & Bluewater golf course, a 2.6-kilometer main road, and a kilometer-long coastline with three private coves. Designed as an eco-sustainable community, Boracay Newcoast integrates modern infrastructure, a centralized sewage treatment plant, and underground utilities, making it a premier resort and investment destination.

3. **Iloilo Business Park (Iloilo City | 72 hectares)**

Iloilo Business Park is a 72-hectare mixed-use township in Mandurriao, Iloilo City, envisioned as the region's premier business, financial, and lifestyle district. The development includes 10 residential projects, 10 BPO office towers, a full-scale mall, and two hotels. The township is also home to the Iloilo Convention Center, positioning it as a key economic driver in Western Visayas.

4. **Sta. Barbara Heights (Sta. Barbara, Iloilo | 173 hectares)**

Sta. Barbara Heights is a 173-hectare master-planned township in Sta. Barbara, Iloilo, integrating four residential phases, a commercial district, and leisure amenities. The development features a five-hectare Village Center and Country Club, the first of its kind in Iloilo. It is connected by the six-lane Iloilo International Avenue, providing direct access to Iloilo International Airport. Future developments include a business park and an international school, positioning Sta. Barbara Heights as a prime gateway to Iloilo's commercial expansion.

5. **Northill Gateway (Bacolod City, Negros Occidental | 53 hectares)**

Northill Gateway is a 50-hectare mixed-use township located along the Bacolod-Silay Airport Access Road, designed as a business, leisure, and residential hub. The township features four residential projects, a boutique hotel, and a commercial district, blending Bacolod's heritage with modern urban infrastructure. Positioned as a key gateway between Bacolod and Silay, Northill Gateway offers strategic accessibility for businesses and investors.

6. **The Upper East (Bacolod City, Negros Occidental | 34 hectares)**

The Upper East is a 34-hectare township in Bacolod City, inspired by New York's Upper East Side, set to become the city's new central business district (CBD). It features 10 residential projects, office towers, and a transport hub, with 35% of the township dedicated to open spaces. Key developments include Upper East Mall, Landers Superstore, and McDonald's Upper East, the largest McDonald's in the region. The township integrates smart city technologies, such as underground cabling, LED streetlights, fiber-optic connectivity, and a flood-free drainage system, reinforcing its identity as a future-ready, sustainable community.

7. **Davao Park District (Lanang, Davao City | 11 hectares)**

Davao Park District is an 11-hectare mixed-use township in Lanang, Davao City, designed as Davao's first central business district. The development includes four residential projects, corporate office towers, and a lifestyle hub, creating a modern urban environment. Notable projects within the township include the Davao Finance Center and One Republic Plaza, which serve as key corporate landmarks. The township also features The Clock Tower, adding to its distinct identity as a prime business and residential address in Davao.

8. **The Upper Central (Cagayan de Oro City, Misamis Oriental | 117 hectares)**

The Upper Central is a 117-hectare township in Cagayan de Oro City, envisioned as a modern, mixed-use urban district. The development integrates multiple residential projects, commercial districts, shophouses, and mixed-use developments, with 40% of the township dedicated to open spaces. Strategically located along J.R. Borja Road, the township offers future connections to DPWH bypass roads and is approximately 39 kilometers from Laguindingan International Airport. It also features bike lanes, an adventure park, and pedestrianized commercial strips, reinforcing its sustainable and well-connected urban master plan.

Awards and Recognitions

Through the years, the Company has been recognized by various local and international award-giving bodies for its outstanding accomplishments.

It currently has almost 1,000 awards to its name from prestigious local and international award-giving organizations. These include citations received by the Company itself, its subsidiaries and its foundation, as well as its executives and leadership team. These awards also encompass distinctions acknowledging Megaworld's institutional initiatives, campaigns, and events.

In 2024 alone, the Company won a total of 119 awards, 79 of which were international recognitions.

Some of the distinctions bestowed upon the Company and its leaders for the year 2024 were as follows:

Philippine Chamber of Commerce and Industry
Country Mover Award, Dr. Andrew L. Tan, Chairman, Megaworld

Fortune Magazine "Most Powerful Women in Asia 2024"
Top 100 List, Lourdes T. Gutierrez-Alfonso, President, Megaworld

Forbes Asia Magazine's "Asia's Power Businesswomen 2024"
Asia List, Lourdes T. Gutierrez-Alfonso, President, Megaworld

12th Philippines Property Awards by PropertyGuru

Best Developer – Visayas
Best Hospitality Developer
Best Mixed-Use Developer
ESG Award for Sustainable Design
ESG Award for Energy Efficiency
Best Operational Retail Portfolio (Megaworld Lifestyle Malls)
Best Operational Hospitality Portfolio (Megaworld Hotels & Resorts)
Best Operational Office Portfolio (Megaworld Premier Offices)
27 Other notable project awards

Global Good Governance Awards (3G Awards)

3G Award for Excellence in Corporate Governance Reporting
3G Championship Award for Corporate Governance Reporting for MREIT, Inc.

Retail Asia Awards 2024

MALL OF THE YEAR: - Philippines: Eastwood City
MARKETING INITIATIVE OF THE YEAR - PHILIPPINES: Uptown Tempur Cinema
VISUAL MECHANDISING OF THE YEAR - PHILIPPINES: Newport Mall-seum

Real Estate Asia Awards 2024

Digital Initiative of the Year – Philippines
Smart Technology of the Year – Philippines
Technology Innovation of the Year – Philippines

International Business Awards (Stevies) 2024

GOLD: "Walk Into Your Future" Scholarship Caravan, Megaworld Foundation
GOLD: Reinventing the Silver Screen: Inside Megaworld Lifestyle Malls' Uptown Tempur Cinema
SILVER: The Grand Launch of the First Innovative Indoor Park Brand in the Philippines, SuperPark, Megaworld Lifestyle Malls
BRONZE: One for Brigada by Megaworld Foundation

59th Anvil Awards by the Public Relations Society of the Philippines

GRAND ANVIL AWARD: MEGreen Sustainability Program
GOLD: MEGreen (Corporate Identity and Corporate Branding)
GOLD: 'Tara, Pasyal Na' by Megaworld Lifestyle Malls
12 Other Silver Anvil-Winning Programs

Asia-Pacific Stevie Awards

GOLD: Uptown Tempur Cinema (Social Media, Visual Comms, and Entertainment)
SILVER: Uptown Tempur Cinema Grand Launch (Use of Events)
SILVER: Taste the World at Megaworld Lifestyle Malls (Social Media Marketing)
BRONZE: Taste the World at Megaworld Lifestyle Malls (Social Media)
BRONZE: SuperPark PH Grand Launch (Events)
BRONZE: Pride Night at Eastwood City (Use of Events)
BRONZE: Megaworld Lifestyle Malls Tiktok (Most Innovative Tiktok Channel)
BRONZE: Mega Summer Ventures for All (Innovation in the Use of Social Media)
People's Choice: Walk into your Future Scholarship Caravan (Education)

International CSR Excellence Awards

WINNER: One Mega for Brigada (Education category)
WINNER: Walk Into Your Future Scholarship Caravan Volunteering)

Marketing and Sales

Megaworld's marketing and sales strategy is designed to promote its integrated urban townships as self-sustaining communities that offer a live-work-play lifestyle. Through a combined multi-channel marketing, strategic partnerships, and digital innovations, the Company effectively drives demand across its residential, commercial, office, and hospitality developments. Its marketing approach focuses on brand positioning, customer engagement, and digital transformation, utilizing targeted campaigns, social media outreach, and high-impact advertising to highlight the convenience, sustainability, and long-term value of its developments. Megaworld also engages experiential marketing through exclusive properties previews, lifestyle events, and virtual showrooms, providing potential buyers and investors with an immersive experience of the Megaworld lifestyle.

The Company employs a multi-tiered sales approach, leveraging its in-house sales team, accredited brokers, and strategic partnerships to reach a broad customer base. It caters to local buyers, overseas Filipino workers (OFWs), and foreign investors by offering flexible payment terms, investment incentives, and personalized property consultation. To strengthen its global reach, Megaworld actively participates in international roadshows, online property listings, and digital sales platforms, ensuring seamless transactions for buyers worldwide.

Megaworld maintains its position as a leading real estate developer in the Philippines through data-driven marketing, customer-centric sales strategies, and continuous innovation, ensuring sustained demand for its properties while strengthening brand loyalty among its customers.

Construction

Megaworld manages the planning, development, and construction of its townships, residential condominiums, office buildings, hotels and commercial properties, ensuring high-quality standards and timely project completion. The Company has its own architectural and engineering teams and collaborates with independent design groups for its high-profile projects. It also works closely with local and international architectural firms, bringing globally-inspired designs into its developments.

To ensure seamless project execution, Megaworld employs a team of project managers who coordinates with external contractors throughout the construction phase, overseeing quality control, safety compliance, and adherence to project timelines. The Company integrates innovative construction methodologies, sustainable building practices, and smart infrastructure into its developments, using eco-friendly materials and energy-efficient technologies to align with global industry standards.

Megaworld continues to expand its large-scale developments across Metro Manila and key provincial growth centers through in-house expertise, strategic partnerships, and advanced construction management systems, reinforcing its commitment to sustainability, innovation, and the creation of future-ready urban communities. The Company maintains a broad network of construction contractors and suppliers, ensuring flexibility and efficiency in project execution without reliance on any single contractor or supplier.

Competition

Megaworld operates in a highly competitive real estate industry in the Philippines, where it competes with local and international developers across multiple segments, including township development, residential, commercial, office, and hospitality. The Company pioneered the live-work-play township model, transforming urban development and solidifying its position as a leader in integrated, self-sustaining communities.

The Company competes with major property developers in investment, development, leasing, and property management across Metro Manila and key provincial growth centers. The primary factors influencing competition include location, product quality, pricing, financing schemes, project execution, construction standards, brand reputation, and customer service. Megaworld believes it holds competitive advantages in these areas due to its prime locations, innovative projects, high-quality designs, flexible financing options, and strong after-sales services. The Company attributes its strong residential sales to the popularity of its integrated townships and its consistent track record of launching over 800 residential buildings in the past two decades.

In township development, the Company considers Ayala Land, Inc. (ALI) its primary competitor, with large-scale mixed-use estates such as Bonifacio Global City, Nuvali, and Vermosa. Other competitors include SM Prime Holdings, Inc. (SMPH), which develops expansive mixed-use districts like SM Seaside City in Cebu and the Mall of Asia complex in Pasay, as well as Robinsons Land Corporation (RLC), which has integrated communities such as Bridgetowne and Montclair Estate. Filinvest Land, Inc. is also a competitor in this space with developments such as Filinvest City in Alabang and City di Mare in Cebu.

Megaworld competes across various residential market segments, ranging from luxury developments to affordable housing. In the luxury and high-end segment, the Company competes with ALI’s Ayala Land Premier, RLC’s Robinsons Luxuria, and Federal Land’s Grand Hyatt Residences. In the upper mid-market segment, competitors include ALI’s Alveo Land, RLC’s Robinsons Residences, and Rockwell Land, while in the middle-income segment, Megaworld faces competition from ALI’s Avida Land, SMPH’s SMDC, RLC’s Robinsons Communities, and DMCI Homes. In the affordable housing market, the Company competes with ALI’s Amaia Land, 8990 Holdings’ Deca Homes, and PHINMA Properties.

The Company believes its competitive edge in residential sales stems from the convenience and lifestyle appeal of its integrated townships, which provides residential with access to commercial establishments, offices, schools, parks, and entertainment hubs within a single community. Additionally, Megaworld’s attractive financing options, pre-selling investment opportunities, and strong after-sales support make its developments highly desirable for both end-users and investors. Its proven track record in project execution and timely completion further strengthens buyer confidence.

Megaworld is also a leading office space developer and landlord in the Philippines, particularly in the Business Process Outsourcing (BPO) sector, where it competes with ALI’s Ayala Land Offices, SMPH’s SM Offices, and RLC’s Cyberscape buildings. In attracting multinational corporations and BPO firms. The demand for office space is driven by the country’s strong outsourcing industry, and the ability to offer high-quality office developments with modern amenities, 24/7 accessibility, and strategic locations is crucial in securing tenants. Megaworld has successfully developed key business districts such as Eastwood City, McKinley Hill, McKinley West, Uptown Bonifacio, and Iloilo Business Park, strengthening its position in this sector. In the retail sector, Megaworld competes with the country’s largest mall operators, including SM Supermalls, Ayala Malls, and Robinsons Malls. However, the Company caters to a distinct market by positioning its developments as lifestyle malls rather than a traditional large-scale shopping centers. Megaworld Lifestyle Malls are designed as integrated lifestyle destination that prioritize experience-driven retail, dining and entertainment within its townships. Unlike conventional enclosed shopping complexes, these malls feature open-air, pedestrian-friendly environments that seamlessly blend retail with leisure, creating a vibrant and engaging atmosphere for residents, office workers, and visitors.

Similarly, in the hospitality and tourism sector, Megaworld faces competition from established hotel operators, including international brands such as Marriott, Hilton, and Shangri-La, as well as local chains like Seda Hotels, Crimson Hotels, and SM Hotels. Despite the competitive landscape, the Company continues to strengthen its position through its homegrown hospitality brands, including Richmonde Hotel, Belmont Hotel, Savoy Hotel, and Kingsford Hotel. These hotels are strategically located within Megaworld townships and cater to a diverse range of travelers, including business professionals, leisure tourists, and event attendees.

What sets Megaworld apart is its ability to seamlessly integrate its hospitality offerings with its township developments. Unlike standalone hotels that rely on external demand drivers, Megaworld's hotels benefit from built-in demand generated by the surrounding office buildings, commercial establishments, and entertainment hubs within its townships. This ensures a steady flow of guests, particularly from corporate clients, MICE travellers, and long-term stay guests.

One of Megaworld's key competitive advantages lies in its township development model, which it pioneered in the Philippines. Unlike traditional developers that focus solely on residential or commercial projects, Megaworld creates integrated urban communities where residents, workers, and visitors can seamlessly live, work, and enjoy leisure activities within a single development. While Ayala Land, SM Prime, and Robinsons Land have also ventured into township development, Megaworld remains at the forefront with its extensive portfolio of 35 townships and tourism estates covering 5,554 hectares across the country. The Company's ability to acquire large land parcels in strategic locations and transform them into self-sustaining communities has reinforced its leadership in this segment.

Despite the highly competitive landscape, Megaworld maintains its leadership position through several key strengths. It has one of the largest landbanks among Philippine developers, allowing it to sustain long-term growth and expand into new areas. Its township approach provides a holistic and convenient lifestyle experience, differentiating it from traditional real estate developments. With over three decades of experience, Megaworld has built a strong brand reputation for delivering high-quality projects that attract both end-users and investors.

Sources and Availability of Raw Materials

The Company ensures the steady supply of high-quality raw materials essential for its real estate developments through strategic sourcing and long-term partnerships with reputable local suppliers. Megaworld procures construction materials from trusted domestic suppliers to meet project specifications and maintain industry standards.

Megaworld follows a stringent procurement process that emphasizes cost efficiency, quality, and reliability. The Company implements a competitive bidding system, inviting multiple suppliers to participate in procurement tenders to secure the most cost-effective pricing while maintaining high standards. This process enables the Company to leverage its purchasing power, negotiate favorable terms, and ensure a consistent supply of materials for ongoing and future developments.

To mitigate potential supply chain disruptions, Megaworld maintains relationships with multiple suppliers and adopts strategic procurement practices, including bulk purchasing agreements and forward contracts. These measures help stabilize costs, ensure timely project execution, and optimize operational efficiency. The Company also conducts rigorous supplier evaluations and quality control assessments to ensure that all materials meet regulatory and industry standards.

In line with its commitment to sustainability, Megaworld prioritizes the use of environmentally friendly and responsibly sourced materials. The Company actively explores innovative construction methods, such as precast technology and energy-efficient building materials, to enhance sustainability while optimizing costs and construction timelines. Compliance with government regulations and industry standards governing the sourcing, transportation, and utilization of raw materials remains a priority, ensuring adherence to environmental and safety requirements.

The Company has a broad base of suppliers from which it sources its construction materials. The Company is not dependent on any one or a limited number of suppliers. The Company has no plans on being dependent on any one or a limited number of suppliers.

Transactions with and/or Dependence on Related Parties

The Company and its subsidiaries, in their ordinary course of business, engage in transactions with its affiliates through transparent and ethical means. The Company's policy with respect to related party transactions is to ensure that these transactions are in strict adherence to the principle of arm's length dealings and entered into on terms comparable to those available from third parties.

All transactions involving related parties are conducted in strict adherence to the principle of arm's length dealings to ensure that the same are executed at fair market value, with the goal of ensuring fairness, and best interests of the Company's stakeholders, as well as preventing potential conflicts of interest.

The Company has adopted a group-wide Related Party Transactions (RPT) Policy encompassing all entities within the conglomerate, taking into account its size, structure, risk profile and complexity of operations. The RPT Policy provides a mechanism for the identification, review, approval and reporting of related party transactions, and the determination, monitoring and management of Material RPTs in compliance with the Material Related Party Transactions Rules mandated in SEC Memorandum Circular No. 10-2019. Through the RPT Policy, the Company, its subsidiaries and associates endeavor to enhance fairness and transparency in its transactions and promote the best interest of its shareholders and other stakeholders.

Under the Company's RPT Policy, the RPT Committee, the majority of which is composed of independent directors, and all of whom are non-executive, is tasked to review and evaluate material RPTs to determine whether they are in the best interest of the Company and its shareholders. To ensure fairness, under the RPT Policy, the relevant director, officer, key management personnel or substantial stockholder involved in an RPT shall abstain from discussion, approval and management of such transaction or matter affecting the Company. In case he/she refuses to abstain, his/her attendance and vote shall not be considered for purposes of assessing the quorum and his/her vote shall not be counted for purposes of determining approval. The RPT Policy likewise reiterates the Company's obligation to ensure that timely and appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposure. This includes the filing of an Advisement Report on Material RPT to the SEC, which provides for the details of the material RPT, including the name of the related party, relationship to the reporter, nature of the transaction and value thereof, within three (3) calendar days after the execution date of the transaction, as required under SEC Memorandum Circular No. 10-2019.

Transactions with related parties include investments in and advances granted to or obtained from subsidiaries, associates and other related parties. Other related parties include joint venture partners (See Note 10 to the Audited Consolidated Financial Statements, Advances to/from Landowners and Joint Operators) and investees which investments are accounted for at cost and other entities which are owned and managed by investors/owners of the Company (See Note 11 to the Audited Consolidated Financial Statements, Investments in Associates). Advances granted to joint venture partners are in the nature of cash advances made to landowners under agreements covering the development of parcels of land, which are to be used for pre-development expenses such as relocation of existing occupants.

Advances granted to and obtained from subsidiaries, associates and other related parties are for purposes of working capital requirements. For more information, see Note 27 to the Audited Consolidated Financial Statements.

The Company avails of marketing services of Eastwood Property and Holdings, Inc. ("EPHI"), a wholly-owned subsidiary of Empire East Land Holdings, Inc. ("EELHI"), Megaworld Newport Property Holdings, Inc. ("MNPHI") and Megaworld Resorts Estate Inc. ("MREI") (see Note 27 to the Audited Consolidated Financial Statements, Related Party Transactions). As consideration for said marketing services, the Company pays commission based on contracted terms. Commission expenses charged by EPHI, MNPHI and MREI are based on prevailing market rates.

Other than those disclosed in the Company's Audited Consolidated Financial Statements, the Company has not entered into any other related party transactions.

Intellectual Property

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

The Company owns the registered trademark over its name and new logo which was registered on 7 November 2019 and is valid until 7 November 2029. While important, the Company does not believe that its operations or its subsidiaries' operations depend on its trademarks or any patent, license franchise, concession or royalty agreement. As of the 31 December 2024, the Company also has 107 registered trademarks over the names of its development projects.

Regulatory and Environmental Matters

Real Estate Business

The Company complies with all relevant laws in relation to its real-estate business.

Presidential Decree No. 957 ("PD 957"), Republic Act No. 4726 ("RA 4726") and Batas Pambansa Blg. 220 ("BP 220") are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957, RA 4726 and BP 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes.

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

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

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

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

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

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

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

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

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

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

Environmental Matters

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

The EIS refers to both the document and the study of a project’s environmental impact, including a discussion of scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by EMB during the scoping, environmental management program, the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the projects’ environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification, indicating that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase. The ECC also provides for other terms and conditions, any violation of which would result in a fine or the cancellation of the ECC.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

Aside from the EIS and IEE, engineering, geological and geo-hazard assessment are also required for ECC applications covering subdivisions, housing and other development and infrastructure projects.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

The Company observes all environtmental laws in the conduct of its business. The Company likewise incurs expenses for purposes of complying with environmental laws that consist primarily of payments for government regulatory fees. Such fees are standard in the industry and are minimal.

Other Applicable Legal Requirements

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

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

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

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

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

Research and Development

The Company incurs minimal amounts for research and development activities which do not amount to a significant percentage of revenues.

Employees

As of December 31, 2024, the Company has 813 employees. The Company intends to hire additional employees if the present workforce becomes inadequate to handle the Company’s operations.

The table below shows the breakdown of employees as of December 31, 2024:

Type	Number
Senior Management	43
Middle Management	431
Staff	339
Total	813

The Company has no collective bargaining agreements with employees and there are no organized labor organizations in the Company. The Company maintains a tax-qualified, non-contributory retirement plan that is being administered by a trustee covering all regular full-time employees.

The Company upholds professional and personal advancement of its employees through the Megaworld Learning Academy (“MLA”). MLA offers a slew of leadership and training workshops that are facilitated by the Company’s “Learning Ambassadors”, who are all experts in their own fields, or third party consultants. Various programs have been specially designed to enable its employees to upgrade their skills and perform at optimum levels. It endeavours the progress of the Company’s workforce by offering training and workshops covering career, management and leadership development.

Risks Associated with the Company’s Business

Key risks that are proactively identified and managed by the Company are grouped as follows:

1. Regulatory and Compliance
2. ICT/Cybersecurity
3. Project Execution and Delivery

4. Financial
5. Organizational/Talent
6. Partnership and Alliance
7. Environmental/Climate Change
8. Health, Safety and Security
9. Competition/Market

1. Regulatory and Compliance

The Company operates in a regulated environment and its businesses are affected by the development and application of regulations in the Philippines

The Company operates its businesses in a regulated environment. Presidential Decree No. 957, as amended, ("PD 957") and Republic Act No. 4726 or the Condominium Act ("RA 4726") are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. The Department of Human Settlements and Urban Development ("DHSUD") and the Human Settlements Adjudication Commission ("HSAC"), are the administrative agencies of the Government of the Philippines which, together with local government units, enforce these statutes and have jurisdiction to regulate the real estate trade and business and/or adjudicate disputes relating thereto.

Regulations applicable to the Company's operations include standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, lot sizes, the length of the housing blocks and house construction. All subdivision plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located, while condominium project plans are required to be filed with and approved by the DHSUD. Approval of such plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit and the DHSUD. There can be no assurance that the Company, its subsidiaries or associates or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will not be revoked.

In addition, owners or dealers of real estate projects are required to obtain licenses to sell before making sales or other disposition of lots or real estate projects. Project permits and any license to sell may be suspended, cancelled or revoked by the DHSUD by itself or upon complaint from an interested party and there can be no assurance that the Company, its subsidiaries, associates or partners will in all circumstances, receive the requisite approvals, permits or licenses or that such permits, approvals or licenses will not be cancelled or suspended.

Continued compliance with, and any changes in, safety and environmental laws and regulations may adversely affect the Company's results of operations and financial condition

The operations of the Company's business are subject to a broad range of safety and environmental laws and regulations. These laws and regulations impose controls on the storage, handling, discharge and disposal of waste, and other aspects of the operations of each of the Company's business. The Company has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, the Company has made and expects to continue to make capital expenditures on an ongoing basis to comply with safety, health and environmental laws and regulations. The discharge of hazardous substances or other pollutants into the air, soil or water that do not comply with relevant health regulations may cause the Company to be liable to third parties, the Government or to the local government units with jurisdiction over the areas where the Company's facilities and real estate developments are located. The Company may be required to incur costs to remedy the damage caused by such action or pay fines or other penalties for non-compliance.

Safety, health and environmental laws and regulations in the Philippines have been increasingly stringent and it is possible that these laws and regulations will become significantly more stringent in the future. The adoption of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require additional capital expenditures or the incurrence of additional operating expenses in order to comply with such laws and to maintain current operations.

Furthermore, if the measures implemented by the Company to comply with these new laws and regulations are not deemed sufficient by the Government, compliance costs may significantly exceed current estimates. If the Company fails to meet safety, health and environmental requirements, it may also be subject to administrative, civil and criminal proceedings initiated by the Government, as well as civil proceedings initiated by environmental groups and other individuals, which could result in substantial fines and penalties against the Company, as well as orders that could limit or halt its operations.

The Company cannot predict what safety, health and environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. There can be no assurance that the Company will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on the Company, its financial condition and results of operations.

The Company may be involved in legal and other proceedings from time to time

The Company may, from time to time, be involved in disputes with various parties in the operations of its businesses, including contractual disputes, as well as disputes relating to construction, property development and investigations by regulatory enforcement proceedings. Regardless of the outcome, these disputes and investigations may lead to legal or other proceedings and may result in substantial costs and the diversion of resources and management's attention. In addition, the Company may also have disagreements with regulatory bodies in the course of operations, which may subject the Company to administrative proceedings and unfavourable decisions that may result in penalties or other liabilities. Any of these outcomes could materially and adversely affect the Company's business, financial condition and results of operations.

Failure to protect intellectual property rights could have a material adverse effect on the Company's ability to market certain products and its results of operations

The Company owns or has pending applications for the registration of intellectual property rights for various trademarks associated with its projects and corporate names and logos to operate its business. Protection of these intellectual property rights is important to maintaining the distinctive corporate and market identities of the Company. If third parties use counterfeit versions or otherwise look confusingly like the Company trademarks, customers and clients may mistake its projects with those, which could negatively affect the brand image and sales of the Company. There is no assurance that third parties will not challenge, invalidate or circumvent any existing or future trademarks issued to, or licensed by, the Company and its subsidiaries. There is also no assurance that the Company will be able to successfully protect its proprietary rights and any failure to protect such proprietary rights could harm its competitive position, which could materially and adversely affect the business, financial condition, results of operations, prospects and reputation of the Company.

2. ICT/Cybersecurity

The continued evolution of AI and other technological advancements will present both tremendous potential and challenges. While AI can streamline operations, enhance decision-making, and create personalized customer experiences, it also introduces challenges such as data security concerns, privacy issues, and the risk of becoming reliant on technologies that could be vulnerable to cyberattacks or errors.

The Company is engaged in several initiatives that leverage technological solutions, such as the iTownships platform and the E-Concierge mobile application. The implementation, maintenance, and enhancement of these technological solutions may necessitate substantial investment, and the Company may encounter challenges in adapting to and fulfilling the evolving demands of consumers. Furthermore, these technological and digital platforms are susceptible to disruptions caused by power outages, technical failures, user errors, acts of sabotage, or other unforeseen events. While the Company is confident in its safeguards against identified risks and has established control processes, any failure to effectively maintain and advance its technological capabilities may have an adverse impact on the Company's operations and overall performance.

3. Project Execution and Delivery

The Company's reputation will be adversely affected if projects are not completed on time or if projects do not meet customers' requirements

The Company has an established reputation and brand name in the real estate development business. If any of the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues, natural calamities such as floods or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its other housing and land development projects. This would impair the Company's ability to reduce its capital investment requirements.

Any negative effect on the Company's reputation or its brand could also affect the Company's ability to pre-sell its residential development projects. This would impair the Company's ability to reduce its capital investment requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

Construction claims or other building-related issues could be made towards the Company and the Company could be held accountable for it

Philippine law provides that property developers, such as the Company, warrant the structural integrity of structures that were designed or built by them for a period of 15 years from the date of completion of the structures. The Company may also be held responsible for hidden (that is, latent or non-observable) defects in a structure sold by it when such hidden defects render the structures unfit for the use for which it was intended or when its fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house to the buyer. In addition, Republic Act No. 6541, as amended, or the National Building Code of the Philippines (the "Building Code"), which governs, among others, the design and construction of buildings, sets certain requirements and standards that must be complied with by the Company. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code.

There can be no assurance that the Company will not be held liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by the Company's insurance and not subject to effective indemnification agreements with the Company's contractors.

Neither can there be any assurance that the contractors hired by the Company will be able to either correct any such defects or indemnify the Company for costs incurred by the Company to correct such defects. In the event a substantial number of claims arising from structural or construction defects arise, this could have a material adverse effect on the Company's reputation and on its business, financial condition and results of operations.

Risks associated with the Company's real estate development initiatives include those related to project completion and cost

One of the numerous risks associated with real estate development is the potential for delays in acquiring government approvals and permits, which could take longer than anticipated and cost more money. Additionally, construction delays, cost overruns, or project failure are possible. Large upfront costs for building and site acquisition are necessary for development, and cash flow might not turn a profit for a year or longer. Project budgets and schedules can be affected by several variables, including weather, labor disputes, currency fluctuations, material shortages, and legislative changes. Removal or relocation expenses may increase due to problems with renters or informal settlers. These elements have the potential to cause project delays, cost overruns, or penalties, which could negatively impact the company's financial outcomes by lowering profitability and postponing sales recognition.

4. Financial

The Company enters into transactions with related parties

In the ordinary course of business, the Company transacts with its related parties, such as its subsidiaries and certain of its associated companies, and joint ventures. These transactions have principally consisted of advances, loans, bank deposits, reimbursement of expenses, lease, purchase and sale of real estate and other properties and services, guarantees, construction contracts and development, management, marketing and administrative service agreements. All transactions involving related parties are conducted in strict adherence to the principle of arm's length dealings to ensure that the same are executed at fair market value, with the goal of ensuring fairness, and best interests of the Company's stakeholders, as well as preventing potential conflicts of interest

However, the Company acknowledges, that under Section 50 of the National Internal Revenue Code, in the case of two or more businesses owned or controlled directly or indirectly by the same interests, the Bureau of Internal Revenue ("BIR") Commissioner is authorised to distribute, apportion, or allocate gross income or deductions between or among such businesses upon determination of the necessity to prevent evasion of taxes or to clearly reflect the income of any such business. There can be no assurance that the BIR may confirm these transactions as arm's length on the basis of the Transfer Pricing Regulations and there can be no assurance that any transfer pricing adjustments by the BIR will not have a material adverse effect on the Company's business, financial condition or results of operations.

If foreign exchange controls were to be imposed, the Company's ability to meet its foreign currency payment obligations could be adversely affected

In general, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. However, the Monetary Board of the BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- suspend temporarily or restrict sales of foreign exchange;
- require licensing of foreign exchange transactions; or
- require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

The Philippine Government has, in the past, instituted restrictions on the conversion of the Philippine peso into foreign currencies and the use of foreign exchange received by Philippine companies to pay foreign currency denominated obligations.

The Company's geographic portfolio concentration

Properties located in the commercial areas of the Philippines account for a substantial portion of the appraised value of the Company's assets. The Company's current projects are primarily located within or at relatively short distances from the traditional main business districts, particularly in Metro Manila. Due to the concentration of the Company's property portfolio, a decrease in property values in Metro Manila would have a material adverse effect on the business and results of operations of the Company.

Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing

Interest rates, and factors that affect interest rates, such as the Company's fiscal policy, could have a material adverse effect on the Company and on demand for its products. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.

- Because the Company believes that a substantial portion of its customers procure financing to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.
- If the Government significantly increases its borrowing levels in the domestic currency market or imposes new regulations that reduce the limit allowed on the exposure of banks to the real estate sector, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.
- The Company's access to capital and its cost of financing are also affected by restrictions, such as single borrower limits, imposed by the BSP on bank lending. If the Company were to reach the single borrower limit with respect to any bank, the Company may have difficulty obtaining financing with reasonable rates of interest from other banks.
- Increased inflation in the Philippines could result in an increase in the cost of raw materials, which the Company may not be able to pass on to its customers as increased prices.
- A further expansion in the budget deficit of the Government could also result in an increase in interest rates and inflation, which could in turn have a material effect on the ability of the Company to obtain financing at attractive terms, and on the ability of its customers to similarly obtain financing.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a material adverse effect on the Company's business, financial condition and results of operations.

Impact of Cancellations and Leasing Challenges on Revenue and Financial Performance

The Company is exposed to risks associated with its leasing activities and residential sales, both of which could materially affect its financial performance. In terms of leasing, the Company may face the risk of being unable to lease its office and retail properties in a timely manner or at satisfactory rates. A significant portion of the Company's rental revenue depends on the growth of the Business Process Outsourcing (BPO) sector. Should the BPO industry not grow as expected or if the Company fails to attract BPO tenants, it may experience difficulty in leasing its office spaces, which could adversely impact both its office and retail leasing activities. In relation to residential sales, the Company is subject to risks associated with the cancellation of sales under Republic Act No. 6552, also known as the Maceda Law. This law grants buyers certain rights to refund in case of cancellation of contracts involving installment payments.

These leasing and sales risks could have a material adverse effect on the Company's operations, financial condition, and overall business performance. The Company remains committed to managing these risks through strategic tenant acquisition, adaptive leasing arrangements, and prudent financial planning.

5. Organizational/Talent

Alliance Global Group, Inc. is the single largest shareholder of the Company whose interests may not be the same as those of other shareholders and the shareholders

Alliance Global Group, Inc. is the single largest shareholder of the Company and can exert influence over the policies, management and affairs of the Company. The interests of Alliance Global Group, Inc. may differ from those of the other shareholders of the Company.

The Company's ability to successfully plan, design, and execute both current and future projects is closely tied to its capacity to attract, train, and retain highly skilled personnel.

As the Company adapts to an evolving market and increasing demand for skilled professionals, the challenges of retaining key personnel, attracting specialized talent, and addressing emerging skills gaps may impact the Company's ability to execute projects effectively. A shortage of critical expertise in areas such as management, engineering, and design could result in project delays, increased operational costs, and potential disruptions in service delivery. Furthermore, any decline in employee engagement or workforce morale could negatively affect productivity and hinder the Company's ability to sustain long-term growth and stability. Proactively addressing these risks through comprehensive talent management initiatives, ongoing training programs, competitive compensation packages, and fostering a positive work environment is essential for safeguarding the Company's future success.

6. Partnership and Alliance

The Company's growth and market expansion are closely tied to strategic partnerships and alliances. However, risks associated with these collaborations, such as misalignment of objectives, changes in partner stability, and external economic factors, may pose challenges. Any disruption in these relationships could lead to delays, increased costs, or operational setbacks.

The Company selects independent contractors principally by conducting tenders and taking into consideration factors such as the contractors' experience, its financial and construction resources, any previous relationship with the Company, its reputation for quality and its track record. The Company may face challenges in finding or engaging contractors for specific projects or those willing to work within budget constraints, potentially resulting in cost increases or delays. While the Company's personnel actively supervise contractors' work, the services provided may not always meet the required quality standards. Additionally, contractors may experience financial or other difficulties, which could delay project completion or increase costs. In the Philippine setting, evolving regulations, market shifts, and political factors may also impact the sustainability and effectiveness of these partnerships. To mitigate these risks, the Company remains committed to carefully vetting potential partners, ensuring clear terms, and maintaining open communication channels to foster long-term, mutually beneficial alliances.

The interests of joint development partners for the Company's development projects may differ from the Company's and they may take actions that adversely affect the Company

The Company obtains a significant portion of its land bank through joint development agreements with landowners, as part of its overall land acquisition strategy and intends to continue to do so.

Under the terms of its joint development agreements, the Company takes responsibility for project development costs and project sales activities, while its joint venture partner typically supplies the project land. A joint venture involves special risks where the venture partner may have economic or business interests or goals inconsistent with or different from those of the Company's. The development partner may also take actions contrary to the Company's instructions or requests, or in direct opposition to the Company's policies or objectives with respect to the real estate investments, or the development partner may not meet its obligations under the joint development arrangement. Disputes between the Company and its joint development partners could arise which could have an effect on the Company's investment in the project.

7. Environmental/Climate Change

The Philippines has experienced numerous natural catastrophes over the years, including typhoons, floods, droughts, volcanic eruptions, and earthquakes. These events, exacerbated by the ongoing impacts of climate change, are beyond the Company's control and pose significant risks to its housing and land development projects. The increasing frequency and intensity of such disasters may lead to damage to the Company's structures, resulting in potential delays, third party injuries and increased costs

While the Company carries insurance for certain catastrophic events, of types (such as material damage and business interruption insurance), in amounts and with deductibles that the Company believes are in line with general industry practices in the Philippines, there are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss more than insured limits occur with respect to a particular development project, for instance, the Company could lose all or a portion of the capital invested for such project, as well as the anticipated future turnover, while remaining liable for any project costs or other financial obligations relative to such development. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

8. Health, Safety, and Security

The Company faces a variety of challenges that are integral to its growth and sustainability. These include ensuring workplace safety, addressing the impacts of climate change, supporting the well-being of employees, and maintaining robust security measures. While these factors present ongoing considerations, it also provides valuable opportunities for the Company to strengthen its operations, improve resilience, and foster a safe and supportive environment for employees, tenants, and stakeholders. To address risks, the

Company implemented key strategies, including enforcing workplace safety protocols, providing regular training, and ensuring emergency preparedness. The Company has also adapted to climate change through resilient building designs and sustainable practices, while supporting employee mental health with assistance programs and stress management resources. Security was strengthened through physical measures, cybersecurity, and regular audits.

9. Competition/Market

The Company operates in an intensely competitive industry

The Company's real estate operations face significant competition, and some competitors may possess greater financial and other resources. This advantage enables them to engage in more aggressive marketing strategies and respond more swiftly and effectively to changes in the market and shifting consumer preferences. Additionally, the entry of new competitors into the real estate sector could negatively impact the Company's sales and profit margins. The Company competes with various residential and commercial developers, as well as real estate service providers, for prime land acquisitions, development resources, and potential buyers or tenants. Increased competition from these industry players may affect the Company's ability to acquire, sell properties, or attract and retain tenants, ultimately impacting its business performance.

The Philippine property market is cyclical

The Company anticipates generating a significant portion of its future revenue from its current township development projects, making it reliant on the Philippine property market. The market has historically been cyclical, influenced by factors such as supply and demand, economic growth, and political developments. Since 2008, global financial markets have faced significant disruptions, which have impacted property markets worldwide. These disruptions, along with events such as rising government debt and the COVID-19 pandemic have further affected global and local markets, influencing the demand for residential projects in the Philippines. Demand fluctuates based on economic conditions both locally and internationally, including factors like interest rates, overseas Filipino workers' remittances, and political stability. The Company expects these cyclical trends to continue, with results potentially fluctuating due to changes in the Philippine economy, the property market, and global conditions. There is no certainty that these fluctuations will not negatively impact the Company's financial health.

The Company is subject to significant competition in connection with the acquisition of land for development projects

The Company's future growth and development are dependent, in part, on its ability to acquire or enter into agreements to develop additional tracts of land suitable for development projects. As the Company and its competitors attempt to locate sites for development, the Company may experience difficulty in locating parcels of suitable size in locations and at prices acceptable to the Company.

Substantially all of the Company's business activities are conducted in the Philippines and all of its assets are located in the Philippines, which exposes the Company to risks associated with the Philippines, including the performance of the Philippine economy

Historically, the Company's revenues and operating profits have been primarily derived from sales of real estate products in the Philippines, making its business highly dependent on the Philippine economy. Demand for and prices of land and properties are closely tied to economic conditions, including growth rates, interest rates, business activity, and remittances from overseas Filipino workers (OFWs). Past economic downturns, such as the Asian financial crisis in 1997, the political crisis in 2000-2001, and the global financial crisis in 2008-2009, adversely impacted the property market. More recently, the COVID-19 pandemic severely affected the global economy in 2020.

Any decline in Philippine economic conditions due to these or other factors could have a significant negative effect on the country's housing and real estate markets, leading to, among other things, a decline in real estate demand and values and a rise in tenant difficulties in fulfilling their lease and other financial obligations. These factors would also likely have a significant negative effect on the company's operations, financial situation, business, and prospects.

The Philippines has periodically faced political and military instability, including acts of political violence. Over the past decade, challenges such as extrajudicial killings, alleged electoral fraud, impeachment proceedings, and both public and military protests have emerged in response to concerns about government actions. The stability of the country's political climate and the direction of future economic policies remain uncertain. While there is potential for continued growth, changes in governance or policy decisions could reshape the regulatory landscape influencing business operations. Any political or social unrest may create economic fluctuations that could impact the company's operations and financial standing.

In 2025, the Philippines remains at risk from geopolitical threats including South China Sea territorial disputes, changes in foreign investment policies, and global economic uncertainty. These factors have introduced challenges and opportunities, shaping investor confidence, market demand, and long-term development strategies. Ongoing geopolitical tensions, have created uncertainty in trade and investment, which may affect foreign capital inflows. Additionally, policy changes related to foreign ownership and government regulations on infrastructure and taxation can impact property development and pricing. Such activities may have broader implications for the country's financial environment and the company's overall performance.

The Company's Response to Risks

While it is impossible for the Company to completely lessen all risks, some measures can be taken to mitigate their impact. These include due diligence, insurance, compliance, cleaning and remediation. Early awareness of these risks empowers the company to implement appropriate risk-reduction strategies and make well-informed decisions. These evaluations allow the Company to identify the biggest risks and possibilities that might affect the long-term survival and achievement.

The Company identifies, monitors, and mitigates risks that could negatively affect its achievement of business objectives, compliance with regulatory requirements, and shareholder value. It implements insurance plans for managing buildings and properties to guarantee loss prevention and compensation for disaster-related physical damage and business disruption, and is integrated into the Company's processes and demonstrates its dedication to responsible control of risk. Megaworld experienced notable expansion and strategic growth, highlighting the business' strong standing in the Philippine real estate market.

The Company maintains a good working relationship with concerned government agencies with proper monitoring of any regulations and attending seminars and training pertaining to new processes. In addition, the Company endeavors to reduce its exposure to interest rate, currency, and refinance risks by keeping a close eye on and controlling the combination of short- and long-term, fixed and variable rates, local and foreign currency borrowings, and distributing loan maturities throughout preset limitations. The Company also provides regular organizational updates to make sure that all employees are properly informed on the Company's initiatives and handling change, conducting climate reviews or surveys to gauge employee involvement, addressing problem areas empowering others and providing chances for career advancement.

Looking forward, as the Company's continues to face the new challenges, Megaworld is ideally situated to maintain its strong growth trajectory inside the real estate industry, with a focus on innovative smart city solutions and sustainable living; an opportunity for the Company to become more than it has been before as it lives to its vision to uplift lives, impact society and help to shape the nation.

Strengths

The Company believes that it has the following competitive strengths:

- Leading real estate player with established market position and strong brand recognition.
- High quality and diversified portfolio provide stability to income generation.
- Defensive and recurring income portfolio provides resilience amid economic uncertainty.
- High earnings visibility supported by substantial land bank and proven execution track record.
- Leading real estate player with an established market position and strong brand recognition.
- Experienced management team with robust corporate governance policies.

- Conservative balance sheet supported by diversified funding sources and prudent financial management.

Vision, Mission and Strategies

The Company has the following vision and mission:

Vision Statement
We uplift lives, impact society and help shape the nation.

Mission Statement
- We pioneer concepts that promote integrated lifestyles in the townships we build.
- We advocate responsible stewardship of the environment.
- We deliver long-term value for our employees and shareholders.
- We spur economic growth all over the country.

Values
- Integrity
- Creativity and Innovation
- Excellence
- Love for the company

The Company's objective is to increase its profitability and maintain its leading position as a major property developer in the Philippines, specifically in the residential condominium market and the market for BPO-related office developments. The Company intends to achieve its objective through the following principal strategies:

- Maximize earnings through integrated community township developments.
- Capitalize on brand and reputation.
- Build on synergies across the Megaworld Group and the larger Alliance Global Group, Inc. Group of Companies.
- Maintain a strong financial position.
- Sustain a diversified development portfolio.
- Capitalize on growing opportunities in tourism development.

The Board of Directors remain in the forefront in the process of developing and reviewing the Company's strategies. In 2024, the corporate strategies, as well as vision, mission, and values statements of the Company were reviewed and confirmed by the directors.

ITEM 2. PROPERTIES

Description of Principal Properties

The principal properties of the Company as of 31 December 2024 consist of projects under development, condominium units in completed projects, and land for future development, rental properties and hotels, including the following:

TYPE	LOCATION	OWNED/LEASED/ LIMITATIONS ON OWNERSHIP
A. Condominium Units and Subdivision Lots Under Development		
9 Central Park	Uptown Bonifacio, Taguig City	Owned
18 Avenue De Triomphe	Arcovia City, Pasig City	Owned
8 Sunset Boulevard	Westside City, Parañaque City	Joint Venture
Arcovia Palazzo – Altea + Benissa	Arcovia City, Pasig City	Owned
Arcovia Park Place (Arcovia Residential Condo 3	Arcovia City, Pasig City	Owned
Arden Botanical Village	Trece Martires City, Cavite	Joint Venture
Arden Westpark Village	Trece Martires City, Cavite	Joint Venture
Bayshore Residential Resort 2 Ph. 2	Westside City, Parañaque City	Joint Venture
Belmont Hotel Iloilo	Iloilo Business Park, Iloilo City	Owned
Bryant Parklane	Pampanga City	Owned
Firenze Residences	Iloilo Business Park, Iloilo City	Owned
Gentry Manor	Westside City, Parañaque City	Joint Venture
Grand Westside Hotel	Westside City, Parañaque City	Joint Venture
Herald Parksuites (Two Regis Tower 2)	The Upper East, Bacolod City	Owned
Kesington Sky Garden	The Uppper East, Bacolod City	Owned
Kingsford Hotel Bacolod	The Uppper East, Bacolod City	Owned
Kingsquare Residence Suite	Sta. Cruz, Manila City	Owned
La Cassia Residences	General Trias City, Cavite	Owned
La Victoria Global Residences	Mactan Newtown, Cebu	Owned
Laurent Park	Manhattan Garden City, Quezon City	Joint Venture
Maple Grove Commercial District	General Trias City, Cavite	Owned
Maple Grove Park Village (Lot B)	Maple Grove, Cavite City	Joint Venture
Maple Park Residences	Maple Grove, Cavite City	Joint Venture
Montrose Parkview	Pampanga City	Owned
Northwin Main Street 1A	Bulacan	Joint Venture
Oceanfront Premier Residences	Paragua Coastown, Palawan	Joint Venture
One Crown Suites	Manila	Owned
One Manhattan	The Upper East, Bacolod City	Owned
Paragua Beach Village Phase 1	Paragua Coastown, Palawan	Joint Venture
Paragua Sands Hotel	Paragua Coastown, Palawan	Joint Venture
Park Mckinley West (Phase 1)	McKinley West, Fort Bonifacio, Taguig City	Joint Venture
Park Mckinley West (Phase 2)	McKinley West, Fort Bonifacio, Taguig City	Joint Venture
Positano Mactan	Mactan Newtown Cebu	Joint Venture
Porto Hotel District and Mercato Shophouse District	Palawan	Owned
Savoy Hotel Capital Town	Pampanga City	Owned
Savoy Hotel Palawan	Palawan	Owned

Sunny Coast Residential Resort	Westside City, Parañaque City	Joint Venture
The Pearl Global Residences	Mactan Newtown, Cebu	Owned
The Pinnacle	Iloilo Business Park, Iloilo City	Owned
Two Regis	The Upper East, Bacolod City	Owned
Uptown Arts	Uptown Bonifacio, Fort Bonifacio, Taguig City	Joint Venture
Uptown Modern	Uptown Bonifacio, Fort Bonifacio, Taguig City	Joint Venture
Vion Tower 1	Pasong Tamo corner EDSA, Makati City	Joint Venture
Vion West (Vion Tower 2)	Pasong Tamo corner EDSA, Makati City	Joint Venture

B. Condominium Units in Completed Projects

Greenbelt Radisson	Aguirre St., Legaspi Village, Makati City	Owned
Bayshore Residential Resort 1	Westside City, Parañaque City	Joint Venture
Bayshore Residential Resort 2 Ph. 1	Westside City, Parañaque City	Joint Venture
Belmont Hotel Mactan	The Mactan Newtown	Owned
Cityplace Binondo A & B	Binondo, Manila City	Owned
Noble Place	Binondo, Manila City	Joint Venture
Kentwood Heights	Cubao, Quezon City	Owned
Narra Heights	Cubao, Quezon City	Owned
Eastwood Le Grand 1-3	Eastwood, Quezon City	Owned
Eastwood Parkview 1 & 2	Eastwood, Quezon City	Owned
Eastwood Global Plaza Luxury Residences	Eastwood, Quezon City	Owned
Eastwood Park Residences	Eastwood, Quezon City	Owned
Grand Eastwood Palazzo	Eastwood, Quezon City	Owned
One Central Park	Eastwood, Quezon City	Owned
One Orchard Road Tower 1-3	Eastwood, Quezon City	Owned
The Eastwood Excelsior	Eastwood, Quezon City	Owned
The Eastwood Lafayette 1-3	Eastwood, Quezon City	Owned
One Eastwood Avenue 1& 2	Eastwood, Quezon City	Owned
8 Forbestown Road	Forbestown Center, Fort Bonifacio, Taguig City	Joint Venture
The Bellagio 1-3	Forbestown Center, Fort Bonifacio, Taguig City	Joint Venture
Forbeswood Heights	Forbestown Center, Fort Bonifacio, Taguig City	Joint Venture
Forbeswood Parklane 1 & 2	Forbestown Center, Fort Bonifacio, Taguig City	Joint Venture
Forbeshill Model House 1	Northill Gateway, Bacolod City	Owned
Forbeshill Model House 2	Northill Gateway, Bacolod City	Owned
Kingsford Hotel	Westside City, Parañaque City	Joint Venture
Lafayette Park Square	Iloilo Business Park, Iloilo City	Owned
Salcedo SkySuites	Gil Puyat Ave., Makati City	Owned
One Beverly Place	Greenhills, San Juan City	Joint Venture
One Madison Place 1 – 3	Iloilo Business Park, Iloilo City	Owned
Wack Wack Heights	Lee St., Mandaluyong City	Owned
Greenbelt Hamilton 1 & 2	Legaspi St., Legaspi Village, Makati City	Owned
Greenbelt Madison	Legaspi Village, Makati City	Owned
8 Newtown Boulevard	Mactan Newtown, Cebu City	Owned
One Pacific Residence	Mactan Newtown, Cebu City	Owned
One Manchester Place 1 & 2	Mactan Newtown, Cebu City	Owned
Savoy Hotel Mactan Newtown	Mactan Newtown, Cebu City	Owned
One Lafayette Square	Makati City	Owned
Two Lafayette Square	Makati City	Owned

Manhattan Parkway 1-3	Manhattan Garden City, Quezon City	Joint Venture
Manhattan Parkview 1-3	Manhattan Garden City, Quezon City	Joint Venture
Manhattan Parkview Garden	Manhattan Garden City, Quezon City	Joint Venture
Manhattan Plaza	Pedro Gil, Manila	Owned
Manhattan Heights Tower A	Manhattan Garden City, Quezon City	Joint Venture
Manhattan Heights Tower B	Manhattan Garden City, Quezon City	Joint Venture
Manhattan Heights Tower C	Manhattan Garden City, Quezon City	Joint Venture
Manhattan Heights Tower D	Manhattan Garden City, Quezon City	Joint Venture
Manhattan Plaza Tower 2	Manhattan Garden City, Quezon City	Joint Venture
Olympics Heights (1-3)	Eastwood, Quezon City	Owned
One Regis	Bacolod City	Owned
Saint Honore	Iloilo Business Park, Iloilo City	Owned
San Antonio Residences	Makati City	Owned
115 Upper McKinley	McKinley Hill, Fort Bonifacio, Taguig City	Joint Venture
McKinley Hill Garden Villas	McKinley Hill, Fort Bonifacio, Taguig City	Joint Venture
Tuscany Private Estate	McKinley Hill, Fort Bonifacio, Taguig City	Joint Venture
Morgan Suites Executive Residences	McKinley Hill, Fort Bonifacio, Taguig City	Owned
Stamford Executive Residences	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Albany Luxury Residences-Kingsley	McKinley West, Taguig City	Joint Venture
The Albany Luxury Residences-Yorkshire	McKinley West, Taguig City	Joint Venture
The Salcedo Park (1&2)	Makati City	Megaworld Globus
The Venice Luxury Residences – Alessandro	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Venice Luxury Residences – Bellini	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Venice Luxury Residences – Carusso	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Venice Luxury Residences – Domenico	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Venice Luxury Residences – Emanuele	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Venice Luxury Residences – Fiorenzo	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Verdin	Maple Grove, Cavite City	Owned
Viceroy 1-4	McKinley Hill, Fort Bonifacio, Taguig City	Owned
The Florence (1-3)	McKinley Hill, Fort Bonifacio, Taguig City	Owned
McKinley West Subdivision	McKinley West, Taguig City	Joint Venture
St. Moritz Private Estate Cluster 1 & 2	McKinley West, Taguig City	Joint Venture
St. Mark Residences (VEN-Giovanni)	McKinley Hill, Taguig City	Owned
The Woodridge 1&2	McKinley Hill, Taguig City	Owned
The Ellis	Makati City	Owned
The Palladium	Iloilo Business Park, Iloilo City	Owned
Brentwood Heights	Multinational Village, Parañaque City	Owned
Sherwood Heights	Multinational Village, Parañaque City	Owned
101 Newport Boulevard	Newport, Pasay City	Joint Venture
150 Newport Boulevard	Newport, Pasay City	Joint Venture
81 Newport Boulevard	Newport, Pasay City	Joint Venture
Palm Tree Villas 1 & 2	Newport, Pasay City	Joint Venture
The Parkside Villas	Newport, Pasay City	Joint Venture
The Residential Resort at Newport	Newport, Pasay City	Joint Venture
Belmont Luxury Hotel	Newport, Pasay City	Joint Venture
Savoy Hotel	Newport, Pasay City	Joint Venture

Golf Hills Terraces	Old Balara, Quezon City	Joint Venture
Golfhill Gardens	Old Balara, Quezon City	Owned
Greenbelt Parkplace	Palanca St., Legaspi Village, Makati City	Owned
Greenbelt Excelsior	Palanca St., Legaspi Village, Makati City	Joint Venture
Marina Square Suites	Pedro Gil, Manila City	Owned
Greenhills Heights	Pinaglabanan, San Juan City	Joint Venture
Greenbelt Chancellor	Rada St., Legaspi Village, Makati City	Owned
Paseo Heights	Salcedo Village, Makati City	Owned
One Central	Sen. Gil Puyat Ave., Makati City	Owned
El Jardin Del Presidente 1 & 2	Sgt. Esguerra Ave., Quezon City	Owned
One Uptown Residence	Uptown Bonifacio, Taguig City	Joint Venture
Uptown Ritz Residence	Uptown Bonifacio, Taguig City	Joint Venture
Uptown Parksuites 1 &2	Uptown Bonifacio, Taguig City	Joint Venture
Paseo Parkview Suites 1& 2	Valero St. Salcedo Village, Makati City	Owned
Two Central	Valero St., Makati City	Owned
Three Central	Valero St., Makati City	Owned
The Manhattan Square	Valero St., Makati City	Joint Venture
8 Wack Wack Road	Wack Wack Road, Mandaluyong City	Owned
Chelsea Parkplace	Pampanga City	Owned
Saint Dominique	Iloilo Business Park, Iloilo City	Owned

C. Rental Properties

Arcovia Parade Retail 1 & 2	Arcovia City, Pasig City	Owned
City Place Retail Mall	Binondo, Manila City	Owned
Hotel Lucky Chinatown	Binondo, Manila City	Owned
Lucky Chinatown Mall	Binondo, Manila City	Owned
Davao Finance Center	Davao Park District, Davao City	Owned
1800 Eastwood Avenue	Eastwood, Quezon City	Owned
1880 Eastwood Avenue	Eastwood, Quezon City	Owned
Cyber Mall	Eastwood, Quezon City	Owned
Cyber One Units	Eastwood, Quezon City	Owned
Eastwood Citywalk	Eastwood, Quezon City	Owned
Eastwood Mall	Eastwood, Quezon City	Owned
Eastwood Richmonde Hotel	Eastwood, Quezon City	Owned
E-Commerce Plaza	Eastwood, Quezon City	Owned
Enterprise One	Iloilo Business Park, Iloilo City	Joint Venture
Enterprise One	Iloilo Business Park, Iloilo City	Owned
International Corporate Plaza	Iloilo Business Park, Iloilo City	Joint Venture
International Finance Center	Uptown Bonifacio, Taguig City	Joint Venture
No. 1 Upper East Avenue	The Upper East, Bacolod City	Owned
No. 5 Upper East Avenue	The Upper East, Bacolod City	Owned
One Corporate Place	Cavite City	Owned
One Republic Plaza	Davao Park District, Davao City	Owned
Pasudeco Tower 1	Pampanga	Owned
Global One	Eastwood, Quezon City	Owned
IBM Plaza	Eastwood, Quezon City	Owned
ICITE	Eastwood, Quezon City	Owned
Techno Plaza 1	Eastwood, Quezon City	Owned
Techno Plaza 2 Units	Eastwood, Quezon City	Joint Venture
Eastwood Global Plaza Corporate Center	Eastwood, Quezon City	Owned
Burgos Circle	Forbestown Center, Fort Bonifacio, Taguig City	Joint Venture

The World Centre	Gil Puyat Ave., Makati City	Owned
One Beverly Place Retail	Greenhills, San Juan City	Owned
Festive Walk Mall	Iloilo Business Park, Iloilo City	Owned
Festive Walk Mall Annex	Iloilo Business Park, Iloilo City	Owned
Festive Walk Parade 2B	Iloilo Business Park, Iloilo City	Owned
Festive Walk Office Tower	Iloilo Business Park, Iloilo City	Owned
One Global Center	Iloilo Business Park, Iloilo City	Owned
One Techno Place	Iloilo Business Park, Iloilo City	Owned
Richmonde Hotel Iloilo & Richmonde Tower	Iloilo Business Park, Iloilo City	Owned
Two Global Center	Iloilo Business Park, Iloilo City	Owned
Three Techno Place	Iloilo Business Park, Iloilo City	Owned
Two Techno Place	Iloilo Business Park, Iloilo City	Owned
One Fintech Place	Iloilo Business Park, Iloilo City	Owned
Two Fintech Place	Iloilo Business Park, Iloilo City	Owned
California Garden Square Retail	Libertad cor. Calbayog, Mandaluyong City	Owned
8 Newtown Boulevard	Mactan Newtown, Cebu	Owned
Mactan Alfresco	Mactan Newtown, Cebu	Owned
One World Center	Mactan Newtown, Cebu	Owned
Tower One Plaza Magellan	Mactan Newtown, Cebu	Owned
Two World Center	Mactan Newtown, Cebu	Owned
Pacific World Tower	Mactan Newtown, Cebu	Owned
The Newtown School of Excellence	Mactan Newtown, Cebu	Owned
8 Campus Place	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
8 Upper McKinley	McKinley Hill, Fort Bonifacio, Taguig City	Owned
Commerce and Industry Plaza	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
Emperador Steel Parking Building	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
McKinley Hill (Phase 3) Lots	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
McKinley Parking Building	McKinley Hill, Fort Bonifacio, Taguig City	Owned
One Campus Place	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
One World Square	McKinley Hill, Fort Bonifacio, Taguig City	Owned
Science Hub Towers	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
Southeast Asian Campus	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
The Venice Canal Mall	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
The Venice Piazza	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
Three World Square	McKinley Hill, Fort Bonifacio, Taguig City	Owned
Tuscany Retail	McKinley Hill, Fort Bonifacio, Taguig City	Joint Venture
Two World Square	McKinley Hill, Fort Bonifacio, Taguig City	Owned
Venice Corporate Center	McKinley Hill, Fort Bonifacio, Taguig City	Ground Lease
Woodridge Residences	McKinley Hill, Fort Bonifacio, Taguig City	Joint Venture
Five West Campus	McKinley West, Taguig City	Joint Venture
One West Campus	McKinley West, Taguig City	Joint Venture
Ten West Campus	McKinley West, Taguig City	Joint Venture
Three West Campus	McKinley West, Taguig City	Joint Venture
Two West Campus	McKinley West, Taguig City	Joint Venture
Six West Campus	McKinley West, Taguig City	Joint Venture
Eight West Campus	McKinley West, Taguig City	Joint Venture
Mckinley West Steel Deck Parking	McKinley West, Taguig City	Joint Venture
One Le Grand Tower	McKinley West, Taguig City	Joint Venture
81 Newport Square	Newport City, Pasay City	Joint Venture
Belmont Luxury Hotel	Newport City, Pasay City	Joint Venture
The Richmonde Hotel	Ortigas, Mandaluyong City	Owned
Paseo Center	Paseo Center, Makati City	Owned
331 Building	Sen. Gil Puyat Ave., Makati City	Owned

Corinthian Hills Retail	Temple Drive, Quezon City	Owned
Uptown Parade	Uptown Bonifacio, Taguig City	Joint Venture
Uptown Place Mall	Uptown Bonifacio, Taguig City	Joint Venture
Uptown Place Towers	Uptown Bonifacio, Taguig City	Joint Venture
World Commerce Place (Uptown Eastgate)	Uptown Bonifacio, Taguig City	Joint Venture

The Company's principal office is located on the 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

While the Company has sufficient land for future development, it continuously seeks opportunities to acquire and develop land in prime locations through purchase, joint venture arrangements or otherwise.

ITEM 3. LEGAL PROCEEDINGS

No Material Pending Legal Proceedings

Neither the Company nor any of its subsidiaries or any of their properties are involved in or the subject of any legal proceedings which would have a material adverse effect on the business or financial position of the Company or any of its subsidiaries, or any of its or their properties.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for the matters taken up during the Annual Meeting of Stockholders, no other matter was submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company has an authorized capital stock of Forty-Five Billion Seven Hundred Million Pesos (Php45,700,000,000.00) divided into the following classes of shares, with the features provided below:

a. 45,640,000,000 voting common shares with a par value of Php1.00 per share.
b. 6,000,000,000 voting, cumulative, non-participating, non-convertible and non-redeemable preferred shares with a par value of Php0.01 per share.

<u>Market Price Information</u>

The common shares of the Company are traded on the PSE under the symbol of MEG. The Company's common stock was first listed on the PSE on 15 June 1994.

The following table sets out, for the periods indicated, the high and low sales price for the Company's common shares as reported on the PSE:

Year		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2023	High	2.40	2.13	2.14	2.10
	Low	1.91	1.93	1.96	1.93
2024	High	2.03	1.93	2.20	2.36
	Low	1.90	1.72	1.75	1.97
2025	High	2.03			

Low	1.74			
03/31/2025 Close	1.79			

Market price of the Issuer's Shares as at 27 December 2024 was 2.05 per share.

Holders

As of 31 December 2024, the Company has 2,360 shareholders of record worldwide. The following table sets forth the 20 largest shareholders of the Company as of 31 December 2024.

	Name of Shareholder	Number of Shares Held	Percent of Total Outstanding Shares
1.	Alliance Global Group, Inc.	17,549,589,059[1]	44.15%
		6,000,000,000	15.56%
	Subtotal	23,549,589,059	61.08%
2.	PCD Nominee Corporation (Filipino)	5,736,864,931[2]	14.88%
3.	New Town Land Partners, Inc.	5,668,530,324	14.70%
4.	PCD Nominee Corporation (Non-Filipino)	2,587,938,461	6.71%
5.	First Centro, Inc.	873,012,500	2.26%
6.	Simon Lee Sui Hee	8,845,200	0.02%
7.	OCBC Securities Phils., Inc. FAO: Santiago Tanchan	7,371,000	0.02%
8.	Luisa Co Li	5,525,697	0.01%
9.	Evangeline Abdullah	5,400,000	0.01%
10.	Jasper Karl Tanchan Ong	5,370,300	0.01%
11.	Winston Co	5,180,760	0.01%
12.	Luis U. Ang &/or Teresa W. Ang	4,000,000	0.01%
13.	Luis Ang &/or Lisa Ang	3,785,532	0.01%
14.	Lucio W. Yan	3,780,000	0.01%
15.	Alberto Mendoza &/or Jeanie C. Mendoza	2,587,454	0.01%
16.	Luis U. Ang &/or Liza W. Ang	2,529,345	0.01%
17.	Nelson Ocampo Ku	2,520,000	0.01%
18.	Katherine L. Tan	1,891,632	0.00%
19.	Aboitiz Equitiz & Ventures	1,842,750	0.00%
20.	Roberto Ocampo Ku	1,800,000	0.00%

Dividend Policy

The payment of dividends, either in the form of cash or stock, will depend upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the Company with its capital unimpaired, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to the approval by the Board of Directors. On the other hand, declaration of stock dividends is subject to approval by both the Board of Directors and at least two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose.

[1] Includes 141,026,000 shares with PCD Nominee Corporation (Filipino) beneficially owned by Alliance Global Group, Inc., as well as 1,375,000,000 shares under PCD Nominee Corporation (Filipino), subject of an ongoing additional listing application with the PSE.
[2] Excludes 141,026,000 shares with PCD Nominee Corporation (Filipino) beneficially owned by Alliance Global Group, Inc., as well as 1,063,994,000 treasury shares lodged under PCD Nominee Corporation (Filipino).

Pursuant to the Enabling Resolution passed by the Board of Directors on 18 July 2017, preferred shares shall earn dividends at the rate of one percent (1%) of par value per annum, which shall be cumulative from and after the date of issue of the preferred shares.

Cash dividends amounting to Php2.76 billion, Php2.14 billion and Php1.96 billion were declared on the Company's common shares in 2024, 2023 and 2022, respectively. Cash dividends were also declared on the Company's Series "A" Preferred Shares in 2024, 2023 and 2022 in the amount of Php600,000 for each year. The dividends were paid in 18 November 2024, 14 November 2023 and 14 November 2022, respectively.

The Company declares cash dividends to shareholders of record ordinarily in the second half of each year. These dividends are paid from unrestricted retained earnings. The Company intends to maintain an annual cash dividend payment ratio of 20% of its net income from the preceding year, subject to the requirements of applicable laws and regulations and the absence of circumstances that may restrict the payment of such dividends, such as where the Company undertakes major projects and developments. The Company's Board of Directors may, at any time, modify its dividend payout ratio depending upon the results of operations and future projects and plans of the Company.

Recent Sales of Unregistered or Exempt Securities

In the past three (3) years, the following securities were issued as exempt from the registration requirements of the Securities Regulation Code (SRC):

On 1 August 2024, the Company issued 1,375,000,000 common shares to Alliance Global Group, Inc. (AGI), the sole subscriber to the increase in authorized capital stock of the Company, which was approved by the Securities and Exchange Commission on 29 July 2024. The shares were issued for a total subscription price of Two Billion Six Hundred Twelve Million Five Hundred Thousand Pesos (Php2,612,500,000.00), which was paid by AGI in cash. The Company is presently applying for the listing of the additional shares with the PSE. The aforesaid issuance of shares to AGI is exempt from registration pursuant to Sec. 10.1(i) of the SRC involving subscriptions for shares of the capital stock in pursuance of an increase in its authorized capital stock.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations for Year 2024
(Based on Financial Statements adopted in accordance with the Philippine Financial Reporting Standards)

Review of December 31, 2024 versus December 31, 2023

Megaworld, the country's leading township developer, achieved a net income of Php 21.67 billion in 2024, reflecting an 11.68% increase from Php 19.40 billion last year. Net income attributable to the parent company stood at Php 18.75 billion, marking an 8.09% growth from prior year. This increase was driven by higher revenues across key business segments, including real estate sales, leasing and hotel operations, supported by strong project completions, higher rental income from expanded leasing activities and increased occupancy and room rates in the hospitality segment. Additionally, the Group maintained cost efficiencies and strategic financial management contributing to improved profitability.

The Group's consolidated revenues soared by an impressive 17.15% reaching Php 81.69 billion in 2024 from Php 69.73 billion in 2023. Core revenues amounted to Php 75.77 billion, driven by strong property sales and sustained growth in leasing and hotel operations, reflecting a 17.69% increase from Php 64.38 billion in the prior year.

	For the years ended December 31		Change year-on-year	
	2024	2023	In Pesos	In %
REVENUES AND INCOME				
Real estate sales	P50,988,478,086	P42,721,115,222	8,267,362,864	19.35%
Rental income	19,678,069,599	17,854,466,048	1,823,603,551	10.21%
Hotel operations	5,107,047,400	3,807,063,945	1,299,983,455	34.15%
Interest and other income – net	5,913,737,481	5,345,510,276	568,227,205	10.63%
	81,687,332,566	69,728,155,491	11,959,177,075	17.15%
COSTS AND EXPENSES				
Real estate sales	25,381,121,671	21,604,685,140	3,776,436,531	17.48%
Hotel operations	2,965,752,572	2,185,776,633	779,975,939	35.68%
Operating expenses	19,834,930,659	16,959,260,295	2,875,670,364	16.96%
Equity share in net losses of associates	290,085,568	65,412,001	224,673,567	343.47%
Interest and other charges – net	6,340,531,092	5,056,713,055	1,283,818,037	25.39%
Income taxes	5,208,226,235	4,455,738,864	752,487,371	16.89%
	60,020,647,797	50,327,585,988	9,693,061,809	19.26%
NET PROFIT	21,666,684,769	19,400,569,503	2,266,115,266	11.68%
Net profit (loss) attributable to:				
Parent company's shareholders	P18,749,285,284	P17,345,401,623	1,403,883,661	8.09%
Non-controlling interest	2,917,399,485	2,055,167,880	862,231,605	41.95%

Development. Megaworld's real estate sales remained the primary driver of growth, comprising 62.42% of total revenues, with a 19.35% year-on-year growth to Php 50.99 billion in 2024 from Php 42.72 billion in 2023. The increase was fueled by strong demand for residential properties across Megaworld's integrated township developments in both Metro Manila and key provincial locations, as well as continued project completions. In Metro Manila, notable contributors came from Arcovia City (18 Avenue De Triomphe, and Arcovia Palazzo – Benissa), Westside City (Sunny Coast Residential Resort, Gentry Manor, Grand Westside Hotel, and Bayshore Residential Resort 2 Phase 2), McKinley West (Park Mckinley West Towers A, B, C & D), Uptown Bonifacio (Uptown Arts Residences, Uptown Parksuites Tower 2, Uptown Ritz Residence), McKinley Hill (The Florence), Eastwood City (Eastwood Global Plaza Luxury Residence, , Eastwood Le Grand Tower 2), Makati City (Vion Tower), Quezon City (Manhattan Plaza Tower 2) and Manila City (Kingsquare Residential Suites). In provincial areas, significant contributions came from Arden Botanical Estate in Cavite (Arden Botanical Village, and Arden Westpark Village), Maple Grove in Cavite (Maple Grove Park Village, Maple Grove Commercial District, and La Cassia Residences), Iloilo Business Park in Iloilo (Belmont Hotel Iloilo, and The Pinnacle) and The Mactan Newtown in Cebu (Mactan Belmont Luxury Hotel, and La Victoria Global Residences).

Leasing. Leasing operations continue to become a key revenue stream, generating Php 19.68 billion revenues, reflecting a 10.21% increase from the previous year's Php 17.85 billion. This contributed a 24.09% of total consolidated revenues. Office rental income sustained its growth from continued rental escalations, successful tenant renewals and new leases from both existing and new assets. Mall rental income likewise posted strong growth from higher tenant sales, foot traffic and a better tenant mix of food & beverage establishments as well as several premium and anchor tenants.

***Hotel Operations*.** The Group's revenues attributable to hotel operations recorded the highest growth among the Group's core businesses, with revenues surging 34.15% to Php 5.11 billion from Php 3.81 billion in 2023. The stellar growth was a result of strong local tourism and Meetings, Incentives, Conventions, and Exhibition (MICE) activities that brought hotel occupancy and average daily rates higher.

Total costs and expenses amounted to Php 60.02 billion, reflecting an increase of 19.26% from Php 50.33 billion in the prior year. Cost of real estate sales increased by 17.48% to Php 25.38 billion compared to the same period in 2023, highlighting the successful pricing strategies and cost management of the Group. Operating expenses increased by 16.96% to Php 19.83 billion, while interest and other charges – net rose 25.39% to Php 6.34 billion. Tax expense for 2024 reached Php 5.21 billion resulted in an increase of 16.89% from 2023 reported amount of Php 4.46 billion.

There were no seasonal aspects that had a material effect on the financial condition or financial performance of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations. The Group is not aware of events that will cause material change in the relationship between costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

Financial Condition

	As of December		Change year-on-year	
Selected Balance Sheet Data	**2024**	**2023**	**In Pesos**	**In %**
Cash and cash equivalents	P21,421,340,361	P25,115,017,234	(3,693,676,873)	-14.71%
Trade and other receivables	74,559,367,874	64,684,680,752	9,874,687,122	15.27%
Contract Asset	35,515,792,121	25,721,450,330	9,794,341,791	38.08%
Advances to landowners and joint ventures	8,830,352,156	8,160,417,609	669,934,547	8.21%
Investments in Associates	2,813,484,851	3,069,422,324	(255,937,473)	-8.34%
Investment properties	146,883,191,897	135,155,548,880	11,727,643,017	8.68%
Total Assets	469,636,839,938	440,572,718,173	29,064,121,765	6.60%
Trade and other payables	28,832,783,345	26,394,004,577	2,438,778,768	9.24%
Interest bearing loans and borrowings	89,993,511,031	71,780,316,218	18,213,194,813	25.37%
Bonds payable	20,049,554,649	31,114,591,251	(11,065,036,602)	-35.56%
Contract liabilities	6,584,494,382	7,456,743,395	(872,249,013)	-11.70%
Advances from other related parties	1,463,852,566	1,247,044,914	216,807,652	17.39%
Income tax payable	26,700,260	69,133,848	(42,433,588)	-61.38%
Deferred tax liabilities	15,884,995,337	14,587,512,527	1,297,482,810	8.89%
Retirement benefit obligation	869,941,394	618,205,997	251,735,397	40.72%
Total Liabilities	190,901,749,512	179,904,872,201	10,996,877,311	6.11%
Equity Attributable to the Parent Company's stockholders	246,294,123,471	227,821,868,243	18,472,255,228	8.11%
Non-controlling interests	32,440,966,955	32,845,977,729	(405,010,774)	-1.23%
Total Equity	278,735,090,426	260,667,845,972	18,067,244,454	6.93%

The Group maintains a prudent financial policy, ensuring stability and growth amid a competitive and evolving business environment. As of December 31, 2024, the Group's total assets amounted to Php 469.64 billion, reflecting a 6.60% increase from Php 440.57 billion as of December 31, 2023.

The Group continues to demonstrate a strong liquidity position, with current assets amounting to Php 247.68 billion, representing a 3.79% increase from Php 238.64 billion in the previous year. Meanwhile, current obligations decreased by 5.32% from Php 76.38 billion in 2023 to Php 72.31 billion in 2024.

Cash and cash equivalents stood at Php 21.42 billion as of December 31, 2024, a 14.71% decrease from Php 25.12 billion in 2023. Trade and other receivables, net—current and non-current—grew by 15.27%, reaching Php 74.56 billion from Php 64.68 billion in the prior year. Contract assets saw significant increase of 38.08%, amounting to Php 35.52 billion in 2024, up from Php 25.72 billion in 2023. Inventories increased by 1.02% from Php 134.49 billion in 2023 to Php 135.86 billion as of December 31, 2024. This includes raw land for residential development and property development costs, which were reclassified due to the adoption of PFRS 15 and PIC Q&As 2018-11, 2018-15 and 2018-12. Investment properties – net rose by 8.68% from Php 135.16 billion in 2023 to Php 146.88 billion in 2024. This includes raw land and property development costs for office and commercial development, which were reclassified due to the adoption of PIC Q&As 2018-11, 2018-15 and 2018-12.

The Group's trade and other payables increased by 9.2%, reaching Php 28.83 billion as of December 31, 2024, compared to Php 26.39 billion in 2023. Contract liabilities decreased by 11.70%, amounting to Php 6.58 billion from Php 7.46 billion in the prior year. Meanwhile, customers' deposits—current and non-current— amounted to Php 12.06 billion compared to Php 11.82 billion as at December 31, 2023 with 2.02% increase.

Interest-bearing loans and borrowings—both current and non-current—stood at Php 89.99 billion, representing a 25.37% increase from Php 71.78 billion in 2023 primarily due to the refinancing of maturing bonds into interest-bearing loans, a strategic move aimed at optimizing the Group's capital structure and enhancing debt management efficiency. Conversely, bonds payable decreased by 35.56%, from Php 31.11 billion in 2023 to Php 20.05 billion in 2024 due to payment of matured peso bonds.

Total other liabilities amounted to Php 15.13 billion as of December 31, 2024, up 2.16% from Php 14.82 billion in the previous year.

Total Equity, including non-controlling interests, increased by 6.93% reaching Php 278.74 billion as of December 31, 2024, from Php 260.67 billion in the previous year. Equity attributable to the Parent Company's stockholders amounted to Php 246.29 billion, reflecting an 8.11% growth from Php 227.82 billion in the previous year.

The top five (5) key performance indicators of the Group are shown below:

	December 31, 2024	December 31, 2023
Current Ratio *1	3.43:1.00	3.12:1.00
Debt to Equity Ratio *2	0.39:1.00	0.39:1.00
Net Debt to Equity Ratio *3	0.32:1.00	0.30:1.00

	December 31, 2024	December 31, 2023
Return on Assets *4	4.76%	4.57%
Return on Equity *5	7.91%	7.94%

**1 – Current Assets / Current Liabilities*
**2 – Total Debt / Equity (Total debt includes interest bearing loans and borrowings and bonds payable)*
**3 – Net Debt / Equity (Net debt is total debt less cash and cash equivalents)*
**4 – Net Profit / Average Total Assets*
**5 – Net Profit / Average Equity (Computed using figures attributable only to parent company shareholders)*

The Group's financial position remains resilient, supported by its strong capital base, prudent financial management, and sustained operational growth across its diversified portfolio of assets. With its solid financial standing, the Group is well-positioned for continued investment and expansion while focusing on identifying new markets, sustaining established ones, and leveraging emerging business opportunities.

Material Changes in the Year 2024 Financial Statements

(Increase/decrease of 5% or more versus December 31, 2023)

Statements of Financial Position

14.71% decrease in cash and cash equivalents
Mainly due to capital expenditure related to ongoing developments, debt repayments and dividend distributions, partially offset by cash inflows from operating activities

15.27% increase in trade and other receivables – net
Primarily due to higher revenues from completed real estate projects with ongoing collections as well as higher rental income for collection from expanded leasing activities

38.08% increase in contract assets
Attributable to higher revenue recognition from ongoing real estate projects as construction progressed ahead of collections

8.21% increase in advances to landowners and joint operators
Driven by additional advances made to landowners

8.34% decrease in investment in associates
Due to the Group's equity share in the net loss incurred by its associate during the period

8.68% increase in investment properties – net
Acquisition of land for future development into rental properties, additional costs to complete new investments in office and commercial properties and reclassification of certain development costs

9.24% increase in trade and other payable
Due to higher obligations to suppliers and contractors, reflecting increased construction and development activities

25.37% increase in interest-bearing loans and borrowings
Primarily due to the refinancing of maturing bonds into interest-bearing loans

35.56% decrease in bonds and notes payable
Due to maturity of peso bonds

11.70% decrease in contract liabilities
Due to revenue recognition from previously collected customer payments as real estate projects progressed towards completion and turnover

17.39% increase in advances from other related parties
Due to increase in advances arising from related party transactions

61.38% decrease in income tax payable
Due to payment of prior period tax obligations

8.89% increase in deferred tax liabilities – net
Pertains to tax effects of taxable and deductible temporary differences

40.72% increase in retirement benefit obligation
Additional accrual of retirement plan of employees and changes in actuarial assumptions

6.93% increase in equity
Driven by strong retained earnings growth due to sustained profitability

(Increase/decrease of 5% or more versus December 31, 2023)

Statements of Income

19.35% increase in real estate sales
Higher sales bookings resulting from increase in percentage of project completion due to acceleration of construction activities and additional sales from new projects

10.21% increase in rental income
Increase in rental driven by higher tenant sales, new leases, escalation and improved occupancy rates

34.15% increase in hotel operations
The surge in hotel operations was driven by robust hotel bookings, growth in MICE activities and local tourism and increase in food and beverage revenues

10.63% increase in interest and other income – net
Includes other income recognized for the current period

17.48% increase in cost of real estate sales
Higher sales bookings resulting from accelerated project completion rate

35.68% increase in cost of hotel operations
Directly related to the increase in hotel revenue

16.96% increase in operating expenses
Mainly due to increase in selling, administrative and other miscellaneous expenses

343.47% increase in equity share in net losses of associates
Due to incurred losses of an associate

25.39% increase in interest and other charges – net
Primarily due to foreign currency losses incurred during the period

16.89% increase in income tax expense
Due to higher taxable income

There are no other significant changes in the Group's financial position (5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would have impact or change the reported financial information and condition on the Group.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Group's liquidity in any material way. The Group does not anticipate having any cash flow or liquidity problems. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

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

The Group has no unusual nature of transactions or events that affects assets, liabilities, equity, net income or cash flows.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

There were no known material events subsequent to the end of the period that have not been reflected in the Group's Financial Statements as at 2024.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

There was no contingent liability reflected in the most recent annual financial statement, the same in the consolidated financial statements as at 2024.

There are no commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying consolidated financial statements.

There were no other material issuances, repurchases or repayments of debt and equity securities.

Results of Operations for Year 2023
(Based on Financial Statements adopted in accordance with the Philippine Financial Reporting Standards)

Review of December 31, 2023 versus December 31, 2022

Megaworld, the country's premier township developer, generated a net income of Php19.40 Billion in 2023, up by 26.19% from Php15.37 Billion in the same period last year, boosted by double-digit revenue growth across all of its business segments. Net income attributable to the parent company stood at Php17.35 Billion.

The Group's consolidated revenues rose by 17.14% to Php69.73 Billion in 2023 from Php59.53 Billion in the same period last year.

	For the years ended December 31		Change year-on-year	
	2023	2022	In Pesos	In %
REVENUES AND INCOME				
Real estate sales	P42,721,115,222	P36,849,992,605	5,871,122,617	15.93%
Rental income	17,854,466,048	15,653,727,970	2,200,738,078	14.06%
Hotel operations	3,807,063,945	2,603,709,878	1,203,354,067	46.22%
Interest and other income – net	5,345,510,276	4,419,826,198	925,684,078	20.94%
	69,728,155,491	59,527,256,651	10,200,898,840	17.14%
COSTS AND EXPENSES				
Real estate sales	21,604,685,140	18,554,755,392	3,049,929,748	16.44%
Hotel operations	2,185,776,633	1,462,451,435	723,325,198	49.46%
Operating expenses	16,959,260,295	14,584,659,156	2,374,601,139	16.28%
Equity share in net losses of associates	65,412,001	155,429,591	(90,017,590)	-57.92%
Interest and other charges – net	5,056,713,055	5,628,116,792	(571,403,737)	-10.15%
Income taxes	4,455,738,864	3,767,557,891	688,180,973	18.27%
	50,327,585,988	44,152,970,257	7,777,072,541	13.98%
NET PROFIT	19,400,569,503	15,374,286,394	4,026,283,109	26.19%
Net profit (loss) attributable to:				
Parent company's shareholders	P17,345,401,623	P13,455,475,825	3,889,925,79	28.91%
Non-controlling interest	2,055,167,880	1,918,810,569	136,357,311	7.11%

Development. The bulk of Megaworld's consolidated revenues were derived from various product portfolios, with a significant 61.27% of total revenues arising from the sale of condominium units and commercial lots. Notably, real estate sales exhibited robust growth, with a year-on-year increase of 15.93%, reaching a total of Php42.72 Billion compared to the previous year's figure of Php36.85 Billion. This surge was largely attributed to increased construction activities throughout the year. A significant portion of the Group's registered sales was attributed to several key projects, including: Gentry Manor, Grand Westside Hotel, Park Mckinley West, Bayshore Residential Resort 2 Phase 2, Park Mckinley West-Towers C & D, Uptown Arts Residences, Belmont Hotel Iloilo, Mactan Belmont Luxury Hotel, Uptown Parksuites Towers 1 & 2, The Florence, One Uptown Residence, The Albany-Yorkshire, Arden Botanical Village, Uptown Ritz Residence, San Antonio Residence, Maple Grove Commercial District, Sunny Coast Residential Resort, Saint Dominique, Vion Tower, Eastwood Global Plaza Luxury Residence, Manhattan Plaza Tower 2 and 18 Avenue De Triomphe.

Leasing**.** The Group's rental businesses, consisting of office and lifestyle mall leasing, yielded an increase of 14.06%, reaching Php17.85 Billion in 2023 from the previous year's Php15.65 Billion, thereby contributing 25.61% of the total consolidated revenues.

Hotel Operations**.** The Group's revenues attributable to hotel operations posted a milestone growth of 46.22%, soared to Php3.81 Billion in 2023 compared to Php2.60 Billion from the same period last year.

Total costs and expenses amounted to Php50.33 Billion, an increase of 13.98% from Php44.15 Billion in the same period last year. Interest and other charges – net decreased by 10.15%, amounting to Php5.06 Billion this year from Php5.63 Billion in fourth quarter of 2022. Tax expense in 2023 amounting to Php4.46 Billion resulted in an increase of 18.27% from 2022 reported amount of Php3.77 Billion.

There were no seasonal aspects that had a material effect on the financial condition or financial performance of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations. The Group is not aware of events that will cause material change in the relationship between costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

Financial Condition

	As of December		Change year-on-year	
Selected Balance Sheet Data	**2023**	**2022**	**In Pesos**	**In %**
Cash and cash equivalents	P25,115,017,234	P27,754,568,446	(2,639,551,212)	-9.51%
Trade and other receivables	64,684,680,752	56,941,858,393	7,742,822,359	13.60%
Inventories	134,493,092,091	123,451,306,761	11,041,785,330	8.94%
Contract Asset	25,721,450,330	19,619,923,773	6,101,526,557	31.10%
Prepayments and other assets - net	16,503,724,001	14,124,724,216	2,378,999,785	16.84%
Investment properties	135,155,548,880	128,101,844,538	7,053,704,342	5.51%
Total Assets	440,572,718,173	409,211,537,300	31,361,180,873	7.66%
Bonds payable	31,114,591,251	45,239,075,510	(14,124,484,259)	-31.22%
Loans payable	71,780,316,218	49,658,496,220	22,121,819,998	44.55%
Trade and other payables	26,394,004,577	24,158,766,211	2,235,238,366	9.25%
Contract liabilities	7,456,743,395	8,246,421,530	(789,678,135)	-9.58%
Customers' deposits	11,824,823,703	10,680,909,620	1,143,914,083	10.71%
Advances from other related parties	1,247,044,914	2,126,611,006	(879,566,092)	-41.36%
Income tax payable	69,133,848	61,272,502	7,861,346	12.83%
Deferred tax liabilities	14,587,512,527	12,264,107,694	2,323,404,833	18.94%
Retirement benefit obligation	618,205,997	349,574,867	268,631,130	76.85%
Total Liabilities	179,904,872,201	168,191,014,348	11,713,857,853	6.96%
Equity Attributable to the Parent Company's stockholders	227,821,868,243	209,226,173,725	18,595,694,518	8.89%
Non-controlling interests	32,845,977,729	31,794,349,227	1,051,628,502	3.31%
Total Equity	260,667,845,972	241,020,522,952	19,647,323,020	8.15%

The Group maintains a prudent financial policy as it engages in a more competitive and challenging environment. The Group's Statements of Financial Position reflects stable financial growth. Total resources as at December 31, 2023 amounted to Php440.57 Billion, posting an increase of 7.66% compared to Php409.21 Billion as at December 31, 2022.

The Group shows steady liquid position as at December 31, 2023 as reflected in its current assets at Php238.64 Billion as against its current obligations at Php76.38 Billion. Current assets posted an increase of 6.38% from December 31, 2022 balance of Php224.32 Billion. Current obligations reflected an increase of 1.49% from December 31, 2022 balance of Php75.25 Billion.

Cash and cash equivalents decreased by 9.51% from Php27.75 Billion in 2022 to Php25.12 Billion as at December 31, 2023. Current and non-current trade and other receivables – net increased by 13.60%, amounting to Php64.68 Billion as at December 31, 2023 compared to Php56.94 Billion as at December 31, 2022. Contract assets increased by 31.10%, amounting to Php25.72 Billion as at December 31, 2023 compared to Php19.62 Billion as at December 31, 2022. Inventories increased by 8.94% from Php123.45 Billion in 2022 to Php 134.49 billion as at December 31, 2023. This includes raw land for residential development and property development cost reclassified due to adoption of PFRS 15 and PIC Q&As 2018-11, 2018-15 and 2018-12. Investment properties - net increased by 5.51% amounting to Php135.16 Billion in December 31, 2023 from Php128.10 Billion in December 31, 2022. This includes raw land and property development cost for office and commercial development reclassified due to adoption of PIC Q&As 2018-11, 2018-15 and 2018-12.

Trade and other payables amounted to Php26.39 Billion and Php24.16 Billion as at December 31, 2023 and December 31, 2022, respectively, reflecting an increase of 9.25%. Contract liabilities decreased by 9.58%, amounting to Php7.46 bBllion as at December 31, 2023 compared to Php8.25 Billion as at December 31, 2022. Total current and non-current customers' deposits as at December 31, 2023 amounted to Php11.82 Billion compared to Php10.68 Billion as at December 31, 2022 with 10.71% increase.

The interest-bearing loans and borrowings current and non-current amounted to Php 71.78 billion and Php 49.66 billion for December 31, 2023 and December 31, 2022, respectively, reflecting an increase of

44.55%. Bonds payable decreased by 31.22%, amounting to Php31.11 Billion as at December 31, 2023 compared to Php45.24 Billion as at December 31, 2022.

Total other liabilities amounted to Php14.81 Billion from Php15.41 Billion as at December 31, 2023 and December 31, 2022, respectively, translating to a decrease of 3.85%.

Total Equity (including non-controlling interests) increased by 8.15% from Php241.02 Billion as at December 31, 2022 to Php260.67 Billion as at December 31, 2023.

The top five (5) key performance indicators of the Group are shown below:

	December 31, 2023	December 31, 2022
Current Ratio *1	3.12:1.00	2.98:1.00
Debt to Equity Ratio *2	0.39:1.00	0.39:1.00
Net Debt to Equity Ratio *3	0.30:1.00	0.28:1.00

	December 31, 2023	December 31, 2022
Return on Assets *4	4.57%	3.72%
Return on Equity *5	7.94%	6.99%

**1 – Current Assets / Current Liabilities*
**2 – Total Debt / Equity (Total debt includes interest bearing loans and borrowings and bonds payable)*
**3 – Net Debt / Equity (Net debt is total debt less cash and cash equivalents)*
**4 – Net Profit / Average Total Assets*
**5 – Net Profit / Average Equity (Computed using figures attributable only to parent company shareholders)*

With its strong financial position, the Group will continue investing in and pursuing expansion activities as it focuses on identifying new markets, maintaining established markets, and tapping business opportunities.

Material Changes in the Year 2023 Financial Statements

(Increase/decrease of 5% or more versus December 31, 2022)

Statements of Financial Position

9.51% decrease in cash and cash equivalents
Mainly due to capital expenditure, maturity of dollar bonds and operating activities for business expansion

13.60% increase in trade and other receivables – net
Pertains mainly to receivables from sales and rental during the period

31.10% increase in contract assets
Represents excess of progress of work over the right to an amount of consideration

8.94% increase in inventories
Mainly includes residential condominium units for sale, raw land for residential development and property development cost

5.51% increase in investment properties – net
Includes costs of completed and on-going construction of office building, raw land intended to be developed for leasing properties and raw land with undetermined use

16.84% increase in prepayments and other assets-net
Due to higher other current assets

44.55% increase in interest bearing loans and borrowings
Due to availment of new loans

9.58% decrease in contract liabilities
Represents excess of collection over the progress of work

31.22% decrease in bonds payable
Due to maturity of dollar bonds

10.71% increase in customers' deposits
Pertains to amounts received from customers for sale of residential lots and condominium units not yet qualified for sales recognition

41.36% decrease in advances from other related parties
Due to payment of advances from related parties

12.83% increase in income tax payable
Mainly due to higher taxable income

18.94% increase in deferred tax liabilities – net
Pertains to tax effects of taxable and deductible temporary differences

76.85% increase in retirement benefit obligation
Additional accrual of retirement plan of employees and changes in actuarial assumptions

8.15% increase in Equity
Due to the group's continuous profitability

(Increase/decrease of 5% or more versus December 31, 2022)

Statements of Income

15.93% increase in real estate sales
Surge in real estate sales bookings driven by successful completion of projects and accelerated project completion rate

14.06% increase in rental income
Surge in rental income propelled by a boost in occupancy rates, the resumption of fixed rent collections, and enhanced tenant sales

46.22% increase in hotel operations
Mainly due to sustained performance of in-city hotels, increase in food & beverage revenues, and sharp pick-up in tourism and meetings, incentives, conferences, and exhibitions (MICE) activities and opening of new hotel

20.94% increase in interest and other income - net
Primarily due to higher interest recognized for the current year

16.44% increase in cost of real estate sales
Higher sales bookings resulting from increase in percentage of project completion due to acceleration of construction activities

49.46% increase in cost of hotel operations
Represents direct costs attributable to hotel operations

16.28% increase in operating expenses
Mainly due to increase in selling, administrative and other corporate expenses

57.92% decrease in equity share in net losses of associates
net losses of associates
Mainly due to higher incurred losses of an associate last year

10.15% decrease in interest and other charges - net
Primarily due to foreign currency losses incurred last year

18.27% increase in income tax expense
Due to higher taxable income and tax effects of deductible temporary differences

There are no other significant changes in the Megaworld Group's financial position (5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would have impact or change the reported financial information and condition on the Group.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Group's liquidity in any material way. The Group does not anticipate having any cash flow or liquidity problems. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

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

The Group has no unusual nature of transactions or events that affects assets, liabilities, equity, net income, or cash flows.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

There were no known material events subsequent to the end of the period that have not been reflected in the Group's Financial Statements as at 2023.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

There was no contingent liability reflected in the most recent annual financial statement, the same in the consolidated financial statements as at 2023.

There are no commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying consolidated financial statements.

There were no other material issuances, repurchases or repayments of debt and equity securities.

Results of Operations for Year 2022
(Based on Financial Statements adopted in accordance with the Philippine Financial Reporting Standards)

Review of December 31, 2022 versus December 31, 2021

Megaworld, the country's largest developer of integrated urban townships, posted a net income of Php15.37 Billion for the year 2022, up by 6.93% from Php14.38 Billion in 2021, boosted by double-digit revenue growth across all of its business segments. Net income attributable to the parent company stood at Php13.46 Billion.

The Megaworld Group's consolidated revenues grew by 17.29% to Php59.53 Billion for the year 2022 from Php50.75 Billion in the same period in 2021.

	For the years ended December 31		Change year-on-year	
	2022	**2021**	**In Pesos**	**In %**
REVENUES AND INCOME				
Real estate sales	P36,849,992,605	P31,129,417,724	P5,720,574,881	18.38%
Rental income	15,653,727,970	13,319,580,244	2,334,147,726	17.52%

Hotel operations	2,603,709,878	1,928,863,081	674,846,797	34.99%
Interest and other income – net	4,419,826,198	4,376,429,682	43,396,516	0.99%
	59,527,256,651	50,754,290,731	8,772,965,920	17.29%
COSTS AND EXPENSES				
Real estate sales	18,554,755,392	16,874,283,279	1,680,472,113	9.96%
Hotel operations	1,462,451,435	1,086,978,559	375,472,876	34.54%
Operating expenses	14,584,659,156	12,864,632,841	1,720,026,315	13.37%
Equity share in net losses of associates	155,429,591	176,548,383	(21,118,792)	(11.96%)
Interest and other charges – net	5,628,116,792	4,808,537,325	819,579,467	17.04%
Income taxes	3,767,557,891	564,917,329	3,202,640,562	566.92%
	44,152,970,257	36,375,897,716	7,777,072,541	21.38%
NET PROFIT	15,374,286,394	14,378,393,015	995,893,379	6.93%
Net profit (loss) attributable to:				
Parent company's shareholders	P13,455,475,825	P13,434,466,763	P21,009,062	0.16%
Non-controlling interest	1,918,810,569	943,926,252	974,884,317	103.28%

Development. Among product portfolios, the bulk of consolidated revenues came from the sale of condominium units and commercial lots, comprising 61.90% of total revenues. Real estate sales grew by 18.38% year-on-year to Php36.85 Billion from the previous year's Php31.13 Billion as construction activities picked up during the year. The Group's registered sales mostly came from the following projects: Park McKinley West, The Ellis, Uptown Parksuites Tower 1 & 2, Vion Tower, Manhattan Plaza Tower 2, Bayshore Residential Resort 2 & Phase 2, Gentry Manor, San Antonio Residence, Park McKinley West-Tower C, Belmont Hotel Iloilo, St. Mark Residences, Uptown Arts Residences, Grand Westside Hotel, The Albany Luxury Residences-Yorkshire & Kingsley, Maple Grove Commercial District, The Florence, Uptown Ritz Residence, Mactan Belmont Luxury Hotel.

***Leasing*.** The Megaworld Group's rental businesses, consisting of office and lifestyle mall leasing, yielded a 17.52% increase, reaching Php15.65 Billion for the year 2022 from the previous year's Php13.32 Billion, thereby contributing 26.30% of the total consolidated revenues.

***Hotel Operations*.** The Megaworld Group's revenues attributable to hotel operations posted a milestone growth of 34.99%, soared to Php2.60 Billion in 2022 compared to Php1.93 Billion from 2021.

Total costs and expenses amounted to Php44.15 Billion, an increase of 21.38% from Php36.38 Billion in 2021. Interest and other charges – net increased by 17.04%, amounting to Php5.63 Billion this year from Php4.81 Billion in 2021. Tax expense in 2022 amounting to Php3.77 Billion resulted in an increase of 566.92% from 2021 reported amount of Php564.92 Million.

There were no seasonal aspects that had a material effect on the financial condition or financial performance of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations. The Group is not aware of events that will cause material change in the relationship between costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

Financial Condition

	As of December		Change year-on-year	
Selected Balance Sheet Data	**2022**	**2021**	**In Pesos**	**In %**
Cash and cash equivalents	P27,754,568,446	P43,794,605,919	(P16,040,037,473)	(36.63%)
Trade and other receivables	56,941,858,393	46,972,655,082	9,969,203,311	21.22%
Inventories	123,451,306,761	115,741,508,821	7,709,797,940	6.66%
Advances to landowners and joint ventures	7,896,413,808	7,158,576,223	737,837,585	10.31%

Financial assets at fair value through OCI	5,253,799,848	5,760,368,447	(506,568,599)	(8.79%)
Investment properties	128,101,844,538	119,222,248,947	8,879,595,591	7.45%
Property and equipment	7,196,910,584	6,530,887,796	666,022,788	10.20%
Total Assets	409,211,537,300	397,977,251,108	11,234,286,192	2.82%
Bonds payable	45,239,075,510	41,982,042,246	3,257,033,264	7.76%
Trade and other payables	24,158,766,211	22,875,967,140	1,282,799,071	5.61%
Contract liabilities	8,246,421,530	7,403,695,808	842,725,722	11.38%
Customers' deposits	10,680,909,620	12,153,860,029	(1,472,950,409)	(12.12%)
Advances from other related parties	2,126,611,006	3,243,336,539	(1,116,725,533)	(34.43%)
Income tax payable	61,272,502	55,404,855	5,867,647	10.59%
Other liabilities	15,405,779,188	16,569,059,778	(1,163,280,590)	(7.02%)
Deferred tax liabilities	12,264,107,694	11,541,788,887	722,318,807	6.26%
Retirement benefit obligation	349,574,867	546,802,701	(197,227,834)	(36.07%)
Total Liabilities	168,191,014,348	168,273,260,161	(82,245,813)	(0.05%)
Equity Attributable to the Parent Company's stockholders	209,226,173,725	198,838,867,474	10,387,306,251	5.22%
Non-controlling interests	31,794,349,227	30,865,123,473	929,225,754	3.01%
Total Equity	241,020,522,952	229,703,990,947	11,316,532,005	4.93%

The Megaworld Group maintains a prudent financial policy as it engages in a more competitive and challenging environment. The Group's Statements of Financial Position reflects stable financial growth. Total resources as at December 31, 2022 amounted to Php409.21 Billion, posting an increase of 2.82% compared to Php397.98 Billion as at December 31, 2021.

The Group shows steady liquid position as at December 31, 2022 as reflected in its current assets at Php224.32 Billion as against its current obligations at Php75.25 Billion. Current assets posted a decrease of 1.54% from December 31, 2021 balance of Php227.83 Billion. Current obligations reflected an increase of 21.56% from December 31, 2021 balance of Php61.91 Billion.

Cash and cash equivalents decreased by 36.63% from Php43.79 Billion in 2021 to Php27.75 Billion as at December 31, 2022. Current and non-current trade and other receivables – net increased by 21.22%, amounting to Php56.94 Billion as at December 31, 2022 compared to Php46.97 Billion as at December 31, 2021. Contract assets decreased by 1.52%, amounting to Php19.62 Billion as at December 31, 2022 compared to Php19.92 Billion as at December 31, 2021. Inventories increased by 6.66% from Php115.74 Billion in 2021 to Php123.45 Billion as at December 31, 2022. This includes raw land for residential development and property development cost reclassified due to adoption of PFRS 15 and PIC Q&As 2018-11, 2018-15 and 2018-12. Investment properties – net increased by 7.45% amounting to Php128.10 Billion in December 31, 2022 from Php119.22 Billion in December 31, 2021. This includes raw land and property development cost for office and commercial development reclassified due to adoption of PIC Q&As 2018-11, 2018-15 and 2018-12.

Trade and other payables amounted to Php24.16 Billion and Php22.88 Billion as at December 31, 2022 and December 31, 2021, respectively, reflecting an increase of 5.61%. Contract liabilities increased by 11.38%, amounting to Php8.25 Billion as at December 31, 2022 compared to Php7.40 Billion as at December 31, 2021. Total current and non-current customers' deposits as at December 31, 2022 amounted to Php10.68 Billion compared to Php12.15 Billion as at December 31, 2021 with 12.12% decrease.

The interest-bearing loans and borrowings current and non-current amounted to Php49.66 Billion and Php51.65 Billion for December 31, 2022 and December 31, 2021, respectively, reflecting a decrease of 3.86%. Bonds payable increased by 7.76%, amounting to Php45.24 Billion as at December 31, 2022 compared to Php41.98 Billion as at December 31, 2021. Total other liabilities amounted to Php15.41 Billion from Php16.57 Billion as at December 31, 2022 and December 31, 2021, respectively, translating to a decrease of 7.02%.

Total Equity (including non-controlling interests) increased by 4.93% from Php229.70 Billion as at December 31, 2021 to Php241.02 Billion as at December 31, 2022.

The top five (5) key performance indicators of the Group are shown below:

	December 31, 2022	December 31, 2021
Current Ratio *1	2.98:1.00	3.68:1.00
Debt to Equity Ratio *2	0.39:1.00	0.41:1.00
Net Debt to Equity Ratio *3	0.28:1.00	0.22:1.00

	December 31, 2022	December 31, 2021
Return on Assets *4	3.81%	3.72%
Return on Equity *5	6.59%	6.99%

**1 – Current Assets / Current Liabilities*
**2 – Total Debt / Equity (Total debt includes interest bearing loans and borrowings and bonds payable)*
**3 – Net Debt / Equity (Net debt is total debt less cash and cash equivalents)*
**4 – Net Profit / Average Total Assets*
**5 – Net Profit / Average Equity (Computed using figures attributable only to parent company shareholders)*

With its strong financial position, the Group will continue investing in and pursuing expansion activities as it focuses on identifying new markets, maintaining established markets and tapping business opportunities.

Material Changes in the Year 2022 Financial Statements

(Increase/decrease of 5% or more versus December 31, 2021)

Statements of Financial Position

36.63% decrease in cash and cash equivalents
Mainly due to capital expenditure and operating activities for business expansion

6.66% increase in inventories
Mainly includes residential condominium units for sale and raw land for residential development

21.22% increase in current and noncurrent trade and other receivables – net
Pertains mainly to receivables from sales and rental during the period

10.31% increase in advances to landowners and joint ventures
Due to additional advances made to landowners and co-venturer

8.79% decrease in financial assets at fair value through other comprehensive income
Due to changes in the fair value of shares
7.45% increase in investment properties - net
Includes costs of completed and on-going construction of office buildings and commercial centers for lease and raw land intended to be developed for leasing properties and raw land currently with undetermined use

10.20% increase in property and equipment - net
Mainly includes cost of office machineries and equipment and hotel buildings

7.76% increase in bonds payable
Due to changes in dollar exchange rate

5.61% increase in trade and other payables
Due to higher payables to suppliers and contractors

11.38% increase in contract liabilities
Represents excess of collection over the progress of work

12.12% decrease in customers' deposits
Pertains to amounts received from customers for sale of residential lots and condominium units not yet qualified for sales recognition

34.43% decrease in advances from other related parties
Due to decrease in advances arising from related party transactions

10.59% increase in income tax payable
Mainly due to higher taxable income

7.02% decrease in other current and noncurrent liabilities
Mainly due to payment of commission payable and other liabilities

6.26% increase in deferred tax liabilities - net
Pertains to tax effects of taxable and deductible temporary differences

36.07% decrease in retirement benefit obligation
Due to changes in financial assumptions used to compute for the present value of retirement obligation

(Increase/decrease of 5% or more versus December 31, 2021)

Statements of Income

18.38% increase in sales
Higher sales bookings resulting from improved construction activities and higher completion rate of projects

17.52% increase in rental income
The surge in rental income was driven by a higher occupancy rate, an increase in operational tenants, lower concession and improved tenant sales

34.99% increase in hotel operations
Mainly due to sustained performance of in-city hotels, increase in food & beverage revenues, and sharp pick-up in tourism and meetings, incentives, conferences, and exhibitions (MICE) activities

9.96% increase in cost of sales
Higher sales bookings resulting from increase in percentage of project completion and additional sales from new projects

34.54% increase in cost of hotel operations
Represents direct costs attributable to hotel operations

13.37% increase in operating expenses
Mainly due to increase in selling, administrative and other corporate expenses

11.96% decrease in equity share in net losses of associates
Mainly due to incurred losses of an associate

17.04% increase in interest and other charges - net
Primarily due to higher foreign currency loss, finance costs and other charges incurred during the period

566.92% increase in income tax expense
Due to higher taxable income and tax effects of deductible temporary differences

There are no other significant changes in the Group's financial position (5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would have impact or change the reported financial information and condition on the Group.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Group's liquidity in any material way. The Group does not anticipate having any cash flow or liquidity problems. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

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

The Group has no unusual nature of transactions or events that affects assets, liabilities, equity, net income or cash flows.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

There were no known material events subsequent to the end of the period that have not been reflected in the Group's Financial Statements as at 2022.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

There was no contingent liability reflected in the most recent annual financial statement, the same in the consolidated financial statements as at 2022.

There are no commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying consolidated financial statements.

There were no other material issuances, repurchases or repayments of debt and equity securities.

ITEM 7. FINANCIAL STATEMENTS

Financial Statements meeting the requirements of SRC Rule 68, as amended, are attached hereto as Exhibits 1 and 1-A, and incorporated herein by reference.

ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

The Board of Directors, after consultation with the Audit Committee, recommends to the stockholders the engagement of the external auditors of the Company. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Philippine Securities and Exchange Commission, and affiliation with a reputable foreign partner. The professional fees of the external auditors of the Company are approved by the Company's Audit Committee after approval by the stockholders of the engagement and prior to the commencement of each audit season.

Representatives of the Company's external auditor are likewise present at the stockholders' meeting, where they are given the opportunity to make a statement should they desire to do so, and to respond to questions from stockholders.

In compliance with SEC Memorandum Circular No. 8, Series of 2003, which was subsequently incorporated in SRC Rule 68, paragraph 3(b)(iv), and the Company's Revised Manual of Corporate Governance, the Company has engaged Punongbayan & Araullo as external auditor, and Mr. John Endel S. Mata was designated as Partner-in-Charge for the year ended 2024. Punongbayan & Araullo was also the auditor of the Company for years 2023 and 2022.

External Audit Fees and Services

The external auditors of the Company and its subsidiaries billed the amounts of Php25,759,000 in 2024 and Php21,682,500 in 2023 for audit and audit related services.

The other fees billed pertain to non-audit services which are in the nature of services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements, and which amounted to Php1,640,000 and Php1,275,000 for the years ended December 31, 2024 and 2023, respectively. The non-audit fees paid by the Company to its external auditor do not exceed the audit fees.

Except as disclosed above, no other services were rendered or fees billed by the external auditors of the Company for the years 2024 and 2023.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiaries.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The overall management and supervision of the Company is undertaken by the Board of Directors ("Board"). Currently, the Board consists of seven (7) members, more than fifty percent (50%) of which is composed by independent directors and/or non-executive directors. The directors were elected at the Company's annual stockholders meeting on 13 May 2024, except for Ms. Lourdes T. Gutierrez-Alfonso who was appointed as director on 03 June 2024, Mr. Kevin Andrew L. Tan who was appointed as director on 07 October 2024 and Ms. Ma. Milagros C. Yuhico who was appointed as independent director on 12 December 2024. The directors will hold office until their successors have been duly elected and qualified.

The table sets forth each member of the Company's Board as of 31 December 2024.

Name	Age	Citizenship	Position	Date First Elected
Andrew L. Tan	75	Filipino	Chairman of the Board (Non-Executive)	August 1989
Lourdes T. Gutierrez-Alfonso	61	Filipino	Director and President	03 June 2024
Kevin Andrew L. Tan	45	Filipino	Director and Executive Director	07 October 2024
Enrique Santos L. Sy	75	Filipino	Director (Non-Executive)	19 July 2009
Cresencio P. Aquino	71	Filipino	Lead Independent Director	02 February 2018
Ma. Milagros C. Yuhico	68	Filipino	Independent Director	12 December 2024
Alejo L. Villanueva, Jr.	83	Filipino	Independent Director	17 June 2022

The table below sets forth the Company's executive officers as of 31 December 2024.

Name	Age	Citizenship	Position
Lourdes T. Gutierrez-Alfonso	61	Filipino	President
Kevin Andrew L. Tan	45	Filipino	Executive Director
Francisco C. Canuto	67	Filipino	Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive
Noli D. Hernandez	54	Filipino	Executive Vice President for Sales and Marketing
Giovanni C. Ng	50	Filipino	Senior Vice President and Finance Director
Maria Victoria M. Acosta	63	Filipino	Executive Vice President and Managing Director for International Marketing
Maria Carla T. Uykim	48	Filipino	Head of Corporate Advisory and Compliance Division
Rafael Antonio S. Perez	56	Filipino	Head of Human Resources and Corporate Administration Division
Graham M. Coates	59	British	Head of Megaworld Lifestyle Malls

Jennifer L. Romualdez	54	Filipino	Head of Operations Division
Kimberly Hazel A. Sta. Maria	44	Filipino	Assistant Vice President for Corporate Communications and Advertising
Ma. Melody Ibañez-Garcia	48	Filipino	Chief Risk Officer
Lino P. Victorioso, Jr.	44	Filipino	Data Protection Officer
Anna Michelle T. Llovido	46	Filipino	Corporate Secretary
Nelileen S. Baxa	45	Filipino	Assistant Corporate Secretary

Board of Directors

Andrew L. Tan
Chairman of the Board

Dr. Tan, 75 years old, Filipino, is the founder of the Company and has served as its Chairman since its incorporation in August 1989. 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. Dr. Tan serves as Chairman of the Board of Empire East Land Holdings, Inc., a publicly-listed subsidiary of the Company, and 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 publicly-listed company which owns Emperador Distillers, Inc., the leading brandy manufacturer and distributor in the Philippines. Dr. Tan is Chairman Emeritus of Megaworld Foundation, Inc., 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.

Lourdes T. Gutierrez-Alfonso
Director/President

Ms. Gutierrez-Alfonso, 61 years old, Filipino, is currently the President and was first appointed as Director on 03 June 2024. She is also a member of the Management Executive Committee of the Company. She has been with the Company since March 1990. She likewise serves as director in affiliate companies including publicly-listed Alliance Global Group, Inc., Global-Estate Resorts, Inc and MREIT, Inc. Ms. Gutierrez-Alfonso is Chairman of the property management company, First Oceanic Property Management, Inc. She is also a director of Suntrust Properties, Inc., Twin Lakes Corporation, Southwoods Mall, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Cebu Properties, Inc., Megaworld Oceantown Properties, Inc., Megaworld Bacolod Properties, Inc., Eastwood Cyber One Corporation, Davao Park District Holdings, Inc., and Prestige Hotels & Resorts, Inc. She is also currently the Chairman of Belmont Newport Luxury Hotels, Inc., Megaworld Global-Estate, Inc., and Savoy Hotel Manila, Inc. She is also a trustee and a Corporate Secretary of Megaworld Foundation, Inc. She has extensive experience in real estate and a strong background in finance and marketing. Ms. Gutierrez-Alfonso graduated cum laude from the Far Eastern University with the degree of Bachelor of Science major in Accounting in 1984. She is a certified public accountant by profession.

Kevin Andrew L. Tan
Executive Director

Mr. Tan, 45 years old, Filipino, currently serves as Director/Executive Director of the Company, and was first appointed as Director on 07 October 2024. He has been with the Company since July 2001, and previously held the position of Executive Vice President and Chief Strategy Officer. He also previously held the position of 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 Newport World Resorts Manila in Pasay City, 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, Empire East Land Holdings, Inc., Emperador Inc. and Global-Estate Resorts, Inc., as well 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

Mr. Sy, 75 years old, Filipino, has served as Director of the Company since 19 July 2009. He was formerly the Vice President for the Corporate Communications & Advertising Division of the Company until his retirement in March 2011. He is concurrently Director of publicly-listed Empire East Land Holdings, Inc. and a Director of Eastin Holdings, Inc. He is also a Director and the Corporate Secretary of Asia Finest Cuisine, Inc. and Soho Café & Restaurant Group, Inc. and 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 Honorable Mention from the Ateneo de Manila University in 1971 with a degree in Bachelor of Arts in Communication Arts.

Cresencio P. Aquino
Lead Independent Director

Atty. Aquino, 71 years old, Filipino currently the Managing Partner of The Law Firm of CP Aquino & Partners, has served as Independent Director of the Company since 02 February 2018. On 12 December 2024, Atty. Aquino was appointed as Lead Independent Director. He concurrently serves as independent director in the boards of publicly-listed, Global-Estate Resorts, Inc. and Empire East Land Holdings, 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 on 1973. He obtained his Bachelor of Laws from the same institution in 1977.

Ma. Milagros C. Yuhico
Independent Director

Ms. Yuhico, 68 years old, Filipino, has served as Independent Director of the Company since 12 December 2024. She is also an Independent Director at MREIT Property Managers, Inc. ("MPMI"), and has held said position since 2021. Prior to joining MPMI, Ms. Campomanes-Yuhico rose from the ranks in Philippine Veterans Bank, serving for 20 years which ultimately led to the position of First Vice President and Head of the Trust and Investment Division. She also served in various capacities in Peninsula Development Bank, Campomanes Realty and Development Corporation, CAPLIFE (representing CAP Trust Fund), and BIC Investment Corporation (representing CAP Trust Fund). Ms. Yuhico is a Certified Public Accountant, and has extensive experience in the fields of accounting, audit, banking, trust and finance, having assumed positions and advisory functions in relation to such fields. She is a graduate of De La Salle University with a Bachelor of Science in Accounting, and has taken a Special Course for Trust at the Trust Institute Foundation of the Philippines.

Alejo L. Villanueva, Jr.
Independent Director

Mr. Villanueva, 83 years old, Filipino, has served as an Independent Director of the Company since 17 June 2022. He is also the Independent Director of MREIT Property Managers, Inc. and Director of Ridgeview Estates Nuvali Homeowners Association, Inc., a non-stock, non-profit corporation. He is a professional consultant who has more than 20 years of experience in the fields of training and development, public relations, community relations, institutional communication, and policy advocacy, among others. He has done consulting work with the Office of the Vice President, the Office of the Senate President, the Commission on Appointments, the Securities and Exchange Commission, the Home Development Mutual Fund, the Home Insurance Guaranty Corporation, Department of Agriculture, Philippine National Railways, International Rice Research Institute, Rustan's Supermarkets, Louis Berger International (USAID-funded projects on Mindanao growth), World Bank (Subic Conversion Program), Ernst & Young (an agricultural productivity project), Chemonics (an agribusiness project of USAID), Price Waterhouse (BOT program, a USAID project), Andersen Consulting (Mindanao 2000, a USAID project), Renardet S.A. (a project on the Privatization of MWSS, with World Bank funding support), Western Mining Corporation, Phelps Dodge Exploration, and Marubeni Corporation. Mr. Villanueva obtained his bachelor's degree in Philosophy from San Beda College, summa cum laude, in 1962. He obtained his master's degree in Philosophy from the University of Hawaii in 1967, under an East-West Center Fellowship. He also took up special studies in the Humanities at Harvard University. He studied Organizational Behavior at INSEAD in Fontainebleau, France. He taught at the Ateneo Graduate School of Business, the UST Graduate School, and the Asian Institute of Journalism.

Senior Management

Lourdes T. Gutierrez-Alfonso
President

Profile stated above.

Kevin Andrew L. Tan
Executive Director

Profile stated above.

Francisco C. Canuto
Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer,
Corporate Information Officer and Chief Audit Executive

Mr. Canuto, 67, Filipino, joined the Company in 1995. He is a Certified Public Accountant and currently holds the rank of Senior Vice President, as well as the positions of Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer and Chief Audit Executive and is Senior Assistant to the Chairman. He is also a member of the Company's Management Executive Committee. He is concurrently Director of Megaworld Global-Estate, Inc. Gilmore Property Marketing Associates, Inc. and Eastwood

Property Holdings, Inc., Director and Corporate Secretary of Megaworld Central Properties, Inc. and Director and Treasurer of Megaworld Cebu Properties, Inc., Twin Lakes Corporation, Megaworld Oceantown Properties, Inc., Megaworld Resort Estates, Inc., Megaworld Land, Inc., Megaworld-Daewoo Corporation, and Eastwood Cyber One Corporation. He serves as Chairman and President of Prestige Hotels & Resorts, Inc. Arcovia Properties, Lucky Chinatown Cinemas, Inc., Festive Walk Cinemas, Inc., Southwoods Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc. He is also the President of Megaworld Foundation, Inc. Before joining the Company, he worked as Audit Manager of SGV & Company and Controller of Federal Express Corporation. Mr. Canuto holds a bachelor's degree in Commerce major in Accounting from Polytechnic University of the Philippines in 1978 and a Master's Degree in Business Administration from Ateneo de Manila University in 1986.

Noli D. Hernandez
Executive Vice President for Sales and Marketing

Mr. Hernandez, 54, Filipino, joined the Company in February 1994 as a property consultant. He is currently Executive Vice President for Sales and Marketing. Mr. Hernandez rose from the ranks of the Company, starting out as a property consultant then becoming Sales Manager, Assistant Vice President, Senior Assistant Vice President, Vice President and Senior Vice President for Marketing. Mr. Hernandez graduated from the University of the Philippines with a degree of Bachelor of Science in Political Science. He serves as Director and President of Megaworld Cebu Properties, Inc. and President of the Newtown School of Excellence in the Mactan Newtown development of the Company. Mr. Hernandez graduated from the University of the Philippines with a degree of Bachelor of Science in Political Science.

Giovanni C. Ng
Senior Vice President and Finance Director

Mr. Ng, 50, Filipino, is a Senior Vice President and Finance Director of the Company. He serves as director in Eastwood Property Holdings, Inc., Megaworld Oceantown Properties, Inc., Empire East Communities, Inc., Gilmore Property Marketing Associates, Inc., First Centro, Inc., Valle Verde Properties, Inc., Lucky Chinatown Cinemas, Inc., McKinley Cinemas, Inc., Uptown Cinemas, Inc., Mactan Oceanview Properties and Holdings, Inc. and New Town Land Partners, Inc. He also serves as Treasurer of publicly-listed Empire East Land Holdings, Inc., Adams Properties, Inc. and Townsquare Development, Inc. He is also a Director and Corporate Secretary of 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.

Maria Victoria M. Acosta
Executive Vice President and Managing Director for International Marketing

Ms. Acosta, 63, Filipino, is Executive Vice President and Managing Director for International Marketing. She joined the Company in September 1999. Prior to her appointment, she had 20 years of marketing experience in real estate and consumer products with other companies. Ms. Acosta was Executive Vice President and Chief Operating Officer of Empire East Land Holdings, Inc. from 1997 to 1998 and was Executive Director for Marketing from 1996 to 1997. She also served as Senior Vice President and General Manager of Raffles & Co., Inc. She is concurrently Director and Corporate Secretary of Eastwood Property Holdings, Inc. and Corporate Secretary of Gilmore Property Marketing Associates, Inc. Ms. Acosta graduated from the University of the Philippines with the degree of Bachelor of Science in Business Administration major in Marketing and Finance.

Maria Carla T. Uykim
Head of Corporate Advisory and Compliance Division

Atty. Uykim, 48, Filipino, is the head of the Corporate Advisory and Compliance Division of Megaworld Corporation and a member of the Management Executive Committee. She is concurrently the Corporate Secretary of publicly-listed companies, Global-Estate Resorts, Inc. and MREIT, Inc., and serves as Corporate Secretary in various companies such as Asian E-commerce, Inc., Global One Integrated Business Services, Inc., Megaworld Bacolod Properties, Inc., Megaworld San Vicente Coast, Inc., Northwin Properties, Inc., Suntrust Properties, Inc. and Maple Grove Land, Inc. She likewise serves as a Director and Corporate Secretary of various companies, such as Asia Affinity Property Management, Inc., Luxury Global

Malls, Inc., Manila Bayshore Property Holdings, Inc., and Megaworld Capital Town, Inc. Atty. Uykim was previously an Associate at Andres Marcelo Padernal Guerrero and Paras law offices from August 2005 to April 2007, where she specialized in labor and corporate law, and at ACCRA Law from February 2003 to January 2004, where she practiced immigration law. She also served as Chief of Staff of Congresswoman Remedios L. Petilla from July 2004 until June 2005. Atty. Uykim obtained her Juris Doctor Degree from the Ateneo De Manila School of Law in 2002 and is a graduate of the double degree program of De La Salle University, with a Bachelor of Arts in Psychology and a Bachelor of Science in Marketing Management in 1997.

Rafael Antonio S. Perez
Head for Human Resources Division and Corporate Administration Division

Mr. Perez, 56, Filipino, joined the Company in June 2008 as head of the Human Resources Division. He is currently the First Vice President for Human Resources & Corporate Administration Division. He is concurrently the President and Managing Director of Global One Integrated Business Services, Inc. and Luxury Global Malls, Inc. He is also the Director of Asia Affinity Property Management, Inc. Mr. Perez graduated Cum Laude from the Philippine Normal University with the degree of Bachelor of Arts in Psychology.

Graham M. Coates
Head of Megaworld Lifestyle Malls

Mr. Coates, 59, is a British national, and has extensive international management experience in numerous culturally diverse locations such as Asia (20 years), Europe (eight years) and the United States (four years). He joined the Company in January 2019. Throughout his career, he has demonstrated a record of sustained profitable growth, building world-class organizations and driving change for global, multinational and family-owned corporations and entrepreneurial companies worldwide. Mr. Coates is skilled in P&L, Operations, Merchandising, Marketing, Customer Development, Business Development and Logistics. He brings with him a wealth of experience that cuts through many retail formats and cross functions. He has the unique advantage of being familiar with all retail formats, together with a solid perspective of mall and landlord operations.

Mr. Coates is the President of the Coates Charity Foundation, a non-profit organization set up several years ago to support Christian missionaries, students, fellow church members and others in need. He is the Vice President and board member of HAND Philippines, an offshoot of HAND International, a Christian humanitarian aid organization that uses its resources and efforts on helping the rehabilitation needs of the natural disaster-stricken areas in the Philippines, an example being Typhoon Yolanda victims. Mr. Coates graduated from Bridley Moor High School UK London.

Jennifer L. Romualdez
Senior Vice President and Head for Operations Division

Ms. Romualdez, 54, Filipino, prior to her appointment to her current position in Megaworld in February 2020, served the Company for nine years, from 1995 to 2004, in various capacities in the areas of procurement, contracts, interior design and special projects. She was previously the Senior Vice President of the Operations Division of Global Estate-Resorts, Inc., Megaworld's subsidiary and the country's biggest developer of master-planned integrated lifestyle communities (ILCs) oriented toward tourism. She headed the development of GERI's various projects and ILCs, including Boracay Newcoast in Boracay Island; Twin Lakes in Alfonso, Batangas, near Tagaytay; Southwoods City on the boundaries of Cavite and Laguna; Eastland Heights in Antipolo, Rizal; and Sta. Barbara Heights in Mandurriao, Iloilo. From 2006 to 2011, she served different companies in various roles—Corporate Director for Quantity Surveying and Tender of Ding Feng (Shanghai) Real Estate Development Co., Ltd.; Assistant Director for Marketing - Interior Design and Graphics of Ho Cheng (China) Co., Ltd.; and Consultant for the HCG Beijing Flagship Showroom project. Ms. Romualdez graduated from the University of the Philippines Diliman with a B.S. Architecture degree. She completed and passed the Philippine Licensure Examination for Architects in 1993.

Kimberly Hazel A. Sta. Maria
Assistant Vice President for Corporate Communications and Advertising

Ms. Sta. Maria, 44, Filipino, holds the rank of Assistant Vice President and heads the Corporate Communication and Advertising Division of the Company. She joined the Company in 2002 as Head Writer and is responsible for the creative conceptualization and production of advertising and marketing campaigns and materials for the Company's projects. Ms. Sta. Maria is a *cum laude* graduate of the University of the Philippines Manila and holds a Bachelor's Degree in Organizational Communication.

Ma. Melody Ibanez- Garcia
Chief Risk Officer

Ms. Garcia, 48, Filipino, was appointed as Chief Risk Officer on 16 June 2023 and currently heads the Opportunity and Risk Management Department. Prior to joining the Company, Ms. Ibañez-Garcia, was an Insurance Manager at DITO Telecommunity Corporation from March 2020 to February 2023, and was in charge of insurance and claims management. She also served as the Head of the Risk Management and Insurance Division of Makati Development Corporation (MDC) from May 2017 to February 2020; Senior Account Officer of Bonifacio Insurance Broker Corporation from November 2015 to May 2017; Head of the Insurance and Claims Department of Bayan Telecommunications Incorporated from July 2002 to October 2015; Marketing/Business Development Officer of Cardno MBK Phils. from January 2001 to July 2002; Insurance Officer at SATURN Autospec, Inc. from January 2000 to January 2001; and Insurance Account Executive at Automotive Management Center Incorporated from April 1996 to January 2000. Ms. Garcia graduated from the Central Colleges of the Philippines in 1996 with a degree of BS Computer Education.

Lino P. Victorioso, Jr.
Data Protection Officer

Mr. Victorioso, Jr., 44 years old, Filipino, is the current Data Protection Officer of the Company and has held this position since 16 June 2023. He also serves as the Chief Financial Officer, Corporate Information Officer and Compliance Officer of Empire East Land Holdings, Inc., a publicly-listed company. Mr. Victorioso previously held the position of Senior Assistant Vice-President and headed the Corporate Financial Services Division of the Company. Prior to joining the Company, he held various CFO roles in the real estate and retail industries. Mr. Victorioso graduated cum laude from the University of the Philippines Diliman with a degree in Business Administration and Accountancy. He is a Certified Public Accountant.

Anna Michelle T. Llovido
Corporate Secretary

Ms. Llovido, 46, Filipino, is the Corporate Secretary of the Company and has held this position since August 2014. She concurrently serves as Senior Corporate Legal Counsel of Emperador Distillers, Inc. Ms. Llovido is an experienced in-house counsel with core practice in labor and intellectual property law. Prior to her employment in Emperador Distillers, Inc., Ms. Llovido was a Manager at Reeves & Associates International Corporation and was charged with the management of its Philippine representative office. She also served as Legal Counsel to Transnational Diversified Group, Inc. from May 2008 to September 2009 where she serviced the legal requirements of over 30 companies engaged in total logistics, ship management, air and travel services, and information and communications technology. She was an Associate Lawyer at Tantoco Villanueva De Guzman & Llamas law offices from April 2006 to April 2008. Ms. Llovido obtained her Bachelor's Degrees in Laws in 2004 and Hotel and Restaurant Management in 1999 from the University of Santo Tomas.

Nelileen S. Baxa
Assistant Corporate Secretary

Ms. Baxa, 45, Filipino, is the Assistant Corporate Secretary of the Company. She is presently the Senior Accounting Manager of the Company and the Corporate Secretary and Corporate Information Officer of Suntrust Resort Holdings, Inc. and Assistant Corporate Secretary of Alliance Global Group, Inc., Global-Estate Resorts, Inc. and Suntrust Properties, Inc. She is a Certified Public Accountant with over 22 years of experience in the fields of accounting and finance. Ms. Baxa concurrently serves as a Director of Asia Finest Cuisine, Inc., Bordeaux Properties, Inc., Langham Properties, Inc., Rowenta International, Inc., and

Venetian Properties, Inc. Ms. Baxa obtained her Bachelor's Degree in Accountancy from the University of Sto. Tomas.

Significant Employees

While the Company values its workforce, the business of the Company is not highly dependent on the services of personnel outside of Senior Management.

Family Relationships

The Company's Chairman, Andrew L. Tan, is the father of Mr. Kevin Andrew L. Tan, who is presently the Director/Executive Director of the Company.

Involvement in Certain Legal Proceedings

The Company is not aware of the occurrence, as of the date hereof and during the past five (5) years preceding this date, of any of the following events which it believes to be material to the evaluation of the ability or integrity of any of its directors, nominees for election as director, or executive officers:

1. Any bankruptcy petition filed by or against any business of a director, nominee for election as director, or executive officer who was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. Any director, nominee for election as director, or executive officer being convicted by final judgment in a criminal proceeding, domestic or foreign, or being subject in his personal capacity to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

3. Any director, nominee for election as director, or executive officer being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

4. Any director, nominee for election as director, or executive officer being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Board Attendance at Board and Committee Meetings Held in 2024

The attendance of the directors at the meetings of the Board of Directors for the year 2024 is as follows:

Name	No. of Meetings Held During the Year/Since Appointment	No. of Meetings Attended	Percentage of Attendance
Andrew L. Tan	14	14	100%
Lourdes T. Gutierrez-Alfonso	6	6[1]	100%
Kevin Andrew L. Tan	3	3[2]	100%
Enrique Santos L. Sy	14	14	100%
Cresencio P. Aquino (Independent Director)	14	14	100%
Alejo L. Villanueva, Jr. (Independent Director)	14	14	100%
Ma. Milagros C. Yuhico (Independent Director)	N/A	N/A[3]	N/A

[1] Since the date of election of Ms. Lourdes T. Gutierrez-Alfonso as Director on 03 June 2024, the Board of Directors held a total of 6 meetings.
[2] Since the date of election of Mr. Kevin Andrew L. Tan as Director on 07 October 2024, the Board of Directors held a total of 3 meetings.
[3] Since the date of election of Ms. Ma. Milagros C. Yuhico as Independent Director on 12 December 2024, the Board of Directors has yet to hold a meeting.

The attendance of the members of the Audit Committee at Audit Committee meetings for the year 2024 is as follows:

Name	Designation	Meetings Attended	Percentage
Jesus B. Varela[1] (Independent Director)	Chairman	5/5	100%
Alejo L. Villanueva, Jr. (Independent Director)	Member	5/5	100%
Cresencio P. Aquino (Independent Director)	Member	5/5	100%

The attendance of the members of the Corporate Governance Committee at Corporate Governance Committee meetings for the year 2024 is as follows:

Name	Designation	Meetings Attended	Percentage
Jesus B. Varela[2] (Independent Director)	Chairman	5/5	100%
Alejo L. Villanueva, Jr. (Independent Director)	Member	5/5	100%
Cresencio P. Aquino (Independent Director)	Member	5/5	100%

The attendance of the members of the Related Party Transactions Committee at Related Party Transactions Committee meetings for the year 2024 is as follows:

Name	Designation	Meetings Attended	Percentage
Alejo L. Villanueva, Jr. (Independent Director)	Chairman	1/1	100%
Cresencio P. Aquino (Independent Director)	Member	1/1	100%
Enrique Santos L. Sy	Member	1/1	100%

ITEM 10. EXECUTIVE COMPENSATION

The Company follows the guideline that the levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent officers.

The remuneration package of the executive directors, in the performance of their functions as officers of the Company (but not in their capacity as directors of the Company for which they do not receive any compensation), and officers include a fixed pay component, bonuses which are structured based on corporate and individual performance, and, for key individuals, entitlement to the Company's employee stock option plan (ESOP), which is a program designed to motivate officers to continue their efforts in contributing to the long-term success of the Company. The ESOP includes claw back mechanisms, whereby options may be forfeited in the event that the option holder is found guilty of an offense punishable by suspension or dismissal under the Company's Code of Discipline or under applicable laws, including serious misconduct or material misrepresentation. To further align wth the Company's strategic focus on sustainability, sustainability related metrics are tied to the performance assessment and remuneration of executive directors and key officers.

The Board of Directors review and approve the remuneration package of executive directors and key officers.

[1] Mr. Jesus Varela was Chairman and member of the Audit Committee until the relinquishment of his position as Independent Director on 12 December 2024. All of the meetings of the Audit Committee were conducted prior to said date.
[2] Mr. Jesus Varela was Chairman and member of the Corporate Governance Committee until the relinquishment of his position as Independent Director on 12 December 2024. All of the meetings of the Corporate Governance Committee were conducted prior to said date.

Summary Compensation Table

Aggregate compensation paid to Megaworld's President/CEO and the four most highly compensated executive officers as a group for the last two fiscal years and the estimate for the ensuing year are as follows:

Name and Principal Position	Year	Salary	Other Variable Pay	Total Annual Compensation
Andrew L. Tan, President and CEO (until 24 June 2024)				
Lourdes T. Gutierrez-Alfonso, President (effective 25 June 2024)				
Francisco C. Canuto, SVP, Treasurer, Chief Finance Officer, Compliance Officer, Corporate Information Officer, Chief Audit Executive				
Giovanni C. Ng, SVP, Finance Director				
Kevin Andrew Tan, Executive Director				
*Maria Victoria M. Acosta EVP, Managing Director for International Marketing				
President and 4 Most Highly Compensated Officers	Actual 2023	Php95.5 Million	Php25.8 Million	Php121.3 Million
	Actual 2024	Php95.8 Million	Php25.9 Million	Php121.7 Million
	Projected 2025	Php89.3 Million	Php22.8 Million	Php112.10 Million
All Other Officers and Directors as a Group	Actual 2023	Php302.5 Million	Php78.2 Million	Php380.7 Million
	Actual 2024	Php345.5 Million	Php87.8 Million	Php433.3 Million
	Projected 2025	Php390.5 Million	Php96.5 Million	Php487.0 Million

** upon the retirement of Mr. Andrew Tan, Ms. Acosta was included as part of the four most highly compensated executive officers together with the President.*

Compensation of Directors

Non-executive and independent members of the Board receive a standard per diem for attendance in Board and Board committee meetings. The Company paid to the non-executive and independent directors per diem amounting to Php750,000 in 2024, Php700,000 in 2023 and Php625,000 in 2022. For 2025, the Company has allocated Php750,000 for the per diem of non-executive and independent directors.

Other than payment of the per diem, there are no arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the year ended December 31, 2024 and the ensuing year, for any service provided as a director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangement

Executive officers are appointed by the Board to their respective offices. The Company does not enter into employment contracts with its executive officers. Other than benefits available under the Company's retirement plan and Employee Stock Option Plan, there is no compensatory plan or arrangement with respect to an executive officer which results or will result from the resignation, retirement or any other termination of such executive officer's employment with the Company and its subsidiaries, or from a change-in-control of the Company, or a change in an executive officer's responsibilities following a change-in-control of the Company.

Outstanding Warrants and Options

There are executive officers of the Company who were granted options to subscribe to common shares of the Company pursuant to the Company's Employee Stock Option Plan approved by the Board and stockholders of the Company in 2012.

Name	No. of Outstanding Options	No. of Options Exercised	Date of Grant	Exercise Price	Market Price at Date of Grant
President and 4 Most Highly Compensated Officers	65,000,000	0	Various Dates	Php1.864034462*	Php2.1929*
All Other Officers and Directors as a Group	10,000,000	0	Various Dates	Php1.894207	Php2.2284*

*Weighted average prices
**As of 31 December 2024

The Company's Employee Stock Option Plan is intended to (i) enable qualified employee who are largely responsible for the further growth and development of the Company to participate in the growth of the Company; (ii) encourage the long-term commitment of such employees; and (iii) motivate such employees to continue their efforts in contributing to the long-term financial success of the Company.

The Company has not adjusted the exercise price of the option since the last grant and issuance on 23 May 2014.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Record and Beneficial Owners of more than 5% of the Company's Shares as of 31 December 2024

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common Preferred	Alliance Global Group, Inc. (AGI)[1] 7/F 1880 Eastwood Avenue, Eastwood City, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City	Alliance Global Group, Inc.[2]	Filipino	17,549,589,059 6,000,000,000	44.15% 15.56%
Total				23,549,589,059	61.08%
Common	PCD Nominee Corporation (Filipino), G/F MKSE Bldg., 6767 Ayala Ave., Makati City	Participants of the PCD composed of custodian banks and brokers.	Filipino	5,736,864,931[3]	14.88%
Common	New Town Land Partners, Inc. (NTLPI)[4], 6/F The World Centre, Sen. Gil Puyat, Ave., Makati City	New Town Land Partners, Inc.	Filipino	5,668,530,324	14.70%

[1] The Chairman of the Board of AGI, Mr. Andrew L. Tan, is also Chairman of the Board of the Company.
[2] The Board of Directors of AGI has voting and investment power over AGI's shares of stock in the Company. AGI normally authorizes its Chairman, or in his absence, the Chairman of the Meeting, to vote AGI's shares of stock in the Company.
[3] Excludes 141,026,000 shares with PCD Nominee Corporation (Filipino) beneficially owned by Alliance Global Group, Inc., as well as 1,063,994,000 treasury shares lodged under PCD Nominee Corporation (Filipino).
[4] The Board of Directors of NTLPI has voting and investment power over NTLPI's shares of stock in the Company, NTLPI has authorized the Chairman of the Board of the Company, or in his absence the Chairman of the Meeting to vote NTLPI's shares of stock in the Company.

Common	PCD Nominee Corporation (Non-Filipino) G/F MKSE Bldg., 6767 Ayala Ave., Makati City	Participants of the PCD composed of custodian banks and brokers.	Non-Filipino	2,587,938,461	6.71%

Other than the persons identified above, there are no other beneficial owners of more than 5% of the Company's outstanding capital stock that are known to the Company.

Security Ownership of Management as of 31 December 2024

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership*	Citizenship	Percent of Class
Directors/Nominees				
Common	Andrew L. Tan	1	Filipino	.00000%
		23,549,589,059[1]	Filipino	61.0753%
		5,668,530,324[2]	Filipino	14.7012%
Common	Cresencio P. Aquino	1	Filipino	.00000%
Common	Lourdes T. Gutierrez-Alfonso	806,271	Filipino	.00209%
		167,973[3]	Filipino	.00043%
Common	Kevin Andrew L. Tan	1	Filipino	.00000%
		367,205[4]		.00095%
Common	Ma. Milagros C. Yuhico	1,000	Filipino	.00000%
Common	Alejo L. Villanueva, Jr.	1	Filipino	.00000%
Common	Enrique Santos L. Sy	80,553	Filipino	.00020%
CEO and Four Most Highly Compensated Officers				
Common	Andrew L. Tan (CEO/President until 24 June 2024)	Same as above		
Common	Lourdes T. Gutierrez-Alfonso (President effective 25 June 2024)	Same as above		
Common	Kevin Andrew L. Tan	Same as above		
Common	Francisco C. Canuto	369,054	Filipino	.00095%
Common	Giovanni C. Ng	0	Filipino	n/a
Common	Ma. Victoria M. Acosta	0	Filipino	n/a
Other Executive Officers				
Common	Noli D. Hernandez	0	Filipino	n/a
Common	Maria Carla T. Uykim	0	Filipino	n/a
Common	Rafael Antonio S. Perez	0	Filipino	n/a
Common	Graham M. Coates	0	British	n/a
Common	Jennifer L. Romualdez	0	Filipino	n/a
Common	Ma. Melody Ibañez-Garcia	0	Filipino	n/a
Common	Lino P. Victorioso, Jr.	0	Filipino	n/a
Common	Kimberly Hazel A. Sta. Maria	0	Filipino	n/a
Common	Anna Michelle T. Llovido	0	Filipino	n/a
Common	Nelileen S. Baxa	0	Filipino	n/a
Total				
Common	All directors and executive officers as a group	1,792,060		0.0000464%

all direct ownership unless otherwise specified

Voting Trust Holders of 5% or More

[1] Indirect ownership; shares held by Alliance Global Group, Inc., which normally authorizes Andrew L. Tan, in his capacity as Chairman of the Company, or in his absence the Chairman of the meeting, to vote AGI's common shares in the Company.
[2] Indirect ownership; shares held by NTLPI which normally authorizes Andrew L. Tan, in his capacity as Chairman of the Company, or in his absence the Chairman of the meeting, to vote NTLPIs common shares in the Company.
[3] Shares are lodged with PCD Nominee Corporation
[4] Shares are lodged with PCD Nominee Corporation

The Company is not aware of the existence of persons holding more than five percent (5%) of the Company's common shares under a voting trust or similar agreement.

Changes in Control

There has been no change in the control of the Company since it was incorporated in 1989.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

All transactions involving related parties are conducted in strict adherence to the principle of arm's length dealings to ensure that the same are executed at fair market value, with the goal of ensuring fairness, and best interests of the Company's stakeholders, as well as preventing potential conflicts of interest. Please refer to the discussion under Part I – Business - Transactions with and/or Dependence on Related Parties on page 189.

The Megaworld Group's policy on related party transactions is disclosed in Note 27, Page 70 of the Audited Consolidated Financial Statements.

In Note 1, Pages 1 to 7 of the Audited Consolidated Financial Statements, the interest of the Company on its subsidiaries and associates as well as other explanatory notes are disclosed. Moreover, Notes 27 to 27.7, Pages 70 to 74, cite the conditions, purpose and types of transactions (i.e., real estate sales and rendering services to related parties, sale and purchase of investment, advances provided to associates and other related parties, advances from associates and other related parties and other accounts). Further, in accordance with PAS 24.18, the Group disclosed the amount of the transactions with its related parties, including the amount of outstanding balances of the reporting dates. With regard to determination of transaction prices, these are determined based on the agreement of the parties involved and are usually based on prevailing market sales.

The Company has no transaction for the covered period with parties that fall outside the definition of "related parties" under PAS 24 but with whom the Company or its related parties has a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

Megaworld pursues the sustainability of its business as well as shared value for its stakeholders by anchoring its corporate activities on the highest standards of corporate governance. A culture of integrity, transparency and accountability governs the Company's operations, driving its move to continuously build on the value it has created for its shareholders, investors, employees and the community.

Pursuant to SEC Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies ("Code"), the Company's Board of Directors approved the Revised Manual on Corporate Governance dated 31 May 2017 ("Revised Manual"), incorporating corporate governance principles and best practices which guides the Company in the pursuit of its goals.

The Board conducts regular assessment of its performance, including the performance of the Chairman, the Chief Executive Officer/President, individual Board members and Board committees. It periodically evaluates and monitors the implementation of such policies and strategies, including the business plans and operating budgets, and assesses Management's overall performance based on established performance standards that are consistent with the Company's strategic objectives. This assessment and evaluation includes determining compliance with the corporate governance requirements under the Code, the Revised Manual, and other relevant laws, regulations and standards. The self-assessment questionnaires are available at: https://www.megaworldcorp.com/investors/investors/corporate-governance/board-and-committee-assessment.

The Company fully complies with the Code and the Manual. There has been no material deviation from the Revised Manual on Corporate Governance. Neither has there been any director or executive officer of the Company who has violated any material provision of the same.

Consistently strengthening its corporate governance system and practices is a commitment of Megaworld, as it is aligned with its vision to uplift lives, impact society and help shape the nation.

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

Enterprise Risk Management

As part of their obligations, as outlined in the Company's Code of Corporate Governance, the Board of Directors analyzes and monitors critical risk areas and performance indicators. The Company identifies, monitors, and mitigates these risks that adversely impact the Company's capability to achieve its business objectives, comply with regulatory requirements, and maximize shareholder value. As required by SEC Memorandum Circular No. 19, series of 2016, the Company developed a strong and effective internal control system and Enterprise Risk Management (ERM) framework to ensure integrity, transparency, and proper governance. The Company has established an ERM process to obtain a focused and disciplined approach to managing risks. This enterprise-wide risk management approach allows the Company to perceive risks by continually identifying, mitigating, controlling, and monitoring risks in partnership with key risk owners, vital support units, and, if necessary, appropriate external organizations.

The Board of Directors reviews on an annual basis the Company's material controls and risk management system. The Board of Directors has found the Company's internal controls and risk management systems to be adequate.

Information Technology (IT) Governance

In the dynamic landscape of Information Technology (IT), the Board ensures that the Company's IT governance process stands as a crucial framework in addressing paramount issues such as disruption, cyber security, and disaster recovery. The Board exercises effective oversight in the day-to-day implementation of such process by the company's Information System Management (ISM) and Risk Management (RM) Units.

Based on fundamental principles, the Company's IT governance process begins with implementing robust physical security measures. Access control and surveillance cameras are meticulously implemented to establish a secure digital perimeter, strategically limiting entry points and maintaining vigilant monitoring to promptly detect and deter any unauthorized activities.

The Company's dedication to a comprehensive governance process that ensures the resilience of its IT infrastructure amidst evolving challenges is exemplified through the implementation of various verification methods, reflecting the company's commitment to robust digital identity protection. Augmenting this commitment is the strategic use of AI security tools. Advanced tools are in place to analyze network traffic, system logs, and user activities. Hence, Megaworld maintains a state of constant vigilance. The adherence to established cybersecurity frameworks and standards further solidifies this process, providing a structured approach to safeguarding IT assets.

Regular assessments and security updates of the Information Security and Security Operation Center ensure compliance and resilience against emerging threats. The Company's governance process also embraces cutting-edge IT tools and technologies, including intrusion detection and prevention systems, firewalls, and advanced endpoint protection, forming a multi-layered defense against cyber threats. Integration of threat intelligence feeds and machine learning algorithms enables proactive threat identification, keeping the organization ahead of evolving challenges. In this dynamic environment, the governance process remains adaptive, continuously evaluating and integrating emerging technologies to navigate the ever-changing IT landscape.

In relation to IT-related disasters, processes and procedures are in place to ensure timely response to IT incidents. Moreover, the company maintains an IT Disaster Recovery Policy and Plan which details the measures for protecting and recovering IT infrastructure in the event of a disaster. The Plan also explains how the IT infrastructure will support critical business operations during the recovery period.

As cybersecurity is a holistic risk management concern, the company ensures effective cybersecurity calls for ongoing monitoring and assessment of cyber risks including penetration and vulnerability testing. This involves evaluating the potential repercussions of cyber threats on the organization's operations, financial health, and reputation. Regular cybersecurity training and awareness programs are likewise conducted to employees at all organizational levels as part of the Company's IT governance process.

Sustainability Report

A copy of the Company's Sustainability Report for 2024 is attached hereto as **Exhibit 3.**

PART V – EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

Exhibits

Exhibit No.	Description of Exhibit
1	Audited Consolidated Financial Statements as of December 31, 2024 and 2023
1-A	Audited Financial Statements of Megaworld Corporation as of December 31, 2024 and 2023
2	Reinvestment Plan and Progress Reports for 2024
3	Sustainability Report for 2024

Reports on SEC Form 17-C

The Company filed the following current reports (SEC Form 17-C) during the last six-month period covered by this report.

Date	**Disclosures**
11 July 2024	Amendments for Articles of Incorporation
11 July 2024	Amendments for By Laws
15 July 2024	Reinvestment Plan Progress Report (Quarterly Progress Report for the quarter ended June 30, 2024 on the application of proceeds from the Block Sale of 279,400,000 Common Shares of MREIT)
15 July 2024	Reinvestment Plan Progress Report (Final Progress Report on the Disbursement of Proceeds from the Block Sale of 279,400,000 Common Shares of MREIT)
15 July 2024	Reinvestment Plan Progress Report (Quarterly Progress Report for the First Quarter of 2024 on the Use of the Proceeds from the Block Sale of 40,650,000 Common Shares of MREIT)
15 July 2024	Reinvestment Plan Progress Report (Quarterly Progress Report for the Second Quarter of 2024 on the Use of the Proceeds from the Sale of 79,700,000 Common Shares of MREIT)
30 July 2024	Amendment of Article II and Article VII of the Amended Articles of Incorporation
30 July 2024	Amendment of Article I, Sections 1, 2 and 3, and Article II, Section 3 of the Amended By-Laws
2 August 2024	Notice of Analysts' Briefing
5 August 2024	Material Information (Press Release): MEGAWORLD PARTNERS WITH AWARD-WINNING 'THE FARM AT SAN BENITO' TO BUILD P12-B 'ACTIVE WELLNESS TOWNSHIP' IN BATANGAS
5 August 2024	Press Release: MEGAWORLD PARTNERS WITH AWARD-WINNING 'THE FARM AT SAN BENITO' TO BUILD P12-B 'ACTIVE WELLNESS TOWNSHIP' IN BATANGAS

7 August 2024	Material Information (Press Release): MEGAWORLD PARTNERS WITH AWARD-WINNING 'THE FARM AT SAN BENITO' TO BUILD P12-B 'ACTIVE WELLNESS TOWNSHIP' IN BATANGAS
7 August 2024	Press Release: MEGAWORLD PARTNERS WITH AWARD-WINNING 'THE FARM AT SAN BENITO' TO BUILD P12-B 'ACTIVE WELLNESS TOWNSHIP' IN BATANGAS
8 August 2024	Change in Number of Issued and Outstanding Shares
27 August 2024	Clarification on news article posted in The Manila Times (Online Edition)
7 October 2024	Appointment of New Director
10 October 2024	Board approval for the subscription to 926,162,000 common shares in MREIT
14 October 2024	Material Information (Press Release): MEGAWORLD EXPANDS TOWNSHIP PORTFOLIO TO THE NORTH WITH 84-HECTARE TOWNSHIP IN ILOCOS NORTE
14 October 2024	Press Release: MEGAWORLD EXPANDS TOWNSHIP PORTFOLIO TO THE NORTH WITH 84-HECTARE TOWNSHIP IN ILOCOS NORTE
15 October 2024	Reinvestment Plan Progress Report (Quarterly Progress Report for the Third Quarter of 2024 on the Use of the Proceeds from the Sale of 40,650,000 Common Shares of MREIT)
15 October 2024	Reinvestment Plan Progress Report (Quarterly Progress Report for the Third Quarter of 2024 on the Use of the Proceeds from the Sale of 79,700,000 Common Shares of MREIT)
18 October 2024	Material Information (Press Release): MEGAWORLD EXPANDS RESIDENTIAL PORTFOLIO IN PAMPANGA WITH NEW PARISIAN-INSPIRED 'SMART CONDO' IN CAPITAL TOWN
18 October 2024	Press Release: MEGAWORLD EXPANDS RESIDENTIAL PORTFOLIO IN PAMPANGA WITH NEW PARISIAN-INSPIRED 'SMART CONDO' IN CAPITAL TOWN
21 October 2024	Declaration of Cash Dividends for Common Shares
21 October 2024	Declaration of Cash Dividends for Preferred Shares
22 October 2024	Material Information (Press Release): MEGAWORLD TO BUILD UPSCALE RESIDENTIAL CONDO IN PUERTO PRINCESA
22 October 2024	Press Release: MEGAWORLD TO BUILD UPSCALE RESIDENTIAL CONDO IN PUERTO PRINCESA
5 November 2024	Notice of Analysts' Briefing
7 November 2024	Material Information (Press Release): MEGAWORLD 9-MO PROFITS UP 16% TO P15.7B, EYES MORE EXPANSION TO THE PROVINCES
7 November 2024	Press Release: MEGAWORLD 9-MO PROFITS UP 16% TO P15.7B, EYES MORE EXPANSION TO THE PROVINCES
2 December 2024	Material Information (Press Release): MEGAWORLD'S GLOBAL-ESTATE TO DEVELOP 35TH TOWNSHIP IN CAGAYAN DE ORO
2 December 2024	Press Release: MEGAWORLD'S GLOBAL-ESTATE TO DEVELOP 35TH TOWNSHIP IN CAGAYAN DE ORO
12 December 2024	Appointment of New Independent Director; Reorganization of Membership of the Board Committees

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of Taguig, on ___________.

MEGAWORLD CORPORATION
Company

By:

LOURDES T. GUTIERREZ-ALFONSO
President
(Principal Executive Officer)

FRANCISCO C. CANUTO
Treasurer
(Principal Financial Officer)

LOURDES O. RAMILO
(Principal Accounting Officer
and Comptroller)

ANNA MICHELLE T. LLOVIDO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 08 APR 2025 day of ______________, affiants exhibiting to me their respective government issued identification cards, as follows:

NAMES	Identification Card Number
Lourdes T. Gutierrez-Alfonso	Passport Number P5005287B expiring until March 1, 2030
Francisco C. Canuto	TIN 102-956-483-000
Lourdes O. Ramilo	UMID Number 0003-9283391-4
Anna Michelle T. Llovido	Passport Number P6403359B expiring until February 28, 2031

Doc. No. 357;
Page No. 73;
Book No. 321;
Series of 2025.

ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-229
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2026
2364 ANGONO STREET
BARANGAY POBLACION 1210, MAKATI CITY
SC Roll No. 62179/04-26-2013
IBP NO. 499549/01-06-2025/Pasig City
PTR NO. MKT 10494504/01-22-2025/Makati City
MCLE Compliance No. VIII-0012898/04-14-2028

"DOCUMENTARY STAMP TAX PAID"
04/08/2025
(SIGNATURE) (DATE OF PAYMENT)

Exhibit 1

Audited Consolidated Financial Statements as of December 31, 2024 and 2023

MEGAWORLD CORPORATION

30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 8946300 / 9052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Megaworld Corporation and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

ANDREW L. TAN
Chairman

LOURDES T. GUTIERREZ-ALFONSO
President

FRANCISCO C. CANUTO
SVP and Treasurer
(Chief Financial Officer)

Signed this 24th day of February 2025

24 FEB 2025 MAKATI CITY

SUBSCRIBED AND SWORN to before me on this ____ day of _____ at __________, Philippines affiants exhibiting to me their Tax Identification Nos. as follows:

Andrew L. Tan	125-960-003-000
Lourdes T. Gutierrez-Alfonso	106-893-930-000
Francisco C. Canuto	102-956-483-000

Doc. No. 106;
Page No. 23;
Book No. 30;
Series of 2025

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

P&A Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

Megaworld Corporation and Subsidiaries

December 31, 2024, 2023 and 2022

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenu
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Megaworld Corporation and Subsidiaries
(A Subsidiary of Alliance Global Group, Inc.)
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

Opinion

We have audited the consolidated financial statements of Megaworld Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, 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 presents 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). The consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2023, are presented 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.

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

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

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because of the volume of transactions, 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 P51.0 billion and cost of real estate sales amounting to P25.4 billion account for 62.4% of consolidated Revenues and Income and 42.3% 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 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 20 and 21, respectively, to the consolidated financial statements.

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. Our procedures include test of controls over recognition and allocation of costs per project and direct examination of supporting documents. 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 and performed tests of design and operating effectiveness of controls over cost recognition and measurement, including IT general and application controls. On a sampling basis, we traced costs accumulated to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

(b) Consolidation Process

Description of the Matter

The Group's consolidated financial statements comprise the financial statements of Megaworld Corporation and its subsidiaries, as enumerated in Note 1 to the consolidated financial statements, after the elimination of material intercompany transactions. The Group's consolidation process is significant to our audit because of the complexity of the process. It involves identifying and eliminating voluminous intercompany transactions to properly reflect realization of profits and measurement of controlling and non-controlling interests.

The Group's policy on consolidation process is more fully described in Note 2 to the consolidated financial statements.

How the Matter was Addressed in the Audit

We obtained understanding of the Group structure and its consolidation process including the procedures for identifying intercompany transactions and reconciling intercompany balances. We tested significant consolidation adjustments which include elimination of intercompany revenues, expenses, receivables, payables and investments, reversal of unrealized fair value adjustments on intercompany investments, and recognition of equity transactions to measure non-controlling interest.

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.

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 framework as discussed in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audits resulting in this independent auditors' report is John Endel S. Mata.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10465907, January 2, 2025, Makati City
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-012 (until Aug. 12, 2027)

February 24, 2025

MEGAWORLD CORPORATION AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**P 21,421,340,361**	P 25,115,017,234
Trade and other receivables - net	6	**41,297,762,439**	35,926,522,343
Contract assets	20	**22,818,989,860**	16,725,717,102
Inventories	7	**135,861,851,519**	134,493,092,091
Advances to contractors and suppliers		**12,796,591,650**	12,796,034,554
Prepayments and other current assets	8	**13,483,399,074**	13,580,396,977
Total Current Assets		**247,679,934,903**	238,636,780,301
NON-CURRENT ASSETS			
Trade and other receivables - net	6	**33,261,605,435**	28,758,158,409
Contract assets	20	**12,696,802,261**	8,995,733,228
Advances to contractors and suppliers		**1,486,773,874**	1,796,688,120
Advances to landowners and joint operators	10	**8,830,352,156**	8,160,417,609
Financial assets at fair value through other comprehensive income	9	**5,411,250,309**	5,390,622,368
Investments in associates - net	11	**2,813,484,851**	3,069,422,324
Investment properties - net	12	**146,883,191,897**	135,155,548,880
Property and equipment - net	13	**7,194,011,622**	7,273,195,298
Deferred tax assets - net	26	**424,869,567**	412,824,612
Other non-current assets - net	14	**2,954,563,063**	2,923,327,024
Total Non-current Assets		**221,956,905,035**	201,935,937,872
TOTAL ASSETS		**P 469,636,839,938**	P 440,572,718,173

	Notes	2024	2023
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	15	**P 21,405,997,726**	P 16,625,470,088
Trade and other payables	17	**28,832,783,345**	26,394,004,577
Contract liabilities	20	**1,669,576,401**	1,763,382,934
Customers' deposits	2	**9,692,489,861**	9,440,841,699
Advances from other related parties	27	**1,463,852,566**	1,247,044,914
Income tax payable		**26,700,260**	69,133,848
Bonds and notes payable	16	**-**	11,997,992,546
Other current liabilities	19	**9,218,381,287**	8,837,345,891
Total Current Liabilities		**72,309,781,446**	76,375,216,497
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	15	**68,587,513,305**	55,154,846,130
Bonds and notes payable	16	**20,049,554,649**	19,116,598,705
Contract liabilities	20	**4,914,917,981**	5,693,360,461
Customers' deposits	2	**2,370,902,526**	2,383,982,004
Deferred tax liabilities - net	26	**15,884,995,337**	14,587,512,527
Retirement benefit obligation - net	25	**869,941,394**	618,205,997
Other non-current liabilities	19	**5,914,142,874**	5,975,149,880
Total Non-current Liabilities		**118,591,968,066**	103,529,655,704
Total Liabilities		**190,901,749,512**	179,904,872,201
EQUITY	28		
Total equity attributable to the Company's shareholders		**246,294,123,471**	227,821,868,243
Non-controlling interests		**32,440,966,955**	32,845,977,729
Total Equity		**278,735,090,426**	260,667,845,972
TOTAL LIABILITIES AND EQUITY		**P 469,636,839,938**	P 440,572,718,173

See Notes to Consolidated Financial Statements.

MEGAWORLD CORPORATION AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF 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	20	**P 50,988,478,086**	P 42,721,115,222	P 36,849,992,605
Rental income	12	**19,678,069,599**	17,854,466,048	15,653,727,970
Hotel operations	20	**5,107,047,400**	3,807,063,945	2,603,709,878
Interest and other income - net	23	**5,913,737,481**	5,345,510,276	4,419,826,198
		81,687,332,566	69,728,155,491	59,527,256,651
COSTS AND EXPENSES				
Cost of real estate sales	21	**25,381,121,671**	21,604,685,140	18,554,755,392
Cost of hotel operations	21	**2,965,752,572**	2,185,776,633	1,462,451,435
Operating expenses	22	**19,834,930,659**	16,959,260,295	14,584,659,156
Equity share in net losses of associates	11	**290,085,568**	65,412,001	155,429,591
Interest and other charges - net	24	**6,340,531,092**	5,056,713,055	5,628,116,792
Tax expense	26	**5,208,226,235**	4,455,738,864	3,767,557,891
		60,020,647,797	50,327,585,988	44,152,970,257
NET PROFIT FOR THE YEAR		**P 21,666,684,769**	P 19,400,569,503	P 15,374,286,394
Net profit attributable to:				
Company's shareholders		**P 18,749,285,284**	P 17,345,401,623	P 13,455,475,825
Non-controlling interests		**2,917,399,485**	2,055,167,880	1,918,810,569
		P 21,666,684,769	P 19,400,569,503	P 15,374,286,394
Earnings Per Share:	29			
Basic		**P 0.590**	P 0.560	P 0.431
Diluted		**P 0.590**	P 0.560	P 0.430

See Notes to Consolidated Financial Statements.

MEGAWORLD CORPORATION AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
NET PROFIT FOR THE YEAR		**P 21,666,684,769**	P 19,400,569,503	P 15,374,286,394
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to consolidated profit or loss:				
Fair value gains (losses) on financial assets at fair value through other comprehesive income	9	**(536,270,329)**	101,480,862	(579,783,082)
Actuarial gains (losses) on retirement benefit obligation	25	**(183,519,128)**	(268,851,445)	219,636,360
Tax income (expense)	25, 26	**32,067,402**	65,908,044	(55,553,033)
		(687,722,055)	(101,462,539)	(415,699,755)
Items that will be reclassified subsequently to consolidated profit or loss:				
Exchange difference on translating foreign operations	2	**75,688,819**	44,115,901	106,276,210
Unrealized gains (losses) on cash flow hedge	30	**(55,952,053)**	(34,246,151)	91,147,189
Share in other comprehensive income (losses) of associates	11	**34,148,095**	(3,348,877)	6,138,277
Tax expense	26	**(30,443,239)**	(20,768,304)	(34,902,030)
		23,441,622	(14,247,431)	168,659,647
Total Other Comprehensive Loss		**(664,280,433)**	(115,709,970)	(247,040,108)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**P 21,002,404,336**	P 19,284,859,532	P 15,127,246,286
Total comprehensive income attributable to:				
Company's shareholders		**P 18,235,174,133**	P 17,244,878,432	P 13,196,367,962
Non-controlling interests		**2,767,230,203**	2,039,981,100	1,930,878,324
		P 21,002,404,336	P 19,284,859,532	P 15,127,246,286

See Notes to Consolidated Financial Statements.

MEGAWORLD CORPORATION AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Attributable to the Company's Shareholders							
	Capital Stock (See Note 28)	**Additional Paid-in Capital** (See Note 28)	**Treasury Shares - At Cost** (See Note 28)	**Revaluation Reserves** (See Note 28)	**Retained Earnings** (See Note 28)	**Total**	**Non-controlling Interests**	**Total Equity**
Balance at January 1, 2024								
As reported	P 32,430,865,872	P 16,995,980,793	(P 2,852,655,275)	P 10,494,221,542	P 170,753,455,312	P 227,821,868,243	P 32,845,977,729	P 260,667,845,972
Effect of adoption of deferred PFRS 15 and other related interpretations (see Note 2)	-	-	-	-	(2,484,697,179)	(2,484,697,179)	(281,234,293)	(2,765,931,472)
As restated	32,430,865,872	16,995,980,793	(2,852,655,275)	10,494,221,542	168,268,758,133	225,337,171,064	32,564,743,436	257,901,914,500
Issuance of capital stock	1,375,000,000	1,237,500,000	-	-	-	2,612,500,000	-	2,612,500,000
Changes in percentage of ownership	-	-	-	2,774,895,670	-	2,774,895,670	(1,324,002,148)	1,450,893,522
Cash dividends	-	-	-	-	(2,662,552,254)	(2,662,552,254)	(1,567,004,536)	(4,229,556,790)
Realized loss on sale of financial assets at fair value through other comprehensive income	-	-	-	(117,429,707)	104,027,183	(13,402,524)	-	(13,402,524)
Share-based employee compensation	-	-	-	-	10,337,382	10,337,382	-	10,337,382
Total comprehensive income (loss) for the year	-	-	-	(514,111,151)	18,749,285,284	18,235,174,133	2,767,230,203	21,002,404,336
Balance at December 31, 2024	**P 33,805,865,872**	**P 18,233,480,793**	**(P 2,852,655,275)**	**P 12,637,576,354**	**P 184,469,855,728**	**P 246,294,123,471**	**P 32,440,966,955**	**P 278,735,090,426**
Balance at January 1, 2023	P 32,430,865,872	P 16,662,746,970	(P 2,699,225,572)	P 7,368,759,402	P 155,463,027,054	P 209,226,173,725	P 31,794,349,227	P 241,020,522,952
Reissuance of treasury shares	-	333,233,823	515,166,177	-	-	848,400,000	-	848,400,000
Changes in percentage of ownership	-	-	-	3,225,985,331	-	3,225,985,331	363,803,525	3,589,788,856
Cash dividends	-	-	-	-	(2,058,559,594)	(2,058,559,594)	(1,352,156,123)	(3,410,715,717)
Acquisition of treasury shares	-	-	(668,595,880)	-	-	(668,595,880)	-	(668,595,880)
Share-based employee compensation	-	-	-	-	3,586,229	3,586,229	-	3,586,229
Total comprehensive income (loss) for the year	-	-	-	(100,523,191)	17,345,401,623	17,244,878,432	2,039,981,100	19,284,859,532
Balance at December 31, 2023	P 32,430,865,872	P 16,995,980,793	(P 2,852,655,275)	P 10,494,221,542	P 170,753,455,312	P 227,821,868,243	P 32,845,977,729	P 260,667,845,972
Balance at January 1, 2022	P 32,430,865,872	P 16,660,844,347	(P 1,784,028,454)	P 7,627,867,265	P 143,903,318,444	P 198,838,867,474	P 30,865,123,473	P 229,703,990,947
Exercise of stock options	-	1,902,623	902,111	-	(1,031,680)	1,773,054	-	1,773,054
Cash dividends	-	-	-	-	(1,911,107,946)	(1,911,107,946)	(1,001,652,570)	(2,912,760,516)
Acquisition of treasury shares	-	-	(916,099,229)	-	-	(916,099,229)	-	(916,099,229)
Share-based employee compensation	-	-	-	-	16,372,411	16,372,411	-	16,372,411
Total comprehensive income for the year	-	-	-	(259,107,863)	13,455,475,825	13,196,367,962	1,930,878,324	15,127,246,286
Balance at December 31, 2022	P 32,430,865,872	P 16,662,746,970	(P 2,699,225,572)	P 7,368,759,402	P 155,463,027,054	P 209,226,173,725	P 31,794,349,227	P 241,020,522,952

See Notes to Consolidated Financial Statements.

MEGAWORLD CORPORATION AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
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 26,874,911,004**	P 23,856,308,367	P 19,141,844,285
Adjustments for:				
Depreciation and amortization	12, 13, 14	**3,655,645,823**	3,480,324,608	3,279,686,211
Interest income	23	**(3,100,666,819)**	(2,540,479,012)	(2,143,200,870)
Interest expense	24	**3,050,238,241**	2,635,396,341	2,258,100,909
Unrealized foreign currency losses (gains) - net		**1,308,490,990**	(362,380,482)	2,366,023,638
Equity share in net losses of associates	11	**290,085,568**	65,412,001	155,429,591
Dividend income	23, 27	**(80,298,237)**	(36,495,750)	(21,420,750)
Impairment loss on goodwill	14	**77,347,633**	-	-
Gain on derecognition of finance lease receivables	6	**(16,600,000)**	-	-
Loss (gain) on sale of property and equipment	13	**(15,230,557)**	302,916	(66,002)
Employee share options	25	**10,337,382**	3,586,229	16,372,411
Loss on disposal of investment property	12	**-**	-	832,805
Operating profit before working capital changes		**32,054,261,028**	27,101,975,218	25,053,602,228
Increase in trade and other receivables		**(8,226,774,526)**	(5,401,855,155)	(6,012,370,613)
Decrease (increase) in contract assets		**(11,362,234,817)**	(6,101,526,557)	302,323,589
Increase in inventories		**(3,777,334,567)**	(9,543,970,288)	(6,982,569,520)
Decrease (increase) in advances to contractors and suppliers		**309,357,150**	745,135,492	(321,139,074)
Decrease (increase) in prepayments and other current assets		**221,556,579**	(3,850,451,340)	(742,381,075)
Increase in advances to landowners and joint operators		**(669,934,547)**	(264,003,801)	(737,837,585)
Decrease (increase) in other non-current assets		**(152,889,544)**	838,172,118	846,939,366
Increase in trade and other payables		**5,870,572,259**	2,123,214,966	1,239,593,735
Increase (decrease) in contract liabilities		**(627,840,277)**	(789,678,135)	842,725,722
Increase (decrease) in customers' deposits		**238,568,684**	1,143,914,083	(1,472,950,409)
Decrease in other liabilities		**(465,135,596)**	(173,959,904)	(1,649,159,285)
Cash generated from operations		**13,412,171,826**	5,826,966,697	10,366,777,079
Cash paid for income taxes		**(2,042,526,209)**	(1,625,121,992)	(2,636,045,057)
Net Cash From Operating Activities		**11,369,645,617**	4,201,844,705	7,730,732,022
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investment properties	12	**(14,240,711,847)**	(10,857,268,275)	(12,115,399,233)
Financial assets at fair value through other comprehensive income	9	**(857,775,000)**	-	-
Property and equipment	13	**(541,305,194)**	(734,877,887)	(733,081,802)
Advances to associates and other related parties:	27			
Granted		**(1,548,728,342)**	-	(1,827,132,491)
Collected		**-**	112,550,636	-
Interest received		**2,366,978,118**	2,227,691,648	2,198,139,764
Proceeds from disposal of:				
Financial assets at fair value through other comprehensive income	9	**342,117,060**	-	-
Property and equipment	13	**44,849,212**	32,061,133	29,374,859
Dividends received		**91,718,707**	12,815,280	21,420,750
Acquisition and subscription of shares of stock of subsidiaries and associates		**-**	(659,964)	-
Net Cash Used in Investing Activities		**(14,342,857,286)**	(9,207,687,429)	(12,426,678,153)
Balance carried forward		**(P 2,973,211,669)**	(P 5,005,842,724)	(P 4,695,946,131)

	Notes	2024	2023	2022
Balance brought forward		**(P 2,973,211,669)**	(P 5,005,842,724)	(P 4,695,946,131)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availments of long and short-term liabilities	15, 36	**34,241,250,000**	35,645,523,000	10,522,520,857
Repayments of long and short-term liabilities	36	**(16,848,203,223)**	(13,836,564,027)	(12,451,825,598)
Repayments of bonds payable	36	**(12,000,000,000)**	(13,607,000,000)	-
Interest paid		**(6,117,969,545)**	(5,269,232,098)	(4,200,536,048)
Cash dividends paid	28	**(2,662,552,254)**	(2,058,559,594)	(1,911,107,946)
Proceeds from issuance of shares	28	**2,612,500,000**	-	1,773,053
Cash dividends declared and paid to non-controlling interest	1	**(1,567,004,536)**	(1,352,156,123)	(1,001,652,570)
Proceeds from sale of investment in subsidiary	28	**1,450,893,522**	3,565,448,820	-
Advances from other related parties:	27, 36			
Obtained		**353,260,008**	717,633,255	1,317,261,209
Paid		**(136,452,356)**	(1,597,199,347)	(2,433,986,742)
Repayments of lease liabilities	19, 36	**(46,186,820)**	(21,406,494)	(18,840,748)
Proceeds from reissuance of treasury shares	28	**-**	848,400,000	-
Acquisition of treasury shares	28	**-**	(668,595,880)	(916,099,229)
Redemption of preferred shares	18	**-**	-	(251,597,580)
Net Cash From (Used in) Financing Activities		**(720,465,204)**	2,366,291,512	(11,344,091,342)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(3,693,676,873)**	(2,639,551,212)	(16,040,037,473)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**25,115,017,234**	27,754,568,446	43,794,605,919
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 21,421,340,361**	P 25,115,017,234	P 27,754,568,446

Supplemental Information on Non-cash Investing and Financing Activities:

1) In the normal course of business, the Group enters into non-cash transactions such as exchanges or purchases on account of real estate and other assets. Other non-cash transactions include transfers of property between Inventories, Property and Equipment, and Investment Properties. These non-cash activities are not reflected in the consolidated statements of cash flows (see Notes 7, 12 and 13).

2) In 2024, the Group recognized right-of-use assets and lease liabilities amounting to P86.7 million (see Notes 13 and 19).

See Notes to Consolidated Financial Statements.

MEGAWORLD CORPORATION AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
fDECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Megaworld Corporation (the Parent Company) was incorporated in the Philippines on August 24, 1989, primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. The Parent Company is presently engaged in property-related activities such as project design, construction and property management. The Parent Company's real estate portfolio includes residential condominium units, subdivision lots and townhouses, condominium-hotel projects as well as office projects and retail spaces.

Alliance Global Group, Inc. (AGI or the Ultimate Parent Company) is the ultimate parent company of Megaworld Corporation and its subsidiaries (the Group). AGI is a holding company and is presently engaged in food and beverage, real estate development, quick-service restaurant, tourism-entertainment and gaming businesses.

The Parent Company and AGI's common shares are publicly-listed at the Philippine Stock Exchange (PSE).

The Parent Company's registered office address, which is also its principal place of business, is located at 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City. AGI's registered office address, which is also its principal place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

1.1 Composition of the Group

As at December 31, the Parent Company holds ownership interests in the following subsidiaries and associates:

	Effective Percentage of Ownership		
Subsidiaries	**2024**	2023	2022
Prestige Hotels and Resorts, Inc. (PHRI)	**100%**	100%	100%
Richmonde Hotel Group International Ltd. (RHGI)	**100%**	100%	100%
Eastwood Cyber One Corporation (ECOC)	**100%**	100%	100%
Megaworld Cebu Properties, Inc. (MCP)	**100%**	100%	100%
Megaworld Newport Property Holdings, Inc. (MNPHI)	**100%**	100%	100%
Megaworld Oceantown Properties, Inc. [formerly: Oceantown Properties, Inc.] (MOPI)	**100%**	100%	100%
Luxury Global Hotels and Leisure, Inc. (LGHLI)	**100%**	100%	100%
Arcovia Properties, Inc. (API)	**100%**	100%	100%

Subsidiaries	Explanatory Notes	Effective Percentage of Ownership		
		2024	2023	2022
Megaworld Oceanview Properties and Holdings, Inc. (MOPHI)	(a)	**100%**	100%	100%
Megaworld Cayman Islands, Inc. (MCII)	(a)	**100%**	100%	100%
Piedmont Property Ventures, Inc. (PPVI)	(a)	**100%**	100%	100%
Stonehaven Land, Inc. (SLI)	(a)	**100%**	100%	100%
Streamwood Property, Inc. (SP)	(a)	**100%**	100%	100%
Global One Integrated Business Services,Inc.(GOIBSI)		**100%**	100%	100%
Luxury Global Malls, Inc. (LGMI)		**100%**	100%	100%
Davao Park District Holdings, Inc. (DPDHI)		**100%**	100%	100%
Belmont Newport Luxury Hotels, Inc. (BNLHI)	(g)	**100%**	100%	100%
Global One Hotel Group, Inc. (GOHGI)		**100%**	100%	100%
Landmark Seaside Properties, Inc. (LSPI)	(a)	**100%**	100%	100%
Megaworld San Vicente Coast, Inc. [formerly: San Vicente Coast, Inc.] (MSVCI)		**100%**	100%	100%
Hotel Lucky Chinatown, Inc. (HLCI)		**100%**	100%	100%
Savoy Hotel Manila, Inc. (SHMI)	(g)	**100%**	100%	100%
Savoy Hotel Mactan, Inc. (SHM)	(g)	**100%**	100%	100%
Kingsford Hotel Manila, Inc. (KHMI)	(g)	**100%**	100%	100%
Agile Digital Ventures, Inc. (ADVI)		**100%**	100%	100%
MREIT Fund Managers, Inc. (MFMI)	(f)	**100%**	100%	100%
MREIT Property Managers, Inc. (MPMI)	(f)	**100%**	100%	100%
MREIT, Inc. (MREIT)	(f)	**63.44%**	55.63%	62.09%
Grand Westside Hotel, Inc. (GWHI)		**100%**	100%	-
Belmont Hotel Mactan, Inc. (BHMI)	(g)	**100%**	100%	100%
Megaworld Bacolod Properties, Inc. (MBPI)		**91.55%**	91.55%	91.55%
Megaworld Central Properties, Inc. (MCPI)	(b)	**76.55%**	76.55%	76.55%
Megaworld Capital Town, Inc. (MCTI)		**76.28%**	76.28%	76.28%
Soho Café and Restaurant Group, Inc. (SCRGI)		**75%**	75%	75%
La Fuerza, Inc. (LFI)		**66.67%**	66.67%	66.67%
Megaworld-Daewoo Corporation (MDC)	(i)	**60%**	60%	60%
Northwin Properties, Inc. (NWPI)		**60%**	60%	60%
Gilmore Property Marketing Associates, Inc. (GPMAI)	(a, c)	**52.14%**	52.14%	52.14%
Manila Bayshore Property Holdings, Inc. (MBPHI)	(d)	**68.03%**	68.03%	68.03%
Megaworld Globus Asia, Inc. (MGAI)		**50%**	50%	50%
Integrated Town Management Corporation (ITMC)		**50%**	50%	50%
Maple Grove Land, Inc. (MGLI)		**50%**	50%	50%
Megaworld Land, Inc. (MLI)		**100%**	100%	100%
City Walk Building Administration, Inc. (CBAI)	(e)	**100%**	100%	100%
Forbestown Commercial Center Administration, Inc. (FCCAI)	(e)	**100%**	100%	100%
Paseo Center Building Administration, Inc. (PCBAI)	(e)	**100%**	100%	100%
Uptown Commercial Center Administration, Inc. (UCCAI)	(e)	**100%**	100%	100%
Iloilo Center Mall Administration, Inc. (ICMAI)	(e)	**100%**	100%	100%
Newtown Commercial Center Administration, Inc. (NCCAI)	(e)	**100%**	100%	100%
Valley Peaks Property Management, Inc.(VPPMI)	(e)	**100%**	100%	100%
San Lorenzo Place Commercial Center Administration, Inc. (SLPCCAI)	(e)	**100%**	100%	100%
Southwoods Lifestyle Mall Management, Inc. (SLMMI)	(e)	**100%**	100%	100%
Cityfront Commercial Center Administration, Inc. (CCCAI)	(e)	**100%**	100%	100%
Westside Commercial Center Administration, Inc. (WCCAI)	(e, k)	**100%**	-	-

Subsidiaries	Explanatory Notes	Effective Percentage of Ownership		
		2024	2023	2022
Suntrust Properties, Inc. (SPI)		**100%**	100%	100%
Suntrust Ecotown Developers, Inc. (SEDI)		**100%**	100%	100%
Governor's Hills Science School, Inc. (GHSSI)		**100%**	100%	100%
Sunrays Property Management, Inc. (SPMI)		**100%**	100%	100%
Suntrust One Shanata, Inc. (SOSI)	(a)	**100%**	100%	100%
Suntrust Two Shanata, Inc. (STSI)	(a)	**100%**	100%	100%
Stateland, Inc. (STLI)	(h)	**98.41%**	98.41%	98.41%
Global-Estate Resorts, Inc. (GERI)	(m)	**82.51%**	82.32%	82.32%
Elite Communities Property Services, Inc. (ECPSI)	(n)	**82.51%**	82.32%	82.32%
Southwoods Mall, Inc. (SMI)	(n)	**91.19%**	91.09%	91.09%
Elite Club & Leisure Inc. (ECLI)	(n)	**82.51%**	82.32%	-
Integrated Resorts Property Management Inc.(IRPMI)	(n)	**82.51%**	82.32%	-
Megaworld Global-Estate, Inc. (MGEI)	(n)	**89.51%**	89.39%	89.39%
Twin Lakes Corporation (TLC)	(n)	**91.08%**	90.99%	90.99%
Twin Lakes Hotel, Inc. (TLHI)	(n)	**91.08%**	90.99%	90.99%
Global-Estate Properties, Inc. (GEPI)	(n)	**82.51%**	82.32%	82.32%
Aklan Holdings, Inc. (AHI)	(a, n)	**82.51%**	82.32%	82.32%
Blu Sky Airways, Inc. (BSAI)	(a, n)	**82.51%**	82.32%	82.32%
Fil-Estate Subic Development Corp. (FESDC)	(a, n)	**82.51%**	82.32%	82.32%
Fil-Power Construction Equipment Leasing Corp. (FPCELC)	(a, n)	**82.51%**	82.32%	82.32%
Golden Sun Airways, Inc. (GSAI)	(a, n)	**82.51%**	82.32%	82.32%
La Compaña De Sta. Barbara, Inc. (LCSBI)	(n)	**82.51%**	82.32%	82.32%
MCX Corporation (MCX)	(a, n)	**82.51%**	82.32%	82.32%
Pioneer L-5 Realty Corp. (PLRC)	(a, n)	**82.51%**	82.32%	82.32%
Prime Airways, Inc. (PAI)	(a, n)	**82.51%**	82.32%	82.32%
Sto. Domingo Place Development Corp. (SDPDC)	(n)	**82.51%**	82.32%	82.32%
Fil-Power Concrete Blocks Corp. (FPCBC)	(a, n)	**82.51%**	82.32%	82.32%
Fil-Estate Industrial Park, Inc. (FEIPI)	(a,n)	**65.18%**	65.03%	65.03%
Sherwood Hills Development, Inc. (SHD)	(n)	**45.38%**	45.28%	45.28%
Global-Estate Golf and Development, Inc. (GEGDI)	(n)	**82.51%**	82.32%	82.32%
Golforce, Inc. (Golforce)	(n)	**82.51%**	82.32%	82.32%
Southwoods Ecocentrum Corp. (SWEC)	(n)	**49.50%**	49.39%	49.39%
Philippine Aquatic Leisure Corp. (PALC)	(a, n)	**49.50%**	49.39%	49.39%
Fil-Estate Urban Development Corp. (FEUDC)	(n)	**82.51%**	82.32%	82.32%
Novo Sierra Holdings Corp. (NSHC)	(a, n)	**82.51%**	82.32%	82.32%
Global Homes and Communities, Inc. (GHCI)	(a, n)	**82.51%**	82.32%	82.32%
Savoy Hotel Boracay, Inc. (SHBI)	(n)	**82.51%**	82.32%	82.32%
Belmont Hotel Boracay, Inc. (BHBI)	(n)	**82.51%**	82.32%	82.32%
Oceanfront Properties, Inc. (OFPI)	(n)	**41.22%**	41.13%	41.13%
Empire East Land Holdings, Inc. (EELHI)		**81.73%**	81.73%	81.73%
Eastwood Property Holdings, Inc. (EPHI)		**81.73%**	81.73%	81.73%
Valle Verde Properties, Inc. (VVPI)	(a)	**81.73%**	81.73%	81.73%
Sherman Oak Holdings, Inc. (SOHI)	(a)	**81.73%**	81.73%	81.73%
Empire East Communities, Inc. (EECI)	(a)	**81.73%**	81.73%	81.73%
20th Century Nylon Shirt, Inc. (20th Century)	(a)	**81.73%**	81.73%	81.73%
Laguna BelAir Science School, Inc. (LBASSI)	(l)	**59.67%**	59.67%	59.67%
Sonoma Premier Land, Inc. (SPLI)	(a)	**49.04%**	49.04%	49.04%
Pacific Coast Mega City, Inc. (PCMI)	(j)	**58.53%**	58.53%	58.53%
Megaworld Resort Estates, Inc. (MREI)	(b, c)	**51%**	51%	51%
Townsquare Development, Inc. (TDI)		**30.60%**	30.60%	30.60%
Golden Panda-ATI Realty Corporation (GPARC)		**30.60%**	30.60%	30.60%

Associates	Explanatory Notes	Effective Percentage of Ownership		
		2024	2023	2022
Bonifacio West Development Corporation (BWDC)		**46.11%**	46.11%	46.11%
Palm Tree Holdings and Development Corporation (PTHDC)	(a)	**40%**	40%	40%
Suntrust Resort Holding, Inc. [formerly: Suntrust Home Developers, Inc.] (SUN)		**34%**	34%	34%
SWC Project Management Limited (SWCPML)		**34%**	34%	34%
WC Project Management Limited (WCPML)		**34%**	34%	34%
Suntrust WC Hotel Inc. (Suntrust WC)		**34%**	34%	34%
GERI				
Fil-Estate Network, Inc. (FENI)	(a)	**16.50%**	16.46%	16.46%
Fil-Estate Sales, Inc. (FESI)	(a)	**16.50%**	16.46%	16.46%
Fil-Estate Realty and Sales Associates, Inc. (FERSAI)	(a)	**16.50%**	16.46%	16.46%
Fil-Estate Realty Corp. (FERC)	(a)	**16.50%**	16.46%	16.46%
Nasugbu Properties, Inc. (NPI)		**11.55%**	11.52%	11.52%

Explanatory Notes:

(a) These are entities which have not yet started commercial operations or are non-operating entities as at December 31, 2024.

(b) As at December 31, 2024, the Parent Company owns 76.55% of MCPI consisting of 51% direct ownership, 18.97% indirect ownership through EELHI and 6.58% indirect ownership through MREI.

(c) As at December 31, 2024, the Parent Company's ownership in GPMAI is at 52.14%, which consists of 38.72% and 13.42% indirect ownership from EELHI and MREI, respectively.

(d) As at December 31, 2024, the Parent Company owns 68.03% of MBPHI, which consists of 67.43% direct ownership and 0.60% indirect ownership from TIHGI.

(e) These were incorporated to engage in operation, maintenance, and administration of various malls and commercial centers. These companies became subsidiaries of the Parent Company through MLI, their immediate parent company.

(f) MFMI, MPMI and MREIT are newly incorporated subsidiaries in 2021. MFMI is engaged in the business of providing fund management services to real estate investment trust (REIT) companies. MPMI is engaged in the business of providing services in relation to property management, lease management, marketing and project management. MREIT is engaged in the business of an REIT, as provided under Republic Act (R.A.) No. 9856*, The Real Estate Investment Trust Act of 2009,* including its implementing rules and regulations, and other applicable laws. As of 2023, ownership is at 55.63%. In April and May 2024, the Parent Company disposed certain number of shares resulting in a decrease in ownership to 51.33%. Subsequently in November 2024, the Parent Company expanded its ownership in MREIT in 63.44% by acquiring additional common shares through property share swap.

(g) These were incorporated to engage in owning, leasing, operation and management of hotels.

(h) As at December 31, 2024, the effective ownership of Parent Company over STLI is 98.41%, consisting of 18.94% direct ownership and 79.47% indirect ownership through SPI.

(i) The ownership structure of this entity remains at 60% owned by the Parent Company after a decrease in capital in 2021.

(j) PCMI is a subsidiary through EELHI. In 2021, certain number of shares owned by the Ultimate Parent Company were transferred to the Parent Company, increasing the effective ownership of the Parent Company to 58.53%, which consists of 25.84% direct ownership and 32.69% indirect ownership from EELHI.

(k) Newly incorporated subsidiary in 2024.

(l) LBASSI is a subsidiary through EELHI primarily engaged in operating a school for primary and secondary education. In 2022, the subsidiary ceased its operations.

(m) In April 2024, the Parent Company acquired additional shares of GERI, increasing its ownership interest to 82.51%.

(n) Subsidiaries of GERI. As a result of the additional investments in GERI in 2024, the Parent Company's indirect ownership interest over these subsidiaries increased in proportion to the increase in effective interest over GERI.

All subsidiaries and associates were incorporated and have their principal place of business in the Philippines, except for the following:

- MCII – incorporated and has principal place of business in the Cayman Islands
- RHGI – incorporated and has principal place of business in the British Virgin Islands
- SWCPML – incorporated and has principal place of business in Hongkong
- WCPML – incorporated and has principal place of business in Macau

The Parent Company and its subsidiaries, except for entities which have not yet started commercial operations as at December 31, 2024, are presently engaged in the real estate business, hotel, condominium-hotel operations, construction, restaurant operations, business process outsourcing, educational facilities provider, property management operations, fund management operations and marketing services and e-commerce.

There are no significant restrictions on the Parent Company's ability to access or use the assets and settle the liabilities of the Group.

EELHI, GERI, MREIT and SUN are publicly-listed companies in the Philippines.

1.2 Subsidiaries with Material Non-controlling Interest

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

Name	Interest and Voting Accumulated Rights Held by NCI			Subsidiary's Consolidated Profit Allocated to NCI			Accumulated Equity of NCI		
	2024	**2023**	**2022**	**2024**	**2023**	2022	**2024**	**2023**	**2022**
GERI	**17.49%**	17.68%	17.68%	**P 381,303**	P 444,108	P 504,135	**P 6,893,581**	P 6,836,602	P 6,465,556
EELHI	**18.27%**	18.27%	18.27%	**51,510**	119,520	132,014	**11,173,183**	11,199,106	11,079,586
MCTI	**23.72%**	23.72%	23.72%	**105,275**	119,873	61,367	**1,608,254**	1,564,420	1,540,324
MREIT	**36.56%**	44.37%	37.91%	**1,184,680**	942,175	847,186	**2,912,533**	4,329,357	4,106,038
MBPHI	**31.97%**	31.97%	31.97%	**421,819**	241,170	358,251	**4,402,555**	3,979,512	3,738,342
LFI	**33.33%**	33.33%	33.33%	**59,677**	70,067	50,573	**1,261,818**	1,285,466	1,315,389
NWPI	**40.00%**	40.00%	40.00%	**403,362**	(118,125)	768	**2,821,239**	2,423,019	2,304,894

The summarized balance sheets of GERI, EELHI, MCTI, MREIT, MBPHI, LFI and NWPI before intragroup eliminations are shown below.

	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity
December 31, 2024					
GERI	**P 43,520,675,531**	**P 19,362,062,208**	**P 9,547,471,246**	**P 12,757,865,523**	**P 40,577,401,970**
EELHI	**42,808,668,889**	**6,555,567,009**	**15,169,618,380**	**2,863,546,331**	**31,331,071,187**
MCTI	**6,183,183,096**	**1,473,505,161**	**671,486,709**	**205,043,437**	**6,780,158,111**
MREIT	**2,878,691,457**	**69,153,511,894**	**1,489,968,913**	**8,149,535,257**	**62,392,699,181**
MBPHI	**23,007,375,092**	**1,144,208,440**	**9,166,743,717**	**3,093,880,592**	**11,890,959,223**
LFI	**335,683,539**	**861,745,264**	**287,029,563**	**56,784,108**	**853,615,132**
NWPI	**4,431,598,439**	**2,530,076,920**	**584,695,943**	**461,609,010**	**5,915,370,406**
December 31, 2023					
GERI	P 40,459,590,601	P 21,107,842,595	P 8,530,655,854	P 13,068,472,896	P 39,968,304,446
EELHI	43,263,011,730	6,276,810,211	15,120,472,622	3,025,040,329	31,394,308,990
MCTI	6,426,075,428	958,427,060	632,829,665	156,311,163	6,595,361,660
MREIT	2,261,749,722	59,189,370,284	1,187,901,989	8,124,659,098	52,138,558,919
MBPHI	21,064,534,374	1,795,986,214	8,122,965,525	4,169,846,245	10,567,708,818
LFI	480,394,071	835,814,337	329,085,827	66,508,985	920,613,596
NWPI	5,024,990,012	44,333,466	273,773,758	306,243,335	4,489,306,385

The summarized comprehensive income of GERI, EELHI, MCTI, MREIT, MBPHI, LFI and NWPI before intragroup eliminations is shown below.

	Revenues	Net Profit (Loss)	Other Comprehensive Income (Loss)
2024			
GERI	**P 8,840,867,585**	**P 2,083,677,957**	**P 19,419,854**
EELHI	**4,971,889,273**	**701,376,611**	**(31,447,732)**
MCTI	**1,203,387,306**	**443,823,924**	**-**
MREIT	**4,598,219,598**	**857,220,705**	**-**
MBPHI	**5,353,963,078**	**1,319,421,021**	**-**
LFI	**405,733,351**	**179,047,435**	**-**
NWPI	**2,162,295,321**	**1,008,405,238**	**-**
2023			
GERI	P 8,389,466,594	P 2,113,325,233	(P 8,416,676)
EELHI	5,203,131,447	788,653,304	(154,029,551)
MCTI	989,243,868	509,841,059	-
MREIT	4,156,504,467	168,343,855	-
MBPHI	5,176,390,657	779,022,671	-
LFI	428,024,009	223,264,780	(517,752)
NWPI	430,737,444	293,266,702	-
2022			
GERI	P 7,330,290,215	P 2,086,560,251	P 38,918,313
EELHI	4,707,066,845	715,376,123	51,178,999
MCTI	581,200,403	254,239,433	-
MREIT	3,648,767,258	176,553,547	-
MBPHI	5,040,895,626	1,036,189,706	-
LFI	304,715,933	149,752,329	(356,140)
NWPI	17,899,291	(1,920,049)	-

The summarized cash flows of GERI, EELHI, MCTI, MREIT, MBPHI, LFI and NWPI before intragroup eliminations are shown below.

	Net Cash From (Used in)		
	Operating Activity	Investing Activity	Financing Activity
2024			
GERI	**P 1,077,453,361**	**(P 752,327,984)**	**(P 156,003,789)**
EELHI	**(531,531,275)**	**19,480,065**	**(341,539,709)**
MCTI	**(785,647,556)**	**20,295,774**	**(251,751,146)**
MREIT	**3,309,086,299**	**-**	**(3,031,143,255)**
MBPHI	**(129,151,408)**	**(694,560,006)**	**962,445,334**
LFI	**215,397,200**	**(80,319,095)**	**(299,784,772)**
NWPI	**(803,253,957)**	**(887,536,654)**	**432,259,735**
2023			
GERI	P 243,620,711	(P 1,749,326,023)	(P 87,887,407)
EELHI	440,922,303	67,140,204	(228,380,011)
MCTI	(995,779,391)	187,254,202	-
MREIT	3,387,700,668	-	(3,089,314,682)
MBPHI	(4,606,227,279)	19,576,963	(4,712,660,638)
LFI	319,759,454	(5,906,351)	(299,784,772)
NWPI	(110,930,687)	(24,955)	785,051,956
2022			
GERI	P 243,620,711	(P 1,749,326,023)	(P 87,887,407)
EELHI	390,373,664	26,523,351	(368,526,330)
MCTI	(927,266,336)	81,454,652	1,051,104,773
MREIT	2,780,620,961	-	(2,733,900,508)
MBPHI	(2,700,064,579)	(244,043,362)	(367,097,567)
LFI	249,164,549	(153,471)	(199,512,547)
NWPI	285,260,510	(976,240)	1,575,478,709

The summarized dividend declarations paid to NCI are shown below.

		2024		2023
MREIT	**P**	**1,295,704,391**	P	1,083,319,430
GERI		**128,256,821**		22,006,572
LFI		**83,325,000**		99,990,000
MCTI		**59,715,371**		95,777,333
OPI		**-**		51,056,000
ECOC		**2,953**		6,788
	P	**1,567,004,536**	P	1,352,156,123

1.3 Approval of the Consolidated Financial Statements

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these 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 at and for the year ended December 31, 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Prior to 2024, the Group's consolidated financial statements were prepared in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (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 under the Memorandum Circulars (MC) in the succeeding page.

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*

In 2024, the Group adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee, and 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 to 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 below and 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.

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

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

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P1,950.6 million and Deferred Tax Liabilities – net decreased by P487.6 million as at January 1, 2024.

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

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

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

As a result of the adoption of this interpretation, Trade and Other Receivables – net as at January 1, 2024 increased by P20.5 million and Contract Assets decreased by P1,567.9 million. Further, Contract Liabilities decreased by P244.4 million.

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.

	Notes	**As previously reported**	**Restatement**	**As restated**
Total assets:				
Trade and other receivables – net	2.1b(ii)	P 64,684,680,752	P 20,475,839	P 64,075,156,591
Contract assets	2.1b(ii)	25,721,450,330	(1,567,893,026)	24,153,557,304
Inventories	2.1b(i)	134,493,092,091	(1,950,564,028)	132,542,528,063
			(3,497,981,215)	
Total liabilities:				
Contract liabilities	2.1b(ii)	(7,456,743,395)	244,408,736	(7,212,334,659)
Deferred tax liabilities – net	2.1b(i)	(14,587,512,527)	487,641,007	(14,099,871,520)
			732,049,743	
Impact on net assets			**(P 2,765,931,472)**	
Total equity:				
Attributable to the Company's shareholders		P 227,821,868,243	P (2,484,697,179)	P 225,337,171,064
Non-controlling interests		32,845,977,729	(281,234,293)	32,564,743,436
			(P 2,765,931,472)	

(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 a consolidated statement of comprehensive income separate from the consolidated statement of 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 retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(d) Functional and Presentation Currency

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

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

2.2 Adoption of 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 existing 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)	:	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 specifies 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 application of these amendments had no significant impact on the Group's consolidated financial statements.

(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 enables 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), *Lease Liability in a Sale and Leaseback*. The amendments require 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. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(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 unless otherwise indicated, none of these are expected to have a 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).

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 Foreign Currency Transactions and Translation

(a) Transactions and Balances

Except for MCII and RHGI, which use the United States (U.S.) dollar as their functional currency, the accounting records of the Parent Company and its subsidiaries are maintained in Philippine Peso. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

(b) Translation of Financial Statements of Foreign Subsidiaries

The operating results and financial position of MCII and RHGI, which are measured using the U.S. dollar, their functional currency, are translated to Philippine peso, the Parent Company's functional currency, as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end reporting period;

(ii) Income and expenses for each profit or loss account are translated at the annual average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,

(iii) All resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in MCII and RHGI are recognized under Exchange Difference on Translating Foreign Operations account in the consolidated statement of comprehensive income. As these entities are wholly owned subsidiaries, the translation adjustments are fully allocated to the Parent Company's shareholders.

The translation of the consolidated financial statements into Philippine Peso should not be construed as a representation that the U.S. dollar amounts could be converted into Philippine Peso amounts at the translation rates or at any other rates of exchange.

2.5 Financial Instruments

(a) Financial Assets

(i) Classification, Measurement and Reclassification of Financial Assets

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

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 (SPPI). 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 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.

Financial Assets at Fair Value Through Other Comprehensive Income

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 or if it is a contingent consideration recognized arising from a business combination. Accordingly, the Group has designated certain equity instruments as at FVOCI.

Financial Assets at Fair Value Through Profit or Loss

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(ii) Impairment of Financial Assets

The Group applies the simplified approach in measuring expected credit loss (ECL), which uses a lifetime expected loss allowance for all trade and other receivables and contract assets including those which contain significant financing component. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due [see Note 32.3(b)].

The Group applies a general approach specifically, in relation to advances to 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.

For other financial assets at amortized cost, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

(b) Financial Liabilities

Financial liabilities of the Group include interest-bearing loans and borrowings, bonds and notes payable, trade and other payables (except tax-related liabilities), derivative liabilities, advances from other related parties, commission payable and subscription payable (presented as part of Other Current Liabilities and Other Non-current Liabilities in the consolidated statement of financial position).

2.6 Inventories

Cost of inventories includes acquisition costs of raw land intended for future development, including other costs and expenses incurred to effect the transfer of the property to the Group; and, related property development costs.

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

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

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

2.7 Property and Equipment

Property and equipment, including land, are carried at acquisition or construction cost less subsequent depreciation and/or amortization for property and equipment, and any impairment losses. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets. Amortization of office improvements is recognized over the estimated useful lives of improvements or the term of the lease, whichever is shorter.

The depreciation and amortization periods for other property and equipment, based on the above policies, are as follows:

Buildings and improvements	5-25 years
Office improvements	5-20 years
Transportation equipment	5 years
Office furniture, fixtures and equipment	3-5 years

The measurement for right-of-use assets is disclosed in Note 2.10(a).

2.8 Investment Properties

Investment properties include properties held for lease under operating lease agreements, properties intended to be held for lease, and properties held for currently undetermined use. These properties are carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation.

Depreciation of investment properties, excluding land, is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years.

2.9 Revenue and Expense Recognition

Revenue comprises revenue from sale of real properties, property management fees and hotel operations.

The Group develops real properties such as developed land, house and lot, and condominium units. The Group often enters into contracts to sell real properties as they are being developed.

The Group also enters into transactions involving hotel accommodations, food and beverage operations, and other incidental activities. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(c). Sales cancellations are accounted for as contract modification on the year of forfeiture. Cumulative revenue and costs recognized on cancelled contracts are reversed in the year of cancellation, and any gain or loss is charged to profit or loss.

(a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales on pre-completed real estate properties 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 on pre-completed real estate properties is presented as part of Real Estate Sales under the Revenues and Income section in the consolidated statement of income.

(b) *Real estate sales on completed real estate properties* – Revenue from real estate sales on completed real estate properties 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 on completed real estate properties is presented as part of Real Estate Sales under the Revenues and Income section in the consolidated statement of 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 Parent Company, GERI, EELHI, SPI, MBPHI, SEDI, OPI, NWPI, MGLI, SVCI, MCTI, STLI, API and MBPI.

(c) *Sale of undeveloped land and golf and resort shares for sale* – Revenues on sale of undeveloped land and golf and resort shares for sale are recognized at a point in time when the control over the undeveloped land and golf and resort shares have passed to the buyer and the amount of revenue can be measured reliably.

(d) *Hotel accommodation* – Revenues are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer.

(e) *Food, beverage and others* – Revenues are recognized at point in time upon delivery to and receipt of consumer goods by the customer. Invoice for consumer goods transferred are due upon receipt by the customer.

(f) *Rendering of services* – Revenues are recognized over time (i.e., time-and-materials basis as the services are provided or based on the actual work done) until the performance of contractually agreed tasks has been substantially rendered. Revenue from rendering of services include property management, commission and construction income.

Incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. 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.

Cost of real estate sales include the acquisition cost of the land, development costs incurred to date and estimated costs to complete the project, determined based on estimates made by the project engineers.

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

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

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, 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 how the Group assesses impairment of its financial assets [see Note 2.5(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. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Customers' Deposits account in the liabilities section of the consolidated statement of financial position.

2.10 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

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.

The Group has elected to account for short-term leases and leases of low-value assets 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 determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific or identified asset or assets and the arrangement conveys a right to use the asset for a period of time in exchange for consideration.

2.11 Impairment of Non-financial Assets

The Group's Investments in Associates, Goodwill and Leasehold rights (included as part of Other Non-current Assets), Investment Properties, Property and Equipment, and other non-financial assets are subject to impairment testing. Goodwill and intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.12 Employee Benefits

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

The Group's post-employment defined benefit pension plans covers all regular full-time employees. The pension plans are tax-qualified, noncontributory and administered by trustees. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Group's consolidated financial statements in accordance with PFRS Accounting Standards 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.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determining Existence of a Contract with Customer

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

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

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

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

(b) Determination of Lease Term of Contracts with Renewal and Termination Options

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

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

The Group determines whether any non-cancellable period or notice period in a lease would meet the definition of a contract and thus, would be included as part of the lease term. A contract would be considered to exist only when it creates rights and obligations that are enforceable.

In assessing the enforceability of a contract, the Group considers whether the lessor can refuse to agree to a request from the Group to extend the lease. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

(c) Evaluation of Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

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

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

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

(ii) Hotel Operations

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

(iii) Food and Beverages, and Others

In determining the appropriate method to use in recognizing the Group's revenues from food, beverage and other consumer goods, management assesses that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e. generally when the customer acknowledged delivery of goods. The service component of the restaurant operations is deemed as an insignificant cause on the timing of satisfaction of performance obligation since it is only passage of time until the customer receives and consumes all the benefits after delivery of the food and beverage items.

(iv) Forfeited Collections and Deposits

The Group determines that its revenue from forfeited collections and deposits shall be recognized at point in time in the year the contract was cancelled.

(v) Property Management Services

The Group determines that its revenue from property management services shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers.

The Group applies the practical expedient to recognize revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity's performance completed to date i.e., generally when the customer has acknowledged the Group's right to invoice.

(d) 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.

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

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

(f) Determination of ECL on Trade and Other Receivables and Contract Assets

The Group uses a provision matrix to calculate ECL for trade and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., product type, 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). The Group considered the continuing impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. Details about the ECL on the Group's trade and other receivables are disclosed in Note 32.3(b).

(g) Distinction Among Investment Properties and Owner-occupied Properties

The Group determines whether a property should be classified as investment property or owner-occupied property. The Group applies judgment upon initial recognition of the asset based on intention and also when there is a change in use. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

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

(h) Distinction Between Inventories and Investment Properties

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 intention over these assets in making its judgment.

(i) Distinction Between Investments in Financial Instruments and Inventories

Being a real estate developer, the Group determines how golf and resort shares shall be accounted for. In determining whether these shares shall be accounted for as either inventories or investments in financial instruments, the Group considers its role in the development of the club and its intent for holding these shares. The Group classifies such shares as inventories when the Group acts as the developer and its intent is to sell a developed property together with the club share.

(j) Distinction Between Asset Acquisition and Business Combinations

The Parent Company acquires subsidiaries that own real estate properties. At the time of acquisition, the Parent Company considers whether the acquisition represents acquisition of a business or asset. The Parent Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the Group (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40, *Investment Property,* on ancillary services.

(k) Distinction Between Operating and Finance Leases (as a Lessor)

The Group has entered into various lease agreements. 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 assessment, the Group's lease agreements, as lessor, are classified either operating or finance leases.

(l) Consolidation of Entities in which the Group Holds 50% or Less of Voting Rights

Management considers that the Group has de facto control over investees even though it effectively holds less than 50% of the ordinary shares and voting rights in those companies when it has the ability to exercise control over these entities through voting rights held by its subsidiaries or through interlocking directors (see Note 1.1).

(m) Significant Influence on Investees Even if the Group Holds Less than 20% of Voting Rights

The Group considers that it has significant influence over investees when it has board representation which allows them to participate in the financial and operating policy decisions but has no control or joint control of those policies (see Notes 1.1 and 11).

(n) Determination on whether Lease Concessions Granted constitute a Lease Modification

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

In making this judgment, the Group determines whether the rent concessions granted has changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The rent concessions granted by the Group amounted to P1.4 billion in 2022 (nil in 2024 and 2023).

(o) Share-based Employee Remuneration

The Group grants share options to qualified employees of the Group eligible under a share option plan. The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date.

(p) 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 31.

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) 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 obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary.

A significant change in estimated total development costs would result in a significant change in the amount of revenue recognized in the year of change.

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

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

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity. Specifically, for contracts classified as 'seller financing' the Group bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction. For contracts classified as 'buyer financing', the Group estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Group is considered the borrower

(c) 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 behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 32.3(b).

(d) Determination of Net Realizable Value of Inventories

In determining the net realizable value of 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 real estate inventory 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 inventories within the next reporting period. In evaluating net realizable value of inventories, recent market conditions and current market prices have been considered. The carrying value of Inventories is disclosed in Note 7.

(e) Fair Value of Share Options

The Group estimates the fair value of the share option by applying an option valuation model, taking into account the terms and conditions on which the share options were granted. The estimates and assumptions used are presented in Note 28.6 which include, among other things, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Group's share price and fair value of the Group's common shares. Changes in these factors can affect the fair value of share options at grant date.

The fair value of share options recognized as part of Salaries and employee benefits in 2024, 2023 and 2022 is presented in Note 25.2.

(f) Fair Value Measurement of Investment Properties

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

The Group determines the fair value of idle properties using the observable recent prices of the reference properties adjusted for differences in key attributes such as property size, zoning and accessibility.

A significant change in these elements may affect prices and the value of the assets. The fair value of investment properties is disclosed in Notes 12 and 34.4.

(g) Estimation of Useful Lives of Investment Properties, Property and Equipment, and Leasehold Rights

The Group estimates the useful lives of investment properties, property and equipment, and leasehold rights based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties and property and equipment are reviewed 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.

In addition, estimation of the useful lives of investment properties and property and equipment are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

An analysis of the movements in the carrying amount of Investment Properties, Property and Equipment, and Leasehold Rights are presented in Notes 12, 13 and 14, respectively.

(h) Valuation of Financial Assets at Fair Value through Other Comprehensive Income

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, management applies valuation techniques to determine the fair value of financial instruments. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. When such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arms' length transaction at the end of the reporting period. Valuation methods used in determining the fair value of these financial assets are disclosed in Note 34.2(a).

The carrying amounts of financial asset at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 9.

(i) 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.

(j) 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 amount of the net deferred tax assets as at December 31, 2024 and 2023 is disclosed in Note 26.

(k) 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 evident. In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows.

Estimation uncertainties relates to assumptions about future operating results and the determination of suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the amount of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Aside from the impairment on the Group's goodwill in 2024, there are no other impairment losses on other non-financial assets required to be recognized in 2024, 2023 and 2022 based on management's assessment (see Note 14).

(l) Valuation of Retirement Obligation

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by independent actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. 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 amount of retirement benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 25.3.

(m) Business Combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their acquisition date fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment.

4. SEGMENT INFORMATION

4.1 Business Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Strategic Steering Committee (SSC), its chief operating decision-maker. The SSC is responsible for allocating resources and assessing performance of the operating segments.

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 of residential and office units including urban centers integrating office, residential and commercial components. The Real Estate segment pertains to the development and sale of residential and office developments. The Rental segment includes leasing of office and commercial spaces. The Hotel Operations segment relates to the management of hotel business operations. The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

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

- interest income and costs, and foreign currency gains and losses;
- equity in net earnings of associates, fair value gains, dividend income and foreign currency gains/losses; and,
- gain on sale of investments in associate.

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 are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash and cash equivalents, receivables, real estate inventories, property and equipment, and investment properties, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and segment liabilities do not include deferred taxes.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

4.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

4.4 Analysis of Segment Information

The tables presented below and in the succeeding page present revenue and profit information regarding industry segments for the years ended December 31, 2024, 2023 and 2022 and certain assets and liabilities information regarding segments as at December 31, 2024 and 2023.

	2024			
	Sale of Goods	**Sale of Services**		
	Real Estate	**Rental**	**Hotel Operations**	**Total**
TOTAL REVENUES				
Sales to external customers	P 50,988,478,086	P 19,678,069,599	P 5,107,047,400	P 75,773,595,085
Intersegment sales	-	1,354,506,683	-	1,354,506,683
	50,988,478,086	21,032,576,282	5,107,047,400	77,128,101,768
COSTS AND OTHER OPERATING EXPENSES				
Costs of sales and services and operating expenses excluding depreciation and amortization	34,765,504,116	2,548,550,513	4,359,608,601	41,673,663,230
Depreciation and amortization	324,662,154	2,971,079,941	192,595,682	3,488,337,777
	35,090,166,270	5,519,630,454	4,552,204,283	45,162,001,007
SEGMENT OPERATING PROFITS	**P 15,898,311,816**	**P 15,521,945,828**	**P 554,843,117**	**P 31,966,100,761**
ASSETS AND LIABILITIES				
Segment assets	**P 287,134,583,427**	**P 154,993,635,808**	**P 6,984,442,041**	**P 449,112,661,276**
Segment liabilities	**P 117,765,360,758**	**P 67,131,164,809**	**P 2,113,631,188**	**P 187,010,156,755**

	2023			
	Sale of Goods	Sale of Services		
	Real Estate	Rental	Hotel Operations	Total
TOTAL REVENUES				
Sales to external customers	P 42,721,115,222	P 17,854,466,048	P 3,807,063,945	P 64,382,645,215
Interest income on real estate sales	1,129,913,991	-	-	1,129,913,991
Intersegment sales	-	688,393,835	-	688,393,835
	43,851,029,213	18,542,859,883	3,807,063,945	66,200,953,041
COSTS AND OTHER OPERATING EXPENSES				
Costs of sales and services and operating expenses, excluding depreciation and amortization	29,797,634,218	2,174,351,445	3,179,787,694	35,151,773,357
Depreciation and amortization	299,788,932	2,847,130,267	183,412,704	3,330,331,903
	30,097,423,150	5,021,481,712	3,363,200,398	38,482,105,260
SEGMENT OPERATING PROFITS	P 13,753,606,063	P 13,521,378,171	P 443,863,547	P 27,718,847,781
ASSETS AND LIABILITIES				
Segment assets	P 270,084,403,031	P 145,952,507,542	P 6,129,045,419	P 422,165,955,992
Segment liabilities	P 120,821,155,240	P 52,311,008,997	P 2,202,470,050	P 175,334,634,287

	2022			
	Sale of Goods	Sale of Services		
	Real Estate	Rental	Hotel Operations	Total
TOTAL REVENUES				
Sales to external customers	P 36,849,992,605	P 15,653,727,970	P 2,603,709,878	P 55,107,430,453
Interest income on real estate sales	799,056,815	-	-	799,056,815
Intersegment sales	-	532,327,818	-	532,327,818
	37,649,049,420	16,186,055,788	2,603,709,878	56,438,815,086
COSTS AND OTHER OPERATING EXPENSES				
Costs of sales and services and operating expenses, excluding depreciation and amortization	25,712,626,517	1,856,763,898	2,101,359,090	29,670,749,505
Depreciation and amortization	258,051,817	2,731,898,812	144,072,673	3,134,023,302
	25,970,678,334	4,588,662,710	2,245,431,763	32,804,772,807
SEGMENT OPERATING PROFITS	P 11,678,371,086	P 11,597,393,078	P 358,278,115	P 23,634,042,279
ASSETS AND LIABILITIES				
Segment assets	P 249,662,958,994	P 136,205,789,990	P 5,859,552,165	P 391,728,301,149
Segment liabilities	P 112,314,538,777	P 48,232,117,701	P 1,569,242,763	P 162,115,899,242

The total project and capital expenditures amounted to P50.8 billion, P50.0 billion and P45.9 billion in 2024, 2023 and 2022, respectively.

4.5 Reconciliations

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

	2024	2023	2022
Revenues			
Total segment revenues	**P 77,128,101,768**	P 66,200,953,041	P 56,438,815,086
Unallocated interest and other income	**5,913,737,481**	4,215,596,285	3,620,769,383
Elimination of intersegment sales	**(1,354,506,683)**	(688,393,835)	(532,327,818)
Revenues as reported in profit or loss	**P 81,687,332,566**	P 69,728,155,491	P 59,527,256,651
Profit or loss			
Segment operating profit	**P 31,966,100,761**	P 27,718,847,781	P 23,634,042,279
Unallocated interest and other income	**5,913,737,481**	4,215,596,285	3,620,769,383
Unallocated interest and other charges	**(6,340,531,092)**	(5,056,713,054)	(5,628,116,793)
Equity share in net losses	**(290,085,568)**	(65,412,001)	(155,429,591)
Other unallocated expenses	**(4,374,310,578)**	(2,956,010,644)	(2,329,420,993)
Profit before tax as reported in profit or loss	**P 26,874,911,004**	P 23,856,308,367	P 19,141,844,285

		2024		2023
Assets				
Segment assets	**P**	**449,112,661,276**	P	422,165,955,992
Investments in associates		**2,813,484,851**		3,069,422,324
Financial assets at fair value through other comprehensive income		**5,411,250,309**		5,390,622,368
Advances to other related parties		**7,815,436,402**		6,266,708,060
Other unallocated assets		**4,484,007,100**		3,680,009,429
Total assets reported in the consolidated statements of financial position	**P**	**469,636,839,938**	P	440,572,718,173
Liabilities				
Segment liabilities	**P**	**187,010,156,755**	P	175,334,634,287
Advances from other related parties		**1,463,852,566**		1,247,044,914
Other unallocated liabilities		**2,427,740,191**		3,323,193,000
Total liabilities reported in the consolidated statements of financial position	**P**	**190,901,749,512**	P	179,904,872,201

5. CASH AND CASH EQUIVALENTS

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

		2024		2023
Cash on hand and in banks	**P**	**11,480,750,706**	P	9,386,227,441
Short-term placements		**9,940,589,655**		15,728,789,793
	P	**21,421,340,361**	P	25,115,017,234

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for varying periods between 30 to 60 days and earn effective interest ranging from 0.50% to 6.25% in 2024 and 2023, and 0.50% to 5.70% in 2022 (see Note 23).

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	2024	2023
Current:			
Trade	15.3(g), 27.1	**P 28,610,399,856**	P 24,672,722,893
Allowance for impairment		**(697,949,941)**	(708,270,478)
		27,912,449,915	23,964,452,415
Advances to associates and other related parties	27.2	**7,815,436,402**	6,266,708,060
Others		**5,569,876,122**	5,695,361,868
Balance carried forward		**P 41,297,762,439**	P 35,926,522,343

	Notes	2024	2023
Balance brought forward		**P 41,297,762,439**	P 35,926,522,343
Non-current:			
Trade	15.3(g)	**27,904,899,573**	23,640,010,441
Allowance for impairment		**(12,224,936)**	(12,224,936)
		27,892,674,637	23,627,785,505
Others	27.1	**5,368,930,798**	5,130,372,904
		33,261,605,435	28,758,158,409
		P 74,559,367,874	P 64,684,480,752

Trade receivables mainly pertain to receivables from real estate sales and rental transactions.

The installment period of sales contracts averages one to five years. Noninterest-bearing trade receivables from real estate sales with maturity of more than one year after the end of the reporting period are assessed for existence of a significant financing component. Interest income recognized amounted to P1,036.2 million, P1,129.9 million and P799.0 million in 2024, 2023 and 2022, respectively. These amounts are presented as part of Interest income from significant financing component under Real Estate Sales account in the 2024 consolidated statement of income and as part of Interest income under Interest and Other Income – net account in the 2023 and 2022 consolidated statements of income (see Notes 20 and 23).

Others include finance lease receivables arising from sublease transaction entered by the Group. As at December 31, 2023, the current and non-current portion of the finance lease receivables amounted to P2.0 million and P315.1 million, respectively. The Group derecognized its finance lease receivables in 2024, resulting in a recognition of gain amounting to P16.6 million, which is presented as part of Miscellaneous – net under Interest and Other Income – net in the 2024 consolidated statement of income (see Note 23). Other current receivables include certain advances to condominium associations and other counterparties within the ordinary course of business, which are expected to be realized within 12 months from the end of the reporting periods.

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 32.3(b)].

A reconciliation of the allowance for impairment losses on trade receivables at the beginning and end of 2024 and 2023 is shown below.

	Current	Non-current	Total
December 31, 2024:			
Balance at beginning of year	**P 708,270,478**	**P 12,224,936**	**P 720,495,414**
Impairment loss	**45,211,742**	**-**	**45,211,742**
Reversal of impairment	**(55,532,279)**	**-**	**(55,532,279)**
Balance at end of year	**P 697,949,941**	**P 12,224,936**	**P 710,174,877**
December 31, 2023:			
Balance at beginning of year	P 749,340,938	P 12,224,936	P 761,565,874
Reversal of impairment	(41,070,460)	-	(41,070,460)
Balance at end of year	P 708,270,478	P 12,224,936	P 720,495,414

Certain past due rent receivables presented as part of Trade receivables were found to be impaired using the provisional matrix as determined by management; hence, credit loss of P45.2 million was recognized in 2024 (see Note 24). In 2024 and 2023, based on management's reassessment of recoverability of receivables, the Group reversed a portion of allowance for impairment amounting to P55.5 million and P41.1 million, respectively. The resulting gain on reversal is presented as part of Miscellaneous – net under Interest and Other Income – net account in the consolidated statements of income (see Note 23).

7. INVENTORIES

The composition of this account as at December 31 is shown below.

	2024	2023
Residential and condominium units	**P 109,633,318,651**	P 109,694,023,497
Raw land inventory	**12,212,744,073**	12,396,943,363
Property development costs	**11,074,601,834**	9,480,158,869
Golf and resort shares	**2,941,186,961**	2,921,966,362
	P 135,861,851,519	P 134,493,092,091

Residential and condominium units mainly pertain to the accumulated costs incurred in developing the Group's horizontal and condominium projects and certain integrated-tourism projects.

Property development costs pertain to accumulated costs incurred for properties undergoing development. The relative cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized. The relative costs of units completed prior to sale are reclassified to Residential and condominium units.

Raw land inventory pertains to properties which the Group intends to develop into residential properties to be held for sale.

Golf and resort shares pertain to proprietary or membership shares (landowner resort shares and founders shares) that are of various types and costs. The cost of the landowner resort shares is based on the acquisition and development costs of the land and the project. The cost of the founders shares is based on the par value of the resort shares which is P100 per share.

Prior to the adoption of the IFRS Agenda Decision on PAS 23, borrowing costs capitalized in 2023 as part of inventories amounted to P541.4 million (nil in 2024), which represent the interest costs incurred on the general and specific borrowings obtained by the Group to fund its construction projects [see Notes 2.1(b)(i), 15 and 16].

None of the Group's inventories are used as collateral for its interest-bearing loans and borrowings.

Based on management's assessment, there is no allowance for inventory write-down is required to be recognized in 2024, 2023 and 2022; hence, inventories are recorded at cost as at December 31, 2024 and 2023.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The composition of this account is shown below.

	Notes	2024	2023
Creditable withholding taxes		**P 4,440,640,711**	P 4,277,169,503
Input VAT		**4,230,465,083**	4,248,890,893
Deferred commission	20.3	**1,969,038,939**	2,086,771,425
Prepaid rent and other prepayments		**1,930,408,116**	1,934,512,986
Derivative asset	30	**359,238,652**	62,038,593
Deposits		**163,920,937**	446,777,052
Others		**389,686,636**	524,236,525
		P 13,483,399,074	P 13,580,396,977

Others include supplies and food and beverage inventories.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at December 31, financial assets at FVOCI is composed of the following:

	Notes	2024	2023
Equity securities:			
Quoted	34.2	**P 2,180,760,059**	P 3,123,647,415
Unquoted		**3,230,490,250**	2,266,974,953
	27.4	**P 5,411,250,309**	P 5,390,622,368

The Group's securities are investments from local entities.

The reconciliation of the carrying amount of financial assets at FVOCI is as follows:

	2024	2023
Balance at beginning of year	**P 5,390,622,368**	P 5,253,799,848
Addition	**857,775,000**	-
Translation adjustments	**54,642,854**	35,341,658
Disposal	**(355,519,584)**	-
Fair value gains (losses)	**(536,270,329)**	101,480,862
Balance at end of year	**P 5,411,250,309**	P 5,390,622,368

The quoted equity securities pertain to investments in publicly-listed holding and service companies with fair values determined directly by reference to published prices in the PSE.

Other information about the fair value measurement and disclosures related to the investments in financial assets are presented in Note 34.2.

In 2024, 2023 and 2022, the Group received cash dividends amounting to P80.3 million, P36.5 million and P21.4 million, respectively. The amount of dividends received is presented as Dividend income under Interest and Other Income – net account in the consolidated statements of income (see Note 23).

10. ADVANCES TO/FROM LANDOWNERS AND JOINT OPERATORS

10.1 Advances to Landowners and Joint Operators

The Group enters into numerous joint arrangements for the joint development of various projects. These are treated as jointly-controlled operations. The joint arrangements stipulate that the Group's co-operator shall contribute parcels of land while the Group shall be responsible for the planning, conceptualization, design, demolition of existing improvements, construction, financing and marketing of residential and condominium units to be constructed on the properties. In addition, there were no separate entities created by these joint arrangements. Costs incurred by the Group on these projects are recorded under the Inventories account in the consolidated statements of financial position (see Note 2.6).

The Group also grants noninterest-bearing secured cash advances to a number of landowners and joint operations under agreements they entered into with the landowners covering the development of certain parcels of land. Under the terms of the arrangements, the Group, in addition to providing specified portion of total project development costs, also commits to advance mutually agreed-upon amounts to the landowners to be used for pre-development expenses such as the relocation of existing occupants.

The total amount of advances made by the Group less repayments, is presented as part of the Advances to Landowners and Joint Operators account in the consolidated statements of financial position.

As at December 31, 2024 and 2023, management has assessed that the advances to joint operations are fully recoverable. Further, there has been no outstanding commitment for cash advances under the joint agreements.

The net commitment for construction expenditures amounts to:

	2024	2023
Total commitment for construction expenditures	**P 64,488,899,160**	P 63,640,179,854
Total expenditures incurred	**(34,270,561,027)**	(33,633,489,683)
Net commitment	**P 30,218,338,133**	P 30,006,690,171

The Group's interests in jointly-controlled operations and projects range from 57% to 90% in both 2024 and 2023. The listing of the Group's jointly-controlled projects are as follows:
Parent Company:

- McKinley West
- Manhattan Garden City
- Uptown Bonifacio
- The Maple Grove
- Vion Tower
- Arden Botanical
- Arden West Park

GERI:
- Alabang West
- Caliraya Spring
- Eastland Heights [formerly: Forest Hills]
- Kingsborough
- Monte Cielo de Peñafrancia
- Mountain Meadows
- Newport Hills
- Pahara at Southwoods
- Sta. Barbara Heights Phase 2 & 3
- The Hamptons Haliraya
- Sta. Barbara Heights Shophouse District

EELHI:
- Pioneer Woodlands
- San Lorenzo Place
- Various Metro Manila and Calabarzon Projects

SPI:
- Governor's Hills
- Mandara
- Sta. Rosa Heights
- Sta. Rosa Hills
- Sentosa
- Asmara
- One Lakeshore
- Two Lakeshore
- Riva Bella
- Solana
- Gentri Heights
- Fountain Grove
- Palm City
- The Mist Residence

The aggregate amounts of the current assets, long-term assets, current liabilities, long-term liabilities as at December 31, 2024 and 2023, and income and expenses for years ended December 31, 2024, 2023 and 2022 related to the Group's interests in joint arrangements are not presented or disclosed in the consolidated financial statements as the joint arrangements in which the Group is involved are not joint ventures.

As at December 31, 2024 and 2023, the Group either has no other contingent liabilities with regard to these joint operations or has assessed that the probability of loss that may arise from contingent liabilities is remote.

10.2 Advances from Joint Operators

This account represents the share of joint venture partners in the proceeds from the sale of certain projects in accordance with various joint arrangements entered into by the Group.

The advances from golf share partners and lot owners recognized in 2024 and 2023 amounted to P277.2 million and P250.5 million, respectively, is presented as part of Advances from Other Related Parties account in the consolidated statements of financial position (see Note 27.3).

11. INVESTMENTS IN ASSOCIATES

11.1 Breakdown of Carrying Values

The details of investments in associates, accounted for using the equity method, are as follows:

		2024		2023
Acquisition costs:				
SUN	**P**	**2,619,800,008**	P	2,619,800,008
NPI		**734,396,528**		734,396,528
BWDC		**199,212,026**		199,212,026
PTHDC		**64,665,000**		64,665,000
		3,618,073,562		3,618,073,562
Accumulated equity in net losses:				
Balance at beginning of year		**(620,561,549)**		(555,149,548)
Equity share in net losses of associates for the year		**(290,085,568)**		(65,412,001)
Balance at end of year		**(910,647,117)**		(620,561,549)
Accumulated equity in other comprehensive income:				
Balance at beginning of year		**71,910,311**		75,259,188
Share in other comprehensive income (loss) of associates		**34,148,095**		(3,348,877)
Balance at end of year		**106,058,406**		71,910,311
	P	**2,813,484,851**	P	3,069,422,324

The shares of stock of SUN are listed in the PSE which closed at P0.85 and P0.80 per share as at December 31, 2024 and 2023, respectively. The fair values of all other investments in associates are not available as at December 31, 2024 and 2023. The related book values of the Group's holdings in all of the associates exceed or approximate their carrying values; hence, management deemed that the recognition of impairment loss is not necessary.

Investment in SUN

In October 2019, the Parent Company acquired additional 115.0 million shares of SUN at market price, totaling P100.1 million. Subsequently, the Group disposed of a certain number of shares. In December 2019, the Parent Company subscribed to additional P2,177 million shares from SUN at P1.00 par value. The Parent Company paid P1.25 billion out of the P2.20 billion additional subscribed capital, the unpaid portion is presented as Subscription payable. In 2023, the Parent Company paid its subscription payable to SUN in full.

11.2 Summarized Financial Information

The aggregated amounts of assets, liabilities, equity, revenues, net profit (loss), other comprehensive income (loss) of the associates are as follows:

	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity
December 31, 2024					
SUN	P 6,385,174,528	P 47,826,261,217	P 1,856,568,754	P 43,796,905,713	P 8,557,961,278
NPI	2,832,943	5,594,585,843	1,248,174,811	-	4,349,243,975
BWDC	369,028,633	2,626,876,387	704,521,319	125,280,185	2,166,103,516
PTHDC	1,135,021,745	-	1,010,865,348	-	124,156,397
	P 7,892,057,489	**P 56,047,723,447**	**P 4,820,130,232**	**P 43,922,185,898**	**P 15,197,465,166**
December 31, 2023					
SUN	P 7,642,889,468	P 37,572,385,833	P 2,037,311,231	P 33,636,653,715	P 9,541,310,355
NPI	2,605,644	5,595,584,398	1,243,127,835	-	4,355,062,207
BWDC	777,488,167	2,116,168,144	834,439,227	64,984,224	1,994,232,860
PTHDC	1,135,127,795	60,591	1,010,586,772	-	124,601,614
	P 9,558,111,074	P 45,284,198,966	P 5,125,465,065	P 33,701,637,939	P 16,015,207,036

	Revenues	Net Profit (Loss)	Other Comprehensive Income (Loss)
2024			
SUN	P 1,433,726	(P 1,083,784,645)	(P 100,435,570)
NPI	104	(5,194,765)	-
BWDC	244,007,040	171,870,656	-
PTHDC	17,692	(348,626)	-
	P 245,458,562	**(P 917,457,380)**	**(P 100,435,570)**
2023			
SUN	P 99,759	(P 348,051,058)	(P 13,132,855)
NPI	473	(3,263,442)	-
BWDC	211,774,598	116,865,673	-
PTHDC	16,461	(168,602)	-
	P 211,891,291	(P 234,617,429)	(P 13,132,855)
2022			
SUN	P 13,196	(P 557,052,537)	P 24,071,676
NPI	-	-	-
BWDC	150,838,321	73,823,084	-
PTHDC	5,978	(178,880)	-
	P 150,857,495	(P 483,408,333)	P 24,071,676

The reconciliation of the above summarized financial information to the carrying amount of the interest in associates are as follows:

	SUN	BWDC	NPI	PTHDC	Total
2024					
Net asset at end of year	P 8,557,961,278	P 2,166,103,516	P 4,349,243,975	P 124,156,397	P 15,197,465,166
Equity ownership interest	34%	46%	12%	40%	
	2,909,706,835	998,790,332	501,032,906	49,662,559	4,459,192,632
Notional goodwill	140,685,524	12,865,193	230,379,167	14,642,202	398,572,086
Share in bond option reserves	(1,905,473,167)	(87,305,678)	-	-	(1,992,778,845)
Dilution of shares due to change in percentage ownership	458,892,180	-	-	-	458,892,180
Other reconciling items	(472,126,368)	(38,266,834)	-	-	(510,393,202)
Total carrying amount	**P 1,131,685,004**	**P 886,083,013**	**P 731,412,073**	**P 64,304,761**	**P 2,813,484,851**

	SUN	BWDC	NPI	PTHDC	Total
2023					
Net asset at end of year	P 9,541,310,355	P 1,994,232,860	P 4,355,062,207	P 124,601,614	P 16,015,207,036
Equity ownership interest	34%	46%	12%	40%	
	3,244,045,521	919,540,772	501,703,166	49,840,646	4,715,130,105
Notional goodwill	140,685,524	12,865,193	230,379,167	14,642,202	398,572,086
Share in bond option reserves	(1,905,493,167)	(87,305,678)	-	-	(1,992,798,845)
Dilution of shares due to change in percentage ownership	458,892,180	-	-	-	458,892,180
Other reconciling items	(472,126,368)	(38,266,834)	-	-	(510,393,202)
Total carrying amount	P 1,466,003,690	P 806,833,453	P 732,082,333	P 64,482,848	P 3,069,402,324

12. INVESTMENT PROPERTIES

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

	Land	Buildings	Total
December 31, 2024			
Cost	P 33,742,927,748	P 139,396,159,763	P 173,139,087,511
Accumulated depreciation	-	(26,255,895,614)	(26,255,895,614)
Net carrying amount	**P 33,742,927,748**	**P 113,140,264,149**	**P 146,883,191,897**
December 31, 2023			
Cost	P 29,983,203,130	P 128,457,161,423	P 158,440,364,553
Accumulated depreciation	-	(23,284,815,673)	(23,284,815,673)
Net carrying amount	P 29,983,203,130	P 105,172,345,750	P 135,155,548,880
January 1, 2023			
Cost	P 29,987,225,960	P 118,552,303,984	P 148,539,529,944
Accumulated depreciation	-	(20,437,685,406)	(20,437,685,406)
Net carrying amount	P 29,987,225,960	P 98,114,618,578	P 128,101,844,538

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

	Land	Buildings	Total
Balance at January 1, 2024 net of accumulated depreciation	P 29,983,203,130	P 105,172,345,750	P 135,155,548,880
Additions	3,388,262,579	10,852,449,268	14,240,711,847
Transfer from inventories	371,462,039	86,549,072	458,011,111
Depreciation charges for the year	-	(2,971,079,941)	(2,971,079,941)
Balance at December 31, 2024, net of accumulated depreciation	**P 33,742,927,748**	**P 113,140,264,149**	**P 146,883,191,897**
Balance at January 1, 2023, net of accumulated depreciation	P 29,987,225,960	P 98,114,618,578	P 128,101,844,538
Additions	497,371,630	10,359,896,645	10,857,268,275
Transfer to inventories	(501,394,460)	(455,039,206)	(956,433,666)
Depreciation charges for the year	-	(2,847,130,267)	(2,847,130,267)
Balance at December 31, 2023, net of accumulated depreciation	P 29,983,203,130	P 105,172,345,750	P 135,155,548,880
Balance at January 1, 2022, net of accumulated depreciation	P 27,587,597,724	P 91,634,651,223	P 119,222,248,947
Additions	2,400,461,041	9,714,938,191	12,115,399,232
Transfer to property and equipment	-	(503,072,024)	(503,072,024)
Disposal	(832,805)	-	(832,805)
Depreciation charges for the year	-	(2,731,898,812)	(2,731,898,812)
Balance at December 31, 2022, net of accumulated depreciation	P 29,987,225,960	P 98,114,618,578	P 128,101,844,538

Rental income earned from these properties arising from the Group's operating leases amounted to P19,678.1 million, P17,845.5 million and P15,653.7 million in 2024, 2023 and 2022, respectively, and is shown as Rental Income in the consolidated statements of income. There is no rental income arising from finance lease in 2024, 2023 and 2022. The direct operating costs, exclusive of depreciation incurred by the Group relating to these investment properties amounted to P1,105.2 million in 2024, P1,016.2 million in 2023, and P937.0 million in 2022. On the other hand, the direct operating costs, which mostly pertain to real property taxes, of investment properties that did not generate rental income in 2024, 2023 and 2022 amounted to P33.4 million, P28.2 million, and P32.6 million, respectively. The operating lease commitments of the Group as a lessor are fully disclosed in Note 31.1. Variable lease pertains to rental payments based on percentage of sales of the lessee's business operations.

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

	2024	2023	2022
Fixed	**P 18,605,147,474**	P 17,025,278,807	P 15,183,208,932
Variable	**1,072,922,125**	829,187,241	470,519,038
	P 19,678,069,599	P 17,854,466,048	P 15,653,727,970

Borrowing costs that are capitalized as part of investment properties amounted to P3,346.4 million, P2,421.6 million, and P1,383.3 million in 2024, 2023, and 2022, respectively, which represent the interest costs incurred on the general and specific borrowings obtained by the Group to fund their construction projects (see Notes 15 and 16).

Depreciation of investment properties is presented as part of Depreciation and amortization under Operating Expenses account in the consolidated statements of income (see Note 22).

The fair market values of the properties that generated rental income in 2024 and 2023 are P484.5 billion and P481.5 billion as at December 31, 2024 and 2023, respectively, while the fair market value of idle land is P52.6 billion and P55.5 billion as at December 31, 2024 and 2023, respectively. Other information about the fair value measurement and disclosures related to the investment properties are presented in Note 34.4.

As at December 31, 2024 and 2023, the Group does not have any contractual commitments for acquisition of investment properties.

None of the Group's investment properties are used as collateral for its interest-bearing loans and borrowings.

13. PROPERTY AND EQUIPMENT

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

	Buildings & Improvement	Furniture, Fixtures, and Equipment	Office Improvements	Transportation Equipment	Land	Right-of-use Assets	Total
December 31, 2024							
Cost	P 8,651,213,854	P 2,533,033,523	P 670,817,447	P 762,803,366	P 245,672,573	P 573,523,591	P 13,437,064,354
Accumulated depreciation and amortization	(2,662,466,196)	(2,025,209,147)	(540,112,855)	(627,474,827)	-	(387,789,707)	(6,243,052,732)
Net carrying amount	**P 5,988,747,658**	**P 507,824,376**	**P 130,704,592**	**P 135,328,539**	**P 245,672,573**	**P 185,733,884**	**P 7,194,011,622**
December 31, 2023							
Cost	P 8,511,950,486	P 2,352,636,135	P 574,301,053	P 667,293,977	P 245,672,573	P 486,793,141	P 12,838,647,365
Accumulated depreciation and amortization	(2,390,453,076)	(1,775,114,346)	(472,681,812)	(599,479,075)	-	(327,723,758)	(5,565,452,067)
Net carrying amount	P 6,121,497,410	P 577,521,789	P 101,619,241	P 67,814,902	P 245,672,573	P 159,069,383	P 7,273,195,298
January 1, 2023							
Cost	P 8,124,859,537	P 2,102,841,166	P 550,897,630	P 625,069,481	P 245,672,573	P 486,793,141	P 12,136,133,528
Accumulated depreciation and amortization	(2,081,008,650)	(1,580,869,769)	(405,958,248)	(570,229,582)	-	(301,156,695)	(4,939,222,944)
Net carrying amount	P 6,043,850,887	P 521,971,397	P 144,939,382	P 54,839,899	P 245,672,573	P 185,636,446	P 7,196,910,584

A reconciliation of the carrying amounts at the beginning and end of 2024, 2023 and 2022, of property and equipment is shown below.

	Buildings & Improvement	Furniture, Fixtures, and Equipment	Office Improvements	Transportation Equipment	Land	Right-of-use Assets	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	P 6,121,497,410	P 577,521,789	P 101,619,241	P 67,814,902	P 245,672,573	P 159,069,383	P 7,273,195,298
Additions	139,263,368	193,377,849	96,516,394	112,147,583	-	86,730,450	628,035,644
Disposals	-	(12,980,461)	-	(16,638,194)	-	-	(29,618,655)
Depreciation charges for the year	(272,013,120)	(250,094,801)	(67,431,043)	(27,995,752)	-	(60,065,949)	(677,600,665)
Balance at December 31, 2024, net of accumulated depreciation	**P 5,988,747,658**	**P 507,824,376**	**P 130,704,592**	**P 135,328,539**	**P 245,672,573**	**P 185,733,884**	**P 7,194,011,622**
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 6,043,850,887	P 521,971,397	P 144,939,382	P 54,839,899	P 245,672,573	P 185,636,446	P 7,196,910,584
Additions	387,090,949	278,118,891	27,064,086	42,603,961	-	-	734,877,887
Disposals	-	(28,323,922)	(3,660,663)	(379,464)	-	-	(32,364,049)
Depreciation charges for the year	(309,444,426)	(194,244,577)	(66,723,564)	(29,249,494)	-	(26,567,063)	(626,229,124)
Balance at December 31, 2023, net of accumulated depreciation	P 6,121,497,410	P 577,521,789	P 101,619,241	P 67,814,902	P 245,672,573	P 159,069,383	P 7,273,195,298
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 5,552,167,161	P 367,528,201	P 106,470,135	P 46,829,430	P 245,672,573	P 212,220,296	P 6,530,887,796
Additions	239,117,618	351,338,233	86,571,155	56,054,796	-	-	733,081,802
Transfers from Investment Property	503,072,024	-	-	-	-	-	503,072,024
Disposals	-	(20,992,459)	(1,000,487)	(7,315,911)	-	-	(29,308,857)
Depreciation charges for the year	(250,505,916)	(175,902,578)	(47,101,421)	(40,728,416)	-	(26,583,850)	(540,822,181)
Balance at December 31, 2022, net of accumulated depreciation	P 6,043,850,887	P 521,971,397	P 144,939,382	P 54,839,899	P 245,672,573	P 185,636,446	P 7,196,910,584

Depreciation and amortization of property and equipment is presented as part of Depreciation and amortization under Operating Expenses account in the consolidated statements of income (see Note 22).

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the statement of financial position.

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
2024					
Offices	**7**	**1 – 12 years**	**2 years**	**3**	**1**
Commercial lot	**4**	**1 – 24 years**	**14 years**	**2**	**1**
2023					
Offices	6	1 – 12 years	3 years	3	1
Commercial lot	4	1 – 24 years	15 years	2	1

The breakdown of the Group's right-of-use assets as at December 31, 2024 and 2023 and the movements during the years are shown below.

	Offices	Commercial Lot	Total
Balance at January 1, 2024	P 4,474,726	P 154,594,657	P 159,069,383
Additions	86,730,450	-	86,730,450
Depreciation and amortization	(37,025,529)	(23,040,420)	(60,065,949)
Balance at December 31, 2024	**P 54,179,647**	**P 131,554,237**	**P 185,733,884**
Balance at January 1, 2023			
Depreciation and amortization	P 7,979,187	P 177,657,259	P 185,636,446
	(3,504,461)	(23,062,602)	(26,567,063)
Balance at December 31, 2023	P 4,474,726	P 154,594,657	P 159,069,383
Balance at January 1, 2022			
Depreciation and amortization	P 11,501,347	P 200,718,949	P 212,220,296
	(3,522,160)	(23,061,690)	(26,583,850)
Balance at December 31, 2022	P 7,979,187	P 177,657,259	P 185,636,446

As at December 31, 2024 and 2023, the Group does not have any contractual commitments for acquisition of property and equipment.

None of the Group's property and equipment are used as collateral for its interest-bearing loans and borrowings.

14. OTHER NON-CURRENT ASSETS

This account consists of:

	Note	2024	2023
Goodwill – net		**P 1,307,776,964**	P 1,385,124,597
Guarantee and other deposits		**1,059,801,252**	890,420,128
Deferred commission	20.3	**158,215,084**	310,502,008
Leasehold rights – net		**69,652,166**	76,617,383
Miscellaneous		**359,117,597**	260,662,908
		P 2,954,563,063	P 2,923,327,024

Goodwill primarily relates to growth expectations arising from operational efficiencies that will be achieved by combining the resources, skills and expertise of the Parent Company and its subsidiaries. Significant portion of the total goodwill is allocated to GERI, MLI, and STLI amounting to P947.1 million, P255.1 million and P94.9 million, respectively. The remaining P10.7 million is allocated to other subsidiaries.

The recoverable amounts of the cash generating units assigned to GERI, MLI and STLI are P89.1 billion, P1.4 billion and P4.3 billion, respectively, at end of 2024 and P83.9 billion, P565.6 million and P5.6 billion, respectively, at end of 2023. These were computed using cash flows projections covering a five-year period and extrapolating cash flows using a conservative steady growth rate of 3.0% in both 2024 and 2023. The aggregate recoverable amounts of the cash generating units assigned to other subsidiaries is P150.2 million and P100.3 million in 2024 and 2023, respectively, while the average growth rate used in extrapolating cash flows covering five-year projections is 5%. The average discount rates applied in determining the present value of future cash flows is 7.2% in 2024 and 6.8% in 2023.

The discount rates and growth rates are the key assumptions used by management in determining the value in use of the cash generating units. Based on management's analysis, no impairment is required to be recognized on goodwill. Management has also determined that a reasonably possible change in these key assumptions would not cause the carrying value of the cash generating units to exceed their respective value in use.

Goodwill is subject to annual impairment testing while leasehold rights is subject to testing whenever there is an indication of impairment. In 2024, an impairment loss amounting to P77.3 million on goodwill was recognized in relation to EELHI's goodwill on LBASSI which is presented as part of Impairment and other losses under Interest and Other Charges in the 2024 consolidated statement of income.

Leasehold rights represent separately identifiable assets recognized from the acquisition of GPARC and is amortized over a period of 20 years. Leasehold rights amortization amounted to P7.0 million each in 2024, 2023 and 2022, and is presented as part of Depreciation and amortization under Operating Expenses account in the consolidated statements of income (see Note 22).

Guarantee deposits mainly pertain to payments made for compliance with construction requirements in relation to the Group's real estate projects.

Miscellaneous assets include certain intangible and other assets, which are expected to be realized for more than 12 months from the end of the reporting periods.

15. INTEREST-BEARING LOANS AND BORROWINGS

Interest-bearing loans and borrowings account represents the following loans of the Group as at December 31:

	2024	2023
Parent Company:		
Php-denominated	**P 48,245,164,379**	P 37,290,817,319
U.S. dollar-denominated	**20,523,591,910**	12,043,982,455
	68,768,756,289	49,334,799,774
Subsidiaries –		
Php-denominated	**21,224,754,742**	22,445,516,444
	P 89,993,511,031	P 71,780,316,218

The current and non-current classification of the Group's Interest-bearing loans and borrowings is shown below.

	2024	2023
Current	**P 21,405,997,726**	P 16,625,470,088
Non-current	**68,587,513,305**	55,154,846,130
	P 89,993,511,031	P 71,780,316,218

The Group is required to maintain certain financial ratios to comply with its debt covenants with local banks. These include debt to equity ratio, current ratio and debt service coverage ratio. The Group is compliant with its debt covenants.

Finance costs arising from interest-bearing loans that are mainly and directly attributable to construction of the Group's projects are capitalized as part of Inventories (as of December 31, 2023) and Investment Properties accounts. The remaining interest costs are expensed outright.

The total finance costs attributable to all the loans of the Group amounted to P5,265.7 million, P3,774.9 million and P2,104.2 million in 2024, 2023 and 2022, respectively. Of these amounts, portion charged as expense amounted to P2,275.1 million, P1,454.1 million and P833.9 million in 2024, 2023 and 2022, respectively, and are presented as part of Interest expense under Interest and Other Charges – net account in the consolidated statements of income (see Note 24). Interest capitalized in 2024, 2023 and 2022 amounted to P2,990.6 million, P2,320.7 million and P1,270.3 million, respectively. The outstanding interest payable as at December 31, 2024 and 2023 is presented as part of Accrued Interests under Trade and Other Payables account in the consolidated statements of financial position (see Note 17). The capitalization rates used in determining the amount of interest charges qualified for capitalization to Investment Properties – net in 2024, 2023 and 2022 and Inventories in 2023 and 2022 are 3.79%, 3.23% and 3.11% in 2024, 2023 and 2022, respectively.

The reconciliation of the unamortized loans issue costs is presented below.

	2024	2023	2022
Balance at beginning of year	**P 312,923,008**	P 153,325,001	P 151,754,133
Additions	**258,743,291**	242,727,000	75,000,000
Amortization	**(175,957,411)**	(83,128,993)	(73,429,132)
Balance at end of the year	**P 395,708,888**	P 312,923,008	P 153,325,001

The amortization of loans issue costs is recognized as part of Interest expense under Interest and Other Charges – net account in the consolidated statements of income.

15.1 Parent Company

(a) U.S. Dollar, five-year loan due 2024

In September 2019, the Parent Company obtained an unsecured long-term loan from a local bank amounting to U.S. $95.62 million. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan commenced in December 2020 and a floating interest is paid quarterly based on a 3-month LIBOR plus a certain spread. The Parent Company entered into across-currency swap transaction to hedge the U.S. Dollar and interest rate exposure of the loan (see Note 30). In 2024, the Parent Company paid in full its outstanding loan balance.

(b) *Philippine Peso, five-year loan due 2024*

In December 2019, the Parent Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan commenced in December 2020 and interest is paid quarterly based on the higher of 4.75% fixed rate and floating rate plus certain spread. The interest rate is subject for review beginning on the fourth year. In 2024, the Parent Company fully paid its outstanding balance.

(c) *Philippine Peso, five-year loan due 2025*

In March 2020, the Parent Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with a grace period of two years upon availment. The principal repayment on the loan commenced in June 2022 and a floating interest is paid quarterly based on a 5-day average reference rate plus a certain spread.

(d) *Philippine Peso, five-year loan due 2026*

In March 2021, the Parent Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan commenced in March 2022. Interest on the loan is fixed at 4.00% payable quarterly.

(e) *Philippine Peso, five-year loan due 2026*

In May 2021, the Parent Company obtained an unsecured long-term loan from a local bank amounting to P6.0 billion. The loan is payable quarterly beginning August 2022. The interest is payable quarterly at a floating rate.

(f) *Philippine Peso, five-year loan due 2026*

In August 2021, the Parent Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with the first principal payment due in November 2022. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(g) *Philippine Peso, five-year loan due 2027*

In September 2022, the Parent Company obtained an unsecured P10.0 billion loan from a local bank. Principal is payable in quarterly installments at the end of the 5th quarter from the drawdown date. The loan is payable quarterly beginning December 2023. The interest is payable quarterly at a floating rate.

(h) Philippine Peso, five-year loan due 2028

In March 2023, the Parent Company obtained a loan of P5.0 billion from a local bank. Principal of the loan is payable quarterly starting from the drawdown date for a period of five years. Interest on the loan is payable semi-annually for the first 184 days with 6.35% per annum inclusive of gross receipt tax which is subject to semi-annual repricing interest rate. The loan is payable quarterly for a term of five years with the first principal payment due in June 2024. The interest is payable semi-annually at a floating rate.

(i) Philippine Peso, five-year loan due 2028

In June 2023, the Parent Company obtained an unsecured long-term loan from a local bank amounting to P10.0 billion, divided equally into two tranches. The two tranches were availed in June and November 2023, respectively. The loan is payable quarterly for a term of five years with a twelve-month grace period. Interest in the loan is payable quarterly on a floating rate.

(j) U.S Dollar, five-year loan due 2028

In April 2023, the Parent Company obtained an unsecured long-term loan from a local bank amounting to $200.0 million. The loan shall be paid in sixteen equal or nearly equal consecutive installments commencing at the end of the fifth quarter from the date of borrowing on a repayment date. Each installment shall be paid on a repayment date with fixed interest rate of 4.64%.

(k) U.S Dollar, five-year loan due 2029

In March 2024, the Company obtained an unsecured long-term loan from a local bank amounting to $180.5 million. The loan is payable quarterly for a term of five years with the first principal payment due in June 2025. The interest is payable quarterly at a fixed rate. The Company entered a cross-currency swap to hedge the US Dollar exchange rate, and a fixed-to-floating interest rate swap based on a 3-month BVAL reference rate plus a certain spread (see Note 30).

(l) Philippine Peso five year loan due 2029

In March 2024, the Company obtained an unsecured long-term loan from a local bank amounting to P10.0 billion, divided equally into two tranches, which the Company fully availed in 2024. The loan is payable quarterly for a term of five years with the first principal payment due in March 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(m) Philippine Peso seven-year loan due 2031

In November 2024, the Company obtained an unsecured long-term loan from a local bank amounting to P4.0 billion. The loan is payable quarterly for a term of seven years with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

(n) Philippine Peso seven-year loan due 2031

In December 2024, the Company obtained an unsecured long-term loan from a local bank amounting to P9.0 billion. The loan is payable quarterly for a term of seven years with the first principal payment due in December 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

15.2 EELHI

Philippine Peso, seven-year loan due in 2028

In 2021, EELHI obtained an unsecured interest-bearing, 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 of 3.5% per annum. The proceeds of the loan were used to fund the development of its various real estate projects. The principal of the loan is payable in 20 equal quarterly payments starting in May 2023 with a two-year grace period and interest is payable quarterly in arrears.

15.3 SPI

(a) Philippine Peso, five-year loan due in 2025

In 2018, SPI obtained an unsecured long-term loan from a local bank amounting to P2.2 billion. The principal amount is payable on a monthly basis after a grace period of three years from the date of availment. The loan bears 4.50% floating interest subject to repricing every 30 to 180 days and will mature in 2025. The proceeds of the loan were used to fund the acquisition of STLI in 2018.

(b) Philippine peso, seven-year loan due in 2027

In 2020, SPI obtained an unsecured long-term loan from a local bank amounting to P300.0 million. The loan bears fixed interest of 4.50%. The principal amount is payable on a monthly basis after a grace period of two years from the date of availment.

(c) Philippine Peso, various six-year loans due in 2027

In 2021, SPI obtained an unsecured long-term loan from a local bank amounting to P400.0 million and P200.0 million. The principal amount is payable on a monthly basis after a grace period of three years from the date of availment. The loans bear fixed interest rates of 4.38% and 4.50%, respectively.

(d) Philippine Peso, six-year loan due in 2027

In 2021, SPI obtained an unsecured long-term loan from a local bank amounting to P100.0 million. The principal amount is payable on a monthly basis after a grace period of three years from the date of availment. The loans bears floating interest rate of 4.38% subject to quarterly repricing.

(e) Philippine Peso, seven-year loan due in 2029

In 2022, SPI obtained an unsecured long-term loan from a local bank amounting to P500.0 million. The principal amount is payable monthly after a grace period of three years from the date of availment. The loan bears fixed interest rate of 5%.

(f) Philippine Peso, various six-year loan due in 2029

In 2023, SPI obtained two unsecured long-term loans from a local bank amounting to P1.0 billion and P0.5 billion. The principal amount is payable monthly after a grace period of three years from the date of availment. The loan bears fixed interest rate of 7.13% for both loans.

(g) Philippine Peso, liability on assigned receivables

In 2023 and prior years, SPI obtained various loans from a local bank through assignment of trade receivables with recourse (see Note 6). The local bank is given the right to collect the assigned receivables and apply the collections to the corresponding loan balances. The loans bear floating interests ranging from 5.50% to 15.00%. The loans and interests are being paid as the receivables are collected. The outstanding balance pertaining to these loans as at December 31, 2024 and 2023 amounted to P0.1 billion and P0.3 billion, respectively.

The assigned trade receivables have an average term between 10 to 15 years and bear interests between 10% to 15%. The carrying value of assigned receivables is equal to the outstanding balance of the loan as at December 31, 2024 and 2023 and none were found to be impaired.

15.4 GERI

(a) Philippine Peso, five-year loan due 2024

In 2019, GERI obtained an unsecured long-term loan from a local bank amounting to P2.0 billion, payable quarterly for a term of five years. The loan bears a floating interest rate and is payable quarterly in arrears. In 2024, GERI has paid in full its outstanding loan balance.

(b) Philippine Peso, five-year loan due 2027

In December 2020, GERI obtained an unsecured long-term loan from a local bank amounting to P0.5 billion. The loan is payable quarterly for a term of seven years with a grace period of one year upon availment. The principal repayment on the loan shall commence in March 2022. The loan bears a floating interest rate and is payable quarterly in arrears.

(c) Philippine Peso, seven-year loan due 2027

In March 2021, GERI obtained an unsecured long-term loan from a local bank amounting to P0.5 billion. The loan is payable quarterly for a term of seven years with a grace period of two years upon availment. The loan bears a floating interest rate and is payable quarterly in arrears.

(d) Philippine Peso, four-year loan due 2025

In July 2021, GERI obtained an unsecured long-term loan from a local bank amounting to P1.0 billion. The loan is payable quarterly for a term of four years commencing at the beginning of the fifth quarter from the date of availment. The loan bears a fixed interest rate of 5.37% and is payable quarterly in arrears.

(e) Philippine Peso, five-year loan due 2025

In September 2020, GERI obtained an unsecured long-term loan from a local bank amounting to P1.0 billion. The loan is payable quarterly for a term of five years commencing on the beginning of the ninth quarter from the date of availment. The loan bears a fixed interest rate of 5.26% and is payable quarterly in arrears.

(f) Philippine Peso, five-year loan due 2028

In May 2023, GERI obtained an unsecured long-term loan from a local bank amounting to P1.0 billion. The loan is payable quarterly for a term of five years. The loan bears a floating interest rate and is payable quarterly in arrears.

(g) Philippine Peso, five-year loan due 2028

In October 2023, GERI obtained an unsecured long-term loan from a local bank amounting to P1.0 billion. The loan is payable quarterly for a term of five years. The loan bears a floating interest rate and is payable quarterly in arrears.

(h) Philippine Peso, five-year loan due 2028

In December 2023, GERI obtained an unsecured long-term loan facility from a local bank amounting to P2.0 billion, in which P1.5 billion have already been availed as at period date. The loan is payable quarterly for a term of five years, bears a floating interest rate and is payable quarterly in arrears.

(i) Philippine Peso, four-year loan due 2028

In April 2024, GERI obtained an unsecured long-term loan from a local bank amounting to P0.5 billion. The loan is payable quarterly for a term of five years, bears a floating interest rate and is payable quarterly in arrears.

(j) Philippine Peso, seven-year loan due 2031

In October 2024, GERI obtained an unsecured long-term loan from a local bank amounting to P1.0 billion. The loan is payable quarterly for a term of seven years, bears a floating interest rate and is payable quarterly in arrears.

15.5 TLC

(a) Philippine Peso, five-year loan due 2024

In August and November 2019, TLC obtained an unsecured and interest-bearing loans from a local commercial bank amounting to P300.0 million and P200.0 million, respectively, for funding requirements of the construction of a project. The loans bear floating interest rates and are payable in quarterly installments commencing in November 2020 until the loans are fully settled.

In March 2020, TLC obtained additional interest-bearing loan amounting to P500.0 million. The loans bear floating interest rates ranging from 5.0% to 5.3% subject to 30 to 180 days repricing. The loans are payable in quarterly installments beginning November 2020 and are fully settled in 2024.

(b) Philippine Peso, five-year loan due 2028

In June 2023, TLC obtained unsecured interest-bearing loans from a local commercial bank amounting to P1.5 billion to finance capital expenditure related to various on-going real estate development projects. The loan bears a floating interest rates with a floor rate of 6.75%. Quarterly installments commencing at the 5th quarter from the date of the initial drawdown.

15.6 MREIT

Philippine Peso, ten-year loan due 2031

In December 2021, MREIT obtained an unsecured, 10-year, P7.25 billion term loan from a local bank to finance the acquisition of investment properties from the Parent Company. The principal is payable quarterly in installment beginning in the last quarter of the fifth year with a balloon payment at the end of the term. Interest is payable quarterly at 3.64% per annum subject to repricing in December 2024.

15.7 MBPHI

Philippine Peso, five-year loan due 2028

In 2023, MBPHI obtained an unsecured long-term peso loan from a local commercial bank to support its funding requirements of the construction of various projects, which amounted to P 3.0 billion. The principal amount is payable equal quarterly amortization over the next four years after a grace period of one year. The loan bears a floating interest rate.

16. BONDS AND NOTES PAYABLE

This account is composed of the following:

	2024	2023
Philippine peso	**P -**	P 11,997,992,546
U.S. dollar	**20,049,554,649**	19,116,598,705
	P 20,049,554,649	P 31,114,591,251

The current and non-current classification of the Group's Bonds and Notes Payable is shown below.

	2024	2023
Current	**P -**	P 11,997,992,546
Non-current	**20,049,554,649**	19,116,598,705
	P 20,049,554,649	P 31,114,591,251

(a) U.S. Dollar, seven-year senior unsecured notes due 2027

On July 30, 2020, the Parent Company issued seven-year senior unsecured notes totaling to U.S. $350 million. The notes carry a coupon rate of 4.125% per annum and interest is payable semi-annually in arrears on January 30 and July 30. The notes shall mature on July 30, 2027. The notes are listed in the Singapore Exchange Securities Trading Limited (SGX-ST).

(b) Philippine Peso, seven-year bonds due 2024

On March 28, 2017, the Parent Company issued seven-year term bonds totaling P12.0 billion. The bond carries a coupon rate of 5.35% payable semi-annually in arrears every March 28 and September 28. The bonds matured on March 28, 2024. The bonds are listed Philippine Dealing & Exchange Corp. (PDEx).

(c) U.S. Dollar, ten-year bonds due 2023

On April 17, 2013, the Parent Company issued ten-year term bonds totaling U.S. $250 million. The bond carries a coupon rate of 4.25% per annum and interest is payable semi-annually in arrears every April 17 and October 17. The proceeds of the bond issuance are being used by the Parent Company for general corporate purposes. The bonds are listed in the SGX-ST. In 2023, the Parent Company has paid in full its outstanding balance.

The Parent Company has complied with bond covenants including maintenance of required net debt to equity ratio at the end of reporting period.

The total interest incurred on these bonds amounted to P1,090.3 million, P1,692.7 million and P2,139.4 million in 2024, 2023 and 2022, respectively. Of these amounts, the portion charged as expense amounted to P734.5 million, P954.7 million and P1,209.5 million in 2024, 2023 and 2022, respectively, and are presented as part of Interest expense under Interest and Other Charges account in the consolidated statements of income (see Note 24). The outstanding interest payable as at December 31, 2024 and 2023 is presented as part of Accrued interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17). Unrealized foreign currency gains in relation to these foreign bonds are presented as part of Foreign currency gains – net under Interest and Other Income – net account in the consolidated statements of income (see Note 23).

Interest capitalized amounted to P355.8 million, P642.3 million and P840.2 million in 2024, 2023 and 2022, respectively. Capitalization rates used to determine the amount of interest charges qualified for capitalization to Investment Properties – net in 2024, 2023 and 2022 and Inventories in 2023 and 2022 are 3.55% in 2024, 2.98% in 2023 and 3.89% in 2022.

The reconciliation of the unamortized bonds issue costs is presented below.

	2024	2023	2022
Balance at beginning of year	**P 271,840,029**	P 367,603,203	P 457,320,770
Amortization	**(90,152,299)**	(95,763,174)	(89,717,567)
Balance at end of year	**P 181,687,730**	P 271,840,029	P 367,603,203

The amortization of bonds issue costs is recognized as part of Interest expense under Interest and Other Charges – net account in the consolidated statements of income.

17. TRADE AND OTHER PAYABLES

This account consists of:

	Notes	**2024**	2023
Trade payables		**P 18,937,046,859**	P 16,702,654,130
Retention payable		**5,855,293,275**	5,787,205,813
Refund liability		**1,834,817,397**	1,798,517,011
Accrued interest	15, 16	**792,574,114**	877,966,708
Miscellaneous		**1,413,051,700**	1,227,660,915
		P 28,832,783,345	P 26,394,004,577

Trade payables mainly represent obligations to subcontractors and suppliers of construction materials for the Group's projects.

Retention payable pertains to amounts withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are returned to the contractors. The non-current portion of Retention payable is presented as under Other Non-Current Liabilities in the consolidated statements of financial position (see Note 19).

Refund liability pertains to amounts payable to customers due to sales cancellation in respect of installment sales contracts as covered by the R.A. No. 6552, *Realty Installment Buyer Protection Act,* otherwise known as the Maceda Law.

Miscellaneous payables include withholding taxes payable and accrual of salaries, wages and utilities.

18. REDEEMABLE PREFERRED SHARES

On September 4, 2012, TLC's BOD approved the additional subscriptions to 1,258.0 million preferred shares out of TLC's authorized capital stock as partial payment for certain parcels of land with total fair value of P1,338.2 million. The SEC approved the issuance through the exchange of certain parcels of land on April 17, 2013.

Generally non-voting, these preferred shares earn dividends at a fixed annual rate of 2.5% subject to the existence of TLC's unrestricted retained earnings. The preferred shares have a maturity of 10 years and shall be redeemed on every anniversary date beginning on the sixth anniversary date until expiration of the ten-year period. Only 1/5 of the aggregate face value of preferred shares may be redeemed per year during such redemption period, with all remaining shares to be redeemed on the 10th anniversary date.

All preferred shares were redeemed in full in 2022. The related interest expense recognized amounting to P11.1 million in 2022 (nil in 2024 and 2023) is presented as part of Interest expense under the Interest and Other Charges – Net account in the 2022 consolidated statement of income (see Note 24).

19. OTHER LIABILITIES

This account consists of:

	Note	**2024**	2023
Current:			
Unearned income		**P 3,957,932,912**	P 3,514,353,439
Advances from customer		**2,302,062,430**	2,305,827,573
Commission payable		**2,301,575,916**	1,807,973,948
Lease liabilities		**10,413,089**	38,638,823
Other payables		**646,396,940**	1,170,552,108
		9,218,381,287	8,837,345,891
Non-current:			
Deferred rent – net		**3,454,076,214**	2,715,015,663
Retention payable	17	**1,772,618,984**	1,917,882,592
Lease liabilities		**526,522,595**	453,412,304
Other payables		**160,925,081**	888,839,321
		5,914,142,874	5,975,149,880
		P 15,132,524,161	P 14,812,495,771

Unearned income includes the current portion of deferred rent and advance payment for other services.

Deferred rental income refers to the rental payments advanced by the lessee at the inception of the lease which will be applied to the remaining payments at the end of the lease term.

Other current payables mainly pertain to guest deposits from hotels and due to unit owners. Other non-current payables include certain liabilities to various counterparties within the ordinary course of business, which are expected to be settled beyond 12 months from the end of the reporting periods.

The total cash outflows relating to lease liabilities for the years ended December 31, 2024 and 2023 are shown below:

	Note	**2024**	2023
Principal of lease liability		**P 46,186,820**	P 21,406,494
Interest on lease liability	24	**40,349,443**	37,792,646
		P 86,536,263	P 59,199,140

The maturity analysis of lease liabilities as at December 31 is presented as follows:

	Lease Payment	**Finance Charges**	**Net Present Value**
2024			
Within one year	P 50,762,532	(P 40,349,443)	P 10,413,089
After one year but not more than two years	71,931,225	(38,395,661)	33,535,564
After two years but not more than three years	70,907,882	(36,414,454)	34,493,428
After three years but not more than four years	74,705,217	(34,235,295)	40,469,922
After four years but not more than five years	41,220,207	(32,588,631)	8,631,576
More than five years	742,491,061	(333,098,956)	409,392,105
Net carrying amount	**P 1,052,018,124**	**(P 515,082,440)**	**P 536,935,684**
2023			
Within one year	P 77,555,288	(P 38,916,465)	P 38,638,823
After one year but not more than two years	53,384,598	(36,681,883)	16,702,715
After two years but not more than three years	54,566,197	(34,882,487)	19,683,710
After three years but not more than four years	54,665,429	(32,964,810)	21,700,619
After four years but not more than five years	60,304,272	(31,722,948)	28,581,324
More than five years	710,613,250	(343,869,314)	366,743,936
Net carrying amount	P 1,011,089,034	(P 519,037,907)	P 492,051,127

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

The expenses relating to short term leases amounting to P261.0 million, P134.2 million and P177.3 million in 2024, 2023 and 2022, respectively, presented as Rent under Operating Expenses under Cost and Expenses in the consolidated statements of income (see Note 22).

20. REVENUES

20.1 Disaggregation of Revenues

The Group derives revenues from sale of real properties and hotel operations. An analysis of the Group's major sources of revenues and the types of products and services is presented below.

	Segments		
	Real Estate	**Hotel Operations**	**Total**
2024			
Residential and office units	P 40,046,093,503	P -	P 40,046,093,503
Lots only	10,204,300,514	-	10,204,300,514
Room accommodation	-	3,459,442,986	3,459,442,986
Food and beverages	-	1,435,258,880	1,435,258,880
Other hotel services	-	212,345,534	212,345,534
Revenues from contracts with customers	50,250,394,017	5,107,047,400	55,357,441,417
Interest from significant financing component – net	738,084,069	-	738,084,069
Total	**P 50,988,478,086**	**P 5,107,047,400**	**P 56,095,525,486**
2023			
Residential and office units	P 35,284,062,846	P -	P 35,284,062,846
Lots only	7,437,052,376	-	7,437,052,376
Room accommodation	-	2,438,940,536	2,438,940,536
Food and beverages	-	1,206,195,298	1,206,195,298
Other hotel services	-	161,928,111	161,928,111
Revenues from contracts with customers	P 42,721,115,222	P 3,807,063,945	P 46,528,179,167
2022			
Residential and office units	P 31,476,429,945	P -	P 31,476,429,945
Lots only	5,373,562,660	-	5,373,562,660
Room accommodation	-	1,697,907,158	1,697,907,158
Food and beverages	-	828,253,238	828,253,238
Other hotel services	-	77,549,482	77,549,482
Revenues from contracts with customers	P 36,849,992,605	P 2,603,709,878	P 39,453,702,483

In 2024, relating to the adoption of previously deferred provisions of PFRS 15 on significant financing component, the Group recognized interest from significant financing component on real estate sales contracts amounting to P738.1 million and is presented as part of Real Estate Sales account in the 2024 consolidated statement of income [see Note 2.2(b)].

20.2 Contract Accounts

The significant changes in the contract assets and contract liabilities balances as at December 31 are as follows:

	2024		2023	
	Contract Assets	**Contract Liabilities**	Contract Assets	Contract Liabilities
Balance at beginning of year	**P 25,721,450,330**	**P 7,456,743,395**	P 19,619,923,773	P 8,246,421,530
Effect of restatements [see Note 2.2(b)]	**(1,567,893,026)**	**(244,408,736)**	-	-
As restated	**24,153,557,304**	**7,212,334,659**	19,619,923,773	8,246,421,530
Transfers from contract assets recognized at the beginning of year to trade receivables	**(3,884,617,375)**	**-**	(4,330,225,952)	-
Increase due to satisfaction of performance obligation over time, net of cash collections	**15,012,542,180**	**-**	10,431,752,509	-
Accretion of interest income from significant financing component	**234,310,012**	**-**	-	-
Revenue recognized that was included in contract liability at the beginning of year	**-**	**(2,965,272,658)**	-	(1,220,251,787)
Accretion of interest expense from significant financing component	**-**	**532,456,000**	-	-
Increase due to cash received in excess of performance to date	**-**	**1,804,976,381**	-	430,573,652
Balance at end of year	**P 35,515,792,121**	**P 6,584,494,382**	P 25,721,450,330	P 7,456,743,395

The current and non-current classification of the Group's Contract Assets account as presented in the consolidated statements of financial position is shown below.

	2024	2023
Current	**P 22,818,989,860**	P 16,725,717,102
Non-current	**12,696,802,261**	8,995,733,228
	P 35,515,792,121	P 25,721,450,330

The current and non-current classification of the Group's Contract Liabilities account as presented in the consolidated statements of financial position is shown below.

	2024	2023
Current	**P 1,669,576,401**	P 1,763,382,934
Non-current	**4,914,917,981**	5,693,360,461
	P 6,584,494,382	P 7,456,743,395

The outstanding balance of trade receivables arising from real estate sales and hotel operations presented as part of Trade Receivables under Trade and Other Receivables account in the consolidated statements of financial position, amounted to P38.8 billion and P36.4 billion as at December 31, 2024 and 2023, respectively (see Note 6).

20.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization is presented as part of Commission under Operating Expenses (see Note 22).

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

	2024	2023
Balance at beginning of year	**P 2,397,273,433**	P 2,997,249,257
Additional capitalized costs net of sales cancellations	**2,165,061,277**	1,443,696,984
Amortization for the year	**(2,435,080,687)**	(2,043,672,808)
Balance at end of year	**P 2,127,254,023**	P 2,397,273,433

Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission under Prepayments and Other Current Assets, and Other Non-current Asset accounts in the consolidated statements of financial position as shown in below.

	Notes	**2024**	2023
Current	8	**P 1,969,038,939**	P 2,086,771,425
Non-current	14	**158,215,084**	310,502,008
		P 2,127,254,023	P 2,397,273,433

20.4 Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts amounted to P27.1 billion and P31.3 billion as at December 31, 2024 and 2023, respectively, which the Group expects to recognize as follows:

	2024	2023
Within a year	**P 15,376,785,248**	P 19,043,732,745
More than one year to three years	**8,627,310,877**	8,490,547,169
More than three to five years	**3,140,684,556**	3,754,899,478
	P 27,144,780,681	P 31,289,179,392

21. DIRECT COSTS

21.1 Cost of Real Estate Sales

The nature of the cost of real estate sales for the years ended December 31 are as follows:

	2024	2023	2022
Contracted services	**P 21,452,258,280**	P 17,641,717,864	P 15,157,644,269
Land cost	**3,298,972,977**	2,840,510,272	2,423,993,776
Borrowing cost	**-**	810,171,996	722,695,142
Other costs	**629,890,414**	312,285,008	250,422,205
	P 25,381,121,671	P 21,604,685,140	P 18,554,755,392

21.2 Cost of Hotel Operations

The nature of the cost of hotel operations for the years ended December 31 are as follows:

	Note	**2024**	2023	2022
Salaries and employee benefits	25.1	**P 753,094,722**	P 565,144,533	P 401,131,662
Rent		**597,289,718**	453,268,304	271,757,384
Food and beverage		**510,104,082**	415,911,229	320,804,080
Utilities		**486,145,263**	356,013,260	199,361,040
Hotel operating supplies		**310,384,605**	256,512,988	172,987,985
Outside services		**151,404,736**	44,998,529	47,380,779
Miscellaneous		**157,329,446**	93,927,790	49,028,505
		P2,965,752,572	P 2,185,776,633	P 1,462,451,435

22. OPERATING EXPENSES

Presented below are the details of this account.

	Notes	**2024**	2023	2022
Salaries and employee benefits	25.1	**P 4,966,733,739**	P 4,316,413,028	P 3,462,970,100
Depreciation and amortization	12, 13, 14	**3,655,645,823**	3,480,324,608	3,279,686,211
Commission	20.3	**2,435,080,687**	2,043,672,808	1,782,224,386
Taxes and licenses		**1,547,008,428**	1,197,933,191	1,078,623,548
Outside services		**1,343,648,492**	1,090,409,464	894,576,529
Utilities and supplies		**1,338,336,925**	1,127,498,084	808,326,783
Advertising and promotions		**1,320,296,007**	1,094,882,795	959,749,002
Professional fees		**722,352,722**	697,028,979	616,959,535
Association dues		**679,008,987**	493,227,240	402,711,876
Transportation		**454,711,361**	368,403,510	294,644,206
Rent	19	**261,039,201**	134,276,561	177,257,360
Donation		**131,343,715**	104,414,421	100,524,798
Miscellaneous		**979,724,572**	810,775,606	726,404,822
		P 19,834,930,659	P 16,959,260,295	P 14,584,659,156

Miscellaneous operating expenses include repairs and maintenance, insurance expense, and training and development expense.

23. INTEREST AND OTHER INCOME

Presented below are the details of this account.

	Notes	2024	2023	2022
Interest income	5, 6, 27.1	**P 3,100,666,819**	P 3,670,393,006	P 2,942,288,364
Property management, commission and construction income		**2,444,212,541**	1,118,911,091	1,049,617,328
Dividend income	9, 27.4	**80,298,237**	36,495,750	21,420,750
Foreign currency gains - net	5, 15, 16	**-**	257,434,915	-
Miscellaneous – net	6, 30, 31.1(b)	**288,559,884**	262,275,514	406,499,756
		P 5,913,737,481	P 5,345,510,276	P 4,419,826,198

24. INTEREST AND OTHER CHARGES

Presented below are the details of this account.

	Notes	2024	2023	2022
Interest expense	6, 10.2, 15, 16, 18, 25.3	**P 3,050,238,241**	P 2,635,396,341	P 2,258,100,909
Other charges:				
Impairment and other losses	6	**1,614,454,214**	976,656,527	777,544,878
Foreign currency losses – net	15, 16	**1,251,660,636**	-	1,738,714,911
Day one loss	6	**-**	923,414,356	543,289,914
Miscellaneous – net		**424,178,001**	521,245,831	310,466,180
		P 6,340,531,092	P 5,056,713,055	P 5,628,116,792

Impairment and other losses include net losses from backout sales and impairment losses from trade receivables.

Miscellaneous charges pertain to amortization of discounts on security deposits, bank charges and other related fees.

25. EMPLOYEE BENEFITS

25.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below.

	Notes	2024	2023	2022
Short-term benefits		**P 5,632,392,987**	P 4,824,606,429	P 3,764,816,906
Employee share option benefit	25.2, 28.6	**10,337,382**	3,586,229	16,372,411
Post-employment benefits	25.3	**77,098,092**	53,364,903	82,912,445
		P 5,719,828,461	P 4,881,557,561	P 3,864,101,762

Salaries and employee benefits are presented in the statements of income as follows.

	Notes	2024	2023	2022
Cost of hotel operations	21.2	**P 753,094,722**	P 565,144,533	P 401,131,662
Operating expenses	22	**4,966,733,739**	4,316,413,028	3,462,970,100
		P 5,719,828,461	P 4,881,557,561	P 3,864,101,762

25.2 Employee Share Option Plan (ESOP)

The Group's share option benefit expense includes the amounts recognized by the Parent Company and GERI over the vesting period granted by them. As at December 31, 2024 and 2023, all 400.0 million shares of GERI's options were fully vested, but none of these have been exercised by any of the option holders.

As at December 31, 2024 and 2023, and 2022, 45.0 million, 35.0 million and 20.0 million, respectively, of the Parent Company's shares options were fully vested.

Employee option benefits expense, included as part of Salaries and employee benefits under Operating Expenses account in the consolidated statements of income, amounted to P10.3 million, P3.6 million and P16.4 million in 2024, 2023 and 2022, respectively (see Note 25.1).

25.3 Post-employment Defined Benefit Plan

(a) Characteristics of Defined Benefit Plan

The Group maintains a funded, tax-qualified, non-contributory post-employment benefit plan that is being administered by trustee banks. The post-employment 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 plan salary for every year of credited service, but shall not be less than the regulatory benefit under R.A. 7641, *The Retirement Pay Law,* or the applicable retirement law at the time of the member's retirement.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation reports obtained from independent actuaries in 2024 and 2023.

The amounts of retirement benefit obligation, presented as non-current liability in the consolidated statements of financial position, are as follows:

	2024	2023
Present value of the obligation	**P 1,422,520,196**	P 1,288,064,758
Fair value of plan assets	**(552,578,802)**	(669,858,761)
Net defined benefit liability	**P 869,941,394**	P 618,205,997

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

	2024	2023
Balance at beginning of year	**P 1,288,064,758**	P 972,939,970
Interest costs	**80,390,299**	61,162,432
Current service costs	**77,098,092**	53,364,903
Remeasurements -		
Actuarial gains		
arising from changes in:		
Financial assumptions	**23,463,906**	244,515,099
Experience adjustments	**156,290,836**	16,007,819
Benefits paid	**(202,787,695)**	(59,925,465)
Balance at end of year	**P 1,422,520,196**	P 1,288,064,758

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

	2024	2023
Balance at beginning of year	**P 669,858,761**	P 623,365,103
Interest income	**39,754,995**	95,953,356
Contribution received	**27,250,000**	24,455,493
Benefits paid	**(180,520,568)**	(65,586,664)
Loss on plan assets (excluding amount included in net interest cost)	**(3,764,386)**	(8,328,527)
Balance at end of year	**P 552,578,802**	P 669,858,761

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

	2024	2023
Cash and cash equivalents	**P 473.3**	P 537.7
Investment in marketable securities		
Equity securities	**32.4**	30.1
Debt securities	**46.9**	102.1
	P 552.6	P 669.9

Debt securities pertain to corporate and government securities while equity securities consist of investments in publicly listed corporations.

As at December 31, 2024 and 2023, the funds include investments in securities of its related parties (see Note 27).

The plan assets include investments in debt securities issued by entities within the Group with carrying amount and fair value as at December 31, 2024 of P46.9 million and P45.8 million, respectively, while the carrying amount and fair value as at December 31, 2023 amounted to P101.7 million and P102.1 million, respectively. Unrealized fair value losses on these securities as at December 31, 2024 and 2023 amounted to P0.7 million and P0.9 million, respectively.

The plan assets include investments in equity securities issued by entities within the Group with carrying amount and fair value as at December 31, 2024 of P40 million and P33.1 million, respectively, while the carrying amount and fair value as at December 31, 2023 amounted to P40.0 million and P30.1 million, respectively. Unrealized fair value losses on these securities as at December 31, 2024 and 2023 amounted to P6.9 million and P9.4 million, respectively.

The contributions to the retirement plan are made annually by the Group. The amount of contributions to the retirement plan is determined based on the expected benefit payments that the Group will incur within five years.

Actual return on plan assets were P35.8 million, P87.6 million and P34.6 million in 2024, 2023 and 2022, respectively.

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

	Notes	**2024**	2023	2022
Reported in consolidated statements of income:				
Current service costs	25.1	**P 77,098,092**	P 53,364,903	P 82,912,445
Net interest costs	24	**40,635,304**	13,761,597	24,843,870
		P 117,733,396	P 67,126,500	P 107,756,315
Reported in consolidated statements of comprehensive income:				
Actuarial gains (losses) arising from changes in:				
Experience adjustments		**(P 156,290,836)**	(P 16,007,819)	P 98,910,242
Financial assumptions		**(23,463,906)**	(244,515,099)	139,502,189
Loss on plan assets (excluding amounts included in net interest expense)		**(3,764,386)**	(8,328,527)	(18,776,071)
		(183,519,128)	(268,851,445)	219,636,360
Tax expense (income)	26	**32,067,402**	65,908,044	(55,553,033)
		(P 151,451,726)	(P 202,943,401)	P 164,083,327

Current service costs are presented as part of Salaries and employee benefits under Operating Expenses account in the consolidated statements of income (see Notes 22 and 25.1). The net interest costs are included as part of Interest expense under Interest and Other Charges – net account in the consolidated statements of income (see Note 24).

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

In determining the amounts of the retirement benefit obligation, the following significant actuarial assumptions were used:

	2024	2023	2022
Discount rates	**6.00% - 6.20%**	5.20% - 7.00%	3.60% - 7.54%
Expected rate of salary increases	**3.00% - 7.00%**	3.00% - 10.00%	1.00% - 4.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 25 years for both males and females. These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon government bonds with terms to maturity approximating to the terms of the retirement benefit 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 risk, 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 a 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 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, equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity and debt investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during 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 strategies, and the timing and uncertainty of future cash flows related to the retirement plan are shown in the succeeding pages.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the DBO as at December 31, 2024 and 2023:

	Impact on Retirement Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
December 31, 2024			
Discount rate	**0.50% - 1.00%**	**(P 132,167,835)**	**P 162,515,335**
Salary increase rate	**1.00%**	**134,182,987**	**(112,306,072)**
December 31, 2023			
Discount rate	0.50% - 1.00%	(P 71,022,764)	P 82,919,065
Salary increase rate	1.00%	119,827,903	(104,567,417)

The sensitivity analysis presented in the previous page 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

The Group, through its BOD, envisions that the investment positions shall be managed in accordance with its asset-liability matching strategies to achieve that long-term investments are in line with the obligations under the retirement scheme. This aims to match the plan assets to the retirement obligations by investing in debt securities and maintaining cash and cash equivalents that match the benefit payments as they fall due and in the appropriate currency.

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

(iii) Funding Arrangements and Expected Contributions

The Group's objective is to maintain a level of funding sufficient to cover the projected retirement benefit obligation. While there are no minimum funding requirements in the country, the size of the underfunding may pose a cash flow risk after 20 years when a significant number of employees is expected to retire.

The Group expects to make contributions of P113.3 million to the plan during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan follows:

	2024	2023
Within one year	**P 235,467,167**	P 192,512,528
More than one year to 5 years	**218,285,710**	88,646,511
More than 5 years to 10 years	**892,213,579**	247,762,336
More than 10 years to 15 years	**744,244,632**	511,765,574
More than 15 years to 20 years	**1,675,343,509**	1,060,881,067
More than 20 years	**6,211,311,644**	4,844,855,091
	P 9,976,866,241	P 6,946,423,107

The weighted average duration of the DBO at the end of the reporting period range from 7 to 18 years.

26. TAXES

On March 26, 2021, Republic Act (R.A.) No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Group:

- regular corporate income tax (RCIT) rate was reduced from 30% to 20% or 25% starting July 1, 2020;
- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023 and starting July 1, 2023, the MCIT will return to its previous 2% rate; and,
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

The components of tax expense as reported in the consolidated statements of income and consolidated statements of comprehensive income are as follows:

		2024		2023		2022
Reported in consolidated statements of income:						
Current tax expense:						
Regular corporate income tax (RCIT) at 25%	**P**	**1,814,573,057**	P	1,461,727,558	P	2,543,749,490
Final tax at 15% and 7.5%		**128,892,162**		162,179,213		92,864,680
Minimum corporate income tax (MCIT) at 2.0% in 2024, 1.5% in 2023 and 1% in 2022		**45,691,894**		4,887,056		7,855,985
Application of MCIT		**8,275,818**		-		(6,637,583)
Preferential tax rate		**2,659,690**		4,189,512		4,080,128
		2,000,092,621		1,632,983,339		2,641,912,700
Deferred tax expense relating to –						
Origination and reversal of temporary differences		**3,208,133,614**		2,822,755,525		1,125,645,191
	P	**5,208,226,235**	P	4,455,738,864	P	3,767,557,891
Reported in consolidated statements of comprehensive income –						
Deferred tax expense (income) relating to –						
Origination and reversal of temporary differences	**(P**	**1,624,163)**	(P	45,139,740)	P	90,455,063

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the consolidated statements of income is as follows:

		2024		2023		2022
Tax on pretax profit at 25%	**P**	**6,718,727,751**	P	5,964,077,092	P	4,785,461,071
Adjustment for income subjected to lower income tax rates		**(25,233,733)**		(68,149,843)		(36,561,436)
Tax effects of:						
Non-taxable income		**(2,368,968,673)**		(2,355,358,056)		(1,467,666,976)
Non-deductible expenses		**643,060,817**		975,073,954		361,822,583
Unrecognized deferred tax assets (liabilities) on temporary differences		**33,171,877**		(4,786,883)		(11,501,508)
Miscellaneous		**207,468,196**		(55,117,400)		136,004,157
	P	**5,208,226,235**	P	4,455,738,864	P	3,767,557,891

The deferred tax assets and liabilities relate to the following as at December 31:

		2024		2023
Deferred tax assets – net:				
NOLCO	**P**	**258,158,602**	P	246,939,798
MCIT		**52,143,551**		46,785,726
Retirement benefit obligation		**31,513,671**		37,583,157
Allowance for impairment of receivables		**8,921,434**		11,919,308
Allowance for property development costs		**7,689,776**		7,689,776
Others		**66,442,533**		61,906,847
	P	**424,869,567**	P	412,824,612
Deferred tax liabilities – net:				
Uncollected gross profit	**P**	**9,990,405,340**	P	8,871,116,571
Capitalized interest		**5,330,136,352**		4,724,790,047
Difference between the tax reporting base and financial reporting base of rental income		**1,428,524,379**		994,723,091
Unrealized foreign currency losses – net		**(923,100,266)**		(613,505,275)
Retirement benefit obligation		**(181,831,105)**		(87,943,703)
Bond issuance costs		**133,479,451**		114,788,964
Share options		**(58,474,787)**		(55,890,442)
Uncollected rental income		**35,255,544**		69,409,723
Others		**130,600,429**		570,024,001
	P	**15,884,995,337**	P	14,587,512,527

No deferred tax liability has been recognized on the accumulated equity in net earnings of associates. The Group has no liability for tax should the amounts be declared as dividends since dividend income received from domestic corporation is not subject to income tax.

Some of the entities within the Group are subject to MCIT which is computed at 2% in 2024 and 1.5% in 2023 of gross income, net of allowable deductions as defined under the tax regulations.

The details of the Group's MCIT that are valid and deductible from future taxable income are as follows:

Year		Original Amount	Valid Until
2024	P	21,278,768	2027
2023		15,626,138	2026
2022		14,584,217	2025
2021		17,464,096	2026
	P	68,953,219	

The details of the Group's NOLCO that are valid and deductible from future taxable income are as follows:

Year		Original Amount	Valid Until
2024	P	209,190,923	2027
2023		102,362,581	2026
2022		241,844,778	2025
2021		156,313,788	2026
2020		80,505,896	2025
	P	790,217,966	

Certain subsidiaries within the Group did not recognize the deferred tax assets on their MCIT and NOLCO as realization of such amounts is uncertain.

Except for certain subsidiaries, management has assessed that the net losses incurred, as well as the related NOLCO, can be recovered through future operations and are not significant to the overall financial condition and financial performance of the Group.

In 2024, 2023 and 2022, the Group opted to continue claiming itemized deductions, except for MDC, LFI, and MCTI, which opted to use optional standard deduction (OSD) in computing for income tax dues.

MREIT is registered as a real estate investment trust entity under R.A. 9846 which enjoys certain income tax-free incentives, including deductibility of dividend distribution (subject to certain conditions) and exemption from MCIT.

ECOC and SEDI are registered with the Philippine Economic Zone Authority (PEZA) pursuant to Presidential Proclamation No. 191 dated October 6, 1999. As PEZA-registered entities, ECOC and SEDI are entitled to a preferential tax rate of 5% on gross income earned from registered activities, in lieu of all local and national taxes, and to other tax privileges.

SPI's The Regal Homes project has qualified in the definition of socialized housing under Section 3(r) of R.A. 7279, *Urban Development and Housing Act of 1992*. Under Section 20 of R.A. 7279, private sector participating in socialized housing shall be exempted from the payment of project-related income taxes, capital gains tax on raw lands use for the project, VAT for the project concerned, transfer tax for both raw and completed projects, and donor's tax for both lands certified by the local government units to have been donated for socialized housing purposes.

27. RELATED PARTY TRANSACTIONS

The Group's related parties include the Ultimate Parent Company, associates, the Group's key management and other related parties under common ownership as described below.

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 transactions with its related parties as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022 are as follows:

Related Party Category	Notes	Amount of Transactions 2024	2023	2022	Outstanding Investment/ Receivable (Payable) 2024	2023
Ultimate Parent Company						
Dividends paid	27.5	**(P 1,275,301,604)**	(P 996,805,764)	(P 887,481,897)	**P -**	P -
Investments in equity securities	27.4	**(654,571,344)**	(97,879,276)	15,786,980	**1,126,200,000**	1,780,771,344
Dividend income	27.4	**12,260,000**	23,680,470	21,413,262	**12,260,000**	23,680,470
Advances granted	27.2	**-**	-	-	**930,000,000**	930,000,000
Associates:						
Advances granted	27.2	**1,343,736**	383,639	155,104	**1,011,620,312**	1,010,276,576
Subscription payable		**-**	(1,114,655,508)	-	**-**	-
Related Parties Under Common Ownership:						
Reimbursement of construction costs	27.1	**-**	-	-	**3,056,180,769**	3,056,180,769
Advances availed (paid)	27.3	**216,807,652**	(879,566,092)	(1,116,725,533)	**(1,463,852,566)**	(1,247,044,914)
Rendering of services	27.1	**280,662,551**	238,329,478	261,499,284	**267,335,111**	262,845,102
Advances granted (collected)	27.2	**1,547,384,606**	(112,550,636)	1,827,132,491	**5,873,816,090**	4,326,431,484
Dividend income	27.4	**67,077,798**	-	-	**-**	-
Investment in equity securities	27.4	**721,492,387**	207,774,649	(494,554,541)	**4,294,020,590**	3,572,528,203
Key Management Personnel –						
Compensation	27.6	**391,608,121**	370,730,492	377,635,099	**-**	-
Retirement plan						
Investment in equity and debt securities	25.3(b)	**(97,078,614)**	-	-	**33,141,896**	130,220,510

None of the companies within the Group is a joint venture. The Group is not subject to joint control and none of its related parties exercise significant influence over it.

27.1 Real Estate Sales and Rendering of Services to Related Parties

The Group renders services to its related parties on a cost-plus basis, allowing a certain margin agreed upon by the parties at arm's length.

The Group leases some of its investment properties to its associates and other related parties under common ownership with rental payments mutually agreed generally before the commencement of the lease. Most of the leases have terms ranging from one to 25 years, with renewal options, and include annual escalation rates of 3% to 10%, except for contingent rent. The revenues earned from these related parties are included as part of Rental Income in the consolidated statements of income (see Note 12). The related outstanding receivables from these transactions, which are collectible on demand, unsecured and noninterest-bearing, are presented as part of Trade under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

The Parent Company and a related party under common ownership are parties to a management agreement whereby the former provides management services for the overall administration of the latter's leasing operations for a fee, which is based on certain rates of collections plus commission. Further, there are other management services provided to related parties under common ownership related to management of construction and development activities.

Unless otherwise indicated, the Group's outstanding receivables from related parties arising from the above transactions are unsecured, noninterest-bearing, and collectible in cash under normal credit terms or through offsetting arrangements.

There were no impairment losses recognized on the Group's receivables from related parties in 2024, 2023 and 2022.

In 2018, the Parent Company agreed with a related party under common ownership to turn over a certain property under terms that the related party will reimburse the construction cost incurred by the Parent Company amounting to P4.0 billion (see Note 12). The outstanding balance, which is collectible on demand, interest-bearing and unsecured, amounted to P3.1 billion as at both December 31, 2024 and 2023 and is presented under non-current Other Trade Receivables in the consolidated statements of financial position (see Note 6).

27.2 Advances to Ultimate Parent, Associates and Other Related Parties

The ultimate parent Company, associates and other related parties under common ownership are granted noninterest-bearing, unsecured and collectible on demand advances by the Parent Company and other entities within the Group with no definite repayment terms for working capital purposes. These are generally collectible in cash or through offsetting arrangements with the related parties.

The outstanding balances of Advances to associates and other related parties shown as part of Trade and Other Receivables account under Current Assets section in the consolidated statements of financial position are shown below (see Note 6).

	2024	2023
Advances to ultimate parent company	**P 930,000,000**	P 930,000,000
Advances to associates	**1,011,620,312**	1,010,276,576
Advances to other related parties	**5,873,816,090**	4,326,431,484
	P 7,815,436,402	P 6,266,708,060

The movements in advances to associates are as follows:

	2024	2023
Balance at beginning of year	**P 1,010,276,576**	P 1,009,892,937
Advances granted	**1,343,736**	383,639
Balance at end of year	**P 1,011,620,312**	P 1,010,276,576

The movements in advances to other related parties under common ownership are as follows:

	2024	2023
Balance at beginning of year	**P 4,326,431,484**	P 4,438,982,120
Advances granted	**1,547,384,606**	-
Advances collected	**-**	(112,550,636)
Balance at end of year	**P 5,873,816,090**	P 4,326,431,484

Advances to other related parties pertain to advances granted to entities under common ownership of the Parent Company. No impairment losses on the advances to ultimate parent Company, associates and other related parties were recognized in 2024, 2023 and 2022 based on management's assessment.

27.3 Advances from Other Related Parties

Certain expenses of the entities within the Group are paid by other related parties on behalf of the former. The Group also received cash advances from a certain related party under common ownership, for the development of a certain entertainment site which is an integrated tourism project planned by the Philippine Amusement and Gaming Corporation. The advances are noninterest-bearing, unsecured and with no repayment terms and are generally payable in cash upon demand or through offsetting arrangements with the related parties.

The outstanding balances from these transactions, which are payable on demand, unsecured and noninterest-bearing, are presented as Advances from Other Related Parties under Current Liabilities Section account in the consolidated statements of financial position.

The movements in advances from other related parties are as follows:

		2024		2023
Balance at beginning of year	**P**	**1,247,044,914**	P	2,126,611,006
Advances paid		**(136,452,356)**		(1,597,199,347)
Advances availed		**353,260,008**		717,633,255
Balance at end of year	**P**	**1,463,852,566**	P	1,247,044,914

27.4 Investments in Equity Securities

The Group's equity securities include investment in shares of related parties under common ownership. The fair values of these securities have been determined directly by reference to published prices in an active market, except for the investment in shares of related party under common ownership which was delisted in the stock exchange in 2019 and was subsequently measured using the discounted cash flows valuation technique [see Note 34.2(a)]. Movements and the related fair value gains or losses on these investments are shown and discussed in Note 9. Also, the Group received dividend income from these investments, presented as part of Dividend income under Interest and Other Income – net account in the consolidated statements of income (see Note 23).

27.5 Dividends Paid to the Ultimate Parent Company

The Ultimate Parent Company received dividends from the Parent Company amounting to P1.3 billion, P1.0 billion and P0.9 billion in 2024, 2023 and 2022, respectively. There were no outstanding liabilities relating to this transaction as of December 31, 2024 and 2023 (see Note 28.4).

27.6 Key Management Personnel Compensation

The Group's key management personnel compensation includes the following:

	2024	2023	2022
Short-term benefits	**P 332,576,000**	P 325,769,489	P 276,491,249
Post-employment benefits	**48,694,739**	41,374,775	84,771,439
Employee share option benefit	**10,337,382**	3,586,228	16,372,411
	P 391,608,121	P 370,730,492	P 377,635,099

27.7 Post-employment Plan

The Group has formal retirement plans established separately for the Parent Company and each of the significant subsidiaries, particularly GERI, EELHI and PHRI. The Group's retirement funds for its post-employment defined benefit plan are administered and managed by trustee banks. The fair value and the composition of the plan assets as at December 31, 2024 and 2023 are presented in Note 25.3.

The Group's transactions with the fund mainly pertain to contribution, benefit payments and interest income. The retirement funds neither provide any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens. The retirement funds include investments in equity and debt securities of the Group (see Note 25.3)

28. EQUITY

Capital stock of the Parent Company consists of:

	Shares			Amount		
	2024	2023	2022	**2024**	2023	2022
Preferred shares Series "A"						
P0.01 par value						
Authorized	**6,000,000,000**	6,000,000,000	6,000,000,000	**P 60,000,000**	P 60,000,000	P 60,000,000
Issued and outstanding	**6,000,000,000**	6,000,000,000	6,000,000,000	**P 60,000,000**	P 60,000,000	P 60,000,000
Common shares – P1 par value						
Authorized	**45,640,000,000**	40,140,000,000	40,140,000,000	**P 45,640,000,000**	P 40,140,000,000	P 40,140,000,000
Issued	**33,745,865,872**	32,370,865,872	32,370,865,872	**P 33,745,865,872**	P 32,370,865,872	P 32,370,865,872
Treasury shares:						
Balance at beginning of year	**(1,187,614,000)**	(885,626,000)	(513,795,000)	**(2,852,655,275)**	(2,184,059,395)	(1,268,862,277)
Acquisitions during the year	**-**	(301,988,000)	(372,831,000)	**-**	(668,595,880)	(916,099,229)
Issuances during the year	**-**	-	1,000,000	**-**	-	902,111
Balance at end of year	**(1,187,614,000)**	(1,187,614,000)	(885,626,000)	**(2,852,655,275)**	(2,852,655,275)	(2,184,059,395)
Issued and outstanding	**32,558,251,872**	31,183,251,872	31,485,239,872	**P 30,893,210,597**	P 29,518,210,597	P 30,186,806,477
Total issued and outstanding shares	**38,558,251,872**	37,183,251,872	37,485,239,872	**P 30,953,210,597**	P 29,578,210,597	P 30,246,806,477

On June 15, 1994, the SEC approved the listing of the Parent Company's common shares totaling 140,333,333. The shares were initially issued at an offer price of P4.80 per common share. As of December 31, 2024, there are 2,360 holders of the listed shares, which closed at P2.05 per share as of that date. As of December 31, 2023, there are 2,379 holders of the listed shares, which closed at P1.97 per share as of that date.

The following also illustrates the additional listings made by the Parent Company (in shares): May 23, 1996 – 1.6 billion; January 8, 1997 – 2.1 billion; November 23, 1998 – 2.0 billion; August 19, 1999 – 3.0 billion; October 12, 2005 – 5.5 billion; November 21, 2006 –10.0 billion and July 17, 2007 – 3.9 billion and 2012 – 3.1 billion. The Parent Company also listed 700.0 million shares in 2013, 300.0 million shares in 2014, and 8.0 million shares in 2015. There were no additional issuance of shares in the succeeding years.

As at December 31, 2022, RHGI holds certain number of the Parent Company's common shares with costs of P515.2 million, which are treated as treasury shares on the Group's consolidated financial statements. On 2023, such shares were reissued and reversed as treasury shares, which resulted to APIC of P333.2 million (see Notes 28.3 and 28.5).

28.1 Preferred Shares Series "A"

The preferred shares are voting, cumulative, non-participating, non-convertible and non-redeemable with a par value of P0.01 per share. The shares earn dividends at 1% of par value per annum cumulative from date of issue. Dividends paid on cumulative preferred shares amounted to P0.6 million in 2024, 2023 and 2022 (see Note 28.4).

28.2 Common Shares

On May 23, 2013, the Parent Company's BOD approved a P10.0 billion increase in authorized capital stock (ACS) consisting of 10.0 billion shares with par value of P1.00 per share. On November 20, 2013, the SEC approved the P10.0 billion increase in ACS, of which 2.5 billion shares were subscribed and paid by the Parent Company at a price of P4.29 per share for a total subscription price of P10.7 billion.

In 2009, 5,127,556,725 common shares were subscribed and issued through pre-emptive share rights offering. Moreover, shareholders were given four additional share warrants for every five share rights subscribed. For every share warrant, shareholders can avail of one common share at P1.00 per share.

Relative to the share subscription, 4,102,045,364 share warrants were issued of which 4,101,662,246 warrants were exercised while the remaining 383,118 have expired.

On May 13, 2024, the shareholders have approved the increase in the authorized capital stock of the company from P 40,200,000,000 divided into 40,140,000,000 common shares with par value of P1.00 per share and 6,000,000,000 voting cumulative, non-participating, non-convertible and non-redeemable preferred shares with par value of P 0.01per share to P45,700,000,000, divided into 45,640,000,000 common shares with par value of P1.00 per share and 6,000,000,000 voting cumulative, non-participating, non-convertible and non-redeemable preferred shared with par value of P 0.01 per share. The increase in authorized capital stock is geared towards the growth and expansions prospects of the Company. On July 29, 2024, the SEC approved the increase in authorized capital stock.

On August 1, 2024, the Parent Company issued 1,375.0 million common shares to AGI for a subscription price of P1.90 per share and a total subscription price of P2.6 billion (see Note 28.3). The issued common shares were issued out of the P5.5 billion increase in authorized capital stock of the Parent Company.

28.3 Additional Paid-in Capital

The APIC pertains to the excess of the total proceeds received from the Parent Company's shareholders over the total par value of the common shares. In 2024, APIC amounting to P1.2 billion was recognized from the issuance of shares to AGI (see Note 28.2). In 2023, an additional APIC of P333.2 million was recognized from the transactions with RHGI. In 2022, APIC amounting to P1.9 million, was recognized by the Parent Company from the exercise of 1,000,000 stock options.

28.4 Cash Dividends

The details of the Parent Company's cash dividend declarations, both for preferred and common shares, are as follows:

	2024	2023	2022
Declaration date/date of approval by BOD	**October 21, 2024**	October 13,2023	October 17, 2022
Date of record	**November 5, 2024**	October 27, 2023	October 31, 2022
Date of payment	**November 18, 2024**	November 14, 2023	November 14, 2022
Amounts declared			
Common	**P 2,661,952,254**	P 2,057,959,594	P 1,910,507,946
Preferred	**600,000**	600,000	600,000
	P 2,662,552,254	P 2,058,559,594	P 1,911,107,946
Dividends per share:			
Common	**P 0.08**	P 0.07	P 0.06
Preferred	**P 0.01**	P 0.01	P 0.01

28.5 Treasury Shares

As at December 31, 2022, this account also includes the Parent Company's common shares held and acquired by RHGI which was reissued in 2023.

In 2023, the Parent Company reacquired 302.0 million shares costing P668.6 million. No similar transaction in 2024. The amount of treasury common shares aggregated to P2,852.7 million as at December 31, 2024 and 2023.

The changes in market values of these shares held by RHGI, recognized as fair value gains or losses by the subsidiary, were eliminated in full and not recognized in the 2023 consolidated financial statements.

In 2022, the Parent Company has reissued 1,000,000 treasury shares as a result of exercise of the same number of stock options (see Note 28.6). There was no similar transaction in 2023 and 2024.

A portion of the Parent Company's retained earnings is restricted for dividend declaration up to the cost of treasury shares as at the end of the reporting period.

28.6 ESOP

A total of P10.3 million, P3.6 million and P16.4 million share option benefits expense in 2024, 2023 and 2022, respectively, is recognized and presented as part of Salaries and employee benefits under Operating Expenses account in the consolidated statements of income (see Notes 22 and 25.2).

(a) Parent Company

In 2012, the Parent Company's BOD approved and the shareholders adopted an ESOP for the Parent Company's key executive officers.

The options shall generally vest on the 60th birthday and may be exercised up to five years from the date of vesting of the option. In 2022, there is an amendment to the vesting requirements of which the options will now vest on the 60th birthday or the actual retirement of the option holder, whichever is later. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Parent Company's shares for nine months immediately preceding the date of grant.

Pursuant to this ESOP, on November 6, 2012, the Parent Company granted share options to certain key executives to subscribe to 235.0 million common shares of the Parent Company, at an exercise price of P1.77 per share.

In 2013, additional share options were granted to certain key executives to subscribe to 20 million common shares of the Parent Company at an exercise price of P2.33 per share. Additional 40 million share options were granted in 2014 at an average exercise price of P3.00 per share. In 2019, additional 10 million share options were granted at an exercise price of P1.77. There were no additional share options granted in 2024, 2023 and 2022.

In 2023, 10.0 million share options were forfeited due to resignation of certain key executive officers. There was no forfeiture due to resignation in 2024 and 2022.

In 2024, 2023 and 2022, a total of 10.0 million, 15.0 million and 5.0 million share options have vested, respectively.

A total of 1.0 million share options were exercised at a price of P1.77 per share in 2022. There was no similar transaction in and 2024 and 2023.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Option life		6.08 to 30.17 years
Share price at grant date	P	2.54 to P 4.08
Exercise price at grant date	P	1.77 to P 3.23
Fair value at grant date	P	0.98 to P 2.15
Average standard deviation of share price return		10.98 %
Average dividend yield		0.82 %
Average risk-free investment rate		3.93 %

The underlying expected volatility was determined by reference to historical date of the Parent Company's shares over a period of time consistent with the option life.

The Parent Company recognized a total of P10.3 million, P3.6 million and P16.4 million share-based executive compensation in 2024, 2023 and 2022, respectively, as part of Salaries and employee benefits and a corresponding credit in Retained Earnings (see Note 25.2).

(b) *GERI*

In 2011, the BOD of GERI approved and the stockholders adopted an ESOP for its key executive officers.

Under the ESOP, GERI shall initially reserve for exercise of share options up to 500.0 million common shares of the GERI's outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant.

The options shall vest within three years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three-year period. The exercise price shall be at a 15% discount from the volume weighted average closing price of the GERI's shares for twelve months immediately preceding the date of grant.

As at December 31, 2024, pursuant to this ESOP, GERI has granted the option to its key company executives to subscribe to 400.0 million shares of GERI. An option holder may exercise in whole or in part his vested option provided that an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. All 400.0 million options were fully vested as at December 31, 2019, but none of these have been exercised yet by any of the option holders as at the end of the reporting periods.

As at December 31, 2024 and 2023, there are no remaining share options that can be exercised.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Average option life		7 years
Share price at grant date	P	1.02 to P2.10
Exercise price at grant date	P	1.00 to P1.93
Fair value at grant date	P	0.24 to P2.27
Standard deviation of share price return		12.16% to 57.10%
Risk-free investment rate		2.14% to 2.59%

The underlying expected volatility was determined by reference to historical date of the GERI's shares over a period of time consistent with the option life.

There was no share-based compensation recognized in 2024, 2023 and 2022 since all the options fully vested as at December 31, 2019.

28.7 Revaluation Reserves

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.

	Financial Assets at FVOCI (Note 9)	Retirement Benefit Obligation (Note 25.3)	Translation Reserves (Note 2)	Derivative Financial Instruments (Note 30)	Equity Reserves (Note 1)	Total
Balance as at January 1, 2024	(P 1,611,755,442)	P 489,581,015	(P 239,540,202)	P 3,358,563	P 11,852,577,608	P10,494,221,542
Other comprehensive income (loss):						
Remeasurements of retirement benefit post-employment obligation	-	(183,519,128)	-	-	-	(183,519,128)
Fair value losses on financial assets at FVOCI	(536,270,329)	-	-	-	-	(536,270,329)
Realized loss on sale of financial assets at fair value through other comprehensive income	(117,429,707)	-	-	-	-	(117,429,707)
Fair value gain on cash flow hedge	-	-	-	(55,952,053)	-	(55,952,053)
Share of non-controlling interest	46,911,747	103,257,535	-	-	-	150,169,282
Share in OCI of associates	-	-	34,148,095	-	-	34,148,095
Changes in percentage of ownership	-	-	-	-	2,774,895,670	2,774,895,670
Exchange difference on translating foreign operations	-	-	75,688,819	-	-	75,688,819
Other comprehensive income (loss) before tax	(606,788,289)	(80,261,593)	109,836,914	(55,952,053)	2,774,895,670	2,141,730,650
Tax income (expense)	-	32,067,402	(30,443,239)	-	-	1,624,163
Other comprehensive income (loss) after tax	(606,788,289)	(48,214,191)	79,393,675	(55,952,053)	2,774,895,670	2,143,354,813
Balance as at December 31, 2024	**(P 2,218,543,731)**	**P 441,366,824**	**(P 160,146,527)**	**(P 52,593,491)**	**14,627,473,278**	**P12,637,576,354**
Balance as at January 1, 2023	(P 1,725,993,007)	P 690,094,340	(P 259,538,921)	P 37,604,713	P 8,626,592,277	P 7,368,759,402
Other comprehensive income (loss):						
Remeasurements of retirement benefit post-employment obligation	-	(268,851,445)	-	-	-	(268,851,445)
Fair value losses on financial assets at FVOCI	101,480,862	-	-	-	-	101,480,862
Fair value gain on cash flow hedge	-	-	-	(34,246,150)	-	(34,246,150)
Share of non-controlling interest	12,756,703	2,430,076	-	-	-	15,186,779
Share in OCI of associates	-	-	(3,348,878)	-	-	(3,348,878)
Changes in percentage of ownership	-	-	-	-	3,225,985,331	3,225,985,331
Exchange difference on translating foreign operations	-	-	44,115,901	-	-	44,115,901
Other comprehensive income (loss) before tax	114,237,565	(266,421,369)	40,767,023	(34,246,150)	3,225,985,331	3,080,322,400
Tax income (expense)	-	65,908,044	(20,768,304)	-	-	45,139,740
Other comprehensive income (loss) after tax	114,237,565	(200,513,325)	19,998,719	(34,246,150)	3,225,985,331	3,125,462,140
Balance as at December 31, 2023	(P 1,611,755,442)	P 489,581,015	(P 239,540,202)	P 3,358,563	P 11,852,577,608	P10,494,221,542
Balance as at January 1, 2022	(P 1,144,152,392)	P 536,021,236	(P 337,051,379)	(P 53,542,477)	P 8,626,592,277	P 7,627,867,265
Other comprehensive income (loss):						
Remeasurements of retirement benefit post-employment obligation	-	219,636,360	-	-	-	219,636,360
Fair value losses on financial assets at FVOCI	(579,783,082)	-	-	-	-	(579,783,082)
Fair value gain on cash flow hedge	-	-	-	91,147,190	-	91,147,190
Share of non-controlling interest	(2,057,533)	(10,010,223)	-	-	-	(12,067,756)
Share in OCI of associates	-	-	6,138,277	-	-	6,138,277
Exchange difference on translating foreign operations	-	-	106,276,211	-	-	106,276,211
Other comprehensive income (loss) before tax	(581,840,615)	209,626,137	112,414,488	91,147,190		(168,652,800)
Tax income (expense)	-	(55,553,033)	(34,902,030)	-	-	(90,455,063)
Other comprehensive income (loss) after tax	(581,840,615)	154,073,104	77,512,458	91,147,190		(259,107,863)
Balance as at December 31, 2022	(P 1,725,993,007)	P 690,094,340	(P 259,538,921)	P 37,604,713	P 8,626,592,277	P 7,368,759,402

In 2021, MREIT offered and sold 949,837,500 shares or 37.51% ownership interest held by the Parent Company, through an initial public offering for P16.10 per share or P14.7 billion. The sale of shares did not result in Parent Company's loss of control over MREIT. The difference between the proportionate net book value and the consideration received amounting to P10.5 billion is credited to Equity reserves under Revaluation Reserves in the 2021 consolidated statement of changes in equity.

Also in 2021, the Parent Company acquired additional shares of PCMI and STLI for P2.0 billion and P1.8 million, respectively. The difference between the proportionate net book value and the consideration received of PCMI and STLI resulted in P1.1 billion debit and P29.6 million credit, respectively, to Equity reserves under Revaluation Reserves in the 2021 consolidated statement of changes in equity.

In 2023, the Parent Company acquired additional common shares of MREIT through property share swap effective January 2023 resulting to 65.67% ownership. In May and July 2023, the company disposed 279,400,000 common shares with a par value of P1.00 per share with net proceeds of P13.2 billion resulting to a decrease in ownership to 55.63%. The difference between the fair value of the transaction and the adjustment recognized directly in the Parent Company's equity is recorded as part of Equity reserves under Revaluation Resrves in the 2023 consolidated statement of changes in equity.

In April and June 2024, the Parent Company disposed shares through block sales with net proceeds of P1.5 billion, resulting in a reduction of its ownership to 51.33%. Subsequently, in November 2024, the Parent Company expanded its ownership in MREIT to 63.44% by acquiring additional common shares through a property share swap. The difference between the fair value of the transaction and the adjustment recognized directly in the Parent Company's equity is recorded as part of Equity reserves under Revaluation Resrves in the 2024 consolidated statement of changes in equity.

29. EARNINGS PER SHARE

EPS amounts were computed as follows:

	2024	2023	2022
Net profit attributable to the Parent Company shareholders	**P 18,749,285,284**	P 17,345,401,623	P 13,455,475,825
Dividends on cumulative preferred shares Series "A"	**(600,000)**	(600,000)	(600,000)
Profit available to the Parent Company's common shareholders	**P 18,748,685,284**	P 17,344,801,623	P 13,454,875,825
Divided by weighted average number common shareholders	**31,758,046,954**	30,967,574,247	31,241,230,149
Basic EPS	**P 0.590**	P 0.560	P 0.431
Divided by weighted average number of outstanding common shareholders	**31,758,046,954**	30,975,626,107	31,297,654,542
Diluted EPS	**P 0.590**	P 0.560	P 0.430

Unexercised share warrants have already expired; hence, were no longer included in the computation. In addition, the potentially dilutive outstanding share options totaling 220.0 million in 2024 and 2023, and 232.5 million in 2022 were also considered in the computations (see Note 28.6).

30. DERIVATIVE FINANCIAL INSTRUMENTS

The Parent Company entered into agreements involving derivative financial instruments, such as cross-currency swap and interest rate swaps with a certain local financial institution to hedge the effect of the movements of foreign currency exchange rates and interest rates on financial instruments.

In 2019, a cross-currency swap was agreed upon with a certain local financial institution. The Parent Company shall receive $95.62 million to be paid on a quarterly basis beginning December 2020 up to September 2024 plus interest based on three-month LIBOR plus a certain spread. The Parent Company shall make fixed quarterly payments in Philippine peso plus a fixed interest of 4.82%. The Parent Company designated the cross-currency swaps as hedging instruments to hedge the risk in changes in cash flows of its loan denominated in U.S. dollar as an effect of changes in foreign currency exchange rates and interest rates [see Notes 15.1(a) and 15.1(k)]. In 2024, the Parent Company has paid its outstanding loan balance in full.

In 2024, the Parent Company entered another cross-currency swap agreement with the same financial institution. and a corresponding interest rate swap. The Parent Company shall receive $180.5 million to be paid on a quarterly basis beginning June 2025 up to March 2029 plus interest based on three-month BVAL plus a certain spread. The Parent Company shall make fixed quarterly payments in Philippine Peso plus a fixed interest rate of 6.40%. The Parent Company designated the cross-currency swaps as hedging instruments to hedge the risk in changes in cash flows of its loan denominated in U.S. dollar as an effect of changes in foreign currency exchange rates and interest rates [see Notes 15.1(a) and 15.1(k)].

Also in 2024, the Parent Company entered into an interest rate swap agreement, with a notional amount of P10.0 billion to hedge its exposure to changes in fair value arising from changes in benchmark interest rate on loans payable due to mature in 2029 (see Note 19).

As at December 31, 2024 and 2023, the Parent Company has assessed that the cross currency swaps designated as cash flow hedges will continue to be highly effective over the term of the agreement; hence, the Parent Company expects to continuously use hedge accounting on the hedging relationship of its cross currency swaps and on its interest-bearing loans.

The Parent Company recognized unrealized losses on cash flow hedges amounting to P56.0 million and P34.2 million in 2024 and 2023, respectively, and unrealized gains of P 91.1 million in 2022. These are presented as part of other comprehensive income in the consolidated statements of comprehensive income.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the fixed rate loans match the terms of the interest rate swaps. The Group has established a hedge ratio of 104.12% for the hedging relationships as the underlying risk of the interest rate swaps is identical to the hedged risk component.

The hedged items are presented under Interest-bearing Loans and Borrowings in the Group's consolidated statement of financial position as at December 31, 2024. The carrying amounts relating to items designated as hedged items in fair value hedge relationships to manage the Group's exposure to interest rate as at December 31, 2024 amounts to P10.4 billion.

The Parent Company recognized an unrealized gain of P57.0 million on fair value hedges in 2024. These are presented as part of Miscellaneous income – net under Interest and Other Income in the 2024 consolidated statement of income (see Note 23).

The table below sets out information about the Group's hedging instruments and the related carrying amounts as at December 31:

		Notional Amount		Derivative Assets
2024				
Cross currency swaps	**$**	**180,505,415**	**P**	**416,555,825**
Interest rate swaps	**P**	**10,000,000,000**		**(57,317,173)**
			P	**359,238,652**
2023				
Cross currency swaps	$	17,928,858	P	62,038,593

The hedging instruments have a net positive fair value of P359.2 million in 2024 and P62.0 million in 2023. These are presented as Derivative assets under Other Current Assets in the consolidated statements of financial position (see Note 8).

31. COMMITMENTS AND CONTINGENCIES

31.1 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 BPO-based tenants. If the expected growth, particularly from BPO-based tenants, does not meet management's expectations, or in the case of commercial tenants more stringent health measures are imposed resulting to further temporary or permanent closures of commercial establishments, the Group may not be able to lease their properties in a timely manner or collect rent at profitable rates.

To mitigate these risks, tenants pay security deposits and advance rent equal to three to six months' rent, which are forfeited in case a tenant pre-terminates without prior notice or before the expiry of lease term without cause. In addition, tenants are usually required to pay the monthly rent in advance on a monthly basis, without need of further demand. Security deposits and advance rent are presented as part of Unearned income under Other Current Liabilities and Deferred rent under Other Non-current Liabilities in the consolidated statements of financial position (see Note 19).

(a) Operating Leases

The Group is a lessor under several non-cancellable operating leases covering office, commercial and properties for a period of two to ten years with annual escalation rates between 5% to 10% (see Note 12).

Future minimum lease receivables under these agreements are as follows:

	2024	2023	2022
Within one year	**P 18,142,094,472**	P 16,524,807,397	P 16,954,000,233
After one year but not more than two years	**21,397,799,655**	19,998,956,604	18,969,350,475
After two years but not more than three years	**22,138,318,504**	20,787,467,598	20,073,548,227
After three years but not more than four years	**22,840,094,777**	21,565,435,685	20,902,530,811
After four years but not more than five years	**24,103,041,714**	23,134,430,186	22,417,321,069
More than five years	**30,066,404,456**	28,326,544,473	28,155,620,943
	P 138,687,753,578	P 130,337,641,943	P 127,472,371,758

(b) Finance Lease

In 2019, the Group, through GERI, subleased its development rights over the undivided portions of a land co-terminus with the term of its head lease. Finance lease receivable arising from the transaction is presented as part Trade and Other Receivables account in the consolidated statements of financial position (see Note 6). Interest income on the finance lease amounted to P34.3 million and P38.4 million in 2023 and 2022 and is presented as part of Interest and Other Income account in the 2023 and 2022 consolidated statements of income (see Note 23).

In 2024, the Group derecognized its finance lease receivables, resulting in a recognition of gain amounting to P16.6 million, which is presented as part of Miscellaneous – net under Interest and Other Income – net in the 2024 consolidated statement of income (see Note 23).

The maturity analysis of finance lease receivable at December 31, 2023 is as follows:

	Lease Collection	Interest Income	Present value
2023			
Within one year	P 26,846,871	(P 24,829,545)	P 2,017,326
After one year but not more than two years	27,514,054	(24,641,019)	2,873,035
After two years but not more than three years	26,281,499	(24,407,402)	1,874,097
After three years but not more than four years	24,301,659	(24,373,209)	(71,550)
After four years but not more than five years	25,030,708	(24,352,433)	678,275
More than five years	629,817,781	(320,057,121)	309,760,660
	P 759,792,572	(P 442,660,729)	P 317,131,843

31.2 Others

As at December 31, 2024 and 2023, the Group has unused long-term credit facilities amounting to P30.0 billion and P35.0 billion, respectively. In addition, the Group is committed to certain project and capital expenditures as disclosed in Note 4.4. There are other commitments and contingent liabilities that arise in the normal course of operations of the Group which are 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.

32. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, financial assets at FVOCI, interest-bearing loans and borrowings, bonds payable, trade receivables and payables which arise directly from the Group's business operations. The financial liabilities were issued to raise funds for the Group's capital expenditures. The Group does not actively engage in the trading of financial assets for speculative purposes.

32.1 Foreign Currency Sensitivity

Most of the Group's transactions are carried out in Philippine peso, its functional currency. Exposures to currency exchange rates arise mainly from the Group's U.S. dollar-denominated cash and cash equivalents, loans and bonds payable, which have been used to fund new projects and to refinance certain indebtedness for general corporate purposes.

As at December 31, 2024 and 2023, net foreign currency-denominated financial liabilities in U.S. dollar, translated into Philippine Peso at the closing rate, amounted to P49.4 billion and P28.7 billion, respectively.

Management assessed that the reasonably possible change in exchange rates of Philippine Peso to U.S. dollar, based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at 68% confidence level is 5.22% and 5.38% in 2024 and 2023, respectively. If the exchange rate increased or decreased by such percentages, the profit before tax in 2024 and 2023 would have changed by P2,030.7 million and P1,489.3 million, respectively.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions and mainly affect consolidated profit or loss of the Group. There are no material exposures on foreign exchange rate that affect the Group's consolidated other comprehensive income. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

32.2 Interest Rate Sensitivity

The Group interest risk management policy is to minimize interest rate cash flow risk exposures to changes in interest rates. The Group maintains a debt portfolio unit of both fixed and floating interest rates. Most long-term borrowings are subject to fixed interest rate while other financial assets subject to variable interest rates.

The Group's ratio of fixed to floating rate debt stood at 0.47:1.00 and 1.05:1.00 as at December 31, 2024 and 2023, respectively.

The sensitivity of the consolidated net results in 2024 and 2023 to a reasonably possible change of 1.0% in floating rates is P644.1 million and P380.7 million, respectively.

The sensitivity of the consolidated equity in 2024 and 2023 to a reasonably possible change of 1.0% in floating rates is P483.1 million and P285.5 million, respectively. The calculations are based on the Group's financial instruments held at each reporting date. All other variables are held constant.

32.3 Credit Risk

The Group's credit risk is attributable to trade receivables, rental receivables and other financial assets. The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of rentals, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets and contract assets as shown in the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements), as summarized below.

	Notes	**2024**	2023
Cash and cash equivalents	5	**P 21,421,340,361**	P 25,115,017,234
Trade receivables	6	**49,150,622,871**	39,818,559,661
Rent receivables	6	**6,654,501,681**	7,773,678,259
Other receivables	6	**10,938,806,802**	10,825,734,772
Advances to associates and other related parties	6, 27	**7,815,436,402**	6,266,708,060
Contract assets	20.2	**35,515,792,121**	25,721,450,330
Guarantee and other deposits	14	**1,037,397,688**	890,420,128
		P 132,533,897,926	P 116,411,568,444

(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

The Parent Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Parent Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting periods, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group identifies headline inflation rate and bank lending rate to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors. The total loss allowance based on the provision matrix is P710.2 million and P720.5 million as at December 31, 2024 and 2023, respectively.

The Group considers credit enhancements in determining the expected credit loss. Trade receivables from real estate sales are collateralized by the real properties sold while rental receivables are secured to the extent of advanced rental and security deposits received from lessees. Further, customers are typically required to issue post-dated checks, which provide additional credit enhancement.

The estimated fair value of collateral and other security enhancements held against trade receivables are presented below.

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2024			
Real estate sales receivables	**P 40,443,807,833**	**P 75,756,257,540**	**P -**
Contract assets	**35,515,792,121**	**86,662,465,873**	**-**
Rent receivable	**6,654,501,681**	**25,956,551,740**	**-**
	P 82,614,101,635	**P 188,375,275,153**	**P -**
2023			
Real estate sales receivables	P 41,328,385,170	P 45,327,170,657	P -
Contract assets	16,725,717,102	40,812,445,170	-
Rent receivable	7,773,678,259	26,677,795,493	-
	P 65,827,780,531	P 112,817,411,320	P -

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 and are presented below.

	2024	2023
Current (not past due)	**P 70,467,769,815**	P 61,314,660,549
Past due but not impaired:		
More than one month but not more than 3 months	**1,201,212,140**	995,776,342
More than 3 months but not more than 6 months	**788,159,860**	660,635,291
More than 6 months but not more than one year	**1,259,283,695**	1,043,424,434
More than one year	**842,942,364**	670,184,136
	P 74,559,367,874	P 64,684,680,752

(c) Advances to Associates and Other Related Parties

ECL for advances to associates, and other related parties, and other trade receivables from related parties, are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

The Parent Company does not consider any significant risks in the advances to related parties as these are entities whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of AGI's long-term corporate strategy. As at December 31, 2024 and 2023, impairment allowance is not material.

(d) Guarantee and Other Deposits

The credit risk for guarantee and other deposits is considered negligible as the Group has ongoing transactions with the counterparties and the latter are considered to be with sound financial condition and sufficient liquidity.

32.4 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, as well as on the basis of a rolling 30-day projection. Long-term needs for a six-month and one-year period 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 or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at December 31, 2024 and 2023, the Group's financial liabilities have contractual maturities which are presented below.

	Notes	Within 1 Year	1 to 5 Years	More than `5 Years
2024:				
Interest-bearing loans and borrowings*	15	**P 25,953,969,558**	**P 65,367,265,028**	**P 13,140,843,289**
Trade and other payables	17	**28,176,160,978**	**-**	**-**
Bonds and notes payable*	16	**837,577,125**	**21,980,054,250**	**-**
Advances from other related parties	27.3	**1,463,852,566**	**-**	**-**
Other liabilities	19	**2,266,048,111**	**1,772,618,984**	**-**
		P58,697,608,338	**P 89,119,938,262**	**P 13,140,843,289**
2023:				
Interest-bearing loans and borrowings*	15	P 18,440,812,490	P 49,019,402,123	P 7,132,187,500
Trade and other payables	17	25,394,004,577	-	-
Bonds and notes payable*	16	14,164,524,941	24,543,746,338	-
Advances from other related parties	27.3	1,247,044,914	-	-
Other liabilities	19	1,807,973,948	1,209,190,931	-
		P 61,054,360,870	P 74,772,339,392	P 7,132,187,500

**Inclusive of future interest costs*

The contractual maturities in the above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the reporting dates.

32.5 Other Price Risk Sensitivity

The Group's market price risk arises from its financial assets carried at fair value. It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, the observed volatility rates of the fair values of the Group's investments held at fair value is determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months, estimated at 99% level of confidence. Their impact on the Group's consolidated net profit and consolidated equity as at December 31, 2024 and 2023 are summarized as follows:

	Observed Volatility Rates	Impact on Equity	
		Increase	Decrease
2024			
Investment in equity securities:			
Holding Company	**+/-4.79%**	**P 39,619,753**	**(P 39,619,753)**
Manufacturing	**+/-2.47%**	**19,709,312**	**(19,709,312)**
2023			
Investment in equity securities:			
Holding Company	+/-5.44%	P 72,997,948	(P 72,997,948)
Manufacturing	+/-1.84%	16,911,584	(16,911,584)

The investments in listed equity securities are considered long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity instruments are utilized in the Group's favor.

The Group is also exposed to other price risk in respect of its derivative financial assets and liabilities arising from foreign exchange margins trading spot and forward, and interest rate changes. These financial instruments will continue to be measured at fair value based on net present value computation.

33. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

33.1 Carrying Amounts and Fair Values by Category

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

		2024		2023	
	Notes	**Carrying values**	**Fair values**	Carrying values	Fair values
Financial Assets					
At amortized costs:					
Cash and cash equivalents	5	**P 21,421,340,361**	**P 21,421,340,361**	P 25,115,017,234	P 25,115,017,234
Trade and other receivables – net	6, 27.2	**74,559,367,874**	**74,003,286,582**	64,684,680,752	63,994,382,334
Guarantee and other deposits	14	**1,037,397,688**	**1,037,397,688**	890,420,128	890,420,128
		97,018,105,923	**P 96,462,024,631**	P 90,690,118,114	P 89,999,819,696
Financial assets at FVTPL – Derivative assets	8	**P 359,238,652**	**P 359,238,652**	P 62,038,593	P 62,038,593
Financial assets at FVOCI – Equity securities	9	**P 5,411,250,309**	**P 5,411,250,309**	P 5, 390,622,638	P 5,390,622,628
Financial Liabilities					
At amortized costs:					
Interest-bearing loans and borrowings	15	**P 89,993,511,031**	**P 86,022,502,199**	P 71,780,316,218	P 70,784,042,923
Bonds and notes payable	16	**20,049,554,649**	**19,369,933,610**	31,114,591,251	30,360,173,852
Trade and other payables	17	**28,832,783,344**	**28,764,009,126**	25,394,004,577	26,156,848,944
Advances from other related parties	27.3	**1,463,852,566**	**1,463,852,566**	1,247,044,914	1,173,689,331
Other liabilities	19	**4,038,667,095**	**4,038,667,096**	2,551,442,556	2,551,442,556
		P 144,378,368,685	**P 139,658,964,597**	P 132,087,399,516	P 131,026,197,606

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 32.

33.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set-off financial instruments in 2024 and 2023 and does not have relevant offsetting arrangements, except as disclosed in Notes 27.2 and 27.3. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders. As such, the Group's outstanding receivables from and payables to the same related parties can be potentially offset to the extent of their corresponding outstanding balances. There are no offsetting arrangements as at December 31, 2024 and 2023.

34. FAIR VALUE MEASUREMENT AND DISCLOSURES

34.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities 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., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the 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 developing estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. When such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arms' length transaction at the end of the reporting period.

When the Parent Company 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.

34.2 Financial Instruments Measurement at Fair Value

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as at December 31, 2024 and 2023 (see Notes 9 and 30).

	Level 1	Level 2	Level 3	Total
2024				
Financial assets –				
Equity securities	P 2,180,760,059	P -	P 3,230,490,250	P 5,411,250,309
Derivatives	-	359,238,652	-	359,238,652
	P 2,180,760,059	**P 359,238,652**	**P 3,230,490,250**	**P 5,770,488,961**
2023				
Financial assets –				
Equity securities	P 3,123,647,415	P -	P 2,266,974,953	P 5,390,622,368
Derivatives	-	62,083,593	-	62,083,593
	P 3,123,647,415	P 62,083,593	P 2,266,974,953	P 5,452,660,961

Described below are the information about how the fair values of the Group's classes of financial assets are determined.

(a) Equity Securities

As at December 31, 2024 and 2023, instruments included in Level 1 comprise equity securities classified as financial assets at FVOCI. These securities were valued based on their market prices quoted in the PSE at the end of each reporting period.

In 2024 and 2023, the fair value of these equity securities is determined using discounted cash flows valuation technique with discount rate of 7.2% and 8.5% in 2024 and 2023, respectively, and growth rate of 3.0% in both 2024 and 2023. The forecasted annual net cash flows were also derived by taking into consideration the market conditions, economic factors, and historical performance and future projects of the investee company.

A reconciliation of the carrying amounts of Level 3 FVOCI equity securities at the beginning and end of 2024 and 2023 is shown below.

	2024	2023
Balance at beginning of year	**P 2,266,974,953**	P 2,151,645,154
Additions	**857,775,000**	-
Fair value gains	**105,740,297**	115,329,799
Balance at end of year	**P 3,230,490,250**	P 2,266,974,953

The Group recognized P642.0 million and P13.8 million fair value losses in 2024 and 2023, respectively, on the Level 1 equity securities. For the Level 3 equity securities, the Group recognized P105.7 million and P115.3 million fair value gains in 2024 and 2023, respectively (see Notes 9 and 28.8).

(b) Derivatives

The fair value of derivative financial instruments, related to the cross-currency and interest rate swaps, is measured at inputs other than quoted prices that are indirectly observable for the financial instruments and are categorized within Level 2 (see Note 30). The fair value is determined through valuation techniques using the net present value computation. The future principal and interest receipts and payments are discounted using readily observable reference rates at the date of valuation. The resulting net present value is translated into Philippine peso using the U.S. dollar exchange rate at the date of valuation to arrive at the fair value of the derivative financial instruments.

34.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Group's financial assets which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and trade and other receivables – net, and guarantee and other deposits which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain bonds payable, which are categorized as Level 1, and interest-bearing loans and borrowings, redeemable preferred shares, trade and other payables and advances from their related parties which are categorized as Level 3.

The fair value of the Group's debt securities which consist of corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. Further, management considers that the carrying amounts of these financial instruments approximate their fair values as the effect of discounting is insignificant.

34.4 Fair Value of Investment Properties Measured at Cost for which Fair Value is Disclosed

The fair value of the Group's investment properties earning rental income was determined through discounted cash flows valuation technique. The Group uses assumption that are mainly based on market conditions existing at each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

The Group determines the fair value of idle properties using the observable recent prices of the reference properties adjusted for differences in key attributes such as property size, zoning and accessibility.

As at December 31, 2024 and 2023, the fair value of the Group's investment properties is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of the investment properties was determined using the income approach which is performed with values derived using a discounted cash flow model. The income approach uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business opportunity and costs of capital. The most significant inputs into this valuation approach are the estimated expected future annual cash inflow and outgoing expenses, anticipated increase in market rental, discount rate and terminal capitalization rate. The fair market values of the properties that generated rental income in 2024 and 2023 are P484.5 billion and P481.5 billion as at December 31, 2024 and 2023, respectively, while the fair market value of idle land is P52.6 billion and P55.5 billion as at December 31, 2024 and 2023, respectively.

There were no transfers into or out of Level 3 fair value hierarchy in 2024 and 2023. The reconciliation of the carrying amount of investment properties included in Level 3 is presented in Note 12.

35. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objective is to ensure its ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using the debt-to-equity ratio using amounts of contracted borrowings versus total equity. Capital for the reporting periods under review is summarized as follows:

	2024	2023
Interest-bearing loans and borrowings	**P 89,993,511,031**	P 71,780,316,218
Bonds and notes payable	**20,049,554,649**	31,114,591,251
	110,043,065,680	102,894,907,469
Total equity	**278,735,090,426**	260,667,845,972
Debt-to-equity ratio	**0.39 : 1:00**	0.39 : 1:00

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio for the years presented above.

36. RECONCILIATION 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.

	Interest-bearing Loans and Borrowings (See Note 15)	Bonds and Notes Payable (See Note 16)	Lease Liabilities (See Note 19)	Advances from Associates and Other Related Parties (See Note 27)	Total
Balance as at January 1, 2024	P 71,780,316,218	P 31,114,591,251	P 492,051,127	P 1,247,044,914	P 104,634,003,510
Net cash flows:					
Proceeds	34,241,250,000	-	-	353,260,008	34,594,510,008
Principal repayments	(16,848,203,223)	(12,000,000,000)	(46,186,820)	(136,452,356)	(29,030,842,399)
Interest repayments	-	-	(40,349,443)	-	(40,349,443)
Non-cash financing activities:					
Foreign currency exchange	644,190,625	844,811,098	4,340,927	-	1,493,342,650
Amortization of debt issue cost	175,957,411	90,152,299	-	-	266,109,710
Recognition of lease liabilities	-	-	86,730,450	-	86,730,450
Interest amortization on lease liabilities	-	-	40,349,443	-	40,349,443
Balances as at December 31, 2024	**P 89,993,511,031**	**P 20,049,554,648**	**P 536,935,684**	**P 1,463,852,566**	**P 112,043,853,929**
Balance as at January 1, 2023	P 49,658,496,220	P 45,239,075,510	P 610,746,280	P 2,126,611,006	P 97,634,929,016
Net cash flows:					
Proceeds	35,645,523,000	-	-	717,633,255	36,363,156,255
Principal repayments	(13,836,564,027)	(13,607,000,000)	(21,406,494)	(1,597,199,347)	(29,062,169,868)
Interest repayments	-	-	(37,792,646)	-	(37,792,646)
Non-cash financing activities:					
Foreign currency exchange	229,732,032	(613,247,433)	(1,747,322)	-	(385,262,723)
Amortization of debt issue cost	83,128,993	95,763,174	-	-	178,892,167
Interest amortization on lease liabilities	-	-	37,792,646	-	37,792,646
Derecognition	-	-	(95,541,337)	-	(95,541,337)
Balances as at December 31, 2023	P 71,780,316,218	P 31,114,591,251	P 492,051,127	P 1,247,044,914	P 104,634,003,510
Balance as at January 1, 2022	P 51,649,704,598	P 41,982,042,246	P 589,572,800	P 3,243,336,539	P 97,464,656,183
Net cash flows:					
Proceeds	10,522,520,857	-	-	1,317,261,209	11,839,782,066
Principal repayments	(12,451,825,598)	-	(18,840,748)	(2,433,986,742)	(14,904,653,088)
Non-cash financing activities:					
Foreign currency exchange	(135,332,769)	3,167,315,697	10,691,913	-	3,042,674,841
Amortization of debt issue cost	73,429,132	89,717,567	-	-	163,146,699
Interest amortization on lease liabilities	-	-	29,322,315	-	29,322,315
Balances as at December 31, 2022	P 49,658,496,220	P 45,239,075,510	P 610,746,280	P 2,126,611,006	P 97,634,929,016

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenu
1200 Makati City
Philippines

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The Board of Directors and Stockholders
Megaworld Corporation and Subsidiaries
(A Subsidiary of Alliance Global Group, Inc.)
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Megaworld Corporation and Subsidiaries (the Group) for the year ended December 31, 2024, on which we have rendered our report dated February 24, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **John Endel S. Mata**
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10465907, January 2, 2025, Makati City
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-012 (until Aug. 12, 2027)

February 24, 2025

MEGAWORLD CORPORATION AND SUBSIDIARIES
List of Supplementary Information
December 31, 2024

Schedule	Content	Page No.
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable/Payable from/to Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	5
Other Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration	
	Map Showing the Relationship Between the Company and its Related Entities	
	External Auditor Fee-Related Information	

Megaworld Corporation and Subsidiaries
Schedule A - Financial Assets
Financial Assets at Fair Value through Other Comprehensive Income
December 31, 2024

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown on the balance sheet*	*Valued based on the market quotation at balance sheet date*	*Income received and accrued*
Alliance Global Group, Inc.	122,600,000	P 1,103,400,000	P 1,103,400,000	P 12,260,000
Emperador, Inc.	58,889,000	1,063,535,331	1,063,535,331	17,077,810
Various quoted equity securities	190,923	13,824,728	13,824,728	960,439
Various unquoted equity securities	594,928,162	3,230,490,250	3,230,490,250	49,999,988
		P 5,411,250,309	P 5,411,250,309	P 80,298,237

Megaworld Corporation and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Related Parties)
December 31, 2024

				Ending Balance		
Name	***Beginning Balance***	***Additions***	***Deductions***	***Current***	***Not current***	***Total***
Accounts Receivable	P 3,186,630	P 2,686,968	(P 2,423,064)	P 3,450,534	P -	P 3,450,534

Megaworld Corporation and Subsidiaries
Schedule C- Amounts Receivable/ Payable from/ to Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2024

Name and designation of debtor	Balance at the beginning of period	Additions	Deductions		Current	Non current	Balance at the end of the period
			Amounts collected	Amounts written off			
Due from Related Parties:							
Suntrust Properties, Inc. (SPI)	P 5,194,945,724	P 387,698,472	P -	P -	P 5,582,644,196	P -	P 5,582,644,196
Empire East Land Holdings, Inc. (EELHI)	3,758,673,904	387,523,611	-	-	4,146,197,515	-	4,146,197,515
Manila Bayshore Property Holdings, Inc. (MBPHI)	1,028,016,351	1,143,003,726	-	-	2,171,020,076	-	2,171,020,076
Megaworld San Vicente Coast, Inc. formerly (San Vicente Coast, Inc.) (MSVCI)	1,586,692,265	387,720,495	-	-	1,974,412,760	-	1,974,412,760
Megaworld Cebu Properties, Inc. (MCP)	1,505,828,570	-	1,296,258	-	1,504,532,312	-	1,504,532,312
Twin Lakes Corporation (TLC)	1,267,065,349	-	-	-	1,267,065,349	-	1,267,065,349
Global Estate Resorts, Inc. (GERI)	1,169,856,198	10,111,989	-	-	1,179,968,187	-	1,179,968,187
Landmark Seaside Properties, Inc. (LSPI)	1,106,793,066	3,751,264	-	-	1,110,544,330	-	1,110,544,330
Maple Grove Land, Inc. (MGLI)	486,761,125	-	14,188,289	-	472,572,836	-	472,572,836
Arcovia Properties, Inc. (API)	270,771,535	126,794,775	-	-	397,566,310	-	397,566,310
Agile Digital Ventures, Inc. (ADVI)	325,461,706	7,062,500	-	-	332,524,206	-	332,524,206
Southwoods Malls, Inc (SMI)	306,813,471	-	60,000,000	-	246,813,471	-	246,813,471
Townsquare Development, Inc. (TDI)	132,684,430	38,453,763	-	-	171,138,193	-	171,138,193
Megaworld Oceantown Properties, Inc. (formerly: Oceantown Properties, Inc.) (MOPI)	147,851,810	-	35,968,453	-	111,883,357	-	111,883,357
Megaworld Bacolod Properties, Inc. (MBPI)	160,453,613	-	67,241,444	-	93,212,170	-	93,212,170
MREIT, Inc. (MREIT)	12,741,769	62,054,025	-	-	74,795,794	-	74,795,794
Belmont Hotel Mactan, Inc. (BHMI)	57,197,076	16,978,812	-	-	74,175,888	-	74,175,888
Savoy Hotel Mactan, Inc. (SHM)	104,911,896	-	55,275,771	-	49,636,125	-	49,636,125
Prestige Hotels and Resort, Inc. (PHRI)	37,258,194	10,715,745	-	-	47,973,939	-	47,973,939
Megaworld Newport Property Holdings, Inc. (MNPHI)	44,378,959	-	1,099,732	-	43,279,227	-	43,279,227
Kingsford Hotel Manila, Inc. (KHMI)	33,098,821	7,492,245	-	-	40,591,067	-	40,591,067
Soho Café and Restaurant Group, Inc. (SCRGI)	34,024,690	-	4,547,197	-	29,477,493	-	29,477,493
Hotel Lucky Chinatown, Inc. (HLC)	19,792,876	-	3,576,727	-	16,216,150	-	16,216,150
Integrated Town Management Corporation (ITMC)	11,358,301	-	102,056	-	11,256,245	-	11,256,245
Savoy Hotel Manila, Inc. (SHMI)	6,192,629	132,182	-	-	6,324,811	-	6,324,811
Luxury Global Hotels and Leisure, Inc. (LGHLI)	1,667,001	8,297	-	-	1,675,298	-	1,675,298
Streamwood Property, Inc. (SP)	1,540,595	24,719	-	-	1,565,314	-	1,565,314
Megaworld Land, Inc. (MLI)	2,426,261	-	1,649,008	-	777,253	-	777,253
MREIT Fund Managers, Inc. (MFMI)	-	317,667	-	-	317,667	-	317,667
Global One Hotel Group, Inc. (GOHGI)	440,938	-	440,938	-	-	-	-
Luxury Global Malls, Inc. (LGMI)	156,056	-	156,056	-	-	-	-
Northwin Properties, Inc. (NWPI)	118,136	-	118,136	-	-	-	-
Davao Park District Holdings, Inc. (DPDHI)	90,000,000	-	90,000,000	-	-	-	-
Eastwood Property Holdings, Inc. (EPHI)	4,891,886	-	4,891,886	-	-	-	-
Various subsidiaries	1,761,004	-	139,845	-	1,621,159	-	1,621,159
Due to Related Parties:							
Richmonde Hotel Group International, Ltd. (RHGI)	4,464,235,236	11,227,899	-	-	4,475,463,135	-	4,475,463,135
Northwin Properties, Inc. (NWPI)	-	694,567,703	-	-	694,567,703	-	694,567,703
Eastwood Cyber One Corporation (ECOC)	360,553,389	131,311,231	-	-	491,864,620	-	491,864,620
Megaworld Central Properties, Inc. (MCPI)	204,132,272	-	14,500	-	204,117,772	-	204,117,772
Megaworld Globus Asia, Inc. (MGAI)	202,579,082	-	-	-	202,579,082	-	202,579,082
Davao Park District Holdings, Inc. (DPDHI)	158,837,740	-	2,039,844	-	156,797,895	-	156,797,895
Megaworld-Daewoo Corporation (MDC)	59,776,763	-	-	-	59,776,763	-	59,776,763
Global One Integrated Business Services, Inc. (GOIBSI)	6,955,689	10,051,232	-	-	17,006,922	-	17,006,922
Eastwood Property Holdings, Inc. (EPHI)	-	9,316,127	-	-	9,316,127	-	9,316,127
Megaworld Resort Estates, Inc. (MREI)	7,359,410	-	29,730	-	7,329,680	-	7,329,680
Luxury Global Malls, Inc. (LGMI)	-	3,242,518	-	-	3,242,518	-	3,242,518
Gilmore Property Marketing Associates, Inc. (GPMAI)	3,123,020	-	-	-	3,123,020	-	3,123,020
Grand Westside Hotel, Inc. (GWHI)	625,000	1,697,333	-	-	2,322,333	-	2,322,333
Belmont Newport Luxury Hotels, Inc. (BNLHI)	2,308,554	-	1,908,400	-	400,154	-	400,154
MREIT Fund Managers, Inc. (MFMI)	42,610	-	42,610	-	-	-	-

Megaworld Corporation and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2024

Title of issue and type of obligation		*Amount authorized by indenture*		*Amount shown under caption"Current portion of long-term debt" in related balance sheet**		*Amount shown under caption"Long-Term Debt" in related balance sheet**
Domestic borrowings	P	95,470,000,000	P	16,564,731,265	P	52,905,187,857
Foreign borrowings	$	730,505,415		4,841,266,461		35,731,880,098
			P	21,405,997,726	P	88,637,067,954

** composed of interest bearing loans and borrowings, and bonds and notes payable*

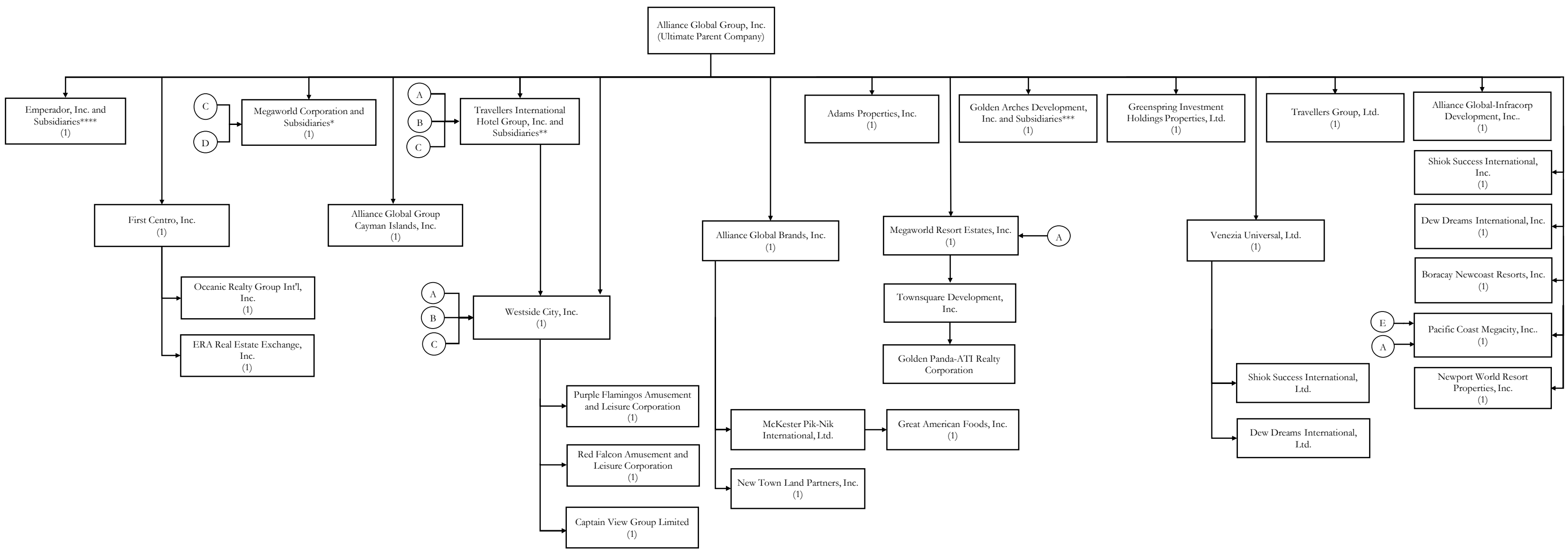
Megaworld Corporation and Subsidiaries
Schedule G - Capital Stock
December 31, 2024

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related balance sheet caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Common shares - P1 par value	45,640,000,000	32,558,251,872	220,000,000	24,091,131,883	1,792,060	8,465,327,929
Preferred shares - P.01 par value	6,000,000,000	6,000,000,000		6,000,000,000		

MEGAWORLD CORPORATION
30TH FLOOR, ALLIANCE GLOBAL TOWER, 36TH STREET COR, 11TH AVENUE, UPTOWN BONIFACIO, TAGUIG CITY
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024

Unappropriated Retained Earnings at Beginning of Year		P 175,705,586,657
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Realized gain on sale of financial assets at fair value through other comprehensive income	104,027,183	
Share-based employee compensation	10,337,381	
Sub-total		114,364,564
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	2,662,552,254	
Effect of restatements or prior-period adjustments	574,215,920	
Others	-	
Sub-total		3,236,768,174
Unappropriated Retained Earnings, as adjusted		172,583,183,047
Add: Net Income for the Current Year		20,630,026,506
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS :		
Amortization of day-one loss from trade receivable at amortized cost	-	
Rental income from straight-line amortization in excess of rental collections	659,585,383	
Recognition of day-one gain on initial measurement of security deposits at amortized cost	323,242,069	
Reversal of recognition of expected credit loss on financial assets	-	
Sub-total		982,827,452
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for	-	
under the PFRS	-	
Sub-total		-
Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS :		
Amortization of day-one gain from security deposits at amortized costs		227,324,809
Adjusted Net Income		19,874,523,863
Add: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded:		-
Add/ Less: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax assets not considered in the reconciling items under the previous categories	(342,324,483)	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	11,094,172	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others		
Recognition of day-one loss on intial measurement of trade receivables at amortized cost	-	
Commission expense based on the provision of PFRS 15 in excess of commission payments	319,593,306	
Recognition of expected credit loss on financial assets	33,908,807	
Sub-total		22,271,802
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 192,479,978,713**

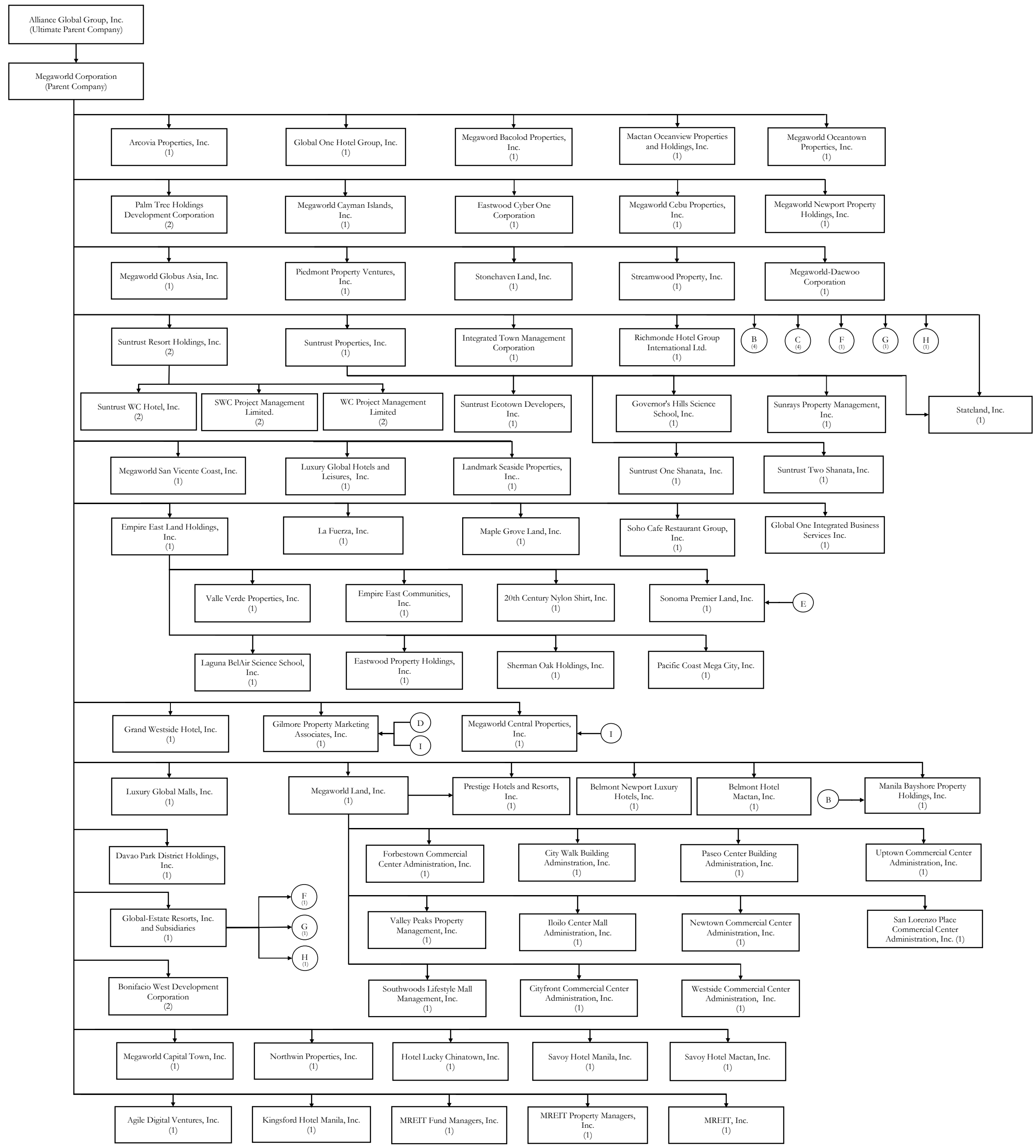
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and its Related Parties
December 31, 2024



Legend

(1)	Subsidiary	A	Megaworld Corporation
(2)	Associate	B	Adams Properties, Inc.
(3)	Jointly Controlled Entity	C	First Centro, Inc.
		D	Newtown Land Partners, Inc.
		E	Empire East Land Holdings, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Megaworld Corporation Group
December 31, 2024



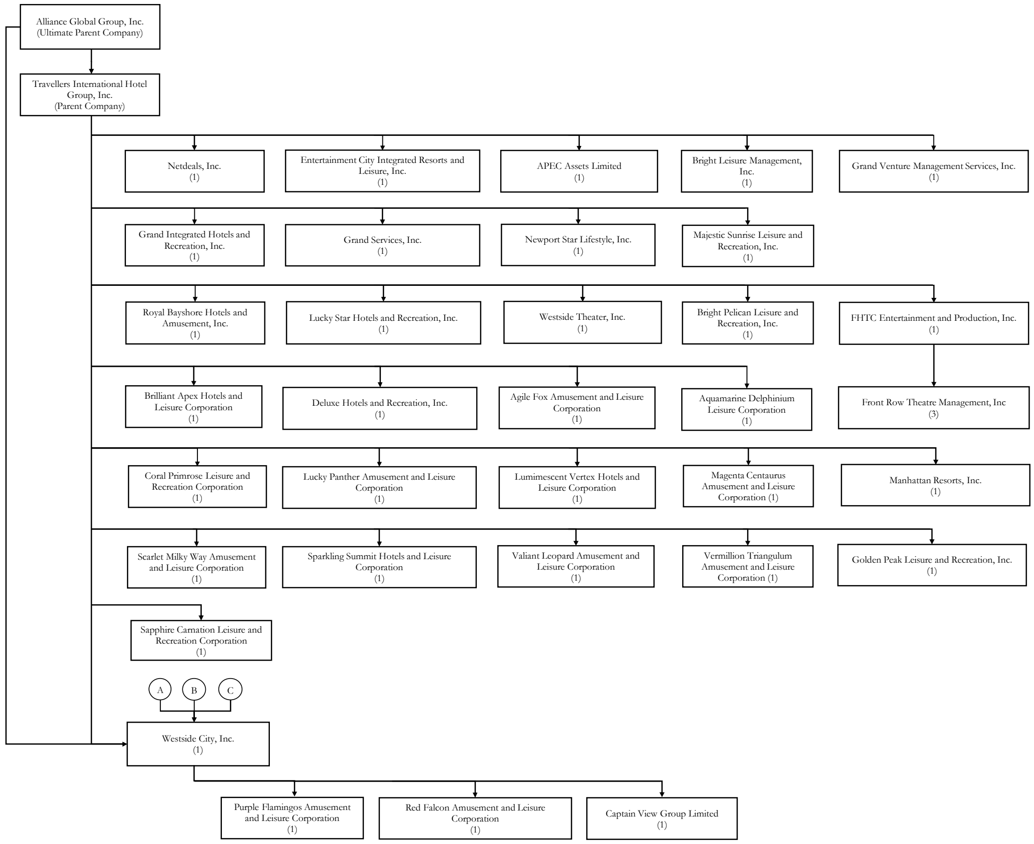
Legend

Relationship with Megaworld Corporation

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	Megaworld Corporation	F	Twin Lakes Corporation
B	Travellers International Hotel Group	G	Megaworld Global Estates, Inc.
C	Westside City, Inc.	H	Southwoods Mall, Inc.
D	Townsquare Development, Inc.	I	Empire East Land Holdings, Inc.
E	First Centro, Inc.		

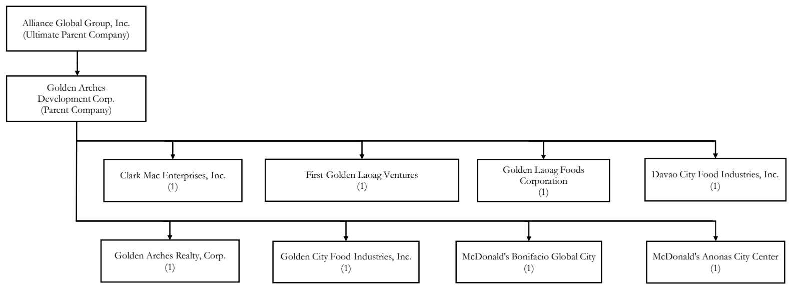
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Travellers Group
December 31, 2024



Legend
Relationship with Travellers International Hotel Group, Inc.
(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	MegaworldCorporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Golden Arches Development Corporation Group
December 31, 2024

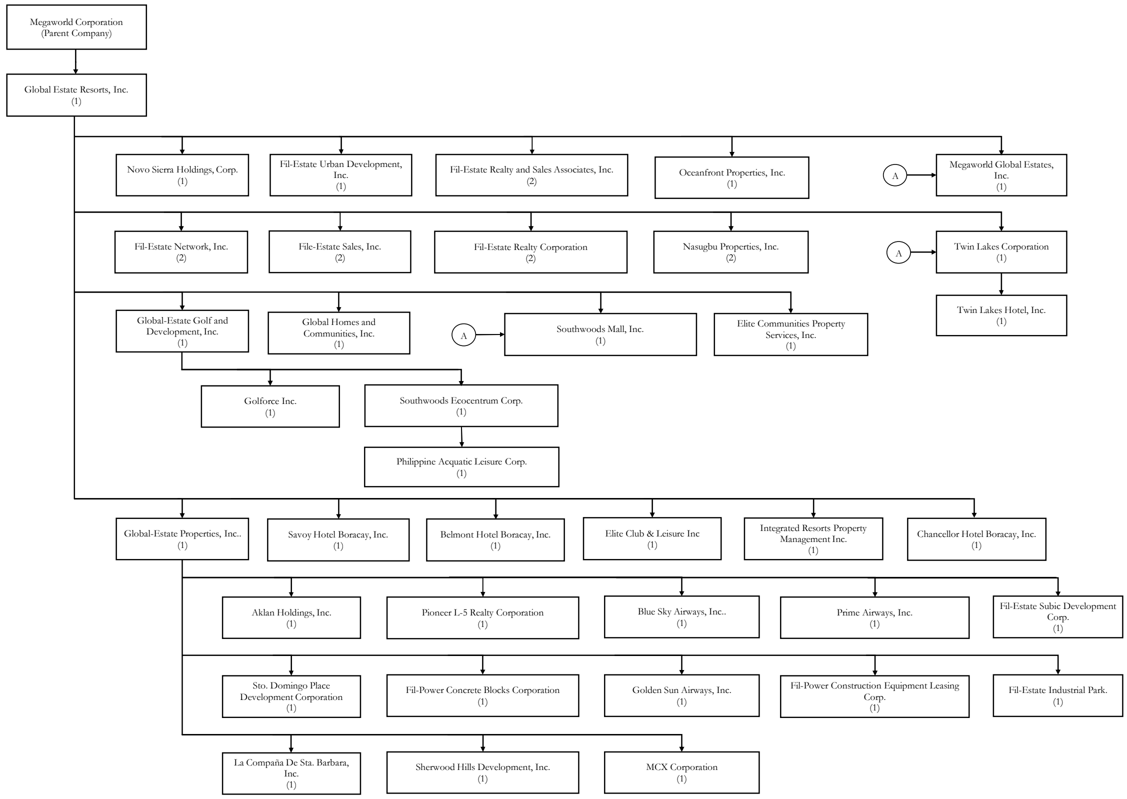


Legend

Relationship with Golden Arches Development Corporation

(1)	Subsidiary		
(2)	Associate		
(3)	Jointly Controlled Entity		
(4)	FVOCI		
A	MegaworldCorporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between and
Among Megaworld and Global Estate Resorts Inc. Group
December 31, 2024

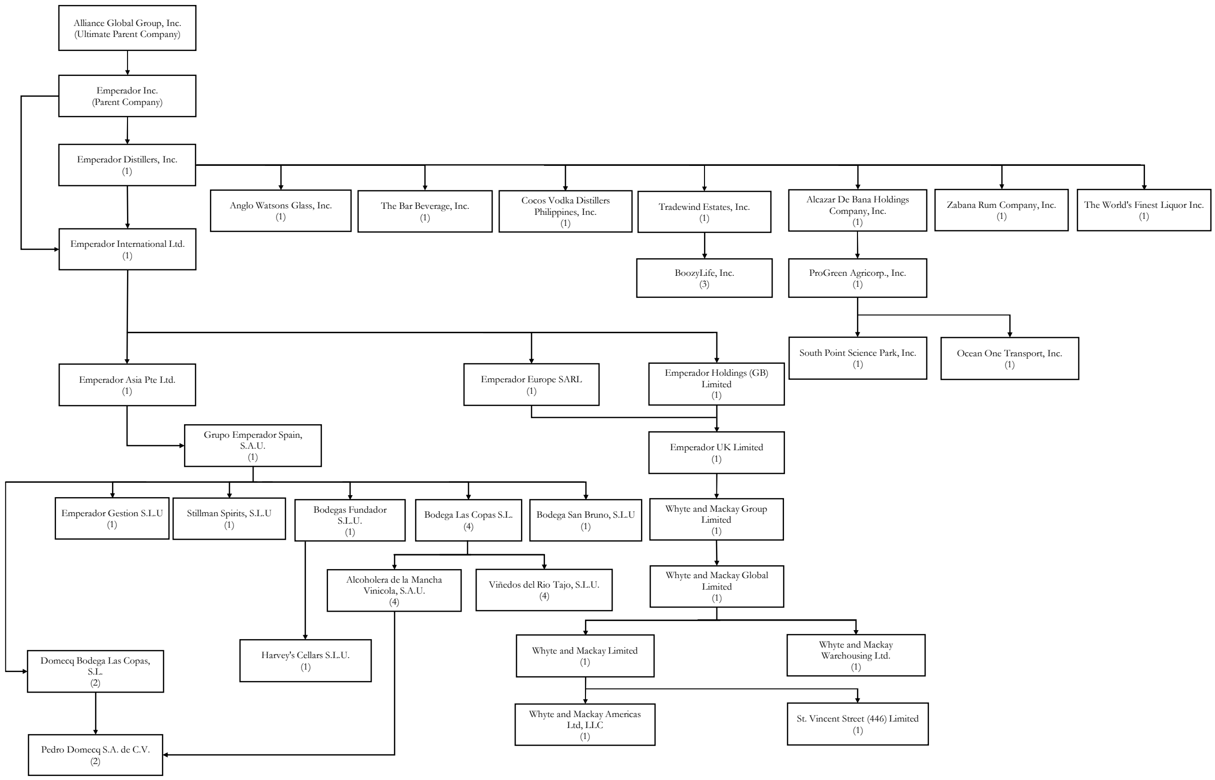


Legend

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	Megaworld Corporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Emperador Group
December 31, 2024



Legend

Relationship with Emperador Inc.

(1) Subsidiary (100%)
(2) Subsidiary (50%)
(3) Subsidiary (87%)
(4) Jointly Controlled Entity

MEGAWORLD CORPORATION
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023
(Amounts in Philippine Pesos)

	2024	2023
Total Audit Fees	**P 25,759,000**	P 21,682,500
Non-audit services fees:		
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**1,640,000**	1,275,000
Total Non-audit Fees	**1,640,000**	1,275,000
Total Audit and Non-audit Fees	**P 27,399,000**	P 22,957,500

P&A Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicator

Punongbayan & Araullo
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The Enterprise Center
6766 Ayala Avenu
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The Board of Directors and Stockholders
Megaworld Corporation and Subsidiaries
(A Subsidiary of Alliance Global Group, Inc.)
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Megaworld Corporation and Subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 24, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS Accounting Standards) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10465907, January 2, 2025, Makati City
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-012 (until Aug. 12,2027)

February 24, 2025

MEGAWORLD CORPORATION AND SUBSIDIARIES
ANNEX 68-E - SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
December 31, 2024 and 2023

Ratio	Formula	Current Year	Prior Year
Current ratio	Current assets / Current liabilities	**3.43**	3.12
Acid test ratio	Quick assets / Current liabilities (Quick assets include current assets less inventories)	**1.55**	1.36
Solvency ratio	EBITDA / Total debt (Total debt includes interest-bearing loans and borrowings and bonds and notes payable)	**0.32**	0.30
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest-bearing loans and borrowings and bonds and notes payable)	**0.39**	0.39
Asset-to-equity ratio	Total assets / Total stockholders' equity	**1.68**	1.69
Interest rate coverage ratio	EBIT / Total Interest (Total interest includes interest expense and capitalized interest)	**4.87**	4.83
Return on equity	Net profit attributable to Company's shareholders / Average total equity attributable to the Company's shareholders	**0.08**	0.08
Return on assets	Net profit/ Average total assets	**0.05**	0.05
Net profit margin	Net profit / Total revenues	**0.27**	0.28

Exhibit 1-A

Audited Financial Statements of Megaworld Corporation as of December 31, 2024 and 2023

MEGAWORLD CORPORATION

30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 8946300 / 9052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Megaworld Corporation** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

ANDREW L. TAN
Chairman

LOURDES T. GUTIERREZ-ALFONSO
President

FRANCISCO C. CANUTO
SVP and Treasurer
(Chief Financial Officer)

Signed this 24th day of February 2025

SUBSCRIBED AND SWORN to before me on this 24 FEB 2025 day of at MAKATI CITY Philippines affiants exhibiting to me their Tax Identification Nos. as follows:

Andrew L. Tan	125-960-003-000
Lourdes T. Gutierrez-Alfonso	106-893-930-000
Francisco C. Canuto	102-956-483-000

Doc. No. 107;
Page No. 23;
Book No. 30;
Series of 2025

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

P&A Grant Thornton

FOR SEC FILING

Financial Statements and Independent Auditors' Report

Megaworld Corporation

December 31, 2024, 2023 and 2022

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Megaworld Corporation
(A Subsidiary of Alliance Global Group, Inc.)
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Megaworld Corporation (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company, and its financial performance and its cash flows as at and for the year ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). The financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2023, are presented 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 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 Financial Statements* section of our report. We are independent of the Company 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 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.

Emphasis of Matter

We draw attention to Note 2 to the 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company'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 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 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 financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue (BIR) is presented by the management of the Company in a supplementary schedule filed separately from the basic financial statements. The BIR requires the information to be presented in the notes to financial statements. The supplementary information is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards; it is also not a required disclosure under Revised Securities Regulation Code Rule 68 of the SEC. Such supplementary information is the responsibility of management. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner in the audits resulting in this independent auditor's report is John Endel S. Mata.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
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February 24, 2025

MEGAWORLD CORPORATION
(A Subsidiary of Alliance Global Group, Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2024	2023
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	4	**P 6,947,215,988**	P 6,323,480,809
Trade and other receivables - net	5	**36,141,119,798**	34,338,377,511
Contract assets	17	**8,601,155,977**	5,003,004,804
Inventories	6	**56,779,996,045**	55,817,381,594
Advances to contractors and suppliers		**2,830,040,221**	3,666,472,911
Prepayments and other current assets	12	**4,806,874,792**	4,860,483,101
Total Current Assets		**116,106,402,821**	110,009,200,730
NON-CURRENT ASSETS			
Trade and other receivables	5	**24,546,973,472**	16,898,941,700
Contract assets	17	**6,433,652,585**	4,622,587,958
Advances to landowners and joint operator	7	**6,333,535,812**	5,289,411,810
Advances to contractors and suppliers		**1,251,723,253**	1,796,688,120
Financial assets at fair value through other comprehensive income	11	**2,306,465,351**	1,846,533,695
Investments in subsidiaries and associates - net	8	**112,134,451,954**	100,938,932,952
Investment properties - net	9	**99,533,360,738**	96,898,145,767
Property and equipment - net	10	**2,023,509,878**	2,177,173,575
Other non-current assets	12	**1,006,663,899**	983,213,955
Total Non-current Assets		**255,570,336,942**	231,451,629,532
TOTAL ASSETS		**P 371,676,739,763**	P 341,460,830,262

	Notes	2024	2023
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	13	**P 17,948,914,691**	P 14,301,417,773
Trade and other payables	15	**7,989,851,273**	7,261,153,475
Contract liabilities	17	**340,042,619**	652,443,584
Customers' deposits	2	**742,715,067**	607,101,937
Advances from subsidiaries	24	**6,353,403,224**	5,470,528,765
Bonds and notes payable	14	**-**	11,997,992,546
Other current liabilities - net	16	**4,077,938,518**	4,119,122,946
Total Current Liabilities		**37,452,865,392**	44,409,761,026
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	13	**50,819,841,597**	35,033,382,001
Bonds and notes payable	14	**20,049,554,649**	19,116,598,705
Contract liabilities	17	**1,373,848,295**	1,523,999,939
Customers' deposits	2	**1,737,624,634**	1,568,522,458
Deferred tax liabilities - net	23	**8,457,954,621**	7,603,464,929
Retirement benefit obligation - net	22	**289,183,738**	163,373,248
Other non-current liabilities - net	16	**5,058,904,519**	5,425,180,822
Total Non-current Liabilities		**87,786,912,053**	70,434,522,102
Total Liabilities		**125,239,777,445**	114,844,283,128
EQUITY	25	**246,436,962,318**	226,616,547,134
TOTAL LIABILITIES AND EQUITY		**P 371,676,739,763**	P 341,460,830,262

See Notes to Financial Statements.

MEGAWORLD CORPORATION
(A Subsidiary of Alliance Global Group, Inc.)
STATEMENTS OF 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	17	**P 26,476,295,697**	P 21,687,885,532	P 17,459,124,190
Rental income	9	**13,594,558,386**	11,798,665,741	10,319,078,535
Interest and other income - net	20	**11,549,448,638**	9,148,425,265	4,848,088,834
		51,620,302,721	42,634,976,538	32,626,291,559
COSTS AND EXPENSES				
Cost of real estate sales	18	**12,964,327,036**	10,457,484,717	8,213,851,106
Operating expenses	19	**9,376,193,735**	7,608,646,338	6,572,446,732
Interest and other charges - net	21	**5,622,284,065**	6,380,812,620	4,804,118,954
Tax expense	23	**3,027,471,379**	2,432,357,204	2,210,754,113
		30,990,276,215	26,879,300,879	21,801,170,905
NET PROFIT FOR THE YEAR		**P 20,630,026,506**	P 15,755,675,659	P 10,825,120,654
Earnings per Share	26			
Basic		**P 0.650**	P 0.505	P 0.342
Diluted		**P 0.650**	P 0.505	P 0.341

See Notes to Financial Statements.

MEGAWORLD CORPORATION
(A Subsidiary of Alliance Global Group, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
NET PROFIT FOR THE YEAR		**P 20,630,026,506**	P 15,755,675,659	P 10,825,120,654
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Fair value gains (losses) on financial assets at fair value through other comprehensive income	11	**(42,323,760)**	111,802,819	(304,978,706)
Actuarial gains (losses) on retirement benefit obligations	22	**(112,002,916)**	(125,310,956)	117,974,537
Tax income (expense)	23	**28,000,729**	31,327,739	(29,493,634)
		(126,325,947)	17,819,602	(216,497,803)
Item that will be reclassified subsequently to profit or loss –				
Fair value gains (losses) on cash flow hedge	27	**(55,952,058)**	(34,246,151)	91,147,189
Total Other Comprehensive Loss		**(182,278,005)**	(16,426,549)	(125,350,614)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**P 20,447,748,501**	P 15,739,249,110	P 10,699,770,040

See Notes to Financial Statements.

MEGAWORLD CORPORATION
(A Subsidiary of Alliance Global Group, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Attributable to the Company's Shareholders					
	Capital Stock (see Note 25)	**Additional Paid-in Capital** (see Note 25)	**Treasury Shares — At Cost** (see Note 25)	**Revaluation Reserves** (see Notes 25)	**Retained Earnings** (see Notes 2, 11 and 25)	**Total Equity**
Balance at January 1, 2024						
As previously reported	P 32,430,865,872	P 16,662,746,971	(P 2,852,655,275)	(P 729,096,310)	P 181,104,685,876	P 226,616,547,134
Effect of adoption of deferred PFRS 15 and other related interpretations	-	-	-	-	(574,215,920)	(574,215,920)
As restated	32,430,865,872	16,662,746,971	(2,852,655,275)	(729,096,310)	180,530,469,956	226,042,331,214
Issuance of capital stock	1,375,000,000	1,237,500,000	-	-	-	2,612,500,000
Share-based employee compensation	-	-	-	-	10,337,381	10,337,381
Realized gain on sale of financial assets at fair value through other comprehensive income	-	-	-	(117,429,707)	104,027,183	(13,402,524)
Cash dividends	-	-	-	-	(2,662,552,254)	(2,662,552,254)
Total comprehensive income (loss) for the year	-	-	-	(182,278,005)	20,630,026,506	20,447,748,501
Balance at December 31, 2024	**P 33,805,865,872**	**P 17,900,246,971**	**(P 2,852,655,275)**	**(P 1,028,804,022)**	**P 198,612,308,772**	**P 246,436,962,318**
Balance at January 1, 2023	P 32,430,865,872	P 16,662,746,971	(P 2,184,059,395)	(P 712,669,761)	P 167,403,983,588	P 213,600,867,275
Acquisition of treasury shares	-	-	(668,595,880)	-	-	(668,595,880)
Share-based employee compensation	-	-	-	-	3,586,229	3,586,229
Cash dividends	-	-	-	-	(2,058,559,600)	(2,058,559,600)
Total comprehensive income (loss) for the year	-	-	-	(16,426,549)	15,755,675,659	15,739,249,110
Balance at December 31, 2023	P 32,430,865,872	P 16,662,746,971	(P 2,852,655,275)	(P 729,096,310)	P 181,104,685,876	P 226,616,547,134
Balance at January 1, 2022	P 32,430,865,872	P 16,660,844,348	(P 1,268,862,277)	(P 587,319,147)	P 158,500,444,308	P 205,735,973,104
Exercise of stock options	-	1,902,623	902,111	-	(1,031,680)	1,773,054
Acquisition of treasury shares	-	-	(916,099,229)	-	-	(916,099,229)
Share-based employee compensation	-	-	-	-	16,372,411	16,372,411
Cash dividends	-	-	-	-	(1,936,922,105)	(1,936,922,105)
Total comprehensive income (loss) for the year	-	-	-	(125,350,614)	10,825,120,654	10,699,770,040
Balance at December 31, 2022	P 32,430,865,872	P 16,662,746,971	(P 2,184,059,395)	(P 712,669,761)	P 167,403,983,588	P 213,600,867,275

See Notes to Financial Statements.

MEGAWORLD CORPORATION
(A Subsidiary of Alliance Global Group, Inc.)
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 23,657,497,885**	P 18,188,032,863	P 13,035,874,767
Adjustments for:				
Gain on property-for-share swap	20	**(5,420,915,555)**	(3,453,545,900)	-
Dividend income	20	**(3,110,925,462)**	(2,615,662,351)	(2,063,883,332)
Depreciation and amortization	9, 10	**2,553,184,364**	2,527,410,317	2,277,782,696
Interest expense	21	**2,128,193,917**	1,852,229,226	1,750,580,419
Interest income	20	**(1,490,373,206)**	(1,555,252,710)	(1,581,784,008)
Unrealized foreign currency losses (gains) - net		**1,424,542,188**	(466,042,113)	1,792,398,061
Loss on sale of investment in a subsidiary	21	**937,903,247**	2,022,551,180	-
Share option expense	22	**10,337,381**	3,586,229	16,372,411
Loss on sale of property and equipment		**-**	-	348,373
Operating profit before working capital changes		**20,689,444,759**	16,503,306,741	15,227,689,387
Increase in trade and other receivables		**(6,072,995,303)**	(2,568,107,150)	(3,298,146,417)
Increase in advances to landowners and joint operators		**(1,044,124,002)**	(319,781,238)	(613,459,447)
Decrease (increase) in contract assets		**(5,698,670,077)**	(2,498,809,767)	2,124,680,584
Increase in inventories		**(1,173,626,617)**	(5,361,727,527)	(4,347,771,405)
Decrease (increase) in prepayments and other current assets		**53,608,309**	(942,695,370)	768,253,825
Decrease (increase) in advances to contractors and suppliers		**1,381,397,557**	1,306,890,476	(204,319,452)
Decrease in other non-current assets		**279,836,650**	56,728,671	21,311,339
Increase (decrease) in trade and other payables		**(228,996,985)**	(366,748,737)	1,408,737,208
Increase (decrease) in contract liabilities		**(589,055,128)**	(641,161,224)	495,549,895
Increase (decrease) in customers' deposits		**304,715,306**	698,853,949	(1,050,425,648)
Decrease in other current liabilities		**(77,181,011)**	(930,543,634)	(656,426,544)
Increase (decrease) in other non-current liabilities		**(71,569,604)**	76,033,071	(812,830,312)
Cash generated from operations		**7,752,783,854**	5,012,238,261	9,062,843,013
Cash paid for income taxes		**(1,134,533,133)**	(1,110,333,770)	(2,539,904,150)
Net Cash From Operating Activities		**6,618,250,721**	3,901,904,491	6,522,938,863
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investment properties	9	**(12,570,467,529)**	(10,199,362,748)	(11,415,364,164)
Property and equipment	10	**(197,343,166)**	(282,442,910)	(220,878,436)
Dividends received		**3,110,925,462**	2,615,662,351	2,063,883,332
Advances to subsidiaries, associates and other related parties:	24			
Granted		**(2,735,616,260)**	(1,831,974,075)	(2,867,436,301)
Collected		**356,547,331**	1,851,335,116	313,527,466
Proceeds from sale of investment in a subsidiary	8	**1,469,096,753**	3,632,200,000	-
Additions to financial assets at fair value through other comprehensive income	11	**(857,775,000)**	-	-
Proceeds from sale of investment in fair value through other comprehensive income	11	**342,117,060**	-	-
Additional investments in subsidiaries	8	**(451,018,602)**	(834,338,106)	(2,625,966,339)
Interest received		**168,421,310**	350,815,762	203,960,994
Proceeds from disposals of property and equipment		**2,490,212**	35,335	-
Net Cash Used in Investing Activities		**(11,362,622,429)**	(4,698,069,275)	(14,548,273,448)
Balance carried forward		**(P 4,744,371,708)**	(P 796,164,784)	(P 8,025,334,585)

	Notes	2024	2023	2022
Balance brought forward		**(P 4,744,371,708)**	(P 796,164,784)	(P 8,025,334,585)
CASH FLOWS FROM FINANCING ACTIVITIES	33			
Proceeds from availments of interest-bearing loans and borrowings	13	**32,752,500,000**	25,669,623,000	10,000,000,000
Repayments of interest-bearing loans and borrowings	13	**(14,105,139,326)**	(10,311,274,509)	(9,698,143,108)
Repayments of bonds and notes payable	14	**(11,935,540,394)**	(13,607,000,000)	-
Cash dividends paid	25	**(2,662,552,254)**	(2,058,559,600)	(1,936,922,105)
Proceeds from issuance of shares	25	**2,612,500,000**	-	-
Interest paid		**(1,885,719,717)**	(1,648,951,056)	(3,374,763,637)
Advances from subsidiaries	24			
Obtained		**886,909,543**	379,209,676	163,081,876
Paid		**(4,035,084)**	(195,986,285)	(3,861,013)
Payment of lease liabilities	16	**(290,815,881)**	(173,908,360)	(117,435,409)
Acquisition of treasury shares	25	**-**	(668,595,880)	(916,099,229)
Proceeds from exercise of stock rights	25	**-**	-	1,773,054
Net Cash From (Used in) Financing Activities		**5,368,106,887**	(2,615,443,014)	(5,882,369,571)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**623,735,179**	(3,411,607,798)	(13,907,704,156)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**6,323,480,809**	9,735,088,607	23,642,792,763
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 6,947,215,988**	P 6,323,480,809	P 9,735,088,607

Supplemental Information for Non-cash Investing and Financing Activities:

1) In the normal course of business, the Company enters into non-cash transactions such as exchange or purchase on account of real estate and other assets and transfers of property between Inventories, Property and Equipment, and Investment Properties. These non-cash activities are not reflected in the statements of cash flows (see Notes 9 and 10).

2) In 2024, the Company and a certain subsidiary entered into a property-for-share swap transaction. Accordingly, the Company transferred investment properties with carrying amount of P7.7 billion in exchange for the equity shares of the subsidiary with a fair value of P13.1 billion. The related gain on exchange from the foregoing transactions amounting to P5.4 billion is presented as part of Interest and Other Income account in the 2024 statement of income (see Notes 8, 9 and 20).

3) In 2023, the Company and a certain subsidiary entered into a property-for-share swap transaction. Accordingly, the Company transferred investment properties with carrying amount of P1.8 billion in exchange for the equity shares of the subsidiary with a fair value of P5.3 billion. The related gain on exchange from the foregoing transactions amounting to P3.5 billion is presented as part of Interest and Other Income account in the 2023 statement of income (see Notes 8, 9 and 20).

4) In 2022, the Company entered into new lease agreements, and recognized right-of-use assets and lease liabilities at the commencement date of the lease amounting to P296.4 million. There was no similar transaction in 2024 and 2023.

See Notes to Financial Statements.

MEGAWORLD CORPORATION
(A Subsidiary of Alliance Global Group, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Megaworld Corporation (the Company) was incorporated in the Philippines on August 24, 1989, primarily to engage in the development of large scale, mixed-use planned communities or townships that integrate residential, commercial, leisure and entertainment components. The Company is presently engaged in property-related activities such as project design, construction, and property management. The Company's real estate portfolio includes residential condominium units, subdivision lots and townhouses, condominium hotel projects, as well as office projects and retail spaces.

All of the Company's common shares are listed at the Philippine Stock Exchange (PSE).

The registered office address of the Company, which is also its principal place of business, is located at 30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City.

Alliance Global Group, Inc. (AGI or the Parent Company), also a publicly-listed company in the Philippines, is the ultimate parent company of Megaworld Corporation and its subsidiaries (the Group). AGI is a holding company and is presently engaged in the food and beverage, real estate development, quick-service restaurant, tourism-entertainment, and gaming businesses. AGI's registered office, which is also its primary place of business, is located at the 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

As at December 31, the Company holds ownership interests in the following subsidiaries and associates:

		Effective Percentage of Ownership		
Subsidiaries	Explanatory Notes	**2024**	2023	2022
Prestige Hotels and Resorts, Inc. (PHRI)		**100%**	100%	100%
Richmonde Hotel Group International Ltd. (RHGI)		**100%**	100%	100%
Eastwood Cyber One Corporation (ECOC)		**100%**	100%	100%
Megaworld Cebu Properties, Inc. (MCP)		**100%**	100%	100%
Megaworld Newport Property Holdings, Inc. (MNPHI)		**100%**	100%	100%
Megaworld Oceantown Properties, Inc. [formerly Oceantown Properties, Inc.] (MOPI)		**100%**	100%	100%
Luxury Global Hotels and Leisure, Inc. (LGHLI)		**100%**	100%	100%
Arcovia Properties, Inc. (API)		**100%**	100%	100%
Mactan Oceanview Properties and Holdings, Inc. (MOPHI)	(a)	**100%**	100%	100%
Megaworld Cayman Islands, Inc. (MCII)	(a)	**100%**	100%	100%
Piedmont Property Ventures, Inc. (PPVI)	(a)	**100%**	100%	100%
Stonehaven Land, Inc. (SLI)	(a)	**100%**	100%	100%
Streamwood Property, Inc. (SP)	(a)	**100%**	100%	100%
Global One Integrated Business Services, Inc. (GOIBSI)		**100%**	100%	100%
Luxury Global Malls, Inc. (LGMI)		**100%**	100%	100%
Davao Park District Holdings, Inc. (DPDHI)		**100%**	100%	100%
Belmont Newport Luxury Hotels, Inc. (BNLHI)	(g)	**100%**	100%	100%
Global One Hotel Group, Inc. (GOHGI)		**100%**	100%	100%
Landmark Seaside Properties, Inc. (LSPI)	(a)	**100%**	100%	100%
Megaworld San Vicente Coast, Inc. [formerly San Vicente Coast, Inc.] (MSVCI)		**100%**	100%	100%
Hotel Lucky Chinatown, Inc. (HLCI)		**100%**	100%	100%
Savoy Hotel Manila, Inc. (SHMI)	(g)	**100%**	100%	100%
Savoy Hotel Mactan, Inc. (SHM)	(g)	**100%**	100%	100%

Subsidiaries	Explanatory Notes	Effective Percentage of Ownership 2024	2023	2022
Kingsford Hotel Manila, Inc. (KHMI)	(g)	**100%**	100%	100%
Agile Digital Ventures, Inc. (ADVI)		**100%**	100%	100%
MREIT Fund Managers, Inc. (MFMI)	(f)	**100%**	100%	100%
MREIT Property Managers, Inc. (MPMI)	(f)	**100%**	100%	100%
MREIT, Inc. formerly Megaworld Holdings, Inc. (MREIT)	(f)	**63.44%**	55.63%	62.09%
Grand Westside Hotel, Inc. (GWHI)		**100%**	100%	-
Belmont Hotel Mactan Inc. (BHMI)	(g)	**100%**	100%	100%
Megaworld Bacolod Properties, Inc. (MBPI)		**91.55%**	91.55%	91.55%
Megaworld Central Properties, Inc. (MCPI)	(b)	**76.55%**	76.55%	76.55%
Megaworld Capital Town, Inc. (MCTI)		**76.28%**	76.28%	76.28%
Soho Café and Restaurant Group, Inc. (SCRGI)		**75%**	75%	75%
La Fuerza, Inc. (LFI)		**66.67%**	66.67%	66.67%
Megaworld-Daewoo Corporation (MDC)	(i)	**60%**	60%	60%
Northwin Properties, Inc. (NWPI)		**60%**	60%	60%
Gilmore Property Marketing Associates, Inc. (GPMAI)	(a, c)	**52.14%**	52.14%	52.14%
Manila Bayshore Property Holdings, Inc. (MBPHI)	(d)	**68.03%**	68.03%	68.03%
Megaworld Globus Asia, Inc. (MGAI)		**50%**	50%	50%
Integrated Town Management Corporation (ITMC)		**50%**	50%	50%
Maple Grove Land, Inc. (MGLI)		**50%**	50%	50%
Megaworld Land, Inc. (MLI)		**100%**	100%	100%
City Walk Building Administration, Inc. (CBAI)	(e)	**100%**	100%	100%
Forbestown Commercial Center Administration, Inc. (FCCAI)	(e)	**100%**	100%	100%
Paseo Center Building Administration, Inc. (PCBAI)	(e)	**100%**	100%	100%
Uptown Commercial Center Administration, Inc. (UCCAI)	(e)	**100%**	100%	100%
Iloilo Center Mall Administration, Inc. (ICMAI)	(e)	**100%**	100%	100%
Newtown Commercial Center Administration, Inc. (NCCAI)	(e)	**100%**	100%	100%
Valley Peaks Property Management, Inc. (VPPMI)	(e)	**100%**	100%	100%
San Lorenzo Place Commercial Center Administration, Inc. (SLPCCAI)	(e)	**100%**	100%	100%
Southwoods Lifestyle Mall Management, Inc. (SLMMI)	(e)	**100%**	100%	100%
Cityfront Commercial Center Administration, Inc. (CCCAI)	(e)	**100%**	100%	100%
Westside Commercial Center Administration, Inc. (WCCAI)	(e, k)	**100%**	-	-
Suntrust Properties, Inc. (SPI)		**100%**	100%	100%
Suntrust Ecotown Developers, Inc. (SEDI		**100%**	100%	100%
Governor's Hills Science School, Inc. (GHSSI)		**100%**	100%	100%
Sunrays Property Management, Inc. (SPMI)		**100%**	100%	100%
Suntrust One Shanata, Inc. (SOSI)	(a)	**100%**	100%	100%
Suntrust Two Shanata, Inc. (STSI)	(a)	**100%**	100%	100%
Stateland, Inc. (STLI)	(h)	**98.41%**	98.41%	98.41%
Global-Estate Resorts, Inc. (GERI)	(m)	**82.51%**	82.32%	82.32%
Elite Communities Property Services, Inc. (ECPSI)	(n)	**82.51%**	82.32%	82.32%
Southwoods Mall, Inc. (SMI)	(n)	**91.19%**	91.09%	91.09%
Elite Club & Leisure Inc. (ECLI)	(n)	**82.51%**	82.32%	-
Integrated Resorts Property Management Inc. (IRPMI)	(n)	**82.51%**	82.32%	-
Megaworld Global-Estate, Inc. (MGEI)	(n)	**89.51%**	89.39%	89.39%
Twin Lakes Corporation (TLC)	(n)	**91.08%**	90.99%	90.99%
Twin Lakes Hotel, Inc. (TLHI)	(n)	**91.08%**	90.99%	90.99%
Global-Estate Properties, Inc. (GEPI)	(n)	**82.51%**	82.32%	82.32%
Aklan Holdings, Inc. (AHI)	(a, n)	**82.51%**	82.32%	82.32%
Blu Sky Airways, Inc. (BSAI)	(a, n)	**82.51%**	82.32%	82.32%
Fil-Estate Subic Development Corp. (FESDC)	(a, n)	**82.51%**	82.32%	82.32%
Fil-Power Construction Equipment Leasing Corp. (FPCELC)	(a, n)	**82.51%**	82.32%	82.32%
Golden Sun Airways, Inc. (GSAI)	(a, n)	**82.51%**	82.32%	82.32%
La Compaña De Sta. Barbara, Inc. (LCSBI)	(n)	**82.51%**	82.32%	82.32%
MCX Corporation (MCX)	(a, n)	**82.51%**	82.32%	82.32%
Pioneer L-5 Realty Corp. (PLRC)	(a, n)	**82.51%**	82.32%	82.32%
Prime Airways, Inc. (PAI)	(a, n)	**82.51%**	82.32%	82.32%
Sto. Domingo Place Development Corp. (SDPDC)	(n)	**82.51%**	82.32%	82.32%
Fil-Power Concrete Blocks Corp. (FPCBC)	(a, n)	**82.51%**	82.32%	82.32%
Fil-Estate Industrial Park, Inc. (FEIPI)	(a, n)	**65.18%**	65.03%	65.03%
Sherwood Hills Development, Inc. (SHD)	(n)	**45.38%**	45.28%	45.28%
Global-Estate Golf and Development, Inc. (GEGDI)	(n)	**82.51%**	82.32%	82.32%
Golforce, Inc. (Golforce)	(n)	**82.51%**	82.32%	82.32%
Southwoods Ecocentrum Corp. (SWEC)	(n)	**49.50%**	49.39%	49.39%
Philippine Aquatic Leisure Corp. (PALC)	(a, n)	**49.50%**	49.39%	49.39%
Fil-Estate Urban Development Corp. (FEUDC)	(n)	**82.51%**	82.32%	82.32%
Novo Sierra Holdings Corp. (NSHC)	(a, n)	**82.51%**	82.32%	82.32%
Global Homes and Communities, Inc. (GHCI)	(a, n)	**82.51%**	82.32%	82.32%
Savoy Hotel Boracay, Inc. (SHBI)	(n)	**82.51%**	82.32%	82.32%
Belmont Hotel Boracay, Inc. (BHBI)	(n)	**82.51%**	82.32%	82.32%
Oceanfront Properties, Inc. (OFPI)	(n)	**41.22%**	41.13%	41.13%

Subsidiaries	Explanatory Notes	Effective Percentage of Ownership 2024	2023	2022
Empire East Land Holdings, Inc. (EELHI)		**81.73%**	81.73%	81.73%
Eastwood Property Holdings, Inc. (EPHI)		**81.73%**	81.73%	81.73%
Valle Verde Properties, Inc. (VVPI)	(a)	**81.73%**	81.73%	81.73%
Sherman Oak Holdings, Inc. (SOHI)	(a)	**81.73%**	81.73%	81.73%
Empire East Communities, Inc. (EECI)	(a)	**81.73%**	81.73%	81.73%
20th Century Nylon Shirt, Inc. (20th Century)	(a)	**81.73%**	81.73%	81.73%
Laguna BelAir Science School, Inc. (LBASSI)	(l)	**59.67%**	59.67%	59.67%
Sonoma Premier Land, Inc. (SPLI)	(a)	**49.04%**	49.04%	49.04%
Pacific Coast Mega City, Inc. (PCMI)	(j)	**58.53%**	58.53%	58.53%
Megaworld Resort Estates, Inc. (MREI)	(b, c)	**51%**	51%	51%
Townsquare Development, Inc. (TDI)		**30.60%**	30.60%	30.60%
Golden Panda-ATI Realty Corporation (GPARC)		**30.60%**	30.60%	30.60%

Associates	Explanatory Note	Effective Percentage of Ownership 2024	2023	2022
Bonifacio West Development Corporation (BWDC)		**46.11%**	46.11%	46.11%
Palm Tree Holdings and Development Corporation (PTHDC)	(a)	**40%**	40%	40%
Suntrust Resort Holding, Inc. [formerly Suntrust Home Developers, Inc.] (SUN)		**34%**	34%	34%
SWC Project Management Limited (SWCPML)		**34%**	34%	34%
WC Project Management Limited (WCPML)		**34%**	34%	34%
Suncity WC Hotel Inc. (Suncity WC)		**34%**	34%	34%
GERI				
Fil-Estate Network, Inc. (FENI)	(a)	**16.50%**	16.46%	16.46%
Fil-Estate Sales, Inc. (FESI)	(a)	**16.50%**	16.46%	16.46%
Fil-Estate Realty and Sales Associates, Inc. (FERSAI)	(a)	**16.50%**	16.46%	16.46%
Fil-Estate Realty Corp. (FERC)	(a)	**16.50%**	16.46%	16.46%
Nasugbu Properties, Inc. (NPI)		**11.55%**	11.52%	11.52%

Explanatory Notes:

(a) These are entities which have not yet started commercial operations or are non-operating entities as at December 31, 2024.

(b) As at December 31, 2024, the Parent Company owns 76.55% of MCPI consisting of 51% direct ownership, 18.97% indirect ownership through EELHI and 6.58% indirect ownership through MREI.

(c) As at December 31, 2024, the Parent Company's ownership in GPMAI is at 52.14%, which consists of 38.72% and 13.42% indirect ownership from EELHI and MREI, respectively.

(d) As at December 31, 2024, the Parent Company owns 68.03% of MBPHI, which consists of 67.43% direct ownership and 0.60% indirect ownership from TIHGI.

(e) These were incorporated to engage in operation, maintenance, and administration of various malls and commercial centers. These companies became subsidiaries of the Company through MLI, their immediate parent company.

(f) MFMI, MPMI and MREIT are newly incorporated subsidiaries in 2021. MFMI is engaged in the business of providing fund management services to real estate investment trust (REIT) companies. MPMI is engaged in the business of providing services in relation to property management, lease management, marketing and project management. MREIT is engaged in the business of a REIT, as provided under Republic Act (R.A.) No. 9856*, The Real Estate Investment Trust Act of 2009,* including its implementing rules and regulations, and other applicable laws. The Company acquired additional common shares of MREIT through property share swap effective January 2023 resulting to 65.67% ownership. As at 2023, ownership is at 55.63%. In April and June 2024, the parent company disposed certain number of shares, resulting to the decrease in ownership to 51.33%. Subsequently, in November 2024, the company expanded its ownership in MREIT to 63.44% by acquiring additional common shares through a property share swap.

(g) These were incorporated to engage in owning, leasing, operation and management of hotels.

(h) As at December 31, 2024, the Company acquired additional common shares of STLI from previous stockholders representing 1.44% direct ownership. As at December 31, 2023, the effective ownership of the Company over STLI is 98.41%, consisting of 18.94% direct ownership and 79.47% indirect ownership through SPI.

(i) The ownership structure of this entity remains at 60% owned by the Company after a decrease in capital in 2021.

(j) PCMI is a subsidiary through EELHI. In 2021, certain number of shares owned by the Parent Company were transferred to the Company, increasing the effective ownership of the Company to 58.53%, which consists of 25.84% direct ownership and 32.69% indirect ownership from EELHI.

(k) Newly incorporated subsidiaries in 2024.

(l) LBASSI is a subsidiary through EELHI primarily engaged in operating a school for primary and secondary education. In 2022, the subsidiary ceased its operations.

(m) In April 2024, the Company acquired additional shares of GERI, increasing its ownership interest to 82.51%.

(n) Subsidiaries of GERI as a result of additional GERI in 2024. The Company's indirect ownership interest over these subsidiaries increased in proportion to the increase in effective interest over GERI.

All subsidiaries and associates were incorporated and have their principal place of business in the Philippines except for the following:

- MCII – incorporated and has principal place of business in the Cayman Islands
- RHGI – incorporated and has principal place of business in the British Virgin Islands
- SWCPML – incorporated and has principal place of business in Hongkong
- WCPML – incorporated and has principal place of business in Macau

The Parent company and its subsidiaries, except for entities which have not yet started commercial operations as at December 31, 2024, are presently engaged in the real estate business, hotel, condominium-hotel operations, construction, restaurant operations, business process outsourcing, educational facilities provider, property management operations, fund management operations, marketing services and e-commerce.

EELHI, GERI, MREIT and SUN are publicly-listed companies in the Philippines.

1.2 Approval of Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2024 (including the comparative financial statements as at December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Company'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 financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company as at and for the year ended December 31, 2024 were prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Prior to 2024, the Company's 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 Securities and Exchange Commission (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 financial statements have been prepared using the measurement bases specified by the relevant accounting frameworks for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed by the Company

In 2023 and prior years, the Company 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 under the Memorandum Circulars (MC) in the succeeding page.

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*

In 2024, the Company adopted the previously deferred provisions of PFRS 15 and the related issuances of the PIC, and 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 to adjustments to the amounts recognized in the 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 below and in the succeeding pages are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant financial statements accounts as at January 1, 2024.

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

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

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P211.0 million and Deferred Tax Liabilities – net decreased by P52.8 million as at January 1, 2024.

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

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

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Company 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 at January 1, 2024 decreased by P289.5 million and Contract Liabilities increased by P126.5 million

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 Company's retained earnings as at January 1, 2024.

	Note	**As previously reported**	**Restatement**	**As restated**
(Amounts in PHP)				
Total assets:				
Contract assets	2.1b(ii)	9,625,592,762	(289,454,277)	9,336,138,485
Inventories	2.1b(i)	55,817,381,594	(211,012,166)	55,606,369,428
			(500,466,443)	
Total liabilities:				
Contract liabilities	2.1b(ii)	(2,176,443,523)	(126,502,519)	(2,302,946,042)
Deferred tax liabilities – net	2.1b(i)	(7,603,464,929)	52,753,042	(7,550,711,887)
			(73,749,477)	
Impact on net assets			**(574,215,920)**	
Total Equity		226,616,547,134	**(574,215,920)**	226,042,331,214

(c) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents a statement of comprehensive income separate from the statement of income.

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

(d) Functional and Presentation Currency

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

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of Amended PFRS Accounting Standards

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

The Company 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)	:	Lease Liability in a Sale and Leaseback

Discussed below and in the succeeding page are the relevant information about these standards, interpretation and improvements.

(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 Company's financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specifies 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 application of these amendments had no significant impact on the Company's financial statements.

(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 enables 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 Company's financial statements.

(iv) PFRS 16 (Amendments), *Lease Liability in a Sale and Leaseback*. The amendments require the 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. The application of these amendments had no significant impact on the Company's financial statements.

(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 unless otherwise indicated, none of these are expected to have a significant impact on the Company's 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.)

2.3 Separate Financial Statements, and Investments in Subsidiaries, Associates and Joint Operations

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements, being a publicly-listed entity.

The Company's investment in subsidiaries and associates are accounted for in these separate financial statements at cost, less any impairment.

2.4 Financial Instruments

(a) Financial Assets

(i) Classification, Measurement and Reclassification of Financial Assets

The Company's financial assets include financial assets at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL).

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (SPPI). In making this assessment, the Company 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 FVTPL.

The Company 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.

Financial Assets at Fair Value Through Other Comprehensive Income

At initial recognition, the Company 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 Company for trading or as mandatorily required to be classified as FVTPL or if it is a contingent consideration recognized arising from a business combination. Accordingly, the Company has designated certain equity instruments as at FVOCI.

Financial Assets at Fair Value Through Profit or Loss

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(ii) Impairment of Financial Assets

The Company applies the simplified approach in measuring expected credit loss (ECL), which uses a lifetime expected loss allowance, for trade receivables and contract assets. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In applying this approach, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Company applies a general approach specifically, in relation to advances to 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 Company's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Company 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.

For other financial assets at amortized cost, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

(b) Financial Liabilities

Financial liabilities of the Company include interest-bearing loans and borrowings, bonds and notes payable, trade and other payables (except tax-related liabilities), advances from subsidiaries, commission payable and subscription payable (presented as part of Other Current Liabilities and Other Non-current Liabilities in the statement of financial position).

2.5 Inventories

Cost of inventories includes acquisition costs of raw land intended for future development, including other costs and expenses incurred to effect the transfer of the property to the Company; and related property development costs.

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

The Company recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

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

2.6 Property and Equipment

Property and equipment, including land, are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets. Amortization of office improvements is recognized over the estimated useful lives of improvements or the term of the lease, whichever is shorter.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives as follows:

Buildings and improvements	5-40 years
Right-of-use assets	3-10 years
Office improvements	5 years
Transportation equipment	5 years
Office furniture, fixtures and equipment	5 years

The measurement for right-of-use assets is disclosed in Note 2.9(a).

2.7 Investment Properties

Investment properties include properties and right-of-use assets held for lease under operating lease agreements, properties intended to be held for lease, and properties held for currently undetermined use. These properties are carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation.

Depreciation of investment properties, excluding land, is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years.

2.8 Revenue and Expense Recognition

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

The Company develops real properties such as residential condominium units, commercial lot, and residential lot. The Company 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 Company's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b). Sales cancellations are accounted for as contract modification on the year of forfeiture.

Cumulative revenue and cost recognized on cancelled accounts are reversed in the year of cancellation, and any gain or loss on cancellation is charged to profit or loss.

(a) *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales on pre-completed real estate properties is recognized over time proportionate to the progress of the development. The Company 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 under the Revenues and Income section in the statement of income.

(b) *Real estate sales on completed real estate properties* – Revenue from real estate sales on completed properties is recognized at a 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 under the Revenues and Income section in the statement of 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 Company.

(c) *Sale of undeveloped land* – Revenues from the sale of undeveloped land are recognized at a point in time when control over the undeveloped land is transferred to the buyer and the amount of revenue can be measured reliably.

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

(e) *Forfeited collections and deposits* – Revenue is recognized at a point in time in the year the contract was cancelled.

(f) *Rendering of services* – Revenue is recognized over time when the performance of service have been rendered. Revenue from rendering of services includes rental income, property management, and others.

Incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. 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.

Cost of real estate sales include the acquisition cost of the land, development costs incurred to date and estimated costs to complete the project, determined based on estimates made by the project engineers.

In determining the transaction price of real estate sales, the Company 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 Company recognizes interest expense which is presented as part of Interest from significant financing component – net in real estate sales account. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Interest from significant financing component – net in real estate sales account.

The Company 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 Company expects, at contract inception, that the period between when the Company transfers the promised good or service to a customer and when the customer pays for such good or service will be one year or less. The significant judgment used in determining the existence of significant financing component in the contract is disclosed in Note 3.1(d).

Contract assets pertain to rights to consideration in exchange for goods or services that the Company has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, the Company 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 Company as it develops the property are presented as Contract Assets in the statement of financial position. Contract assets are subsequently tested for impairment in the same manner as how the Company assesses impairment of its financial assets [see Note 2.4(a)(ii)].

Any consideration received by the Company in excess of the amount for which the Company is entitled is presented as Contract Liabilities in the statement of financial position. A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Customers' Deposits account in the liabilities section of the statement of financial position.

2.9 Leases

The Company accounts for its leases as follows:

(a) *Company as Lessee*

The Company 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.

The Company has elected to account for short-term leases and leases of low-value assets using 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) *Company as Lessor*

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific or identified asset or assets and the arrangement conveys a right to use the asset for a period of time in exchange for consideration.

(c) *Sale and Leaseback – Company as Seller-Lesse*

As a seller-lessee, the Company measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognized only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

2.10 Impairment of Non-financial Assets

The Company's investments in subsidiaries and associates, investment properties, property and equipment and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.11 Employee Benefits

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

The Company's post-employment defined benefit pension plans cover all regular full-time employees. The pension plan are tax-qualified, non-contributory and administered by trustees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect amounts reported in the 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.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments presented in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Determination of Lease Term of Contracts with Renewal Options

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

The lease term is reassessed if an option is actually exercised or not exercised or the Company 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 Company.

The Company determines whether any non-cancellable period or notice period in a lease would meet the definition of a contract and thus, would be included as part of the lease term. A contract would be considered to exist only when it creates rights and obligations that are enforceable.

In assessing the enforceability of a contract, the Company considers whether the lessor can refuse to agree to a request from the Company to extend the lease. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

(b) Evaluation of Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

The Company exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Company considers the following:

- any asset created or enhanced as the Company 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 Company's enforceable right for payment for performance completed to date.

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

(ii) Forfeited Collections and Deposits

The Company determines that its revenue from forfeited collections and deposits shall be recognized at point in time in the year the contract was cancelled.

(iii) Property Management Services

The Company determines that its revenue from property management services shall be recognized over time. In making its judgment, the Company considers the timing of receipt and consumption of benefits provided by the Company to the customers. The Company 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 Company's right to invoice).

(c) Estimation of Collection Threshold for Revenue Recognition

The Company uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition. The Company uses historical payment pattern of customers in establishing a percentage of collection threshold over which the Company determines that collection of total contract price is reasonably assured.

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

The Company 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 Company's fulfillment of its performance obligations. The Company exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Company or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) Determination of ECL on Trade and Other Receivables

The Company uses a provision matrix to calculate ECL for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., product type, projects and customer type).

The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables are disclosed in Note 29.3.

(f) Distinction Among Investment Properties and Owner-occupied Properties

The Company determines whether a property should be classified as investment property or owner-occupied property. The Company applies judgment upon initial recognition of the asset based on intention and also when there is a change in use.

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

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

(g) Distinction Between Inventories and Investment Properties

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 Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Company considers management's intention over these assets in making its judgment.

(h) Distinction Between Operating and Finance Leases (As a Lessor)

The Company has entered into various lease agreements. 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 assessment, the Company's lease agreements are classified as operating leases.

(i) Determination of Joint Control and Significant Influence

Judgment is exercised in determining whether the Company has joint control of an arrangement or significant influence over an entity. In assessing each interest over an entity, the Company considers voting rights, representation on the BOD or equivalent governing body of the investee, participation in policy-making process and all other facts and circumstances, including terms of any contractual agreement.

(j) Distinction Between Joint Operations and Joint Ventures

The Company has entered into various joint arrangements. Critical judgment was exercised by management to distinguish each joint arrangement as either joint operations or joint ventures by looking at the rights and obligations held by an entity in relation to the arrangement.

(k) Determination on whether Lease Concessions Granted constitute a Lease Modification

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Company waived its right to collect rent and other charges as part of various lease concessions it granted to lessees such as lease payment holidays or lease payment reductions.

In making this judgment, the Company determines whether the rent concessions granted have changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease.

The Company assessed that the lease concessions it granted to lessees do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, is not a lease modification under PFRS 16.

The rent concessions granted by the Company amounted to P1.0 billion in 2022. There were no rent concessions granted in 2024 and 2023.

(l) 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 Company 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 Company 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.

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) Revenue Recognition for Performance Obligation Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Company measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Company estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary.

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

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 Company 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 Company estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Company is considered the borrower.

(c) Determination of Net Realizable Value of Inventories

In determining the net realizable value of 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 real estate inventory 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 Inventories within the next reporting period. The carrying value of inventories is disclosed in Note 6.

(d) Fair Value of Share Options

The Company estimates the fair value of the share option by applying an option valuation model, taking into account the terms and conditions on which the share options were granted. The estimates and assumptions used are presented in Note 25.6 which include, among other things, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the Company's share price and fair value of the Company's common shares. Changes in these factors can affect the fair value of share options at grant date.

The fair value of share options recognized as part of Salaries and employee benefits in 2024, 2023 and 2022 is presented in Note 22.2.

(e) Fair Value Measurement of Investment Properties

Investment properties are measured using the cost model. The Company determines the fair value of investment properties earning rental income through discounted cash flows valuation technique. The Company 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 Company and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

The Company determines the fair value of idle properties using the observable recent prices of the reference properties adjusted for differences in key attributes such as property size, zoning and accessibility.

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.

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

The Company estimates the useful lives of investment properties, and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties, and property and equipment are reviewed 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. In addition, estimation of the useful lives of investment properties, and property and equipment are based on collective assessment of industry practice, internal technical evaluation, and experience with similar assets.

An analysis of the movement of the carrying amount of Investment Properties, and Property and Equipment is presented in Notes 9 and 10, respectively.

(g) Valuation of Financial Assets at Fair Value through Other Comprehensive Income

The Company carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the fair value of a comparable instrument adjusted for inputs internally developed by management to consider the differences in corporate profile and historical performance of the investee. The amount of changes in fair value would differ had the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect equity.

The carrying amounts of financial assets at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 11.

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

The Company 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 Company'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.

(i) Determination of Realizable Amount of Deferred Tax Assets

The Company 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 amount of the net deferred tax liability position as at December 31, 2024 and 2023 is disclosed in Note 23.

(j) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainties relates to assumptions about future operating results and the determination of suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses on the Company's non-financial assets required to be recognized in 2024, 2023 and 2022 based on management's assessment.

(k) Valuation of Retirement Obligation

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by independent actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. 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 benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 22.3.

4. CASH AND CASH EQUIVALENTS

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

	2024	2023
Cash on hand and in bank	**P 2,121,443,219**	P 1,261,815,382
Short-term placements	**4,825,772,769**	5,061,665,427
	P 6,947,215,988	P 6,323,480,809

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made between 11 to 46 days at prevailing market rates and earn effective interest ranging from 4.35% to 6.25% in 2024, 4.50% to 6.25% in 2023, and 2.70% to 5.75% in 2022 (see Note 20).

5. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	2024	2023
Current:			
Trade receivables	17.2, 24.1	**P 12,681,507,018**	P 13,076,004,375
Allowance for impairment		**(172,093,298)**	(126,881,556)
		12,509,413,720	12,949,122,819
Advances to subsidiaries, associates and other related parties	24.3	**22,702,329,248**	20,323,260,319
Commission receivable	24.1	**23,805,307**	23,805,307
Others		**905,571,523**	1,042,189,066
		36,141,119,798	34,338,377,511
Non-current:			
Trade receivables	17.2	**19,451,728,994**	12,803,697,221
Others	24.1	**5,095,244,478**	4,095,244,479
		24,546,973,472	16,898,941,700
		P 60,688,093,270	P 51,237,319,211

Trade receivables mainly pertain to real estate sales and rental transactions.

The installment period of sales contracts averages one to five years. Noninterest-bearing trade receivables with maturity of more than one year after the end of the reporting period are assessed for existence of significant financing component. Interest income recognized amounted to P708.4 million, P657.0 million, and P352.6 million, in 2024, 2023 and 2022, respectively. These amounts are presented as part of Interest income from significant financing component under Real Estate Sales account in the 2024 statement of income and as part of Interest income under Interest and Other Income account in the 2023 and 2022 statements of income (see Note 20).

Based on management's assessment, the modifications in the timing of contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the impairment of trade and other receivables and contract assets.

All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables as the amounts recognized consist of a large number of receivables from various customers. Most receivables from trade customers are covered by post-dated checks. Certain past due trade receivables from real estate sales are not provided with allowance for impairment to the extent of the expected market value of the property sold to the customer. The titles to the real estate properties remain with the Company until the receivables are fully collected.

A reconciliation of the allowance for impairment at the beginning and end of 2024 and 2023 is shown below:

	2024	2023
Balance at the beginning of year	**P 126,881,556**	P 163,682,025
Impairment loss	**45,211,742**	-
Reversal of impairment	**-**	(36,800,469)
Balance at end of year	**P 172,093,298**	P 126,881,556

Impairment loss is presented as part of Impairment and other losses under Interest and Other Charges in the 2024 statement of income (see Note 21). The reversal of impairment is presented as part of Miscellaneous – net under Interest and Other Income in the 2023 statement of income (see Note 20).

6. INVENTORIES

Residential and condominium units for sale mainly pertain to the accumulated land costs, contracted services, borrowing costs and other development costs incurred in developing the Company's residential lots and condominium projects.

	2024	2023
Residential and condominium units	**P 54,245,137,767**	P 53,466,324,512
Property development costs	**1,587,562,263**	1,403,761,067
Raw land inventory	**947,296,015**	947,296,015
	P 56,779,996,045	P 55,817,381,594

Residential and condominium units mainly pertain to the accumulated costs incurred in developing the Company's residential lots and condominium projects which are already being sold to customers.

Property development costs pertain to accumulated costs incurred for properties undergoing development. The relative cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized. The relative costs of units completed prior to sale are reclassified to Residential and condominium units.

Raw land inventory pertains to undeveloped parcels of land which will be converted, developed, and eventually sold to customers.

Prior to the adoption of the IFRIC Agenda Decision on PAS 23, borrowing costs capitalized in 2023 as part of inventories amounted to P100.8 million (nil in 2024), which represent the interest costs incurred on the general and specific borrowings obtained by the Company to fund their construction projects (see Notes 13 and 14).

Based on management's assessment, there is no allowance for inventory write-down required to be recognized in 2024, 2023, and 2022; hence, inventories are recorded at cost as at December 31, 2024 and 2023. The details of cost of real estate sales are presented in Note 18.

7. ADVANCES TO LANDOWNERS AND JOINT OPERATORS

The Company enters into numerous joint arrangements for the joint development of various projects. These are treated as jointly-controlled operations. The joint arrangements stipulate that the Company's co-operator shall contribute parcels of land and the Company 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. In addition, there were no separate entities created by these joint arrangements. Costs incurred by the Company for these projects are recorded under Inventories accounts in the statements of financial position (see Notes 2.5 and 6). The amounts of other related accounts are presented as part of the regular asset and liability accounts and income and expense accounts of the Company.

The Company also grants noninterest-bearing, secured cash advances to a number of landowners and joint operators under agreements they entered into with landowners covering the development of certain parcels of land. Under the terms of the arrangements, the Company, in addition to providing a specified portion of total project development costs, also commits to advance mutually agreed-upon amounts to the landowners to be used for pre-development expenses such as relocation of existing occupants.

The total amount of advances made by the Company less amounts liquidated is presented as Advances to Landowners and Joint Operators account in the statements of financial position.

As at December 31, 2024 and 2023, management has assessed that the advances to joint operators are fully recoverable. Further, there has been no outstanding commitment for cash advances under the joint arrangements.

The net commitment for construction expenditures amounts to:

	2024	2023
Total commitment for construction expenditures	**P 45,536,260,051**	P 45,536,260,051
Total expenditures incurred	**(26,734,684,027)**	(18,344,537,320)
Net commitment	**P 18,801,576,024**	P 27,191,722,731

The Company's interests in jointly-controlled operations and projects range from 57% to 90% as at December 31, 2024 and 2023. The listing and description of the Company's jointly-controlled projects are as follows:

- McKinley West
- Manhattan Garden City
- Uptown Bonifacio
- The Maple Grove
- Vion Tower
- Arden Botanical
- Arden West Park

The aggregate amounts of the current assets, long-term assets, current liabilities, long-term liabilities, income and expenses as at and for the years ended December 31, 2024 and 2023 related to the Company's interests in joint arrangements are not presented or disclosed in the financial statements as the joint arrangements in which the Company is involved are not joint ventures (see Note 2.3).

As at December 31, 2024 and 2023, the Company either has no other contingent liabilities with regard to these joint operations or has assessed that the probability of loss that may arise from contingent liabilities is remote.

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

8.1 Breakdown of Carrying Values

The components of the carrying values of investments in subsidiaries and associates accounted for under the cost method, and the details of advances made to these related parties are as follows:

	2024	2023
Acquisition cost		
Subsidiaries:		
MREIT	**P 41,861,156,020**	P 31,116,655,620
GERI	**17,461,689,323**	17,443,486,094
EELHI	**12,225,214,373**	12,225,214,373
MCTI	**5,255,523,865**	5,255,523,865
ECOC	**4,800,418,103**	4,800,418,103
NWPI	**3,842,273,954**	3,409,896,081
TLC	**3,687,982,892**	3,687,982,892
MBPHI	**3,371,674,055**	3,371,674,055
API	**3,263,516,911**	3,263,516,911
MBPI	**2,725,999,990**	2,725,999,990
LFI	**2,379,897,147**	2,379,897,147
PCMI	**2,000,000,250**	2,000,000,250
SMI	**1,243,583,750**	1,243,583,750
SPI	**1,151,108,062**	1,151,108,062
OPI	**876,898,000**	876,898,000
RHGI	**588,470,681**	588,470,681
DPDHI	**495,408,000**	495,408,000
MGAI	**486,720,000**	486,720,000
STLI	**413,879,400**	413,879,400
MLI	**255,383,968**	255,383,968
SVCI	**206,250,000**	206,250,000
MGLI	**125,000,000**	125,000,000
MOPHI	**125,000,000**	125,000,000
MDC	**103,217,740**	103,217,740
MCP	**100,000,000**	100,000,000
MFMI	**53,499,970**	53,499,970
SP	**48,710,769**	48,710,769
SLI	**46,011,568**	46,011,568
PPVI	**46,002,958**	46,002,958
MREI	**31,875,000**	31,875,000
MNPHI	**25,183,079**	25,183,079
MCPI	**15,937,500**	15,937,500
GOIBSI	**14,250,000**	14,250,000
LSPI	**12,500,000**	12,500,000
GOHGI	**10,000,000**	10,000,000
BNLHI	**10,000,000**	10,000,000
SCRGI	**7,500,000**	7,500,000
MPMI	**6,749,970**	6,749,970
PHRI	**6,000,000**	6,000,000
MGEI	**5,000,000**	5,000,000
LGMI	**4,725,000**	4,725,000
ITMC	**3,500,000**	3,500,000
MCII	**2,655,994**	2,655,994
BHMI	**625,000**	625,000
SHMI	**625,000**	625,000
LGHLI	**625,000**	625,000
HLCI	**625,000**	625,000
SHM	**625,000**	625,000
KHMI	**625,000**	625,000
GWHI	**625,000**	625,000
ADVI	**500,000**	62,500
	109,401,243,292	98,205,724,290
Allowance for impairment	**(150,468,372)**	(150,468,372)
Balance carried forward	**109,250,774,920**	98,055,255,918

	2024	2023
Acquisition cost		
Balance brought forward	**P 109,250,774,920**	P 98,055,255,918
Associates:		
SUN	**2,619,800,008**	2,619,800,008
BWDC	**199,212,026**	199,212,026
PTHDC	**64,665,000**	64,665,000
	2,883,677,034	2,883,677,034
	P 112,134,451,954	P 100,938,932,952

The shares of EELHI, GERI, MREIT and SUN are listed in the PSE.

The related book values of the Company's holdings in all other investment in subsidiaries and associates either exceed or approximate their carrying values; hence, management deemed that the recognition of impairment loss is not necessary.

8.2 Investment in MREIT

In February 2021, the Company obtained control over MREIT by subscribing to 12,400,000 shares of MREIT's authorized capital stock with a par value of P100 per share. Accordingly, the Company acquired 99.2% direct ownership of MREIT.

In April 2021, MREIT amended its by-laws and changed the par value of its shares from P100 to P1, effectively increasing the total number of shares held by the Company from 12,400,000 to 1,200,000,000, the cost of the investments remained the same.

Also in April 2021, the Company entered into a property-for-share swap transaction with MREIT in which the Company transferred, assigned and conveyed absolutely in favor of MREIT all of its rights, title and interests in certain real properties, free from liabilities and debts and free from all liens and encumbrances, in exchange for 1,282,120,381 common shares with a par value of P1 per share. In June 2021, the SEC approved the valuation of the property-for-share swap at a price of P49.2 billion thereby increasing the interest held by the Company to 99.6%. The Company recognized a gain on exchange representing the difference between the fair value and the carrying value of the property transferred.

In October 2021, the Company sold 949,837,500 shares of MREIT at P16.10 per share to the public through a secondary offering when MREIT's shares were listed on the main board of the PSE. The sale decreased the Company's ownership to 62.09% and the loss on sale amounted to P4.3 billion.

In 2023, the Company acquired additional common shares of MREIT through property share swap effective January 2023 resulting to 65.67% ownership. In May and July 2023, the Company disposed 279,400,000 common shares with a par value of P1.00 per share with net proceeds of P3.6 billion resulting to a decrease in ownership to 55.63%. The Company recognized a gain on exchange representing the difference between the fair value and the carrying value of the property transferred. The gain is recorded as Gain on property-for-share swap under Interest and Other Income account in the 2023 statement of income (see Note 20).

In April and June 2024, the Company disposed shares through block sales with net proceeds of P1.5 billion, resulting in a reduction of its ownership to 51.33%. Subsequently, in November 2024, the Company expanded its ownership in MREIT to 63.44% by acquiring additional common shares through a property share swap. The Company recognized a gain on exchange representing the difference between the fair value and the carrying value of the property transferred. The gain is recorded as Gain on property-for-share swap under Interest and Other Income account in the 2024 statement of income (see Note 20).

8.3 Investment in MFMI and MPMI

MFMI and MPMI were incorporated as the fund manager and property manager, respectively, of MREIT as required by R.A. 9856. The Company holds 4,999,995 and 49,995 shares of MFMI and MPMI, respectively, each representing 100% ownership of the companies.

8.4 Investments in SUN

In prior years, the Company disposed of a certain number of shares. In December 2019, the Parent Company subscribed to additional 2,177 million shares from SUN at P1.00 par value. The Parent Company paid P1.25 billion out of the P2.20 billion additional subscribed capital, the unpaid portion is presented as Subscription payable. In 2023, the Parent Company paid its subscription payable to SUN in full.

8.5 Investments in STLI

In 2022, the Company acquired additional common shares of STLI representing 0.1% direct ownership over STLI. The shares were purchased by the Company in cash for a total consideration of P4.1 million.

8.6 Investments in MCTI and NWPI

In 2022, the Company paid the existing unpaid subscription over MCTI and NWPI amounting to P1.1 billion and P1.6 billion, respectively. Further, in 2024, the Company paid the existing unpaid subscription over NWPI amounting to P451.0 million. There were no changes in ownership interests over MCTI and NWPI which remain at 76.28% and 60%, respectively.

8.7 Investment in MDC

In 2021, the SEC approved the application of MDC for the decrease of its authorized capital stock. As a result, the Company received cash from MDC amounting to P213.0 million for the return of capital. The Company's ownership interest over MDC remained at 60%.

8.8 Investment in GERI

In 2024, the company increased its ownership from 82.32% to 82.51% after acquiring additional 20,262,000 shares.

9. INVESTMENT PROPERTIES

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

	Land	Buildings	Right-of-use Assets	Total
December 31, 2024				
Cost	P 8,769,610,646	P 105,156,186,707	P 244,804,454	P 114,170,601,807
Accumulated depreciation and amortization	-	(14,602,152,431)	(35,088,638)	(14,637,241,069)
Net carrying amount	**P 8,769,610,646**	**P 90,554,034,276**	**P 209,715,816**	**P 99,533,360,738**
December 31, 2023				
Cost	P 5,437,065,962	P 104,667,688,246	P 244,804,454	P 110,349,558,662
Accumulated depreciation and amortization	-	(13,426,116,435)	(25,296,460)	(13,451,412,895)
Net carrying amount	P 5,437,065,962	P 91,241,571,811	P 219,507,994	P 96,898,145,767
January 1, 2023				
Cost	P 5,570,276,378	P 97,135,100,965	P 244,804,454	P 102,950,181,797
Accumulated depreciation and amortization	-	(11,655,664,762)	(15,504,282)	(11,671,169,044)
Net carrying amount	P 5,570,276,378	P 85,479,436,203	P 229,300,172	P 91,279,012,753

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

	Land	Buildings	Right-of-use Assets	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	P 5,437,065,962	P 91,241,571,811	P 219,507,994	P 96,898,145,767
Additions	3,332,544,684	9,237,922,845	-	12,570,467,529
Disposals	-	(7,730,584,845)	-	(7,730,584,845)
Depreciation and amortization	-	(2,194,875,535)	(9,792,178)	(2,204,667,713)
Balance at December 31, 2024, net of accumulated depreciation and amortization	**P 8,769,610,646**	**P 90,554,034,276**	**P 209,715,816**	**P 99,533,360,738**
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 5,570,276,378	P 85,479,436,203	P 229,300,172	P 91,279,012,753
Additions	368,184,044	9,831,178,704	-	10,199,362,748
Disposals	-	(1,820,454,101)	-	(1,820,454,101)
Transfer	(501,394,460)	(125,057,512)	-	(626,451,972)
Depreciation and amortization	-	(2,123,531,483)	(9,792,178)	(2,133,323,661)
Balance at December 31, 2023, net of accumulated depreciation and amortization	P 5,437,065,962	P 91,241,571,811	P 219,507,994	P 96,898,145,767
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 3,084,763,142	P 78,538,986,453	P 239,092,350	P 81,862,841,945
Additions	2,485,513,236	8,929,850,928	-	11,415,364,164
Depreciation and amortization	-	(1,989,401,178)	(9,792,178)	(1,999,193,356)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 5,570,276,378	P 85,479,436,203	P 229,300,172	P 91,279,012,753

In 2023, the Company entered into another property-for-share swap agreement with MREIT. The carrying amount of investment properties transferred in exchange for equity shares of MREIT amounted to P1.8 billion with a fair value of P5.3 billion.

In 2024, the Company entered into a property-for-share swap agreement with MREIT. The carrying amount of investment properties transferred in exchange for equity shares of MREIT amounted to P7.7 billion with a fair value of P13.1 billion.

The related gain on exchange from the foregoing transactions is presented as Gain on property-for-share swap under Interest and Other Income account in the 2024 and 2023 statements of income (see Note 20).

As at December 31, 2024 and 2023, right-of-use assets amounting to P209.7 million and P219.5 million, respectively, were presented as part of Investment Properties and right-of-use assets amounting to P370.0 million and P450.6 million, respectively, were presented as part of Property and Equipment (see Notes 9 and 10). The right-of-use assets classified under investment properties pertain to a lease of hotel property which is being subleased for a short-term lease to a certain subsidiary of the Company (see Note 24.2).

Rental income earned from these properties arising from the Company's operating leases amounted to P13.6 billion, P11.8 billion, and P10.3 billion in 2024, 2023 and 2022, respectively, and is shown as Rental Income in the statements of income.

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

	2024	2023	2022
Fixed	**P 12,535,688,099**	P 11,039,008,116	P 9,848,559,497
Variable	**1,058,870,287**	759,657,625	470,519,038
	P 13,594,558,386	P 11,798,665,741	P 10,319,078,535

The direct operating costs, exclusive of depreciation, incurred by the Company relating to investment properties that generated rental income in 2024, 2023, and 2022 amounted to P918.0 million, P764.5 million, and P668.6 million, respectively. The direct operating costs, which mostly pertain to real property taxes, of investment properties that did not generate rental income in 2024, 2023, 2022 amounted to P18.6 million, P16.5 million, and P11.6 million, respectively. The operating lease commitments of the Company as a lessor are fully disclosed in Note 28.1.

Borrowing costs that are capitalized as part of investment properties amounted to P3,020.1 million, P2,421.7 million, and P1,383.3 million in 2024, 2023 and 2022, respectively, which represent the interest costs incurred on the general and specific borrowings obtained by the Company to fund its construction projects (see Notes 13 and 14).

Depreciation of investment properties is presented as part of Operating Expenses account in the statements of income (see Note 19).

The fair market values of the properties that generated rental income in 2024 and 2023 are P362.4 billion and P412.6 billion as at December 31, 2024, and 2023, respectively. These were determined by calculating the present value of the cash inflows anticipated until the end of the useful lives of the investment properties using a discount rate that reflects the risks and uncertainty in cash flows. Other information about the fair value measurement and disclosures related to the investment properties are presented in Note 31.4.

None of the Company's investment properties are used as collateral for interest-bearing loans and borrowings. Further, there are no contractual commitments for the acquisition of investment properties as at December 31, 2024 and 2023.

10. PROPERTY AND EQUIPMENT

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

	Buildings and Improvement	Office Furniture, Fixtures and Equipment	Office Improvements	Transportation	Right-of-use Assets	Total
December 31, 2024						
Cost	P 2,883,437,338	P 1,300,068,271	P 36,317,341	P 253,948,676	P 643,682,965	P 5,117,454,591
Accumulated depreciation and amortization	(1,620,167,945)	(980,831,540)	(27,526,046)	(191,783,398)	(273,635,784)	(3,093,944,713)
Net carrying amount	**P 1,263,269,393**	**P 319,236,731**	**P 8,791,295**	**P 62,165,278**	**P 370,047,181**	**P 2,023,509,878**
December 31, 2023						
Cost	P 2,848,294,674	P 1,179,947,852	P 33,656,485	P 231,297,615	P 646,310,684	P 4,938,607,310
Accumulated depreciation and amortization	(1,480,906,328)	(872,732,403)	(24,554,293)	(187,543,556)	(195,697,155)	(2,761,433,735)
Net carrying amount	P 1,367,388,346	P 306,315,449	P 9,102,192	P 43,754,059	P 450,613,529	P 2,177,173,575
January 1, 2023						
Cost	P 2,766,769,681	P 1,044,036,573	P 25,030,619	P 207,022,956	P 622,018,855	P 4,664,878,684
Accumulated depreciation and amortization	(1,276,482,143)	(778,932,356)	(22,454,886)	(180,092,519)	(118,064,124)	(2,376,026,028)
Net carrying amount	P 1,490,287,538	P 265,104,217	P 2,575,733	P 26,930,437	P 503,954,731	P 2,288,852,656

A reconciliation of the carrying amounts at the beginning and end of 2024, 2023, and 2022 of property and equipment is shown below.

	Buildings and Improvement	Office Furniture, Fixtures and Equipment	Office Improvements	Transportation	Right-of-use Assets	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	P 1,367,388,346	P 306,315,449	P 9,102,192	P 43,754,059	P 450,613,529	P 2,177,173,575
Additions	35,142,664	121,020,419	2,660,856	38,519,227	-	197,343,166
Disposals	-	-	-	(446,429)	(2,043,783)	(2,490,212)
Depreciation and amortization	(139,261,617)	(108,099,137)	(2,971,753)	(19,661,579)	(78,522,565)	(348,516,651)
Balance at December 31, 2024, net of accumulated depreciation and amortization	**P 1,263,269,393**	**P 319,236,731**	**P 8,791,295**	**P 62,165,278**	**P 370,047,181**	**P 2,023,509,878**
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 1,490,287,538	P 265,104,217	P 2,575,733	P 26,930,437	P 503,954,731	P 2,288,852,656
Additions	81,524,993	135,011,278	8,625,866	32,988,944	24,291,829	282,442,910
Disposals	-	-	-	(35,335)	-	(35,335)
Depreciation and amortization	(204,424,185)	(93,800,046)	(2,099,407)	(16,129,987)	(77,633,031)	(394,086,656)
Balance at December 31, 2023, net of accumulated depreciation and amortization	P 1,367,388,346	P 306,315,449	P 9,102,192	P 43,754,059	P 450,613,529	P 2 ,177,173,575
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 1,498,090,616	P 245,306,692	P 3,726,495	P 36,596,032	P 266,831,515	P 2,050,551,350
Additions	109,444,252	103,218,646	-	8,215,538	296,360,583	517,239,019
Disposals	-	(153,150)	-	(195,223)	-	(348,373)
Depreciation and amortization	(117,247,330)	(83,267,971)	(1,150,762)	(17,685,910)	(59,237,367)	(278,589,340)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 1,490,287,538	P 265,104,217	P 2,575,733	P 26,930,437	P 503,954,731	P 2,288,852,656

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized as at December 31, 2024 and 2023 (including those which are presented as investment properties).

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options
2024				
Offices	**10**	**1 – 7 years**	**3 years**	**6**
Hotel	**1**	**21 years**	**22 years**	**1**
2023				
Offices	10	1 – 8 years	4 years	9
Hotel	1	22 years	23 years	1

The breakdown of the Company's right-of-use assets as at December 31, 2024 and 2023 (including those which are presented as investment properties) and the movements during the years are shown below.

	Offices	Hotel	Total
Balance at January 1, 2024	P 450,613,529	P 219,507,994	P 670,121,523
Disposal	(2,043,783)	-	(2,043,783)
Amortization	(78,552,565)	(9,792,178)	(88,344,743)
Balance at December 31, 2024	**P 370,017,181**	**P 209,715,816**	**P 579,732,997**
Balance at January 1, 2023	P 503,954,731	P 229,300,172	P 733,254,903
Additions	24,291,829	-	24,291,829
Amortization	(77,633,031)	(9,792,178)	(87,425,209)
Balance at December 31, 2023	P 450,613,529	P 219,507,994	P 670,121,523

As at December 31, 2024 and 2023, outstanding lease liabilities in relation to the leases amounting to P1,488.0 million and P1,622.6 million, respectively, is presented under Other Current and Non-current Liabilities in the statements of financial position (see Note 16).

Depreciation and amortization of property and equipment is presented as part of Operating Expenses account in the statements of income (see Note 19).

None of the Company's property and equipment are used as collateral for interest-bearing loans and borrowings.

There are no contractual commitments for the acquisition of property and equipment as at December 31, 2024 and 2023.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at December 31, financial assets at FVOCI is composed of the following:

	Note	2024	2023
Equity securities:			
Quoted		**P -**	P 397,843,344
Unquoted		**2,306,465,351**	1,448,690,351
	30.1	**P 2,306,465,351**	P 1,846,533,695

The Company's securities are investments from local entities.

A reconciliation of the investments in financial instruments at beginning and end of 2024 and 2023 is shown below.

	Note	2024	2023
Balance at beginning of year		**P 1,846,533,695**	P 1,734,730,876
Additions		**857,775,000**	-
Disposals		**(355,519,584)**	-
Fair value gains (losses)	25.7	**(42,323,760)**	111,802,819
Balance at end of year		**P 2,306,465,351**	P 1,846,533,695

In 2024, 2023, and 2022, the Company received cash dividends from its investment securities amounting to nil, P5.3 million, and P6.7 million, respectively. The amount of dividend received is presented as part of Dividend income under Interest and Other Income account in the statements of income (see Note 20).

12. OTHER ASSETS

The Company's other assets consist of the following:

	Notes	2024	2023
Prepayment and other current assets:			
Prepaid expenses		**P 2,428,008,597**	P 2,332,741,590
Input VAT		**1,703,037,435**	2,021,745,193
Derivative asset	27	**359,238,652**	62,038,593
Deferred commission	17.3, 24.2	**286,697,300**	436,130,004
Others		**29,892,808**	7,827,721
		4,806,874,792	4,860,483,101
Other non-current assets:			
Guarantee deposits		**818,174,844**	736,602,845
Deferred commission	17.3, 24.2	**109,198,713**	206,300,195
Others		**79,290,342**	40,310,915
		1,006,663,899	983,213,955
		P 5,813,538,691	P 5,843,697,056

Prepaid expenses include, among others, creditable withholding tax, advanced payments for insurance, rent, association dues, taxes and advertisements.

Guarantee deposits pertain mainly to payments made for compliance with construction requirements in relation to the Company's real estate projects.

Other non-current assets include rental deposits and miscellaneous deposits.

13. INTEREST-BEARING LOANS AND BORROWINGS

The details of interest-bearing loans and borrowings are discussed below and in the succeeding pages.

	2024	2023
Philippine Peso	**P 48,245,164,378**	P 37,290,817,319
U.S. Dollar	**20,523,591,910**	12,043,982,455
	P 68,768,756,288	P 49,334,799,774

The current and non-current classification of the Company's Interest-bearing Loans and Borrowings is shown below.

	2024	2023
Current	**P 17,948,914,691**	P 14,301,417,773
Non-current	**50,819,841,597**	35,033,382,001
	P 68,768,756,288	P 49,334,799,774

(a) U.S. Dollar, five-year loan due 2024

In September 2019, the Company obtained an unsecured long-term loan from a local bank amounting to U.S. $95.62 million. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan commenced in December 2020 and a floating interest is paid quarterly based on a 3-month LIBOR plus a certain spread. The Company entered into a cross-currency swap transaction to hedge the U.S. Dollar and interest rate exposure of the loan (see Note 27). In 2024, the Company has paid its outstanding loan balance in full.

(b) Philippine Peso, five-year loan due 2024

In December 2019, the Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan commenced in December 2020 and interest is paid quarterly based on the higher of 4.75% fixed rate and floating rate plus certain spread. The interest rate is subject for review beginning on the 4th year. In 2024, the Company has paid its outstanding loan balance in full.

(c) Philippine Peso, five-year loan due 2025

In March 2020, the Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with a grace period of two years upon availment. The principal repayment on the loan commenced in June 2022 and a floating interest is paid quarterly based on a 5-day average reference rate plus a certain spread.

(d) Philippine Peso, five-year loan due 2026

In March 2021, the Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan commenced in March 2022. Interest on the loan is fixed at 4.00% payable quarterly.

(e) Philippine Peso, five-year loan due 2026

In May 2021, the Company obtained an unsecured long-term loan from a local bank amounting to P6.0 billion. The loan is payable quarterly beginning August 2022. The interest is payable quarterly at a floating rate.

(f) Philippine Peso, five-year loan due 2026

In August 2021, the Company obtained an unsecured long-term loan from a local bank amounting to P5.0 billion. The loan is payable quarterly for a term of five years with the first principal payment due in November 2022. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(g) Philippine Peso, five year loan due 2027

In September 2022, the Company obtained an unsecured P10.0 billion loan from a local bank. Principal is payable in quarterly installments at the end of the 5th quarter from the drawdown date. The loan is payable quarterly beginning December 2023. The interest is payable quarterly at a floating rate.

(h) Philippine Peso, five year loan due 2028

In March 2023, The Company obtained an unsecured loan of P5.0 billion from a local bank. The loan is payable quarterly for a term of five years interest on the loan is payable semi-annually for the first 184 days with 6.35% per annum inclusive of gross receipt tax which is subject to semi-annual repricing interest rate. The loan is payable quarterly for a term of five years with the first principal payment due in June 2024. The interest is payable semi-annually at a floating rate.

(i) Philippine Peso, five year loan due 2028

In June 2023, the Parent Company obtained an unsecured long-term loan from a local bank amounting to P10.0 billion, divided equally into two tranches. The two tranches were availed in June and November 2023, respectively. The loan is payable quarterly for a term of five years with a twelve-month grace period. Interest in the loan is payable quarterly on a floating rate.

(j) U.S Dollar, five year loan due 2028

In April 2023, the Parent Company obtained an unsecured loan from a local bank amounting to $200.0 million. The loan shall be paid in sixteen equal or nearly equal consecutive installments commencing at the end of the fifth quarter from the date of borrowing on a repayment date. Each installment shall be paid on a repayment date with fixed interest rate of 4.64%.

(k) Philippine Peso five year loan due 2029

In March 2024, the Company obtained an unsecured loan from a local bank amounting to $180.5 million. The loan is payable quarterly for a term of five years with the first principal payment due in June 2025. The interest is payable quarterly at a fixed rate. The Company entered a cross-currency swap to hedge the US Dollar exchange rate, and a fixed-to-floating interest rate swap based on a 3-month BVAL reference rate plus a certain spread (see Note 27).

(l) *Philippine Peso seven year loan due 2031*

In December 2024, the Company obtained an unsecured long-term loan from a local bank amounting to P9.0 billion. The loan is payable quarterly for a term of seven years with the first principal payment due in December 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(m) *Philippine Peso seven year loan due 2031*

In November 2024, the Company obtained an unsecured long-term loan from a local bank amounting to P4.0 billion. The loan is payable quarterly for a term of seven years with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

(n) *Philippine Peso five year loan due 2029*

In March 2024, the Company obtained an unsecured long-term loan from a local bank amounting to P10.0 billion, divided equally into two tranches, which the Company fully availed in 2024. The loan is payable quarterly for a term of five years with the first principal payment due in March 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

The Company is required to maintain certain financial ratios to comply with its debt covenants with local banks. These include debt to equity ratio, current ratio and debt service coverage ratio. The Company is compliant with its debt covenants.

The total interest costs attributable to these loans amounted to P3,776.6 million, P2,777.7 million, and P1,325.0 million in 2024, 2023 and 2022, respectively. Of these amounts, portion charged as expense is presented as part of Interest expense under Interest and Other Charges account in the statements of income (see Note 21). The outstanding interest payable as at December 31, 2024 and 2023 is presented as part of Accrued interest payable under Trade and Other Payables account in the statements of financial position (see Note 15). Interest capitalized in 2024, 2023 and 2022 amounted to P2,664.3 million, P1,880.0 million, and P983.9 million, respectively. Capitalization rate used in determining the amount of interest charges qualified for capitalization to investment property is 3.87%, 6.53%, and 5.12% in 2024, 2023 and 2022, respectively.

The reconciliation of the unamortized loans issue costs is presented below.

		2024		2023		2022
Balance at beginning of year	**P**	**242,694,665**	P	153,325,001	P	151,754,133
Additions		**247,493,232**		193,977,000		75,000,000
Amortization		**(142,405,218)**		(104,607,336)		(73,429,132)
Balance at end of year	**P**	**347,782,679**	P	242,694,665	P	153,325,001

The amortization of loans issue costs is recognized as part of Interest expense under Interest and Other Charges account in the statements of income (see Note 21).

14. BONDS AND NOTES PAYABLE

The details of bonds and notes payable with maturities of more than one year are discussed below.

	2024	2023
Philippine Peso	**P -**	P 11,997,992,546
U.S. Dollar	**20,049,554,649**	19,116,598,705
Balance at end of year	**P 20,049,554,649**	P 31,114,591,251

The current and non-current classification of the Company's Bonds and Notes Payable is shown below.

	2024	2023
Current	**P -**	P 11,997,992,546
Non-current	**20,049,554,649**	19,116,598,705
Balance at end of year	**P 20,049,554,649**	P 31,114,591,251

(a) U.S. Dollar, seven-year senior unsecured notes due 2027

On July 30, 2020, the Company issued seven-year senior unsecured notes totalling to U.S. $350 million. The notes carry a coupon rate of 4.125% per annum and interest is payable semi-annually in arrears on January 30 and July 30. The notes shall mature July 30, 2027. The notes are listed in the Singapore Exchange Securities Trading Limited (SGX-ST).

(b) Philippine Peso, seven-year bonds due 2024

On March 28, 2017, the Company issued seven-year term bonds totalling P12.0 billion. The bonds carry a coupon rate of 5.35% payable semi-annually in arrears every March 28 and September 28. The bonds shall mature on March 28, 2024. The bonds are listed in the Philippine Dealing & Exchange Corp. In 2024, the Company has paid its outstanding loan balance in full.

(c) U.S. Dollar, ten-year bonds due 2023

On April 17, 2013, the Parent Company issued ten-year term bonds totaling U.S. $250 million. The bond carries a coupon rate of 4.25% per annum and interest is payable semi-annually in arrears every April 17 and October 17. The proceeds of the bond issuance are being used by the Parent Company for general corporate purposes. The bonds are listed in the SGX-ST. In 2023, the Company has paid in full its outstanding balance.

The Company has complied with bond covenants including maintenance of required net debt to equity ratio at the end of reporting period.

Total interest incurred on these bonds amounted to P1,090.3 million, P1,692.7 million, and P2,139.4 million in 2024, 2023 and 2022, respectively. Of these amounts, portion charged as expense is presented as part of Interest expense under Interest and Other Charges account in the statements of income (see Note 21). The outstanding interest payable as at December 31, 2024 and 2023 is presented as part of Accrued interest payable under Trade and Other Payables account in the statements of financial position (see Note 15). Unrealized foreign currency losses in relation to these foreign bonds are presented as part of Foreign currency losses – net under Interest and Other Charges account in the statements of income (see Note 21).

Interest capitalized amounted to P355.8 million, P642.3 million, and P840.2 million in 2024, 2023 and 2022, respectively. Capitalization rate used in determining the amount of interest charges qualified for capitalization to investment property is 3.55% in 2024, 2.98% in 2023 and 3.89% in 2022.

The reconciliation of the unamortized bonds and notes issue costs is presented below.

	2024	2023	2022
Balance at beginning of year	**P 271,840,029**	P 367,603,203	P 457,320,770
Amortization	**(90,152,229)**	(95,763,174)	(89,717,567)
Balance at end of year	**P 181,687,800**	P 271,840,029	P 367,603,203

The amortization of bonds and notes issue costs is recognized as part of Interest expense under Interest and Other Charges account in the statements of income (see Note 21).

15. TRADE AND OTHER PAYABLES

This account consists of:

	Notes	**2024**	2023
Trade payables		**P 3,069,768,057**	P 2,563,996,454
Retention payable	16	**2,922,654,988**	2,752,331,488
Refund liability		**1,228,207,287**	1,058,674,250
Accrued interest payable	13, 14	**741,179,160**	869,911,072
Others		**28,041,781**	16,240,211
		P 7,989,851,273	P 7,261,153,475

Trade payables mainly represent obligations to contractors for the development of the Company's projects.

Retention payable pertains to amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted back to the contractors. The non-current portion of Retention payable is presented under Other Non-Current Liabilities in the statements of financial position (see Note 16).

Refund liability pertains to amounts payable to customers due to sales cancellation in respect of installment sales contracts as covered by Republic Act No. 6552, *Realty Installment Buyer Protection Act,* otherwise known as the Maceda Law. Refer to losses on back-out sales in Note 21.

Others consist primarily of withholding taxes payable and accrual of salaries and wages.

16. OTHER LIABILITIES

This account consists of:

	Notes	2024	2023
Current:			
Deferred rental income		**P 2,404,050,141**	P 2,645,645,004
Commission payable	24.2	**1,423,660,346**	1,235,019,760
Lease liabilities	10, 24.2	**250,228,031**	238,458,182
		4,077,938,518	4,119,122,946
Non-current:			
Deferred rental income	24.1	**2,567,043,997**	1,458,968,829
Retention payable	15	**1,254,034,548**	1,384,161,045
Lease liabilities	10, 24.2	**1,237,825,974**	2,582,050,948
		5,058,904,519	5,425,180,822
		P 9,136,843,037	P 9,544,303,768

Deferred rental income refers to the rental payments advanced by the lessee at the inception of the lease which will be applied to the remaining payments at the end of the lease term.

Total cash outflows relating to lease liabilities for the years ended December 31, 2024 and 2023 are as follows:

	Notes	2024	2023
Principal of lease liabilities		**P 213,924,119**	P 90,997,252
Interest of lease liabilities	21	**76,891,762**	82,911,108
	33	**P 290,815,881**	P 173,908,360

The maturity analysis of lease liabilities as at December 31, 2024 and 2023 is presented below and in the succeeding page.

	Lease Payment	**Finance Charges**	**Net Present Value**
2024			
Within one year	P 319,631,985	(P 69,403,956)	P 250,228,029
After one year but not more than two years	219,361,332	(61,494,591)	157,866,741
After two years but not more than three years	220,634,717	(53,352,333)	167,282,384
After three years but not more than four years	229,655,042	(44,332,162)	185,322,880
After four years but not more than five years	242,065,089	(35,184,926)	206,880,163
More than five years	729,225,376	(208,751,568)	520,473,808
	P 1,960,573,541	**(P 472,519,536)**	**P 1,488,054,005**

	Lease Payment	Finance Charges	Net Present Value
2023			
Within one year	P 315,148,068	(P 76,689,886)	P 238,458,182
After one year but not more than two years	219,292,187	(69,192,550)	150,099,637
After two years but not more than three years	218,092,275	(61,318,202)	156,774,073
After three years but not more than four years	219,270,482	(53,237,669)	166,032,813
After four years but not more than five years	228,188,489	(44,287,938)	183,900,551
More than five years	971,290,465	(243,936,494)	727,353,971
	P 2,171,281,966	(P 548,662,739)	P 1,622,619,227

The Company has elected not to recognize a lease liability for short-term leases. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

In 2024, 2023 and 2022, the expenses relating to short-term leases amounted to P468.2 million, P76.7 million, and P64.2 million, respectively, and is presented as Rent under Operating Expenses under Cost and Expenses in the statements of income (see Note 19).

17. REAL ESTATE SALES

17.1 Real Estate Sales

The Company derives its revenues from contracts with customers through sale of real properties. The breakdown of revenue from real estate sales as reported in the statements of income is as follows:

	2024	2023	2022
Types of products:			
Residential and office development	**P 23,446,587,911**	P 20,065,071,102	P 16,210,016,493
Lots only	**2,516,594,734**	1,622,814,430	1,249,107,697
Revenues from contracts with customers	**25,963,182,645**	21,687,885,532	17,459,124,190
Interest from significant financing component – net	**513,113,052**	-	-
Total	**P 26,476,295,697**	'P 21,687,885,532	P 17,459,124,190

17.2 Contract Accounts

The current and non-current classification of the Company's Contract Assets account as presented in the statements of financial position is shown below.

	2024	2023
Current	**P 8,601,155,977**	P 5,003,004,804
Non-current	**6,433,652,585**	4,622,587,958
	P 15,034,808,562	P 9,625,592,762

The current and non-current classification of the Company's Contract Liabilities account as presented in the statements of financial position is shown below.

		2024		2023
Current	**P**	**340,042,619**	P	652,443,584
Non-current		**1,373,848,295**		1,523,999,939
	P	**1,713,890,914**	P	2,176,443,523

The significant changes in the contract assets and contract liabilities balances for 2024 and 2023 are as follows:

		2024				2023		
		Contract Assets		**Contract Liabilities**		Contract Assets		Contract Liabilities
Balance at beginning of year	**P**	**9,625,592,762**	**P**	**2,176,443,523**	P	7,126,782,995	P	2,817,604,747
Effect of adoption of PFRS 15		**(289,454,277)**		**126,502,519**		-		-
Balance at beginning of year, as restated		**9,336,138,485**		**2,302,946,042**		7,126,782,995		2,817,604,747
Transfers from contract assets recognized at the beginning of year to accounts receivables		**(487,152,288)**		**-**		(3,096,868,939)		-
Increase due to satisfaction of performance obligation over time, net of cash collection		**6,028,554,335**		**-**		5,595,678,706		-
Accretion of interest income from significant financing component		**156,540,030**		**(351,666,323)**				
Revenue recognized that was included in contract liability at the beginning of year		**-**		**(771,219,975)**		-		(1,186,564,293)
Increase due to cash received in excess of performance to date		**-**		**533,831,170**		-		545,403,069
Balance at end of year	**P**	**15,034,808,562**	**P**	**1,713,890,914**	P	9,625,592,762	P	2,176,443,523

The outstanding balance of trade receivables arising from real estate sales, presented as part of Trade receivables presented under Trade and Other Receivables account in the statements of financial position, amounted to P22.6 billion and P17.6 billion as at December 31, 2024, and 2023, respectively (see Note 5).

17.3 Direct Contract Cost

The Company incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission presented under Prepayments and Other Current Assets, and Other Non-current Assets accounts in the statements of financial position (see Note 12). These are amortized over the expected construction period on the same basis as how the Company measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2024, 2023 and 2022 is presented as part of Commission under Operating Expenses (see Note 19).

The movement in balances of deferred commission in 2024 and 2023 is presented below (see Note 12):

		2024		2023
Balance at beginning of year	**P**	**642,430,199**	P	786,267,143
Additional capitalized cost		**852,814,813**		911,816,405
Amortization for the year		**(969,890,918)**		(849,486,436)
Reversal due to back-out		**(129,458,081)**		(206,166,913)
Balance at end of year	**P**	**395,896,013**	P	642,430,199

17.4 Transaction Price Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as at December 31, 2024 and 2023 amounted to P9.5 billion and P11.6 billion, respectively, which the Company expects to recognize as revenue in the following manner:

	2024	2023
Within a year	**P 7,466,371,001**	P 8,637,499,729
More than one year to five years	**2,062,031,471**	2,931,696,656
	P 9,528,402,472	P 11,569,196,385

18. COST OF REAL ESTATE SALES

The nature of the cost of real estate sales are as follows:

	2024	2023	2022
Contracted services	**P 11,286,842,595**	P 9,001,292,313	P 7,061,139,977
Land cost	**1,677,484,441**	1,199,115,195	900,033,108
Borrowing cost	**-**	257,077,209	252,678,021
	P 12,964,327,036	P 10,457,484,717	P 8,213,851,106

19. OPERATING EXPENSES

Presented below are the details of this account.

	Notes	**2024**	2023	2022
Depreciation and amortization	9, 10	**P 2,553,184,364**	P 2,527,410,317	P 2,277,782,696
Professional fees and outside services		**2,052,145,840**	1,708,400,534	1,265,065,977
Commission	17.3, 24.2	**1,221,869,962**	923,747,868	844,822,618
Salaries and employee benefits	22.1	**1,178,827,695**	1,000,660,240	948,186,698
Taxes and licenses		**770,104,022**	519,867,595	513,495,809
Rent	16, 28.2	**468,155,599**	76,701,954	64,264,762
Association dues		**416,194,425**	242,894,385	225,679,548
Donation		**131,343,715**	104,414,422	100,524,798
Utilities		**129,692,185**	143,734,513	104,430,635
Advertising and promotions		**98,632,866**	78,045,232	54,141,434
Transportation		**63,098,332**	62,440,182	23,400,245
Miscellaneous		**292,944,730**	220,329,096	150,651,512
		P 9,376,193,735	P 7,608,646,338	P 6,572,446,732

20. INTEREST AND OTHER INCOME

Presented below are the details of this account.

	Notes	2024	2023	2022
Gain on property-for-share swap	8.2, 9	**P 5,420,915,555**	P 3,453,545,900	P -
Dividend income	11, 24.7	**3,110,925,462**	2,615,662,351	2,063,883,332
Interest income	4, 5, 24.1, 24.3	**2,023,785,657**	2,212,274,255	1,934,353,377
Commission income		**141,547,594**	64,106,117	83,050,191
Foreign currency gains – net	14	**-**	254,570,337	-
Miscellaneous – net	5, 27	**852,274,380**	548,266,305	766,801,934
		P 11,549,448,638	P 9,148,425,265	P 4,848,088,834

Substantial portion of dividend income earned came from the Company's subsidiaries. Miscellaneous income is mainly composed of management fees earned by the Company.

21. INTEREST AND OTHER CHARGES

Presented below are the details of this account.

	Notes	2024	2023	2022
Interest expense	13, 14, 16, 22.3	**P 2,208,872,290**	P 2,335,182,297	P 1,936,319,470
Impairment and other losses	5, 15	**1,239,823,041**	1,120,756,179	639,058,463
Foreign currency losses – net	14	**1,235,685,487**	-	1,792,398,061
Loss on sales of investment in a subsidiary	8.2	**937,903,247**	2,022,551,180	-
Day-one loss on trade receivables		**-**	902,322,964	436,019,884
Miscellaneous – net		**-**	-	323,076
		P 5,622,284,065	P 6,380,812,620	P 4,804,118,954

Impairment and other losses include net losses from backout sales and impairment losses on trade receivables.

22. EMPLOYEE BENEFITS

22.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below (see Note 19).

		2024		2023		2022
Short-term benefits	**P**	**1,140,599,496**	P	978,416,052	P	906,901,107
Post-employment benefits		**27,890,818**		18,657,959		24,913,180
Employee share options		**10,337,381**		3,586,229		16,372,411
	P	**1,178,827,695**	P	1,000,660,240	P	948,186,698

22.2 Employee Share Option Plan (ESOP)

Share option benefits expense, included as part of Salaries and employee benefits under Operating Expenses account in the statements of income amounted to P10.3 million, P3.6 million, and P16.4 million in 2024, 2023, and 2022, respectively (see Note 22.1) while the corresponding credit to Retained Earnings of the same amounts are presented under the Equity section in the statements of financial position (see Note 25.6).

22.3 Post-employment Defined Benefit Plan

(a) Characteristics of Defined Benefit Plan

The Company maintains a funded, tax-qualified, noncontributory post-employment benefit plan that is being administered by a trustee bank. The post-employment plan covers all regular full-time employees.

The normal retirement age is 60 with a minimum of 5 years of credited service. Normal retirement benefit is equal to a percentage of the employee's final monthly salary for every year of service, but shall not be less than the regulatory benefit under R.A. No. 7641, *The Retirement Pay Law*, or the applicable retirement law at the time of the member's retirement.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2024 and 2023.

The amounts of retirement benefit obligation, presented as non-current liability in the statements of financial position, are determined as follows:

		2024		2023
Present value of the obligation	**P**	**441,245,898**	P	373,451,783
Fair value of plan assets		**(152,062,160)**		(210,078,535)
Net defined benefit liability	**P**	**289,183,738**	P	163,373,248

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

		2024		2023
Balance at beginning of year	**P**	**373,451,783**	P	267,366,109
Interest costs		**22,668,523**		19,196,887
Current service costs		**27,890,818**		18,657,959
Remeasurements – Actuarial arising from changes in:				
Financial assumptions		**(3,196,876)**		134,954,340
Experience adjustments		**113,313,192**		(17,971,911)
Benefits paid		**(92,881,542)**		(48,751,601)
Balance at end of year	**P**	**441,245,898**	P	373,451,783

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

		2024		2023
Balance at beginning of year	**P**	**210,078,535**	P	226,869,437
Contributions paid into the plan		**24,000,000**		24,000,000
Interest income		**12,751,767**		16,289,226
Benefits paid		**(92,881,542)**		(48,751,601)
Loss on plan assets (excluding amount included in net interest cost)		**(1,886,600)**		(8,328,527)
	P	**152,062,160**	P	210,078,535

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

		2024		2023
Cash and cash equivalents	**P**	**72.7**	P	50.5
Investment in marketable securities:				
Debt securities		**46.9**		129.0
Equity securities		**32.4**		30.6
	P	**152.0**	P	210.1

Debt securities pertain to corporate and government securities while equity securities consist of investments in publicly listed corporations.

As at December 31, 2024 and 2023, the funds include investments in securities of the Company (see Note 24).

The carrying amount and fair value of investments in debt securities of the Company as at December 31, 2024 amounted to P45.9 million and P45.8 million, respectively, while the carrying amount and fair value of investments in debt securities of the Company as at December 31, 2023 amounted to P99.1 million and P99.7 million. Unrealized fair value loss on these securities as at December 31, 2024 amounted to P0.1 million while unrealized fair value gains on these securities as at December 31, 2023 amounted to P0.6 million.

The carrying amount and fair value of investments in equity securities of the Company as at December 31, 2024 amounted to P40.0 million and P33.1 million, respectively, while the carrying amount and fair value of investments in equity securities of the Company as at December 31, 2023 amounted to P40.0 million and P30.6 million, respectively. Unrealized fair value losses on these securities as at December 31, 2024 and 2023 amounted to P6.9 million and P9.4 million, respectively.

The contributions to the retirement plan are made annually by the Company. The amount of contributions to the retirement plan is determined based on the expected benefit payments that the Company will incur within five years.

Actual return on plan assets was P11.6 million in 2024 while actual loss was P8.0 million in 2023.

The components of amounts recognized in profit or loss in respect of the post-employment defined benefit plan are as follows:

		2024		2023		2022
Reported in statements of income:						
Current service cost	**P**	**27,890,818**	P	18,657,959	P	24,913,180
Net interest costs		**9,916,756**		2,907,661		7,517,053
	P	**37,807,574**	P	21,565,620	P	32,430,233

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

		2024		2023		2022
Reported in statements of comprehensive income (loss):						
Actuarial gains (losses) arising from changes in:						
Experience adjustments	**(P**	**113,313,192)**	P	17,971,911	P	49,594,657
Financial assumption		**3,196,876**		(134,954,340)		87,155,951
Loss on plan assets (excluding amounts included in net interest cost)		**(1,886,600)**		(8,328,527)		(18,776,071)
	(P	**112,002,916)**	(P	125,310,956)	P	117,974,537

Current and past service costs are presented as part of Salaries and employee benefits under Operating Expenses account in the statements of income (see Note 19). The net interest cost is presented as part of Interest expense under Interest and Other Charges account in the statements of income (see Note 21).

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
Discount rate	**6.12%**	6.07%	7.18%
Salary increase rate	**3.00%**	3.00%	1.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 18 years for both males and females. 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 bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risk Associated with the Retirement Plan

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

(i) Investment and Interest Rate Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a 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 Company's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during 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 Company's asset-liability matching strategies, and the timing and uncertainty of future cash flows related to the retirement plan are as follows:

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined post-employment benefit obligation as at:

	Impact on Post-employment Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
December 31, 2024			
Discount rate	**1.00%**	**(P 30,436,354)**	**P 33,313,437**
Salary increase rate	**1.00%**	**68,937,679**	**(58,568,682)**
December 31, 2023			
Discount rate	1.00%	(P 29,830,305)	P 26,796,350
Salary increase rate	1.00%	61,071,193	(51,443,920)

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

(ii) Asset-liability Matching Strategies

The Company, through its BOD, envisions that the investment positions shall be managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This aims to match the plan assets to the retirement obligations by investing in debt securities and maintaining cash and cash equivalents that match the benefit payments as they fall due and in the appropriate currency.

(iii) Funding Arrangements and Expected Contributions

The Company's objective is to maintain a level of funding sufficient to cover the projected retirement benefit obligation. While there is no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk after 20 years when a significant number of employees is expected to retire.

The Company expects to make contributions of P24.0 million to the plan during the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan as at December 31 are as follows:

		2024		2023
Within one year	**P**	**-**	P	3,721,587
More than one year to five years		**34,012,825**		15,102,451
More than five years to 10 years		**340,858,084**		190,982,584
More than 10 years to 15 years		**407,881,216**		401,152,534
More than 15 years to 20 years		**824,213,381**		667,373,388
More than 20 years		**2,365,183,797**		2,212,208,114
	P	**3,972,149,303**	P	3,490,540,658

The weighted average duration of the defined benefit obligation at the end of the reporting period is 18 years.

23. TAXES

23.1 Current and Deferred Tax

The components of tax expense as reported in the statements of income and statements of comprehensive income are as follows:

		2024		2023		2022
Reported in statements of income:						
Current tax expense:						
Regular Corporate Income Tax (RCIT) at 25%	**P**	**1,103,683,987**	P	459,590,627	P	1,943,630,920
Final tax at 20% and 15%		**30,849,146**		63,666,067		36,985,310
		1,134,533,133		523,256,694		1,980,616,230
Deferred tax expense relating to origination and reversal of temporary differences		**1,892,938,247**		1,909,100,510		230,137,883
	P	**3,027,471,379**	P	2,432,357,204	P	2,210,754,113
Reported in statements of comprehensive income:						
Deferred tax expense (income) relating to origination and reversal of temporary difference	**(P**	**28,000,729)**	(P	31,327,739)	P	29,493,634

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the statements of income is as follows:

		2024		2023		2022
Tax on pretax profit at 25% and 30%	**P**	**5,914,374,472**	P	4,547,008,216	P	3,258,968,692
Adjustment for income subjected to lower income tax rates		**(11,256,181)**		(24,037,874)		(14,004,939)
Tax effects of:						
Non-taxable income		**(1,136,388,109)**		(882,228,909)		(683,876,591)
Non-taxable gain on property-for-share swap		**(1,355,228,889)**		(863,386,475)		-
Dividend income		**(777,731,366)**		(653,915,588)		(515,970,833)
Non-deductible interest expense		**8,421,066**		17,540,788		10,198,050
Other non-deductible expenses		**385,280,386**		291,377,046		155,439,734
	P	**3,027,471,379**	P	2,432,357,204	P	2,210,754,113

The net deferred tax liabilities as at December 31 relate to the following:

		2024		2023
Capitalized interest	**P**	**5,053,306,779**	P	4,490,483,697
Uncollected gross profit from real estate sales		**3,214,261,892**		2,786,980,807
Unrealized foreign currency losses		**(930,642,173)**		(620,479,657)
Difference between tax reporting base and financial reporting base of rental income		**1,247,518,217**		952,758,830
Bond issuance cost		**133,479,451**		114,788,964
Deferred commission		**(85,833,987)**		20,697,116
Retirement benefit obligation		**(78,845,934)**		(49,268,312)
Share options		**(58,474,787)**		(55,890,442)
Allowance for ECL		**(43,023,324)**		(31,720,389)
Difference between tax reporting base and financial reporting base of rent expense		**6,208,487**		(4,885,685)
	P	**8,457,954,621**	P	7,603,464,929

Deferred tax expense (income) in relation to retirement benefit obligation recognized in other comprehensive income amounted to P28.0 million, P31.3 million, and P29.5 million in 2024, 2023 and 2022, respectively.

The Company is subject to the Minimum Corporate Income Tax (MCIT) which is computed at 2.0% in 2024 and 1.5% in 2023 of gross income, net of allowable deductions, as defined under the tax regulations, or to RCIT, whichever is higher.

No MCIT was reported in 2024, 2023 and 2022 since the RCIT was higher than MCIT in those years. In 2024, 2023 and 2022, the Company opted to continue claiming itemized deductions in computing for its income tax due.

23.2 Supplementary Information Required by the Bureau of Internal Revenue

The BIR issued Revenue Regulations (RR) 15-2010 which require certain information to be disclosed as part of the notes to financial statements. The Company, however, decided to present this tax information required by the BIR in a supplementary schedule filed separately from the basic financial statements.

24. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company, subsidiaries, associates, other related parties under common ownership, the Company's key management personnel, its funded post-employment benefit plan and others as described in the succeeding page.

The summary of the Company's transactions with its related parties as at and for the years ended December 31, 2024, 2023 and 2022 are as follows:

Related Party Category	Notes	Amount of Transaction			Outstanding Balance	
		2024	2023	2022	**2024**	2023
Parent Company:						
Dividends declared	24.8	**(P 1,275,301,604)**	(P 952,897,327)	(P 887,481,897)	**P -**	P -
Dividend income	24.7	**-**	5,290,470	6,701,262	**-**	5,290,470
Issuance of shares	25.2	**2,612,500,000**	-	-	**-**	-
Subsidiaries:						
Granting of advances	24.3	**2,249,152,496**	87,904,889	2,540,747,237	**21,161,778,698**	18,912,626,202
Dividend income	24.7	**3,060,925,474**	2,610,371,881	2,057,182,070	**14,117,649**	-
Interest income	24.3	**993,697,504**	919,703,277	1,022,867,564	**-**	-
Obtaining services	24.2	**2,164,235,775**	1,265,858,253	952,157,277	**811,964,790**	765,189,933
Rendering of services	24.1	**1,185,547,828**	594,643,231	690,072,253	**397,566,061**	65,727,083
Availment of advances	24.4	**857,378,959**	183,223,391	159,220,862	**(6,327,907,724)**	(5,470,528,765)
Dividends declared	24.8	**-**	-	(25,814,158)	**-**	-
Property-for-share swap	9	**13,151,500,400**	5,274,000,000	-	**-**	-
Associates:						
Granting of advances	24.3	**1,119,780**	383,639	155,104	**1,011,396,356**	1,010,276,576
Subscription payable	8.2, 16	**-**	(1,114,665,008)	-	**-**	-
Related parties Under Common Ownership:						
Granting of advances	24.3	**128,796,653**	(107,649,569)	13,006,493	**529,154,194**	400,357,541
Dividend income		**49,999,988**	-	-	**-**	-
Rendering of services	24.1	**-**	6,156,528	6,156,528	**1,200,328**	5,068,560
Availment of advances	24.4	**25,495,500**	-	-	**(25,495,500)**	-
Reimbursement of construction costs	24.1	**-**	-	-	**3,056,180,769**	3,056,180,769
Key Management Personnel –						
Compensation	24.5	**224,327,503**	187,226,823	173,865,430	**-**	-
Retirement plan						
Investments in equity and debt securities	22.3(b)	**(97,078,614)**	-	-	**33,141,896**	130,220,510

None of the entities under the Company is a joint venture. The Company is not subject to joint control and none of its related parties exercise control nor significant influence over it.

24.1 Real Estate Sales and Rendering of Services to Related Parties

The Company renders services to its related parties on a cost-plus basis, allowing a certain margin agreed upon by the parties at arm's length.

The summary of services offered by the Company is presented below.

	2024	2023	2022
Real estate sales and lease of properties	**P 468,118,233**	P 233,883,127	P 193,780,968
Management services	**717,429,595**	407,018,791	502,448,315
	P 1,185,547,828	P 640,901,918	P 696,229,283

The Company leases some of its investment properties to its subsidiaries, associates and other related parties under common ownership with rental payments generally agreed before commencement of the lease. The leases have terms ranging from one to twenty-five years, with renewal options, and include annual escalation rates of 3% to 10%, except for contingent rent. The revenues earned from these related parties are included as part of Rental Income in the statements of income. The related outstanding receivables from these transactions, which are collectible on demand, unsecured and noninterest-bearing, are presented as part of Trade receivables under the Trade and Other Receivables account in the statements of financial position (see Note 5).

The Company also handles administrative functions of various related parties for a fixed consideration. The amount of revenue earned from such transaction is recorded as part of Miscellaneous under Interest and Other Income account in the statements of income (see Note 20), while the outstanding balances, which are collectible on demand, unsecured and noninterest-bearing, are recorded as part of Others under Trade and Other Receivables account in the statements of financial position (see Note 5).

Occasionally, the Company sells real properties to its related parties in the normal course of business.

In 2018, the Company agreed with a related party under common ownership to turn over a certain property under terms that the related party will reimburse the construction cost incurred by the Company amounting to P4.0 billion (see Note 9). The outstanding balance, which is collectible on demand, interest-bearing and unsecured, amounted to P3.1 billion as of both December 31, 2024 and 2023, and is presented under non-current Other Trade Receivables in the statements of financial position (see Note 5).

In 2021, the Company entered into a land lease agreement with MREIT over the land on which the latter's investment properties stood for a period of 25 years, renewable for another 25 years, at the option of the MREIT, on terms and conditions mutually acceptable to the parties. As consideration for the land lease, MREIT shall pay the Company rent equivalent to: (a) 2.5% of gross rental income for office, retail and commercial properties for the period July 1, 2023 and until June 30, 2025, and 5% thereafter; and, (b) 1.5% of gross rental income for hotel properties for the period July 1, 2023 and until June 30, 2025, and 3% thereafter.

Deposit received by the Company from the land lease agreement was presented as Deferred rental income under Other Non-current Liabilities in the 2021 statement of financial position. This deposit will be refunded at the end of the lease term at its face value amounting to P55.0 million (see Note 16).

There were no impairment losses recognized on its receivables from related parties.

24.2 Obtaining of Services and Lease of Properties from Related Parties

Certain subsidiaries act as real estate agents for the Company in exchange for commission. Commission expense is recorded as part of Commission under Operating Expenses account in the statements of income while the outstanding balances are presented as part of Commission payable under Other Current Liabilities account in the statements of financial position (see Notes 16 and 19). Certain amount of these commission expenses are capitalized and is presented as part Deferred commission under Prepayment and Other Current Assets and Other Non-current Assets in the statements of financial position (see Note 12).

The Company entered into lease agreements with certain subsidiaries for lease of land, offices, and hotel property for periods ranging from three to twenty-five years. The Company recognized right-of-use assets and lease liabilities for these lease agreements (see Notes 10 and 16). In relation to this, the Company incurred depreciation expense amounting to P69.5 million, P68.6 million, P50.2 million and P28.0 million in 2024, 2023, and 2022, respectively. The Company also incurred interest expense amounting to P70.3 million, P75.6 million, and P73.6 million in 2024, 2023, and 2022, respectively.

The depreciation expense and interest expense are presented as part of Operating Expenses account and Interest expense under Interest and Other Charges account, respectively, in the statements of income (see Notes 19 and 21).

24.3 Advances to Subsidiaries, Associates and Other Related Parties

Certain subsidiaries, associates and other related parties under common ownership are granted interest-bearing, unsecured advances by the Company with no definite repayment terms for working capital purposes. These are generally collectible in cash on demand, or through offsetting arrangements with the related parties. The outstanding balances of Advances to Subsidiaries, Associates and Other Related Parties shown as part of Trade and Other Receivables account in the statements of financial position (see Note 5) is presented below.

		2024		2023
Advances to subsidiaries	**P**	**21,161,778,698**	P	18,912,626,202
Advances to associates		**1,011,396,356**		1,010,276,576
Advances to other related parties under common ownership		**529,154,194**		400,357,541
	P	**22,702,329,248**	P	20,323,260,319

An analysis of movements of advances to subsidiaries, associates and other related parties are as follows:

		2024		2023
Balance at beginning of year	**P**	**20,323,260,319**	P	20,342,621,360
Advances granted		**2,735,616,260**		1,831,974,075
Advances collected		**(356,547,331)**		(1,851,335,116)
Balance at end of year	**P**	**22,702,329,248**	P	20,323,260,319

Advances to other related parties pertain to advances granted to entities under common ownership of the parent company. No impairment losses on the advances to subsidiaries, associates and other related parties were recognized in 2024, 2023, and 2022 based on management's assessment. Interest earned arising from these transactions are presented as part of Interest income under Interest and Other Income account in the statements of income (see Note 20).

24.4 Advances from Subsidiaries

Certain expenses of the Company are paid by other related parties on behalf of the former. The advances are noninterest-bearing, unsecured and with no repayment terms and are generally payable in cash on demand, or through offsetting arrangements with the related parties.

The outstanding balances from these transactions, which are payable on demand, unsecured and noninterest-bearing, are presented as Advances from subsidiaries under Current Liabilities Section account in the statements of financial position.

An analysis of movements of advances from subsidiaries is as follows:

		2024		2023
Balance at beginning of year	**P**	**5,470,528,765**	P	5,287,305,374
Advances obtained		**886,909,543**		379,209,676
Advances paid		**(4,035,084)**		(195,986,285)
Balance at end of year	**P**	**6,353,403,224**	P	5,470,528,765

24.5 Key Management Personnel Compensation

The Company's key management personnel compensations include the following:

	2024	2023	2022
Short-term benefits	P **202,684,446**	P 175,677,601	P 147,711,367
Employee share options	**10,337,382**	3,586,228	16,372,411
Post-employment benefit	**11,305,675**	7,962,994	9,781,652
	P **224,327,503**	P 187,226,823	P 173,865,430

24.6 Retirement Fund

The Company has a formal retirement plan established separately from the Company. The Company's retirement fund for its post-employment defined benefit plan is administered and managed by a trustee bank. The fair value and the composition of the plan assets as at December 31, 2024 and 2023 are presented in Note 22.3.

The Company's transactions with the fund mainly pertain to contribution, benefit payments and interest income.

The retirement fund neither provides any guarantee or surety for any obligation of the Company nor its investments covered by any restrictions or liens.

The details of the contributions of the Company to the plan are also presented in Note 22.3.

24.7 Dividend Income

The Company earned cash dividends from its related parties are as follows:

	2024	2023	2022
MREIT	P **1,467,405,881**	P 1,603,742,455	P 1,531,560,754
MCII	**848,400,000**	-	-
MFMI	**250,000,000**	-	-
MCTI	**192,035,774**	308,005,688	-
LFI	**166,675,000**	200,010,000	133,339,426
ECOC	**86,997,047**	199,993,212	392,281,890
AECI	**49,999,988**	-	-
PHRI	**49,411,772**	-	-
SMI	**-**	156,800,000	-
GERI	**-**	102,055,816	-
PC	**-**	31,764,710	-
GOHGI	**-**	8,000,000	-
AGI	**-**	5,290,470	6,701,262
	P **3,110,925,462**	P 2,615,662,351	P 2,063,883,332

Dividend income is presented under Interest and Other Income account in the statements of income (see Note 20).

24.8 Dividends Declared and Interest Paid to Related Parties

The Company declared and paid cash dividends to the Parent Company and to a certain subsidiary of the Company, which holds a certain number of Company's shares, amounting to P2.7 billion, P1.0 billion, and P0.9 billion in 2024, 2023, and 2022, respectively.

25. EQUITY

Capital stock consists of:

	Shares			Amount		
	2024	2023	2022	**2024**	2023	2022
Preferred shares Series "A"- P0.01 par value						
Authorized	**6,000,000,000**	6,000,000,000	6,000,000,000	**P 60,000,000**	P 60,000,000	P 60,000,000
Issued and outstanding	**6,000,000,000**	6,000,000,000	6,000,000,000	**P 60,000,000**	P 60,000,000	P 60,000,000
Common shares – P1 par value						
Authorized	**45,640,000,000**	40,140,000,000	40,140,000,000	**P 45,640,000,000**	P 40,140,000,000	P 40,140,000,000
Issued	**33,745,865,872**	32,370,865,872	32,370,865,872	**P 33,745,865,872**	P 32,370,865,872	P 32,370,865,872
Treasury shares:						
Balance at beginning of year	**(1,187,614,000)**	(885,626,000)	(513,795,000)	**(2,852,655,275)**	(2,184,059,395)	(1,268,862,277)
Acquisitions during the year	**-**	(301,988,000)	(372,831,000)	**-**	(668,595,880)	(916,099,229)
Issuances during the year	**-**	-	1,000,000	**-**	-	902,111
Balance at end of year	**(1,187,614,000)**	(1,187,614,000)	(885,626,000)	**(2,852,655,275)**	(2,852,655,275)	(2,184,059,395)
Issued and outstanding	**32,558,251,872**	31,183,251,872	31,485,239,872	**P 30,893,210,597**	P 29,518,210,597	P 30,186,806,477
Total issued and outstanding shares	**38,558,251,872**	37,183,251,872	37,485,239,872	**P 30,953,210,597**	P 29,578,210,597	P 30,246,806,477

On June 15, 1994, the SEC approved the listing of the Company's shares totalling 140,333,333. The shares were initially issued at an offer price of P4.80 per share. As at December 31, 2024, there are 2,360 holders of the listed shares, which closed at P2.05 per share as of that date.

The following also illustrates the additional listings made by the Company: May 23, 1996 – 1.6 billion; January 8, 1997 – 2.1 billion; November 23, 1998 – 2.0 billion; August 19, 1999 – 3.0 billion; October 12, 2005 – 5.5 billion; November 21, 2006 – 10.0 billion; and July 17, 2007 – 3.9 billion and 2012 – 3.1 billion shares. The Company also listed 700.0 million shares in 2013, 300.0 million shares in 2014, 8.0 million shares in 2015. There were no additional issuances in the succeeding years.

25.1 Preferred Shares Series "A"

The preferred shares are cumulative, non-participating, non-convertible and non-redeemable with a par value of P0.01 per share. The shares earn dividends at 1.0% of par value per annum cumulative from date of issue. Dividends declared on cumulative preferred shares amounted to P0.6 million in 2024, 2023, and 2022 (see Note 25.4).

25.2 Common Shares

On May 23, 2013, the Company's BOD approved a P10.0 billion increase in authorized capital stock (ACS) consisting of 10 billion shares with par value of P1.0 per share. On November 20, 2013, the SEC approved the P10.0 billion increase in ACS, of which 2.5 billion shares were subscribed and paid by the Parent Company at a price of P4.29 per share for a total subscription price of P10.7 billion.

In 2009, 5,127,556,725 common shares were subscribed and issued through pre-emptive share rights offering. Moreover, shareholders were given four additional share warrants for every five share rights subscribed. For every share warrant, shareholders can avail of one common share at P1.00 per share.

Relative to the share subscription, 4,102,045,364 share warrants were issued of which 4,101,662,246 warrants were exercised while the remaining 383,118 have expired.

On May 13, 2024, the shareholders have approved the increase in the authorized capital stock of the Company from P40,200,000,000 divided into 40,140,000,000 common shares with par value of P1.00 per share and 6,000,000,000 voting cumulative, non-participating, non-convertible and non-redeemable preferred shares with par value of P 0.01 per share to P45,700,000,000, divided into 45,640,000,000 common shares with par value of P1.00 per share and 6,000,000,000 voting cumulative, non-participating, non-convertible and non-redeemable preferred shared with par value of P 0.01 per share. The increase in authorized capital stock is geared towards the growth and expansions prospects of the Company. On July 29, 2024, the SEC approved the increase in authorized capital stock.

On August 1, 2024, the Company has issued 1,375,000,000 common shares to AGI (the ultimate parent) from the 5,500,000,000 increase in authorized capital stock. The subscription price is at P1.90 per share for a total subscription price of P2,612,500,000 (see Note 25.3).

25.3 Additional Paid-in Capital

The APIC pertains to the excess of the total proceeds received from the Company's shareholders over the total par value of the common shares. In 2024, there is an increase of 1.2 billion in the APIC pertaining to subscription of AGI (see Note 25.2). There were no movements in the Company's APIC accounts in 2023 and 2021. In 2022, APIC amounting to P1.9 million was recognized by the Company from the exercise of 1,000,000 stock options.

25.4 Cash Dividends

The details of the Company's cash dividend declarations, both for preferred and common shares, are as follows:

		2024		2023		2022
Declaration date/approved by BOD		**October 21, 2024**		October 13, 2023		October 17, 2022
Date of record		**November 5, 2024**		October 27, 2023		October 31, 2022
Date of payment		**November 18, 2024**		November 14, 2023		November 14, 2022
Amounts declared						
Common	**P**	**2,661,952,254**	P	2,057,959,600	P	1,936,322,105
Preferred		**600,000**		600,000		600,000
	P	**2,662,552,254**	P	2,058,559,600	P	1,936,922,105
Dividends per share:						
Common	**P**	**0.08**	P	0.07	P	0.06
Preferred	**P**	**0.01**	P	0.01	P	0.01

25.5 Treasury Shares

In 2008, the Company's BOD approved the buy-back of up to P2.0 billion worth of common shares in the open market at prevailing market prices. The share buy-back program is made through the trading facilities of the PSE and the funds used for the buy-back were taken from internally-generated funds. As at December 31, 2023 , the Company has reacquired 302.0 million shares costing P668.6 million.

In 2022, the Company has reissued 1,000,000 treasury shares as a result of exercise of the same number of stock options (see Note 25.6). There was no similar transaction in 2023 and 2024.

Portion of the Company's retained earnings is restricted up to the cost of treasury shares at the end of each reporting period.

25.6 ESOP

In 2012, the Company's BOD approved and the shareholders adopted an ESOP for the Company's key executive officers.

The options shall generally vest on the 60th birthday and may be exercised up to five years from the date of vesting of the option. In 2022, there is an amendment to the vesting requirements of which the options will now vest on the 60th birthday or the actual retirement of the option holder, whichever is later. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for nine months immediately preceding the date of grant.

Pursuant to this ESOP, on November 6, 2012, the Company granted share options to certain key executives to subscribe to 235.0 million common shares of the Company, at an exercise price of P1.77 per share.

In 2013, additional share options were granted to certain key executives to subscribe to 20 million common shares of the Company at an exercise price of P2.33 per share. Additional 40 million share options were granted in 2014 at an average exercise price of P3.00 per share.

In 2022, additional 10 million share options were granted at an exercise price of P1.77. There were no additional share options granted in 2024 and 2023.

In 2023, 10.0 million share options were forfeited due to resignation of certain key executive officers. There was no forfeiture due to resignation in 2024 and 2022.

A total of 25.0 million, 25.0 million, and 10.0 million share options have vested in 2024, 2023 and 2022, respectively.

A total of 1.0 million share options were exercised at a price of P1.77 per share in 2022. There was no similar transaction in 2023 and 2024.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following aggregated principal assumptions were used in the valuation:

Option life	6.08 to 30.17 years
Share price at grant date	P2.54 to P 4.08
Exercise price at grant date	P1.77 to P3.23
Fair value at grant date	P0.98 to P2.15
Average standard deviation of share price return	10.98 %
Average dividend yield	0.82 %
Average risk-free investment rate	3.93 %

The underlying expected volatility was determined by reference to historical date of the Company's shares over a period of time consistent with the option life.

A total of P10.3 million, P3.6 million, and P16.4 million share-based executive compensation is recognized in 2024, 2023, and 2022, respectively, and presented as part of Salaries and employee benefits under Operating Expenses account in the statements of income, with a corresponding credit to Retained Earnings account in the statements of financial position (see Note 22.2).

25.7 Revaluation Reserves

The components and reconciliation of items of other comprehensive income presented in the statements of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below.

(Amounts in PHP)	Financial Assets at FVOCI (Note 11)	Retirement Benefit Obligation (Note 22)	Derivative Financial Instruments (Note 27)	Total
Balance as at January 1, 2024	**(1,097,528,139)**	**365,073,268**	**3,358,561**	**(729,096,310)**
Remeasurements of retirement benefit post-employment obligation	**-**	**(112,002,916)**	**-**	**(112,002,916)**
Realized loss on sale of FVOCI	**(117,429,707)**	**-**	**-**	**(117,429,707)**
Fair value loss on FVOCI	**(42,323,760)**	**-**	**-**	**(42,323,760)**
Fair value gain on cash flow hedge	**-**	**-**	**(55,952,058)**	**(55,952,058)**
Other comprehensive income (loss) before tax	**(159,753,467)**	**(112,002,916)**	**(55,952,058)**	**(327,708,441)**
Tax expense	**-**	**28,000,729**	**-**	**28,000,729**
Other comprehensive income (loss) after tax	**(159,753,467)**	**(84,002,187)**	**(55,952,058)**	**(299,707,712)**
Balance as at December 31, 2024	**(1,257,281,606)**	**281,071,081**	**(52,593,497)**	**(1,028,804,022)**
Balance as at January 1, 2023	(1,209,330,958)	459,056,485	37,604,712	(712,669,761)
Remeasurements of retirement benefit post-employment obligation	-	(125,310,956)	-	(125,310,956)
Fair value gain on FVOCI	111,802,819	-	-	111,802,819
Fair value gain on cash flow hedge	-	-	(34,246,151)	(34,246,151)
Other comprehensive income (loss) before tax	111,802,819	(125,310,956)	(34,246,151)	(47,754,288)
Tax expense	-	31,327,739	-	31,327,739
Other comprehensive income (loss) after tax	111,802,819	(93,983,217)	(34,246,151)	(16,426,549)
Balance as at December 31, 2023	(1,097,528,139)	365,073,268	3,358,561	(729,096,310)
Balance as at January 1, 2022	(904,352,252)	370,575,582	(53,542,477)	(587,319,147)
Remeasurements of retirement benefit post-employment obligation	-	117,974,537	-	117,974,537
Fair value loss on FVOCI	(304,978,706)	-	-	(304,978,706)
Fair value gain on cash flow hedge	-	-	91,147,189	91,147,189
Other comprehensive income (loss) before tax	(304,978,706)	117,974,537	91,147,189	(95,856,980)
Tax expense	-	(29,493,634)	-	(29,493,634)
Other comprehensive income (loss) after tax	(304,978,706)	88,480,903	91,147,189	(125,350,614)
Balance as at December 31, 2022	(1,209,330,958)	459,056,485	37,604,712	(712,669,761)

26. EARNINGS PER SHARE

EPS amounts were computed as follows:

	2024	2023	2022
Net profit for the year	**P 20,630,026,506**	P 15,755,675,659	P 10,825,120,654
Dividends on cumulative preferred shares Series "A"	**(600,000)**	(600,000)	(600,000)
Distribution to holders of perpetual securities	**-**	-	-
Income available to common Shareholders	**20,629,426,506**	15,755,075,659	10,824,520,654
Divided by weighted number of outstanding common shares	**31,758,046,954**	31,213,820,823	31,661,230,149
Basic EPS	**P 0.650**	P 0.505	P 0.342
Income available to common Shareholders	**P 20,629,426,506**	P 15,755,075,659	P 10,824,520,654
Divided by weighted average number of outstanding common shares and potential dilutive shares	**31,758,046,954**	31,221,872,683	31,717,654,542
Diluted EPS	**P 0.650**	P 0.505	P 0.341

The potentially dilutive outstanding share options totalling 220.0 million in 2024 and 2023, and 232.5 million in 2022 were also considered in the computations (see Note 25.6).

27. DERIVATIVE FINANCIAL INSTRUMENTS

The Company entered into agreements involving derivative financial instruments, such as cross-currency swap and interest rate swaps with a certain local financial institution to hedge the effect of the movements of foreign currency exchange rates and interest rates on financial instruments.

In 2019, a cross-currency swap was agreed upon with a certain local financial institution. The Company shall receive $95.62 million to be paid on a quarterly basis beginning December 2020 up to September 2024 plus interest based on three-month LIBOR plus a certain spread. The Company shall make fixed quarterly payments in Philippine peso plus a fixed interest of 4.82%. The Company designated the cross-currency swaps as hedging instruments to hedge the risk in changes in cash flows of its loan denominated in U.S. dollar as an effect of changes in foreign currency exchange rates and interest rates [see Notes 13.1(a) and 13.1(k)]. In 2024, the Company has paid its outstanding loan balance in full.

In 2024, the Company entered another cross-currency swap agreement with the same financial institution and a corresponding interest rate swap. The Company shall receive $180.5 million to be paid on a quarterly basis beginning June 2025 up to March 2029 plus interest based on three-month BVAL plus a certain spread. The Company shall make fixed quarterly payments in Philippine Peso plus a fixed interest rate of 6.40%. The Company designated the cross-currency swaps as hedging instruments to hedge the risk in changes in cash flows of its loan denominated in U.S. dollar as an effect of changes in foreign currency exchange rates and interest rates [see Notes 13.1(a) and 13.1(k)]. In the same year, the Company entered into an interest rate swap agreement, with a notional amount of P10.0 billion to hedge its exposure to changes in fair value arising from changes in benchmark interest rate on loans payable due to mature in 2029.

As at December 31, 2024, and 2023 the Company has assessed that the cross-currency swaps designated as cash flow hedges will continue to be highly effective over the term of the agreement; hence, the Company expects to continuously use hedge accounting on the hedging relationship of its cross-currency swaps and on its interest-bearing loans.

The Company recognized unrealized losses of P56.0 million and P34.2 million on cash flow hedges in 2024 and 2023, respectively. In 2022, the Company recognized unrealized gains of P91.1 million. These are presented as part of other comprehensive income in the statements of comprehensive income.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the fixed rate bonds match the terms of the interest rate swaps. The Company has established a hedge ratio of 104.12% for the hedging relationships as the underlying risk of the interest rate swaps is identical to the hedged risk component.

The hedged items are presented under Interest-bearing Loans and Borrowings in the Company's statement of financial position as at December 31, 2024. The carrying amounts relating to items designated as hedged items in fair value hedge relationships to manage the Company's exposure to interest rate as at December 31, 2024 amounts to P10.4 billion.

The Company recognized unrealized gain of P57.0 million on fair value hedges in 2024. These are presented as part of Miscellaneous income – net under Interest and Other Income in the 2024 statement of income (see Note 20).

The table below sets out information about the Company's hedging instruments and the related carrying amounts as at December 31:

	Notional Amount	Derivative Assets
2024		
Cash flow hedge –	**$ 180,505,415**	**P 416,555,825**
Cross-currency swap	**P 10,000,000,000**	**(57,317,173)**
		P 359,238,652
2023		
Cash flow hedge –		
Cross-currency swap	$ 17,928,858	P 62,038,593

The hedging instruments have a positive fair value of P359.2 million in 2024 and P62.0 million in 2023. These are presented as Derivative assets under Other Current Assets in the statements of financial position (see Note 12).

28. COMMITMENTS AND CONTINGENCIES

28.1 Operating Lease Commitments – Company as Lessor

The Company 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 Company's revenue from rental properties are derived from commercial and BPO-based tenants.

If the expected growth, particularly from BPO-based tenants, does not meet management's expectations, or in the case of commercial tenants more stringent health measures are imposed resulting to further temporary or permanent closures of commercial establishments, the Company may not be able to lease their properties in a timely manner or collect rent at profitable rates.

To mitigate these risks, tenants pay security deposits and advance rent equal to three to six months' rent, which are forfeited in case a tenant pre-terminates without prior notice or before the expiry of lease term without cause. In addition, tenants are usually required to pay the monthly rent in advance on a monthly basis, without need of further demand. Security deposits and advance rent are presented as Deferred rental income under Other Liabilities in the statements of financial position (see Note 16).

Future minimum lease receivable under these agreements as shown below.

	2024	2023	2022
Within one year	**P 12,465,640,248**	P 12,462,032,544	P 12,637,855,544
After one year but not more than two years	**14,868,654,167**	16,352,056,149	15,670,861,365
After two years but not more than three years	**16,395,323,720**	18,157,438,218	17,531,417,455
After three years but not more than four years	**18,296,125,865**	19,997,013,128	19,334,579,826
After four years but not more than five years	**19,804,555,465**	21,999,575,736	21,262,046,665
More than five years	**21,785,011,011**	23,796,513,333	23,381,059,048
	P 103,615,310,476	P 112,764,629,108	P 109,817,819,903

28.2 Operating Lease Commitments – Company as Lessee

The Company is a lessee under several short-term leases covering condominium units for administrative use.

Rent expense for the years ended December 31, 2024, 2023 and 2022 amounted to P468.2 million, P76.7 million, and P64.3 million, respectively and is presented as Rent under Operating Expenses account in the statements of income (see Note 19).

28.3 Others

As at December 31, 2024 and 2023, the Company has unused long-term credit facilities amounting to P28.0 billion and P33.9 billion, respectively. There are other commitments and contingent liabilities that arise in the normal course of the operations of the Company which are not reflected in the financial statements. The management of the Company is of the opinion that losses, if any, from these items will not have any material effect on their financial statements.

29. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has various financial instruments such as cash and cash equivalents, financial assets at FVOCI, interest-bearing loans and borrowings, bonds payable, trade receivables and payables which arise directly from the Company's business operations. The financial liabilities were issued to raise funds for the Company's capital expenditures.

The Company does not actively engage in the trading of financial assets for speculative purposes.

29.1 Foreign Currency Sensitivity

Most of the Company's transactions are carried out in Philippine peso, its functional currency. Exposures to currency exchange rates arise mainly from the Company's U.S. dollar-denominated cash and cash equivalents and bonds payable, which have been used to fund new projects and to refinance certain indebtedness for general corporate purposes.

As at December 31, 2024 and 2023, net foreign currency-denominated financial liabilities in U.S. dollar, translated into Philippine Peso at the closing rate amounted to P39.3 billion and P28.8 billion, respectively.

Management assessed that the reasonably possible change in exchange rates of Philippine Peso to U.S. dollar, based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at 68% confidence level is 5.22% and 5.38% in 2024 and 2023, respectively. If the exchange rate increased or decreased by such percentage points, the profit before tax in 2024 and 2023 would have decreased or increased by P2,048.1 million and P1,547.8 million, respectively.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions and mainly affect profit or loss of the Company. There are no material exposures on foreign exchange rate that affect the Company's other comprehensive income. Nonetheless, the analysis above is considered to be representative of the Company's currency risk.

29.2 Interest Rate Sensitivity

The Company interest risk management policy is to minimize interest rate cash flow risk exposures to changes in interest rates. The Company maintains a debt portfolio unit of both fixed and floating interest rates. Most long-term borrowings are subject to fixed interest rate while other financial assets are subject to variable interest rates.

The Company's ratio of fixed to floating rate debt stood at 0.55:1.00 and 1.26:1.00 as at December 31, 2024 and 2023, respectively.

The sensitivity of the net results in 2024 and 2023 to a reasonably possible change of 1.0% in floating rates is P467.8 million and P346.5 million, respectively. The sensitivity of the equity in 2024 and 2023 to a reasonably possible change of 1.0% in floating rates is P350.8 million and P259.9 million, respectively. The calculations are based on the Company's financial instruments held at each reporting date. All other variables are held constant.

29.3 Credit Risk

The Company's credit risk is attributable to trade receivables, rental receivables, other financial assets and contract assets. The Company maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the financial assets and contract assets as shown in the statements of financial position (or in the detailed analysis provided in the notes to financial statements), as summarized in the succeeding page.

	Notes	2024	2023
Cash and cash equivalents	4	**P 6,947,215,988**	P 6,323,480,809
Real estate sales receivables	5	**27,418,600,653**	22,080,715,993
Rental receivables	5	**4,542,542,061**	3,672,104,047
Advances to subsidiaries, associates and other related parties	5	**22,702,329,248**	20,323,260,319
Other receivables	5	**6,024,621,310**	5,161,238,852
Guarantee deposits	12	**818,174,844**	736,602,845
Contract assets	17.2	**15,034,808,562**	9,625,592,762
		P 83,488,292,666	P 67,922,995,627

(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 equivalent are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum of P0.5 million for every depositor per banking institution.

(b) Trade and Other Receivables

The Company applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables.

To measure the ECL, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2024 and 2023, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company identifies headline inflation rate and consumer price index to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors. The total loss allowance based on the provision matrix as at December 31, 2024 and 2023 amounted to P172.1 million and P126.9 million, respectively (see Note 5).

The Company considers credit enhancements in determining the ECL. Trade receivables and contract assets from real estate sales are collateralized by the real properties sold while rental receivables are secured to the extent of advanced rental and security deposits received from lessees.

The estimated fair value of collateral and other security enhancements held against trade receivables and contracts assets are presented below.

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2024			
Real estate sales receivables	P 27,418,600,653	P 32,902,320,784	P -
Contract assets	15,034,808,562	18,041,770,274	-
Rental receivables	4,542,542,061	5,451,050,473	-
	P 46,995,951,276	**P 56,395,141,531**	**P -**
2023			
Real estate sales receivables	P 22,080,715,993	P 28,005,631,557	P -
Contract assets	10,763,301,254	31,094,442,448	-
Rental receivables	3,672,104,047	4,048,851,345	-
	P 36,516,121,294	P 63,148,925,350	P -

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 and are presented below.

	2024	2023
Current (not past due)	**P 31,961,142,714**	P 24,980,533,814
Past due but not impaired:		
Not more than 3 months	**525,823,395**	467,486,580
More than 3 months but not more than 6 months	**93,870,644**	93,903,336
More than 6 months but not more than one year	**215,554,413**	210,896,310
	P 32,796,391,166	P 25,752,820,040

(c) *Advances to Subsidiaries, Associates and Other Related Parties*

ECL for advances to subsidiaries, associates, and other related parties, and other trade receivables from related parties, are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

The Company does not consider any significant risks in the advances to related parties as these are entities whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of AGI's long-term corporate strategy. As at December 31, 2024 and 2023, impairment allowance is not material.

(d) *Guarantee Deposits*

The credit risk for guarantee deposits is considered negligible as the Company has ongoing transactions with the counterparties and the latter are considered to be with sound financial condition and sufficient liquidity.

29.4 Liquidity Risk

The Company 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, as well as on the basis of a rolling 30-day projection. Long-term needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits, or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at December 31, 2024 and 2023, the Company's financial liabilities (except lease liabilities –see Note 16) have contractual maturities which are presented below.

	Within 1 Year	1 to 5 Years	More than 5 Years
2024			
Interest-bearing loans and borrowings*	P 21,402,299,540	P 51,857,330,986	P 4,805,792,361
Trade and other payables	7,869,430,964	-	-
Bonds and notes payable*	837,577,125	21,980,054,250	-
Advances from subsidiaries	8,000,573,044	-	-
Other liabilities	1,423,660,346	1,254,034,547	-
	P 39,533,541,019	**P 75,091,419,783**	**P 4,805,792,361**
2023			
Interest-bearing loans and borrowings*	P 17,006,033,675	P 38,295,394,870	-
Trade and other payables	7,244,913,264	-	-
Bonds and notes payable*	14,164,524,941	24,543,746,338	-
Advances from subsidiaries	5,470,528,765	-	-
Other liabilities	1,235,019,760	1,458,968,829	-
	P 45,121,020,405	P 64,298,110,037	-

**Inclusive of future interest costs*

29.5 Other Price Risk Sensitivity

The Company's market price risk arises from its investments carried at fair value (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, an average volatility of 5.45% has been observed during 2023. If quoted price for these securities increased or decreased by that percentage, the equity would have increased or decreased by P16.3 million in 2023. With the current operations of the investee company, there was no volatility observed during 2023 based on discounted cash flow model. There are no listed equity securities in 2024.

The investments in listed equity securities are considered long-term strategic investments. In accordance with the Company'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 Company's favor.

The Company is also exposed to other price risk in respect of its derivative financial assets and liabilities arising from foreign exchange margins trading spot and forward, and interest rate changes. These financial instruments will continue to be measured at fair value based on net present value computation.

30. CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30.1 Carrying Amounts and Fair Value by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

	Notes	2024 Carrying Values	2024 Fair Values	2023 Carrying Values	2023 Fair Values
Financial Assets					
Financial assets at amortized cost:					
Cash and cash equivalents	4	**P 6,947,215,988**	**P 6,947,215,988**	P 6,323,480,809	P 6,323,480,809
Trade and other receivables	5	**60,688,093,270**	**59,891,005,313**	51,237,319,211	50,564,359,362
Guarantee deposits	12	**818,174,844**	**818,174,844**	736,602,845	736,602,845
		P 68,453,484,102	**P 67,656,396,145**	P 58,297,402,865	P 57,624,443,016
Financial Assets					
Financial assets at fair value through other comprehensive income – Equity securities	11	**P 2,306,465,351**	**P 2,306,465,351**	P 1,846,533,695	P 1,846,533,695
Financial assets at fair value through profit or loss – Derivative Asset	12, 27	**P 359,238,652**	**P 359,238,652**	P 62,038,593	P 62,038,593
Financial Liabilities					
Financial liabilities at amortized cost:					
Interest-bearing loans and borrowings	13	**P 68,768,756,288**	**P 66,103,298,100**	P 49,334,799,774	P 48,530,015,017
Bonds payable	14	**20,049,554,649**	**19,369,933,610**	31,114,591,251	30,360,173,852
Trade and other payables	15	**7,961,809,492**	**7,961,809,492**	7,244,913,264	7,244,913,264
Advances from subsidiaries	24.4	**6,353,403,224**	**6,353,403,224**	5,470,528,765	5,470,528,765
Lease liabilities	16	**1,488,054,005**	**1,488,054,005**	1,622,619,227	1,622,619,227
Other liabilities	16	**2,677,694,893**	**2,677,694,893**	2,693,988,589	2,693,988,589
		P 107,299,272,551	**P 103,954,193,324**	P 97,481,440,870	P 95,922,238,714

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 29.

30.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2024 and 2023 and does not have relevant offsetting arrangements, except as disclosed in Notes 24.3 and 24.4. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders. As such, the Company's outstanding receivables from and payables to the same related parties can be potentially offset to the extent of their corresponding outstanding balances.

The Company has cash in certain local banks to which it has outstanding loans (see Note 13). In case of the default on loan amortization, the Company's cash in banks can be applied against its outstanding loan.

31. FAIR VALUE MEASUREMENT AND DISCLOSURE

31.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurements*, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities 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., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the 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.

When the Company 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.

31.2 Financial Instruments Measured at Fair Value

The following table shows the fair value hierarchy of the Company's classes of financial assets and financial liabilities measured at fair value in the statements of financial position as at December 31, 2024 and 2023 (see Notes 11 and 27).

	Level 1	Level 2	Level 3	Total
2024				
Financial Asset –				
Equity securities				
FVOCI securities	**P -**	**P -**	**P 2,306,285,351**	**P 2,306,285,351**
Financial Asset –				
Derivatives	**P -**	**P 359,238,652**	**P -**	**P 359,238,652**
2023				
Financial asset –				
Equity securities				
FVOCI securities	P 397,843,344	P -	P 1,448,690,351	P 1,846,533,695
Financial Asset –				
Derivatives	P -	P 62,038,593	P -	P 62,038,593

Described below is the information about how the fair values of the Company's classes of financial assets and financial liabilities are determined.

(a) *Equity Securities*

As at December 31, 2024, instruments included in Level 1 comprise equity securities classified as financial assets at FVOCI. These securities were valued based on their market prices quoted in the PSE at the end of each reporting period.

In 2024 and 2023, the fair value of equity securities include in Level 3 is determined using discounted cash flows valuation technique with discount rate of 7.2% and 8.5% in 2024 and 2023, respectively, and growth rate of 3.0% in both 2024 and 2023. The forecasted annual net cash flows were also derived by taking into consideration the market conditions, economic factors, and historical performance and future projects of the investee company.

A reconciliation of the carrying amounts of Level 3 FVOCI equity securities at the beginning and end of 2024 and 2023 is shown below.

	2024	2023
Balance at beginning of year	**P 1,448,690,351**	P 1,315,020,256
Additions	**857,775,000**	-
Fair value gains (losses)	**-**	133,670,095
Balance at end of year	**P 2,306,465,351**	P 1,448,690,351

The Company recognized P21.9 million fair value losses in 2023 on the Level 1 equity securities. For the Level 3 equity securities, the Company recognized nil fair value losses and P133.7 million fair value gains in 2024 and 2023, respectively (see Notes 11 and 25.8).

(b) *Derivatives*

The fair value of derivative financial instruments, related to the cross-currency swaps and interest rate swaps, is measured at inputs other than quoted prices that are indirectly observable for the financial instruments and are categorized within Level 2 (see Note 27). The fair value is determined through valuation techniques using the net present value computation. The future principal and interest receipts and payments are discounted using readily observable reference rates at the date of valuation. The resulting net present value is translated into Philippine peso using the U.S. dollar exchange rate at the date of valuation to arrive at the fair value of the derivative financial instruments.

31.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Company's financial instruments measured at amortized cost include financial assets such as cash and cash equivalents, trade and other receivables and guarantee deposits. This also include financial liabilities such as interest-bearing loans and borrowings, bonds payable, trade and other payables and advances from subsidiaries and an associate.

The fair values of the financial assets and financial liabilities are included in Level 3, which are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data. Further, management considers that the carrying amounts of these financial instruments approximate their fair values as the effect of discounting is insignificant. As at December 31, 2024 and 2023, management considers that the carrying amounts of these financial instruments are equal to or approximate their fair values; hence, no fair value hierarchy is presented.

31.4 Fair Value of Investment Properties Measured at Cost for which Fair Value is Disclosed

The fair value of the Company's investment properties earning rental income was determined through discounted cash flows valuation technique. The Company uses assumption 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 Company 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.

As at December 31, 2024 and 2023, the fair value of the Company's investment properties is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of the investment properties was determined using the income approach which is performed with values derived using a discounted cash flow model. The income approach uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business opportunity and costs of capital. The most significant inputs into this valuation approach are the estimated expected future annual cash inflow and outgoing expenses, anticipated increase in market rental, discount rate and terminal capitalization rate.

There were no transfers into or out of Level 3 fair value hierarchy in 2024 and 2023. The reconciliation of the carrying amount of investment properties included in Level 3 is presented in Note 9.

32. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure its ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using the debt-to-equity ratio computed as follows:

	2024	2023
Interest-bearing loans and borrowings	**P 68,768,756,288**	P 49,334,799,774
Bonds and notes payable	**20,049,554,649**	P 31,114,591,251
Total debt	**P 88,818,310,937**	P 80,449,391,025
Total equity	**P 246,436,962,318**	P 226,616,547,134
Debt to equity ratio	**0.36 : 1.00**	0.36 : 1.00

The Company has complied with its covenant obligations, including maintaining the required debt-to-equity ratio for both years.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Company's liabilities arising from financing activities, which include both cash and non-cash changes.

	Interest-bearing Loans and Borrowings (See Note 13)	**Bonds and Notes Payable** (See Note 14)	**Advances from Subsidiaries, and an Associate** (See Note 24)	**Lease Liabilities** (See Note 16)	**Total**
Balance as at January 1, 2024	P 49,334,799,774	P 31,114,591,251	P 5,470,528,765	P 1,622,619,227	P 87,542,539,017
Net cash flows:					
Proceeds	32,752,500,000	-	886,909,543	-	33,639,409,543
Repayments	(14,105,139,326)	(11,935,540,394)	(4,035,084)	(290,815,881)	(26,335,530,685)
Non-cash financing activities:					
Translation adjustments	644,190,622	780,351,563	-	79,358,897	1,503,901,082
Additional lease liabilities	-	-	-	-	-
Amortization of debt issue cost	142,405,218	90,152,229	-	-	232,557,447
Interest amortization on lease liabilities	-	-	-	76,891,761	76,891,761
Balance as at December 31, 2024	**P 68,768,756,288**	**P 20,049,554,649**	**P 6,353,403,224**	**P 1,488,054,004**	**P 96,659,768,165**
Balance as at January 1, 2023	P 33,724,638,628	P 45,239,075,510	P 5,287,305,374	P 1,691,071,970	P 85,942,091,482
Net cash flows:					
Proceeds	25,669,623,000	-	379,209,676	-	26,048,832,676
Repayments	(10,311,274,509)	(13,607,000,000)	(195,986,285)	(173,908,360)	(24,288,169,154)
Non-cash financing activities:					
Translation adjustments	147,205,319	(613,247,433)	-	(1,747,320)	(467,789,434)
Additional lease liabilities	-	-	-	24,291,829	24,291,829
Amortization of debt issue cost	104,607,336	95,763,174	-	-	200,370,510
Interest amortization on lease liabilities	-	-	-	82,911,108	82,911,108
Balance as at December 31, 2023	P 49,334,799,774	P 31,114,591,251	P 5,470,528,765	P 1,622,619,227	P 87,542,539,017
Balance as at January 1, 2022	P 33,490,137,471	P 41,982,042,246	P 5,128,084,511	P 1,415,295,275	P 82,015,559,503
Net cash flows:					
Proceeds	10,000,000,000	-	163,081,876	-	10,163,081,876
Repayments	(9,698,143,108)	-	(3,861,013)	(117,435,409)	(9,819,439,530)
Non-cash financing activities:					
Translation adjustments	(140,784,867)	1,777,067,066	-	15,035,374	1,651,317,573
Amortization of interest	-	1,390,248,631	-	-	1,390,248,631
Additional lease liabilities	-	-	-	296,360,583	296,360,583
Amortization of debt issue cost	73,429,132	89,717,567	-	-	163,146,699
Interest amortization on lease liabilities	-	-	-	81,816,147	81,816,147
Balance as at December 31, 2022	P 33,724,638,628	P 45,239,075,510	P 5,287,305,374	P 1,691,071,970	P 85,942,091,482

Exhibit 2

Reinvestment Plan and Progress Reports for 2024

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **January 15, 2024**
   Date of Report

2. SEC Identification Number: **167423**   3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower**
   36th Street cor. 11th Avenue
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**31,183,251,872**
Preferred	**6,000,000,000**
Total	**37,183,251,872**

10. **Item 9(b)**

Please see the attached disclosure to the Philippine Stock Exchange.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
January 15, 2024

C00187-2024

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

- [ ] Annual Report
- [x] Quarterly Report

Subject of the Disclosure
2023 Fourth Quarter Sponsor Progress Report on the Use of the Proceeds from the Block Sale of 279,400,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld)
Background/Description of the Disclosure
Progress Report on the use of proceeds for the quarter ending December 31, 2023, in relation to the Reinvestment Plan submitted by Megaworld in connection with the block sale of 279,400,000 common shares of MREIT, duly certified by external auditors.
Update or Status of the Reinvestment Plan
As of December 31, 2023, the remaining balance of the proceeds from the block sale amounts to One Billion Nine Hundred Thirty Million Nine Hundred Sixty-Six Thousand Fifty-Seven Pesos and Forty-Four Centavos (Php1,930,966,057.44).
Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 01 October 2023 to 31 December 2023:

Project Name: Davao Park District
Disbursing Entity: Davao Park District Holdings, Inc.
Total: Php90,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php175,000,000.00

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php175,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php190,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

Davao Park District – Malls, Offices, Land Development, and other developments in Davao
Bacolod Projects – Malls, Offices, Land Development, and other developments in Bacolod
The Mactan Newtown – Malls, Offices, Land Development, and other developments in Mactan, Cebu
ArcoVia City – Malls, Offices, Land Development and other developments in Pasig City

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

MEGAWORLD CORPORATION
25/F Alliance Global Tower, 36th Street cor. 11th Avenue Uptown Bonifacio, Taguig City 1634
Trunkline: (632) 905-2900 • (632) 905-2800
www.megaworldcorp.com • E-mail: infodesk@megaworldcorp.com

January 10, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. ALEXANDRA D. TOM WONG**
Head, Disclosure Department

Subject: 4th Quarter 2023 Progress Report on the Use of Proceeds from the Block Sale of 279,400,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Tom-Wong,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending December 31, 2023, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds are in connection with the Block Sale of 279,400,000 common shares of MREIT, Inc. which was settled on July 27, 2023, with the offer price of P13.00 per share, resulting in net proceeds at P3,606,018,012.74. Please be advised that as of December 31, 2023, the remaining balance of the proceeds from the block sale amounts to One Billion Nine Hundred Thirty Million Nine Hundred Sixty-Six Thousand Fifty-Seven pesos and forty-four centavos (Php1,930,966,057.44) as indicated below:

Net Proceeds from the Block Sale	3,606,018,012.74
less:	
Disbursement from July 1 to Sept. 30, 2023	(1,045,051,955.30)
Disbursement from Oct. 1 to Dec. 31, 2023 (Annex A)	(630,000,000.00)
Balance of Proceeds from the Block Sale as of Dec. 31, 2023	1,930,966,057.44

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

ANNEX A: Disbursements from the Proceeds of the Block Sale for the period covering October 1 to December 31, 2023

Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
Davao Park District	Davao City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	90,000,000.00	Davao Park District Holdings, Inc
Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	175,000,000.00	Megaworld Bacolod Properties, Inc
The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	175,000,000.00	Oceantown Properties, Inc
Arcovia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	190,000,000.00	Arcovia Properties, Inc
TOTAL			**PHP**	**630,000,000.00**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City, METRO MANILA) SS

At Makati City City, Metro Manila, on this ____ day of JAN 11 2024, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID NO. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

JAN 11 2024

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of _______, 20___.

NOTARY PUBLIC
BUENAVENTURA U. MENDOZA
NOTARY PUBLIC
Until December 31, 2025
PTR No. 10075560 Makati City-01/02/24
IBP No. 309994 01-02-2024 Roll No. 31205
MCLE Compliance No. VII-0020846
500-A Madrigal Bldg. Ayala Ave., Makati City

Doc. No 392
Page No. 80
Book No. 03
Series of 2024

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

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Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended December 31, 2023 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 279,400,000 common shares of MREIT, Inc. (MREIT) which was settled on July 27, 2023, with the offer price of P13.00 per share (the Block Sale), resulting in a net proceeds estimated at P3.60 billion (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*.

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a) The Report;
   b) Schedule of planned application of proceeds from the Block Sale; and,
   c) Detailed schedule of utilization of proceeds for the quarter ended December 31, 2023.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale for the quarter ended December 31, 2023, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity		Amount
Davao Park District	Davao	Malls, Offices, Land Development, and Other Developments	Davao Park District Holdings, Inc.	P	90,000,000
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.		175,000,000
The Mactan Newtown	Mactan, Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.		175,000,000
Arcovia City	Pasig	Malls, Offices, Land Development, and Other Developments	Arcovia Properties, Inc.		190,000,000
				P	630,000,000

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated July 25, 2023.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds for the quarter ended December 31, 2023 to supporting acknowledgment receipts and approved payment endorsement documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location		Amount
Davao Park District Holdings, Inc.	Davao Park District	Davao	P	90,000,000
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod		175,000,000
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Mactan, Cebu		175,000,000
Arcovia Properties, Inc.	Arcovia City	Pasig		190,000,000
			P	**630,000,000**

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until financial period 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

January 10, 2024

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 10 January 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

ATTY. IRA JENNENA J. BERO, CPA
NOTARY PUBLIC
ROLL NO. 82663
MAKATI CITY, PHILIPPINES

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 525;
Page No. 106;
Book No. II;
Series of 2024.

C00562-2025

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

- ☑ Annual Report
- ☐ Quarterly Report

Subject of the Disclosure

Annual Sponsor Progress Report for the Use of the Proceeds from the Sale of 40,650,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld).

Background/Description of the Disclosure

Annual Progress Report on the use of proceeds for the period ending December 31, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the sale of 40,650,000 common shares of MREIT, duly certified by external auditors.

Update or Status of the Reinvestment Plan

As of December 31, 2024, the remaining balance of the proceeds from the block sale amounts to One Hundred Five Million One Hundred Forty Eight Thousand Three Hundred Eighty Eight Pesos and Forty Seven Centavos (Php105,148,388.47).

Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 22 April 2024 to 31 December 2024:

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php140,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php99,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php152,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

The Mactan Newtown – Malls, Offices, Land Development, and other developments in Mactan, Cebu
ArcoVia City – Malls, Offices, Land Development and other developments in Pasig City
Bacolod Projects - Malls, Offices, Land Development and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Krizelle Marie Poblacion
Designation	Legal Counsel

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **31 January 2025**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower**
   36th Street corner 11th Avenue
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**32,558,251,8721**[1]
Preferred	6,000,000,000
Total	**38,558,251,872**

10. **Item 9(b)**

Please see the attached Annual Progress Report on the Use of Proceeds from the Block Sale of 40,650,000 common shares of MREIT, Inc. (MREIT) which was settled on 22 April 2024.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer

By:

FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
31 January 2025

[1] The Corporation has issued an additional 1,375,000,000 common shares pursuant to the increase in authorized capital stock approved by the Securities and Exchange Commission on 29 July 2024. 31,183,251,872 outstanding common shares are listed with the Philippine Stock Exchange (PSE), while the additional 1,375,000,000 common shares recently issued has been applied for listing in accordance with the PSE Listing Rules.

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

January 30, 2025

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. STEFANIE ANN B. GO**
Officer-In-Charge, Disclosure Department

Subject: Annual Report on the Use of Proceeds from the Block Sale of 40,650,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Go,

We hereby submit our Progress Report on the Use of Proceeds for the year ending December 31, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds were generated from the Block Sale of 40,650,000 common shares of MREIT, Inc. settled on April 22, 2024, at an offer price of Php12.30 per share, resulting in net proceeds of Php496,148,388.47.

Please be advised that as of December 31, 2024, the remaining balance of the proceeds from the block sale amounts to One Hundred Five Million One Hundred Forty Eight Thousand Three Hundred Eighty Eight Pesos and Forty Seven Centavos (Php105,148,388.47) as indicated below:

Net Proceeds from the Block Sale	496,148,388.47
less:	
Disbursement from Apr. 22 to Jun. 30, 2024	140,000,000.00
Disbursement from Jul. 1 to Sep. 30, 2024	130,000,000.00
Disbursement from Oct. 1 to Dec. 31, 2024	121,000,000.00
Balance of Proceeds from the Block Sale as of Dec. 31, 2024	105,148,388.47

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

CERTIFICATION INTERNATIONAL
ISO 9001:2015

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City METRO MANILA) SS

At Makati City City, Metro Manila, on this 30th day of January 2025, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 30th day of January 2025.

NOTARY PUBLIC

ATTY. MIKHAIL JUDE AMANDO R. FABIO II
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M 326 VALID UNTIL DECEMBER 31, 2025
PTR No. MKT 10471129 / 01-06-25 / MAKATI CITY
IBP No. 501098 01-07-2025 Roll No. 81066
MCLE Compliance No. VIII-0008160 April 14, 2025
VALID UNTIL APRIL 14, 2028

Doc. No 30 ;
Page No. 07 ;
Book No. 43 ;
Series of 2025

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Annual Progress Report (the Report) as of and for the period from April 22, 2024 to December 31, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 40,650,000 common shares of MREIT, Inc. (MREIT) which was settled on April 22, 2024, with the offer price of P12.30 per share (the Block Sale), resulting in a net proceeds estimated at no greater than P500.00 million (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*.

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a) The Report;
   b) Schedule of planned application of proceeds from the Block Sale; and,
   c) Detailed schedule of utilization of proceeds for the period from April 22, 2024 to December 31, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale for the period from April 22, 2024 to December 31, 2024, based on the information we obtained from the Company.

Project Name	Location	Disbursement from April 22 to June 30, 2024	Disbursement from July 1 to September 30, 2024	Disbursement from October 1, to December 31, 2024
Bacolod Projects	Bacolod	P 30,000,000	P 65,000,000	P 57,000,000
ArcoVia City	Pasig	35,000,000	30,000,000	34,000,000
The Mactan Newtown	Cebu	75,000,000	35,000,000	30,000,000
		P 140,000,000	P 130,000,000	P 121,000,000

   We noted that the Company received proceeds from the Block Sale amounting to P496.15 million. Out of the total proceeds, P391.00 million has been disbursed from April 22, 2024 to December 31, 2024. Remaining balance of the proceeds from the Block Sale as of December 31, 2024 amounts to P105.15 million.

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated April 22, 2024.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds for the period from April 22, 2024 to December 31, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location	Amount
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod	P 152,000,000
ArcoVia Properties, Inc.	ArcoVia City	Pasig	99,000,000
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Cebu	140,000,000
			P 391,000,000

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: **John Endel S. Mata**
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10465907, January 2, 2025, Makati City
BIR AN 08-002551-040-2023 (until January 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-012 (until August 12, 2027)

January 28, 2025

SUBSCRIBED AND SWORN to before me this 30 JAN 2025
at Makati City, Philippines. Affiant exhibited to me his/her competent ID # ________________ valid until ____________.

DOC. NO. 128;
PAGE NO. 27;
BOOK NO. X;
SERIES OF 2025.

MA. ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2025
Appt. No. M-13 (2024-2025) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VIII-0009662/valid until 4-14-2028
PTR No. 10467303/1-2-2025/Makati City
IBP Lifetime Member No. 05413
G/F Dela Rosa Carpark I, Dela Rosa St.
Legaspi Village, Makati City

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

☑ Annual Report

☐ Quarterly Report

Subject of the Disclosure
Annual Sponsor Progress Report for the period ended December 31, 2024 on the Use of the Proceeds from the Sale of 79,700,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld).
Background/Description of the Disclosure
Annual Progress Report on the use of proceeds for the period ending December 31, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the sale of 79,700,000 common shares of MREIT, duly certified by external auditors.
Update or Status of the Reinvestment Plan
As of December 31, 2024, the remaining balance of the proceeds from the sale amounts to Fifty Three Million Seven Thousand Six Hundred Twenty Five Pesos and Eighty Centavos (Php53,007,625.80).
Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 05 June 2024 to 31 December 2024:

Project Name: Northwin Global City
Disbursing Entity: Northwin Properties, Inc.
Total: PhpPhp785,000,000.00

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php50,000,000.00
Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php42,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php43,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

Northwin Global City - Malls, Offices, Land Development and other developments in Bulacan
The Mactan Newtown - Malls, Offices, Land Development, and other developments in Cebu
ArcoVia City - Malls, Offices, Land Development, and other developments in Pasig
Bacolod Projects - Malls, Offices, Land Development, and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Krizelle Marie Poblacion
Designation	Legal Counsel

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **31 January 2025**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower**
   36th Street corner 11th Avenue
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**32,558,251,8721**[1]
Preferred	**6,000,000,000**
Total	**38,558,251,872**

10. **Item 9(b)**

Please see the attached Annual Progress Report on the Use of Proceeds from the Sale of 79,700,000 common shares of MREIT, Inc. which was settled on June 05, 2024.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer

By:

FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
31 January 2025

[1] The Corporation has issued an additional 1,375,000,000 common shares pursuant to the increase in authorized capital stock approved by the Securities and Exchange Commission on 29 July 2024. 31,183,251,872 outstanding common shares are listed with the Philippine Stock Exchange (PSE), while the additional 1,375,000,000 common shares recently issued has been applied for listing in accordance with the PSE Listing Rules.

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

January 30, 2025

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. STEFANIE ANN B. GO**
Officer-In-Charge, Disclosure Department

Subject: Annual Report on the Use of Proceeds from the Sale of 79,700,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Go,

We hereby submit our Progress Report on the Use of Proceeds for the year ending December 31, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds were generated from the Sale of 79,700,000 common shares of MREIT, Inc. settled on June 05, 2024, with an average sale price of Php12.3001 per share, resulting in net proceeds of Php973,007,625.80.

Please be advised that as of December 31, 2024, the remaining balance of the proceeds from the sale amounts to Fifty Three Million Seven Thousand Six Hundred Twenty Five Pesos and Eighty Centavos (Php53,007,625.80) as indicated below:

Net Proceeds from the Block Sale	973,007,625.80
less:	
Disbursement from Jun. 05 to Jun. 30, 2024	45,000,000.00
Disbursement from Jul. 1 to Sep. 30, 2024	55,000,000.00
Disbursement from Oct. 1 to Dec. 31, 2024	820,000,000.00
Balance of Proceeds from the Block Sale as of Dec. 31, 2024	53,007,625.80

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City, METRO MANILA) SS

At Makati City City, Metro Manila, on this 30th day of January 2025, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 30th day of January 2025.

NOTARY PUBLIC

ATTY. MIKHAIL JUDE AMANDO R. FABIO II
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M 326 VALID UNTIL DECEMBER 31, 2025
PTR No. MKT 10471129 / 01-06-25 / MAKATI CITY
IBP No. 501098 01-07-2025 Roll No. 81066
MCLE Compliance No. VIII-0008160 April 14, 2025
VALID UNTIL APRIL 14, 2028

Doc. No 29 ;
Page No. 07 ;
Book No. 43 ;
Series of 2025.

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Annual Progress Report (the Report) as of and for the period from June 5, 2024 to December 31, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 79,700,000 common shares of MREIT, Inc. (MREIT) which was settled on June 5, 2024, with the offer price of P12.3001 per share (the Block Sale), resulting in a net proceeds estimated at no greater than P973.01 million (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements.*

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a) The Report;
   b) Schedule of planned application of proceeds from the Block Sale; and,
   c) Detailed schedule of utilization of proceeds for the period from June 5, 2024 to December 31, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale for the period from June 5, 2024 to December 31, 2024, based on the information we obtained from the Company.

Project Name	Location	Disbursement from June 5 to June 30, 2024	Disbursement from July 1 to September 30, 2024	Disbursement from October 1, to December 31, 2024
The Mactan Newtown	Cebu	P 15,000,000	P 20,000,000	P 15,000,000
ArcoVia City	Pasig	20,000,000	10,000,000	12,000,000
Bacolod Projects	Bacolod	10,000,000	25,000,000	8,000,000
Northwin Global City	Bulacan	-	-	785,000,000
		P 45,000,000	P 55,000,000	P 820,000,000

   We noted that the Company received proceeds from the Block Sale amounting to P973.01 million. Out of the total proceeds, P920.00 million has been disbursed from June 5, 2024 to December 31, 2024. Remaining balance of the proceeds from the Block Sale as of December 31, 2024 amounts to P53.01 million.

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated June 5, 2024.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds for the period from June 5, 2024 to December 31, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

P&A
Grant Thornton

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location		Amount
Northwin Properties, Inc.	Northwin Global City	Bulacan	P	785,000,000
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Cebu		50,000,000
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod		43,000,000
ArcoVia Properties, Inc.	ArcoVia City	Pasig		42,000,000
			P	920,000,000

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10465907, January 2, 2025, Makati City
BIR AN 08-002551-040-2023 (until January 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-012 (until August 12, 2027)

January 28, 2025

SUBSCRIBED AND SWORN to before me this 30 JAN 2025 at Makati City, Philippines. Affiant exhibited to me his/her competent ID # ____________ valid until ____________

MA. ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2025
(Appt. No. M-113 (2024-2025) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VIII-0009662/valid until 4-14-2028
PTR No. 10467303/1-2-2025/Makati City
IBP Lifetime Member No. 09413
G/F Dela Rosa Carpark I, Dela Rosa St.
Legaspi Village, Makati City

DOC. NO. 127;
PAGE NO. 27;
BOOK NO. X;
SERIES OF 2025

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C (AS AMENDED)
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **April 15, 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower**
   36th Street cor. 11th Avenue
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**31,183,251,872**
Preferred	**6,000,000,000**
Total	**37,183,251,872**

10. **Item 9(b)**

Please see the attached disclosure to the Philippine Stock Exchange.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
April 15, 2024

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

- [x] Annual Report
- [ ] Quarterly Report

Subject of the Disclosure
2024 First Quarter Sponsor Progress Report on the Use of the Proceeds from the Block Sale of 279,400,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld)
Background/Description of the Disclosure
Progress Report on the use of proceeds for the quarter ending March 31, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the block sale of 279,400,000 common shares of MREIT, duly certified by external auditors.
Update or Status of the Reinvestment Plan
As of March 31, 2024, the remaining balance of the proceeds from the block sale amounts to One Billion Two Hundred Ninety Million Nine Hundred Sixty-Six Thousand Fifty-Seven Pesos and Forty-Four Centavos (Php1,290,966,057.44).
Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 01 January 2024 to 31 March 2024:

Project Name: Davao Park District
Disbursing Entity: Davao Park District Holdings, Inc.
Total: Php100,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php175,000,000.00

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php175,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php190,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

Davao Park District – Malls, Offices, Land Development, and other developments in Davao
Bacolod Projects – Malls, Offices, Land Development, and other developments in Bacolod
The Mactan Newtown – Malls, Offices, Land Development, and other developments in Mactan, Cebu
ArcoVia City – Malls, Offices, Land Development and other developments in Pasig City

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

April 11, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. ALEXANDRA D. TOM WONG**
Head, Disclosure Department

Subject: 1st Quarter 2024 Progress Report on the Use of Proceeds from the Block Sale of 279,400,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Tom-Wong,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending March 31, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds are in connection with the Block Sale of 279,400,000 common shares of MREIT, Inc. which was settled on July 27, 2023, with the offer price of P13.00 per share, resulting in net proceeds at P3,606,018,012.74. Please be advised that as of March 31, 2024, the remaining balance of the proceeds from the block sale amounts to One Billion Two Hundred Ninety Million Nine Hundred Sixty-Six Thousand Fifty-Seven pesos and forty-four centavos (Php1,290,966,057.44) as indicated below:

Net Proceeds from the Block Sale	3,606,018,012.74
less:	
Disbursement from July 1 to Sept. 30, 2023	1,045,051,955.30
Disbursement from Oct. 1 to Dec. 31, 2023	630,000,000.00
Disbursement from Jan. 1 to Mar. 31, 2024 (Annex A)	640,000,000.00
Balance of Proceeds from the Block Sale as of Mar. 31, 2024	1,290,966,057.44

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

CERTIFICATION INTERNATIONAL
ISO 9001:2015

ANNEX A: Disbursements from the Proceeds of the Block Sale for the period covering January 01 to March 31, 2024

Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
Davao Park District	Davao City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	100,000,000.00	Davao Park District Holdings, Inc
Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	175,000,000.00	Megaworld Bacolod Properties, Inc
The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	175,000,000.00	Oceantown Properties, Inc
Arcovia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	190,000,000.00	Arcovia Properties, Inc
TOTAL			**PHP**	**640,000,000.00**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City METRO MANILA) SS

At Makati City City, Metro Manila, on this ____ day of APR 12 2024, 20__, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this ___ day of APR 12 2024 20__.

NOTARY PUBLIC

BUENAVENTURA U. MENDOZA
NOTARY PUBLIC
Until December 31, 2025
PTR No. 10075560 Makati City-01/02/24
IBP No. 300994 01-02-2024 Roll No. 31206
MCLE Compliance No. VII-0020846 April 14, 2025
500-A Madrigal Bldg. Ayala Ave., Makati City

Doc. No 64;
Page No. 14;
Book No. 14;
Series of 2024

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended March 31, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 279,400,000 common shares of MREIT, Inc. (MREIT) which was settled on July 27, 2023, with the offer price of P13.00 per share (the Block Sale), resulting in a net proceeds estimated at P3.60 billion (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements.*

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
    a) The Report;
    b) Schedule of planned application of proceeds from the Block Sale; and,
    c) Detailed schedule of utilization of proceeds for the quarter ended March 31, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale for the quarter ended March 31, 2024, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity		Amount
Davao Park District	Davao	Malls, Offices, Land Development, and Other Developments	Davao Park District Holdings, Inc.	P	100,000,000
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.		175,000,000
The Mactan Newtown	Mactan, Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.		175,000,000
Arcovia City	Pasig	Malls, Offices, Land Development, and Other Developments	Arcovia Properties, Inc.		190,000,000
				P	640,000,000

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated July 25, 2023.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds for the quarter ended March 31, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

P&A
Grant Thornton

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location		Amount
Davao Park District Holdings, Inc.	Davao Park District	Davao	P	100,000,000
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod		175,000,000
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Mactan, Cebu		175,000,000
Arcovia Properties, Inc.	Arcovia City	Pasig		190,000,000
			P	**640,000,000**

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN: 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 121347-SEC (until financial period 2023)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 8, 2024

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 8 April 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

ATTY. IRA JENNENA J. BERO, CPA
NOTARY PUBLIC
ROLL NO. 82663
MAKATI CITY, PHILIPPINES

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 410;
Page No. 92;
Book No. II;
Series of 2024.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

   Apr 22, 2024

2. SEC Identification Number

   167423

3. BIR Tax Identification No.

   000-477-103

4. Exact name of issuer as specified in its charter

   MEGAWORLD CORPORATION

5. Province, country or other jurisdiction of incorporation

   Metro Manila, Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City, Philippines
   Postal Code
   1634

8. Issuer's telephone number, including area code

   (632) 8894-6300/6400

9. Former name or former address, if changed since last report

   N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	31,183,251,872
Preferred	6,000,000,000

11. Indicate the item numbers reported herein

   Item 9(b)

Megaworld Corporation
MEG

PSE Disclosure Form REIT-1 - Reinvestment Plan
References: Rule 4 of the IRR of the REIT Act of 2009 and Sections 4 and 8 of the Amended PSE Listing Rules for REITS

Report Date	Apr 22, 2024

☑ InitialFiling

☐ Amend

Amendment No.:	-

Items amended by Filing
N/A

Exact Name of REIT as Specified in its Charter	MREIT, INC.
Address of Principal Office	18th Floor, Alliance Global Tower, 36th Street corner 11th Avenue Uptown Bonifacio, Taguig City1634
SEC Identification Number	CS202052294
BIR Identification Number	502-228-971-000
Name of REIT Corporation:	MREIT, INC.
Reinvestment Plan Period:	Apr 22, 2024

A. Income-Generating Properties Transferred by the Sponsors/Promoters to the REIT

Name of Sponsor/Promoter	Description of Property Transferred	Certificate of Title of Property	Transfer Value of the Property to the REIT
N/A	-	-	-

B. Estimated Amount of Proceeds/Money to be Realized by the Sponsors/Promoters
I. From the Subsequent Sale of REIT shares or other securities issued in exchange for income-generating real estate transferred by the Sponsors/Promoters to the REIT

Name of Sponsor/Promoter	Estimated Amount of Proceeds	
MEGAWORLD CORPORATION	499,995,000	

II. From the Sale of income-generating real estate to the REIT

Name of Sponsor/Promoter	Estimated Amount of Proceeds	
N/A	-	

C. The Reinvestment Projects
Description of the Real Properties/Infrastructure Projects subject of the Reinvestment Policy

Description of the Real Properties/ Infrastructure Projects	Location	Estimated Timing of Disbursement of the Money/ Proceeds for Reinvestment	Percentage of Completion as of the Date of the Reinvestment Plan	Type of Investment (Direct ownership, shareholding, etc.)	
The Mactan Newtown	Cebu	Q2 2024 to Q1 2025	47%	Indirect	
ArcoVia City	Pasig	Q2 2024 to Q1 2025	17%	Indirect	
Bacolod Projects	Bacolod	Q2 2024 to Q1 2025	43%	Indirect	

Other Relevant Information
Please see the attached Reinvestment Plan.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **22 April 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. ______ (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower**
   36th Street corner 11th Avenue
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	31,183,251,872
Preferred	6,000,000,000
Total	**37,183,251,872**

10. **Item 9(b)**

Pursuant to Rule 4, Section 5.1(e) of the Implementing Rules and Regulations of Republic Act No. 9856 (REIT Act), we are submitting the Reinvestment Plan of Megaworld Corporation for the proceeds of its block sale of 40.65 million shares in MREIT, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer

By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
22 April 2024

MEGAWORLD

M·REIT
A MEGAWORLD COMPANY

REINVESTMENT PLAN

In connection with the Block Sale by Megaworld Corporation
of 40,650,000 Common Shares of MREIT, Inc.

Offer Price: Php12.30 per share

April 22, 2024

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MONITORING AND REVIEW	**6**
REPORTING	**6**

A. EXECUTIVE SUMMARY

This Reinvestment Plan sets out the planned use of the net proceeds received by Megaworld Corporation (referred to herein as "**Megaworld**" or the "**Company**") from the block sale of 40,650,000 common shares of MREIT, Inc. for the offer price of Php12.30 (the **"Block Sale"**), with net proceeds estimated at no greater than Php500 million.

MREIT, Inc. ("**MREIT**") has an authorized capital stock of Php5.0billion, divided into 5.0 billion common shares with a par value of Php1.00 per share (each, a "**Share**"). As of the date of this Reinvestment Plan, MREIT has 2,795,821,381 Shares issued and outstanding. 2,532,121,381 Shares are listed with the Philippine Stock Exchange ("**PSE**"), while the application for listing for the remainder of the Shares is currently pending with the PSE. Out of the total issued and outstanding Shares, 44.43% are held by the public. MREIT has no preferred shares and no Shares held in treasury. MREIT market capitalization as of date of this Reinvestment Plan stands at Php36.6 billion.

Pursuant to Securities and Exchange Commission Memorandum Circular No. 1, Series of 2020, and Bureau of Internal Revenue Regulations No. 3-2020, any Sponsor/Promoter of a REIT who realizes proceeds from the sale of REIT shares or other securities issued in exchange for income-generating Real Estate transferred to the REIT shall submit to the SEC, the PSE, and the BIR a sworn reinvestment plan undertaking to reinvest all such proceeds in any real estate, including any redevelopment thereof, and/or infrastructure projects, in the Philippines within one (1) year from the date of receipt of proceeds or money by the Sponsor/Promoter.

Following current regulations, Megaworld intends to invest its net proceeds from the Block Sale estimated at no greater than Php500 million in three (3) townships located in Cebu, Pasig and Bacolod for the development of malls, offices, and other developments within each township. All disbursements for such projects are intended to be distributed within one (1) year upon receipt of the money raised from the Block Sale. Megaworld does not intend to reinvest the net proceeds from the Block Sale in any infrastructure project other than the three (3) Megaworld townships aforementioned.

B. ABOUT THE SPONSOR

1. Overview

The Company is one of the leading property developers in the Philippines and is primarily engaged in the development of large scale mixed-use planned communities, or community townships, that comprise residential, commercial and office developments and integrate leisure, entertainment, and educational/training components. Founded in 1989, the Company initially established a reputation for building high quality residential condominiums and commercial properties located in convenient urban locations with easy access to offices as well as leisure and entertainment amenities in Metro Manila. Beginning in 1996, in response to demand for the lifestyle convenience of having a quality residences in close proximity to office and leisure facilities, the Company began to focus on the development of mixed-use communities, primarily for the middle-income market, by commencing the development of tis Eastwood City project. In addition, the Company engages in other property related activities such as project design, constructions oversight and property management.

The Company's real estate portfolio includes residential condominium units, subdivision lots and townhouses as well as office projects and retail space. The Company has the following three primary business segments: (1) real estate sales of residential developments (ii) leasing of office space, primarily to Business Process Outsourcing ("**BPO**") enterprises, and retail space and (iii) management of hotel operations.

As of date of this Reinvestment Plan, the Company owns or has development rights to 4,549 hectares of land located throughout the Philippines.

The Company's common shares were listed in the PSE in 1994 (under listing code "MEG") and as of date of this Reinvestment Plan has a market capitalization of Php54 billion.

2. Board of Directors and Senior Management

There are seven (7) members of the Company's Board of Directors, three (3) of whom are independent directors. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relations which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director [SRC Rule 38]. All directors were elected during the annual meeting of stockholders held on 16 June 2023, and will hold office until their successors have been duly elected and qualified. All the incumbent directors have been nominated for election to the Board of Directors of the Company for the ensuing calendar year.

Information concerning the background of the directors/nominees for directors and executive officers of the Company indicating their principal occupation or employment and their business experience for the past five (5) years is provided below.

The table sets forth each member of the Company's Board as of date of this Reinvestment Plan:

Name	Citizenship	Position
Andrew L. Tan	Filipino	Director, Chairman, President, and CEO
Katherine L. Tan	Filipino	Director
Kingson U. Sian	Filipino	Director and Executive Director
Enrique Santos L. Sy	Filipino	Director
Jesus B. Varela	Filipino	Lead Independent Director
Cresencio P. Aquino	Filipino	Independent Director

Alejo L. Villanueva, Jr.	Filipino	Independent Director

The table below sets forth the Company's executive officers in addition to its executive directors listed above as of date of this Reinvestment Plan:

Name	Citizenship	Position
Lourdes T. Gutierrez-Alfonso	Filipino	Chief Operating Officer
Kevin Andrew L. Tan	Filipino	Executive Vice President and Chief Strategy Officer
Francisco C. Canuto	Filipino	Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer, and Chief Audit Executive
Noli D. Hernandez	Filipino	Executive Vice President for Sales and Marketing
Giovanni C. Ng	Filipino	Senior Vice President and Finance Director
Maria Victoria M. Acosta	Filipino	Executive Vice President and Managing Director for International Marketing and Leasing
Maria Carla T. Uykim	Filipino	Head of Corporate Advisory and Compliance
Rafael Antonio S. Perez	Filipino	Head for Human Resources and Corporate Administration Division
Graham M. Coates	British	Head of Megaworld Lifestyle Malls
Jennifer L. Romualdez	Filipino	Head for Operations Division
Kimberly Hazel A. Sta. Maria	Filipino	Assistant Vice President for Corporate Communications and Advertising
Ma. Melody Ibanez-Garcia	Filipino	Chief Risk Officer
Lino P. Victorioso, Jr.	Filipino	Data Protection Officer
Anna Michelle T. Llovido	Filipino	Corporate Secretary
Nelileen S. Baxa	Filipino	Assistant Corporate Secretary

C. PROCEEDS RECEIVED BY THE SPONSOR

The Company expects to receive from the Block Sale estimated net proceeds of no greater than Php500 million, after deduction of fees and taxes, on 22 April 2024.

D. THE REINVESTMENT PLAN

Megaworld intends to use net proceeds received from the Block Sale to fund ongoing and future investments in real estate properties in three (3) townships located in Cebu, Pasig and Bacolod for the development of malls, offices, and other developments within each township, which Megaworld may undertake on its own or through other subsidiaries. While the Company is not contemplating acquiring land at this time, there is nothing preventing it from doing so in the future in accordance with the requirements of the law, if the timing and opportunity is right.

The projected disbursement in connection with the proposed use of proceeds is provided in the succeeding table:

#	PROJECT NAME	DESCRIPTION	TOWNSHIP / LOCATION	INVESTMENT TYPE	PRODUCT	STATUS	PERCENTAGE COMPLETION	COMPLETION DATE	TOTAL PLANNED USE FOR THE YEAR	Q2 2024	Q3 2024	Q4 2024	Q1 2025	DISBURSING ENTITY
1	The Mactan Newtown	Malls, Offices, Land Development and other developments	Cebu	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	47%	2026	175.00m	75.00m	35.00m	30.00m	35.00m	Megaworld Oceantown Properties, Inc.
2	ArcoVia City	Malls, Offices, Land Development and other developments	Pasig	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	17%	2028	125.00m	35.00m	30.00m	34.00m	26.00m	ArcoVia Properties, Inc.
3	Bacolod Projects	Malls, Offices, Land Development and other developments	Bacolod	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	43%	2026	200.00m	30.00m	65.00m	57.00m	48.00m	Megaworld Bacolod Properties, Inc.
								Total	**500.00m**	**140.00m**	**130.00m**	**121.00m**	**109.00m**	
								Cumulative			**270.00m**	**391.00m**	**500.00m**	

Megaworld shall endeavor to cause the completion of the construction of the projects enumerated in the table above within the projected time frame. However, the time of completion and, accordingly, the timing of disbursements, are subject to unforeseen external conditions that may cause delays in construction timetables (e.g., fire, earthquake, pandemic, and other natural elements, war, civil disturbance) or due to any other cause beyond the control of Megaworld, and/or its subsidiaries.

E. MONITORING AND REVIEW

Megaworld shall monitor the actual disbursements of projects proposed in this Reinvestment Plan on a quarterly basis. For this purpose, Megaworld shall prepare a quarterly progress report of actual disbursements on the projects covered by this Reinvestment Plan.

In the event of changes in the actual disbursements of projects proposed in this Reinvestment Plan, Megaworld shall carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is the best interest of the Company and its shareholders. Megaworld's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary and the Company may find it necessary or advisable to alter their plans.

In such an event, Megaworld undertake that any deviation from the planned reinvestment (as disclosed in this Reinvestment Plan) will be promptly disclosed to the Exchange to the Commission via SEC Form 17-C (and submit a Revised Reinvestment Plan as necessary).

F. REPORTING

Megaworld shall comply with the reportorial and disclosure requirements prescribed by the SEC, PSE, BIR, or the appropriate regulatory government agency/ies.

Megaworld shall submit to the PSE quarterly progress reports and a final report on the implementation of the Reinvestment Plan, duly certified by its Chief Financial Officer, Treasurer, and External Auditor. The quarterly progress report and the final report shall be submitted to the PSE in accordance with the REIT Law, its implementing regulations, and relevant PSE rules.

The Reinvestment Plan and the status of its implementation shall be included in the appropriate structured reports of Megaworld to the SEC and PSE. Any investment pursuant to the Reinvestment Plan shall be disclosed by the Company via SEC Form 17-C as such investment is made. The Company shall likewise furnish the SEC with copies of the relevant documentary stamp tax returns, as may be applicable.

CERTIFICATION

This **REINVESTMENT PLAN** was prepared and assembled under our supervision in accordance with existing of the Securities and Exchange Commission, the Philippine Stock Exchange, and the Bureau of Internal Revenue. The information and data provided herein are complete, true, and correct to the best of our knowledge and/or based on authentic records.

MEGAWORLD CORPORATION
Sponsor

LOURDES T. GUTIERREZ-ALFONSO
Chief Operating Officer

SUBSCRIBED AND SWORN to before me this 22 APRIL 2024 at PASAY CITY, with the affiant exhibiting to me her identification document as follows:

Name	Competent Evidence of Identity	Date and Place Issued
MEGAWORLD CORPORATION Represented by:	TIN: 000-477-103	
LOURDES T. GUTIERREZ-ALFONSO	PRC No. 0063739	Valid until June 12, 2025 issued by the Professional Regulatory Commission

Doc No. 65;
Page No. 14;
Book No. 111;
Series of 2024.

ATTY. ANGELI S. TRISTEZA
Commission No. 23-20
Notary for Pasay City
Roll No. 71193
PTR No. A-6123732 / 01-03-2024 / Taguig City
IBP No. 327821 / 12-13-2023 / Cagayan

C03872-2024

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

   Jun 7, 2024

2. SEC Identification Number

   167423

3. BIR Tax Identification No.

   000-477-103

4. Exact name of issuer as specified in its charter

   MEGAWORLD CORPORATION

5. Province, country or other jurisdiction of incorporation

   Metro Manila, Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   30th Floor, Alliance Global Tower, 36th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City, Philippines
   Postal Code
   1634

8. Issuer's telephone number, including area code

   (632) 8894-6300/6400

9. Former name or former address, if changed since last report

   N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	31,183,251,872
Preferred	6,000,000,000

11. Indicate the item numbers reported herein

    Item 9(b)

Megaworld Corporation
MEG

PSE Disclosure Form REIT-1 - Reinvestment Plan
References: Rule 4 of the IRR of the REIT Act of 2009 and Sections 4 and 8 of the Amended PSE Listing Rules for REITS

Report Date	Jun 7, 2024

☑ InitialFiling

☐ Amend

Amendment No.:	-

Items amended by Filing
N/A

Exact Name of REIT as Specified in its Charter	MREIT, INC.
Address of Principal Office	18th Floor, Alliance Global Tower, 36th Street corner 11th Avenue Uptown Bonifacio, TaguigCity1634
SEC Identification Number	CS202052294
BIR Identification Number	502-228-971-000
Name of REIT Corporation:	MREIT, INC.
Reinvestment Plan Period:	Jun 5, 2024

A. Income-Generating Properties Transferred by the Sponsors/Promoters to the REIT

Name of Sponsor/Promoter	Description of Property Transferred	Certificate of Title of Property	Transfer Value of the Property to the REIT
N/A	-	-	-

B. Estimated Amount of Proceeds/Money to be Realized by the Sponsors/Promoters
I. From the Subsequent Sale of REIT shares or other securities issued in exchange for income-generating real estate transferred by the Sponsors/Promoters to the REIT

Name of Sponsor/Promoter	Estimated Amount of Proceeds
MEGAWORLD CORPORATION	973,007,625.80

II. From the Sale of income-generating real estate to the REIT

Name of Sponsor/Promoter	Estimated Amount of Proceeds
N/A	-

C. The Reinvestment Projects
Description of the Real Properties/Infrastructure Projects subject of the Reinvestment Policy

Description of the Real Properties/ Infrastructure Projects	Location	Estimated Timing of Disbursement of the Money/ Proceeds for Reinvestment	Percentage of Completion as of the Date of the Reinvestment Plan	Type of Investment (Direct ownership, shareholding, etc.)
Northwin Global City	Bulacan	Q2 2024 to Q1 2025	20%	Indirect
The Mactan Newtown	Cebu	Q2 2024 to Q1 2025	47%	Indirect
ArcoVia City	Pasig	Q2 2024 to Q1 2025	17%	Indirect
Bacolod Projects	Bacolod	Q2 2024 to Q1 2025	43%	Indirect

Other Relevant Information
Please see the attached Reinvestment Plan.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **07 June 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. ☐ (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower**
   36th Street corner 11th Avenue
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	31,183,251,872
Preferred	6,000,000,000
Total	**37,183,251,872**

10. **Item 9(b)**

Pursuant to the Rule 4, Section 5.1 (e) of the Implementing Rules and Regulations of Republic Act No. 9856 (REIT Act), we are submitting the Reinvestment Plan of Megaworld Corporation for the proceeds of its sale of Seventy-Nine Million Seven Hundred Thousand (79,700,000) common shares of MREIT, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer

By:

FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer

MEGAWORLD

M·REIT
A MEGAWORLD COMPANY

REINVESTMENT PLAN

In connection with the Sale by Megaworld Corporation
of 79,700,000 common shares of MREIT, Inc.
Average Sale Price: Php12.3001 per share

June 05, 2024

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A. EXECUTIVE SUMMARY

This Reinvestment Plan sets out the planned use of the net proceeds received by Megaworld Corporation (referred to herein as "**Megaworld**" or the "**Company**") from the sale of 79,700,000 common shares of MREIT, Inc. for an average sale price of Php12.3001 (the "**Sale**"), with net proceeds estimated at Php973,007,625.80.

MREIT, Inc. ("**MREIT**") has an authorized capital stock of Php5.0 billion, divided into 5.0 billion common shares with a par value of Php1.00 per share (each, a "**Share**"). As of the date of this Reinvestment Plan, MREIT has 2,795,821,381 Shares issued and outstanding. 2,532,121,381 Shares are listed with the Philippine Stock Exchange ("**PSE**"), while the remainder of the Shares is currently for listing with the PSE. As of the date of this report, out of the total issued and outstanding Shares, 47.28% are held by the public. MREIT has no preferred shares and no Shares held in treasury. MREIT market capitalization as of date of this Reinvestment Plan stands at Php35 billion.

Pursuant to Securities and Exchange Commission Memorandum Circular No. 1, Series of 2020, and Bureau of Internal Revenue Regulations No. 3-2020, any Sponsor/Promoter of a REIT who realizes proceeds from the sale of REIT shares or other securities issued in exchange for income-generating Real Estate transferred to the REIT shall submit to the SEC, the PSE, and the BIR a sworn reinvestment plan undertaking to reinvest all such proceeds in any real estate, including any redevelopment thereof, and/or infrastructure projects, in the Philippines within one (1) year from the date of receipt of proceeds or money by the Sponsor/Promoter.

Following current regulations, Megaworld intends to invest its net proceeds from the Sale estimated at Php973,007,625.80 in townships located in Bulacan, Cebu, Metro Manila and Bacolod for the development of malls, offices, and other developments within each township. All disbursements for such projects are intended to be distributed within one year upon receipt of the money raised from the Sale. Megaworld does not intend to reinvest the net proceeds from the Sale in any infrastructure project other than the four (4) Megaworld townships aforementioned.

B. ABOUT THE SPONSOR

1. Overview

The Company is one of the leading property developers in the Philippines and is primarily engaged in the development of large scale mixed-use planned communities, or community townships, that comprise residential, commercial and office developments and integrate leisure, entertainment, and educational/training components. Founded in 1989, the Company initially established a reputation for building high quality residential condominiums and commercial properties located in convenient urban locations with easy access to offices as well as leisure and entertainment amenities in Metro Manila. Beginning in 1996, in response to demand for the lifestyle convenience of having a quality residences in close proximity to office and leisure facilities, the Company began to focus on the development of mixed-use communities, primarily for the middle-income market, by commencing the development of its Eastwood City project. In addition, the Company engages in other property related activities such as project design, constructions oversight and property management.

The Company's real estate portfolio includes residential condominium units, subdivision lots and townhouses as well as office projects and retail space. The Company has the following three primary business segments: (1) real estate sales of residential developments (ii) leasing of office space, primarily to Business Process Outsourcing ("BPO") enterprises, and retail space and (iii) management of hotel operations.

As of date of this Reinvestment Plan, the Company owns or has development rights over 5,000 hectares of land located throughout the Philippines.

The Company's common shares were listed in the PSE in 1994 (under listing code "MEG") and as of date of this Reinvestment Plan has a market capitalization of Php56.4 billion.

2. Board of Directors and Senior Management

There are seven (7) members of the Company's Board of Directors, three (3) of whom are independent directors. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relations which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director [SRC Rule 38]. Six out of seven directors were elected during the Annual Meeting of Stockholders held on 13 May 2024, while the last remaining director was appointed on 03 June 2024. The directors will hold office until their successors have been duly elected and qualified.

Information concerning the background of the directors and executive officers of the Company indicating their principal occupation or employment and their business experience for the past five (5) years is provided below.

The table sets forth each member of the Company's Board as of date of this Reinvestment Plan:

Name	Citizenship	Position
Andrew L. Tan	Filipino	Director, Chairman, President, and CEO
Katherine L. Tan	Filipino	Director
Lourdes T. Gutierrez-Alfonso	Filipino	Director and Chief Operating Officer
Enrique Santos L. Sy	Filipino	Director
Jesus B. Varela	Filipino	Lead Independent Director
Cresencio P. Aquino	Filipino	Independent Director

Alejo L. Villanueva, Jr.	Filipino	Independent Director

The table below sets forth the Company's executive officers in addition to its executive directors listed above as of date of this Reinvestment Plan:

Name	Citizenship	Position
Kevin Andrew L. Tan	Filipino	Executive Vice President and Chief Strategy Officer
Francisco C. Canuto	Filipino	Senior Vice President, Chief Finance Officer, Treasurer, Compliance Officer, Corporate Information Officer, and Chief Audit Executive
Noli D. Hernandez	Filipino	Executive Vice President for Sales and Marketing
Giovanni C. Ng	Filipino	Senior Vice President and Finance Director
Maria Victoria M. Acosta	Filipino	Executive Vice President and Managing Director for International Marketing and Leasing
Maria Carla T. Uykim	Filipino	Head of Corporate Advisory and Compliance
Rafael Antonio S. Perez	Filipino	Head of Human Resources and Corporate Administration Division
Graham M. Coates	British	Head of Megaworld Lifestyle Malls
Jennifer L. Romualdez	Filipino	Head of Operations Division
Kimberly Hazel A. Sta. Maria	Filipino	Assistant Vice President for Corporate Communications and Advertising
Ma. Melody Ibanez-Garcia	Filipino	Chief Risk Officer
Lino P. Victorioso, Jr.	Filipino	Data Protection Officer
Anna Michelle T. Llovido	Filipino	Corporate Secretary
Nelileen S. Baxa	Filipino	Assistant Corporate Secretary

C. PROCEEDS RECEIVED BY THE SPONSOR

The Company expects to receive from the Sale estimated net proceeds of approximately Php973,007,625.80, after deduction of fees and taxes, on 05 June 2024.

D. THE REINVESTMENT PLAN

Megaworld intends to use net proceeds received from the Sale to fund ongoing and future investments in real estate properties in four (4) townships located in Bulacan, Cebu, Metro Manila and Bacolod for the development of malls, offices, and other developments within each township, which Megaworld may undertake on its own or through other subsidiaries. While the Company is not contemplating acquiring land at this time, there is nothing preventing it from doing so in the future in accordance with the requirements of the law, if the timing and opportunity is right.

The projected disbursement in connection with the proposed use of proceeds is provided in the succeeding table:

#	PROJECT NAME	DESCRIPTION	TOWNSHIP / LOCATION	INVESTMENT TYPE	PRODUCT	STATUS	PERCENTAGE COMPLETION	COMPLETION DATE	TOTAL PLANNED USE FOR THE YEAR	Q2 2024	Q3 2024	Q4 2024	Q1 2025	DISBURSING ENTITY
1	Northwin Global City	Malls, Offices, Land Development and other developments	Bulacan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	20%	2026	785.000m	0.00m	0.00m	785.00m	0.00m	Northwin Properties, Inc.
2	The Mactan Newtown	Malls, Offices, Land Development and other developments	Cebu	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	47%	2026	75.000m	15.00m	20.00m	15.00m	25.00m	Megaworld Oceantown Properties, Inc.
3	ArcoVia City	Malls, Offices, Land Development and other developments	Pasig	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	17%	2028	62.000m	20.00m	10.00m	12.00m	20.00m	ArcoVia Properties, Inc.
4	Bacolod Projects	Malls, Offices, Land Development and other developments	Bacolod	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	On-going	43%	2026	51.008m	10.00m	25.00m	8.00m	8.01m	Megaworld Bacolod Properties, Inc.
								Total	**973.01m**	**45.00m**	**55.00m**	**820.00m**	**53.01m**	
								Cumulative			**100.000m**	**920.000m**	**973.008m**	

Megaworld shall endeavor to cause the completion of the construction of the projects enumerated in the table above within the projected time frame. However, the time of completion and, accordingly, the timing of disbursements, are subject to unforeseen external conditions that may cause delays in construction timetables (e.g., fire, earthquake, pandemic, and other natural elements, war, civil disturbance) or due to any other cause beyond the control of Megaworld, and/or its subsidiaries.

E. MONITORING AND REVIEW

Megaworld shall monitor the actual disbursements of projects proposed in this Reinvestment Plan on a quarterly basis. For this purpose, Megaworld shall prepare a quarterly progress report of actual disbursements on the projects covered by this Reinvestment Plan.

In the event of changes in the actual disbursements of projects proposed in this Reinvestment Plan, Megaworld shall carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is the best interest of the Company and its shareholders. Megaworld's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary and the Company may find it necessary or advisable to alter their plans.

In such an event, Megaworld undertakes that any deviation from the planned reinvestment (as disclosed in this Reinvestment Plan) will be promptly disclosed to the Exchange and to the Commission via SEC Form 17-C (and submit a Revised Reinvestment Plan as necessary).

F. REPORTING

Megaworld shall comply with the reportorial and disclosure requirements prescribed by the SEC, PSE, BIR, or the appropriate regulatory government agency/ies.

Megaworld shall submit to the PSE quarterly progress reports and a final report on the implementation of the Reinvestment Plan, duly certified by its Chief Financial Officer, Treasurer, and External Auditor. The quarterly progress report and the final report shall be submitted to the PSE in accordance with the REIT Law, its implementing regulations, and relevant PSE rules.

The Reinvestment Plan and the status of its implementation shall be included in the appropriate structured reports of Megaworld to the SEC and PSE. Any investment pursuant to the Reinvestment Plan shall be disclosed by the Company via SEC Form 17-C as such investment is made. The Company shall likewise furnish the SEC with copies of the relevant documentary stamp tax returns, as may be applicable.

CERTIFICATION

This **REINVESTMENT PLAN** was prepared and assembled under our supervision in accordance with existing regulations of the Securities and Exchange Commission, the Philippine Stock Exchange, and the Bureau of Internal Revenue. The information and data provided herein are complete, true, and correct to the best of our knowledge and/or based on authentic records.

MEGAWORLD CORPORATION
Sponsor

LOURDES T. GUTIERREZ-ALFONSO
Chief Operating Officer

SUBSCRIBED AND SWORN to before me this 6 JUNE 2024 at PASAY CITY, with the affiant exhibiting to me her identification document as follows:

Name	Competent Evidence of Identity
MEGAWORLD CORPORATION Represented by:	TIN: 000-477-103
LOURDES T. GUTIERREZ-ALFONSO	TIN: 106-893-930

ATTY. ANGELI S. TRISTEZA
Commission No. 23-20
Notary for Pasay City
Roll No. 71193
PTR No. A-6123732 / 01-03-2024 / Taguig City
IBP No. 327821 / 12-13-2023 / Cagayan

Doc No. 87;
Page No. 19;
Book No. III;
Series of 2024.

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

- [x] Annual Report
- [ ] Quarterly Report

Subject of the Disclosure
Quarterly Progress Report for the quarter ended June 30, 2024 on the application of proceeds from the Block Sale of 279,400,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld)
Background/Description of the Disclosure
Progress Report on the application of proceeds for the quarter ended June 30, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the block sale of 279,400,000 common shares of MREIT, duly certified by external auditors
Update or Status of the Reinvestment Plan
As of 30 June 2024, Megaworld has fully utilized the net proceeds of Three Billion Six Hundred Six Million Eighteen Thousand Twelve Pesos and Seventy Four Centavos (Php3,606,018,012.74)
Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 01 April 2024 to 30 June 2024:

Project Name: Bulacan Projects
Disbursing Entity: Northwin Properties, Inc.
Total: Php790,966,057.44

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php150,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php130,000,000.00

Project Name: Davao Park District
Disbursing Entity: Davao Park District Holdings, Inc.
Total: Php120,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php100,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

Bulacan Projects - Malls, Offices, Land Development, and other developments in Bulacan
The Mactan Newtown - Malls, Offices, Land Development, and other developments in Mactan Cebu
ArcoVia City - Malls, Offices, Land Development, and other developments in Pasig
Davao Park District - Malls, Offices, Land Development, and other developments in Davao
Bacolod Projects - Malls, Offices, Land Development, and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **15 July 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower,**
   36th Street cor. 11th Avenue,
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**31,183,251,872**
Preferred	**6,000,000,000**
Total	**37,183,251,872**

10. **Item 9(b)**

Please see the attached 2nd Quarter 2024 Progress Report on the Use of Proceeds from the Block Sale of 279,400,000 common shares of MREIT, Inc. which was settled on 27 July 2023.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
July 15, 2024

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

July 12, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. ALEXANDRA D. TOM WONG**
Head, Disclosure Department

Subject: 2nd Quarter 2024 Progress Report on the Use of Proceeds from the Block Sale of 279,400,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Tom-Wong,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending June 30, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds are in connection with the Block Sale of 279,400,000 common shares of MREIT, Inc. which was settled on July 27, 2023, with the offer price of P13.00 per share, resulting in net proceeds of Php3,606,018,012.74. Please be advised that as of June 30, 2024, we have fully utilized the net proceeds from the block sale as detailed below:

Net Proceeds from the Block Sale		3,606,018,012.74
Less:	Disbursement from July 1 to Sept. 30, 2023	1,045,051,955.30
	Disbursement from Oct. 1 to Dec. 31, 2023	630,000,000.00
	Disbursement from Jan. 1 to Mar. 31, 2024	640,000,000.00
	Disbursement from Apr. 1 to Jun. 30, 2024 (Annex A)	1,290,966,057.44
Balance of Proceeds from the Block Sale as of June 30, 2024		0.00

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

CERTIFICATION INTERNATIONAL
ISO 9001:2015

ANNEX A: Disbursements from the Proceeds of the Block Sale for the period covering April 01 to June 30, 2024

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	Bulacan Projects	Bulacan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	790,966,057.44	Northwin Properties, Inc
2	Davao Park District	Davao City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	120,000,000.00	Davao Park District Holdings, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	100,000,000.00	Megaworld Bacolod Properties, Inc
4	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	150,000,000.00	Megaworld Oceantown Properties, Inc
5	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	130,000,000.00	ArcoVia Properties, Inc
	TOTAL			**PHP**	**1,290,966,057.44**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City, METRO MANILA) SS

At Makati City City, Metro Manila, on this JUL 15 2024 day of July , 2024, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this JUL 15 2024 day of July 2024.

NOTARY PUBLIC

BUENAVENTURA U. MENDOZA
NOTARY PUBLIC
Until December 31, 2025
PTR No. 10075560 Makati City-01/02/24
IBP No. 300994 01-02-2024 Roll No. 31206
MCLE Compliance No. VII-0020846 April 14, 2025
500-A Madrigal Bldg. Ayala Ave., Makati City

Doc. No 385;
Page No. 78;
Book No. 37;
Series of 2024.

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended June 30, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 279,400,000 common shares of MREIT, Inc. (MREIT) which was settled on July 27, 2023, with the offer price of P13.00 per share (the Block Sale), resulting in a net proceeds estimated at P3.61 billion (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements.*

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a) The Report;
   b) Schedule of planned application of proceeds from the Block Sale; and,
   c) Detailed schedule of utilization of proceeds for the quarter ended June 30, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale for the quarter ended June 30, 2024, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity	Amount
Northwin Global City	Bulacan	Malls, Offices, Land Development, and Other Developments	Northwin Properties, Inc.	P 790,966,057.44
The Mactan Newtown	Mactan, Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.	150,000,000.00
Arcovia City	Pasig	Malls, Offices, Land Development, and Other Developments	Arcovia Properties, Inc.	130,000,000.00
Davao Park District	Davao	Malls, Offices, Land Development, and Other Developments	Davao Park District Holdings, Inc.	120,000,000.00
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.	100,000,000.00
				P 1,290,966,057.44

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated July 25, 2023.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds for the quarter ended June 30, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location	Amount
Northwin Properties, Inc.	Northwin Global City	Bulacan	P 790,966,057.44
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Mactan, Cebu	150,000,000.00
Arcovia Properties, Inc.	Arcovia City	Pasig	130,000,000.00
Davao Park District Holdings, Inc.	Davao Park District	Davao	120,000,000.00
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod	100,000,000.00
			P 1,290,966,057.74

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: **John Endel S. Mata**
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

July 10, 2024

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 15 July 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 218 ;
Page No. 45 ;
Book No. III;
Series of 2024.

C04740-2024

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

- [x] Annual Report
- [ ] Quarterly Report

Subject of the Disclosure
Final Progress Report on the Disbursement of Proceeds from the Block Sale of 279,400,000 Common Shares of MREIT, Inc. (MREIT) pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld).
Background/Description of the Disclosure
Final Progress Report on the Use of Proceeds as of 30 June 2024, in relation to the Reinvestment Plan submitted by Megaworld Corporation in connection with the Block Sale of 279,400,000 Common Shares of MREIT, duly certified by external auditors.
Update or Status of the Reinvestment Plan
As of 30 June 2024, Megaworld fully disbursed the total net proceeds amounting to Three Billion Six Hundred Six Million Eighteen Thousand Twelve Pesos and Seventy Four Centavos (Php3,606,018,012.74)
Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements were made for the 27 July 2023 to 30 June 2024:

Project Name: Bulacan Projects
Disbursing Entity: Northwin Properties, Inc.
Total: Php1,576,018,012.74

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php600,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php560,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php500,000,000.00

Project Name: Davao Park District
Disbursing Entity: Davao Park District Holdings, Inc.
Total: Php370,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

Bulacan Projects - Malls, Offices, Land Development, and other developments in Bulacan
The Mactan Newtown - Malls, Offices, Land Development, and other developments in Mactan Cebu
ArcoVia City - Malls, Offices, Land Development, and other developments in Pasig
Davao Park District - Malls, Offices, Land Development, and other developments in Davao
Bacolod Projects - Malls, Offices, Land Development, and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

☑ Annual Report
☐ Quarterly Report

Subject of the Disclosure

Final Progress Report on the Disbursement of Proceeds from the Block Sale of 279,400,000 Common Shares of MREIT, Inc. (MREIT) pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld).

Background/Description of the Disclosure

Final Progress Report on the Use of Proceeds as of 30 June 2024, in relation to the Reinvestment Plan submitted by Megaworld Corporation in connection with the Block Sale of 279,400,000 Common Shares of MREIT, duly certified by external auditors.

Update or Status of the Reinvestment Plan

As of 30 June 2024, Megaworld fully disbursed the total net proceeds amounting to Three Billion Six Hundred Six Million Eighteen Thousand Twelve Pesos and Seventy Four Centavos (Php3,606,018,012.74)

Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements were made for the 27 July 2023 to 30 June 2024:

Project Name: Bulacan Projects
Disbursing Entity: Northwin Properties, Inc.
Total: Php1,576,018,012.74

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php600,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php560,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php500,000,000.00

Project Name: Davao Park District
Disbursing Entity: Davao Park District Holdings, Inc.
Total: Php370,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

Bulacan Projects - Malls, Offices, Land Development, and other developments in Bulacan
The Mactan Newtown - Malls, Offices, Land Development, and other developments in Mactan Cebu
ArcoVia City - Malls, Offices, Land Development, and other developments in Pasig
Davao Park District - Malls, Offices, Land Development, and other developments in Davao
Bacolod Projects - Malls, Offices, Land Development, and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **15 July 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower,**
   36th Street cor. 11th Avenue,
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**31,183,251,872**
Preferred	**6,000,000,000**
Total	**37,183,251,872**

10. **Item 9(b)**

Please see the attached Final Progress Report on the Use of Proceeds from the Block Sale of 279,400,000 common shares of MREIT, Inc. which was settled on 27 July 2023.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
July 15, 2024

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

July 12, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. ALEXANDRA D. TOM WONG**
Head, Disclosure Department

Subject: Final Report on the Use of Proceeds from the Block Sale of 279,400,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Tom-Wong,

We are pleased to submit our Final Report on the Use of Proceeds from the Block Sale of 279,400,000 common shares of MREIT, Inc. duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds were generated from the Block Sale of 279,400,000 common shares of MREIT, Inc., settled on July 27, 2023, at an offer price of P13.00 per share, resulting in net proceeds totaling Php3,606,018,012.74.

Please be advised that as of June 30, 2024, Megaworld already disbursed the total net proceeds amounting to Three Billion Six Hundred Six Million Eighteen Thousand Twelve Pesos and Seventy Four Centavos (Php3,606,018,012.74) in accordance with its reinvestment plan.

The details of the disbursements are as follows:

Net Proceeds from the Block Sale		3,606,018,012.74
Less: Disbursement from July 1 to Sept. 30, 2023	1,045,051,955.30	
Disbursement from Oct. 1 to Dec. 31, 2023	630,000,000.00	
Disbursement from Jan. 1 to Mar. 31, 2024	640,000,000.00	
Disbursement from Apr. 1 to Jun. 30, 2024 (Annex A)	1,290,966,057.44	3,606,018,012.74
Balance of Proceeds from the Block Sale as of June 30, 2024		0.00

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

CERTIFICATION INTERNATIONAL ISO 9001:2015

ANNEX A: Disbursements from the Proceeds of the Block Sale for the period covering April 01 to June 30, 2024

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	Bulacan Projects	Bulacan	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	790,966,057.44	Northwin Properties, Inc
2	Davao Park District	Davao City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	120,000,000.00	Davao Park District Holdings, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	100,000,000.00	Megaworld Bacolod Properties, Inc
4	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	150,000,000.00	Megaworld Oceantown Properties, Inc
5	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	130,000,000.00	ArcoVia Properties, Inc
	TOTAL			**PHP**	**1,290,966,057.44**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City, METRO MANILA) SS

At Makati City City, Metro Manila, on this JUL 15 2024 day of July 2024, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this JUL 15 2024 day of July 2024.

NOTARY PUBLIC

Doc. No 387;
Page No. 79
Book No. 33;
Series of 2024.

BUENAVENTURA U. MENDOZA
NOTARY PUBLIC
Until December 31, 2025
PTR No. 10075560 Makati City-01/02/24
IBP No. 300994 01-02-2024 Roll No. 31206
MCLE Compliance No. VII-0020846 April 14, 2025
500-A Madrigal Bldg. Ayala Ave., Makati City

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Final Report (the Report) as of June 30, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 279,400,000 common shares of MREIT, Inc. (MREIT) which was settled on July 27, 2023, with the offer price of P13.00 per share (the Block Sale), resulting in a net proceeds estimated at P3.61 billion (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements.*

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
    a) The Report;
    b) Schedule of planned application of proceeds from the Block Sale; and,
    c) Detailed schedule of utilization of proceeds as of June 30, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale as of June 30, 2024, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity	Amount
Northwin Global City	Bulacan	Malls, Offices, Land Development, and Other Developments	Northwin Properties, Inc.	P1,576,018,012.74
The Mactan Newtown	Mactan, Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.	600,000,000.00
Arcovia City	Pasig	Malls, Offices, Land Development, and Other Developments	Arcovia Properties, Inc.	560,000,000.00
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.	500,000,000.00
Davao Park District	Davao	Malls, Offices, Land Development, and Other Developments	Davao Park District Holdings, Inc.	370,000,000.00
				P3,606,018,012.74

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated July 25, 2023.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds as of June 30, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location	Amount
Northwin Properties, Inc.	Northwin Global City	Bulacan	P 1,576,018,012.74
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Mactan, Cebu	600,000,000.00
Arcovia Properties, Inc.	Arcovia City	Pasig	560,000,000.00
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod	500,000,000.00
Davao Park District Holdings, Inc.	Davao Park District	Davao	370,000,000.00
			P 3,606,018,012.74

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

July 10, 2024

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 15 July 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 219 ;
Page No. 45 ;
Book No. III;
Series of 2024.

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

☑ Annual Report

☐ Quarterly Report

Subject of the Disclosure

Quarterly Progress Report for the First Quarter of 2024 on the Use of the Proceeds from the Block Sale of 40,650,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld)

Background/Description of the Disclosure

Progress Report on the use of proceeds for the quarter ending June 30, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the block sale of 40,650,000 common shares of MREIT, duly certified by external auditors.

Update or Status of the Reinvestment Plan

As of 30 June 2024, the remaining balance of the proceeds from the block sale amounts to Three Hundred Fifty Six Million One Hundred Forty Eight Thousand Three Hundred Eighty Eight Pesos and Forty Seven Centavos (Php356,148,388.47).

Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 22 April 2024 to 30 June 2024:

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php75,000,000

Project Name: ArcoVia City
Disbursing Entity: ArcoVia Properties, Inc.
Total: Php35,000,000

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php30,000,000

Description of Real Estate Assets and/or Infrastructure Projects for the Period

The Mactan Newtown – Malls, Offices, Land Development, and other developments in Mactan, Cebu
ArcoVia City – Malls, Offices, Land Development and other developments in Pasig City
Bacolod Projects - Malls, Offices, Land Development and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **15 July 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower,**
   36th Street cor. 11th Avenue,
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**31,183,251,872**
Preferred	**6,000,000,000**
Total	**37,183,251,872**

10. **Item 9(b)**

Please see the attached 2nd Quarter 2024 Progress Report on the Use of Proceeds from the Block Sale of 40,650,000 common shares of MREIT, Inc. (MREIT) which was settled on 22 April 2024.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
July 15, 2024

MEGAWORLD CORPORATION

30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

July 12, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. ALEXANDRA D. TOM WONG**
Head, Disclosure Department

Subject: 2nd Quarter 2024 Progress Report on the Use of Proceeds from the Block Sale of 40,650,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Tom-Wong,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending June 30, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds were generated from the Block Sale of 40,650,000 common shares of MREIT, Inc. settled on April 22, 2024, at an offer price of Php12.30 per share, resulting in net proceeds of Php496,148,388.47.

Please be advised that as of June 30, 2024, the remaining balance of the proceeds from the block sale amounts to Three Hundred Fifty Six Million One Hundred Forty Eight Thousand Three Hundred Eighty Eight Pesos and Forty Seven Centavos (Php356,148,388.47) as indicated below:

Net Proceeds from the Block Sale	496,148,388.47
Less:	
Disbursement from April 22 to June 30, 2024 (Annex A)	(140,000,000.00)
Balance of Proceeds from the Block Sale as of June 30, 2024	356,148,388.47

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

ANNEX A: Disbursements from the Proceeds of the Block Sale for the period covering April 22 to June 30, 2024

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	75,000,000.00	Megaworld Oceantown Properties, Inc
2	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	35,000,000.00	ArcoVia Properties, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	30,000,000.00	Megaworld Bacolod Properties, Inc
	TOTAL			**PHP**	**140,000,000.00**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
______Makati City METRO MANILA) SS

At ___________Makati City, Metro Manila, on this JUL 15 2024 day of July, 2024, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this JUL 15 2024 day of July 2024.

NOTARY PUBLIC

BUENAVENTURA U. MENDOZA
NOTARY PUBLIC
Until December 31, 2025
PTR No. 10075560 Makati City-01/02/24
IBP No. 300994 01-02-2024 Roll No. 31206
MCLE Compliance No. VII-0020846 April 14, 2025
500-A Madrigal Bldg. Ayala Ave., Makati City

Doc. No 388;
Page No. 79;
Book No. 33;
Series of 2024.

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended June 30, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 40,650,000 common shares of MREIT, Inc. (MREIT) which was settled on April 22, 2024, with the offer price of P12.30 per share (the Block Sale), resulting in a net proceeds estimated at no greater than P500.00 million (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*.

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a) The Report;
   b) Schedule of planned application of proceeds from the Block Sale; and,
   c) Detailed schedule of utilization of proceeds for the quarter ended June 30, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale for the quarter ended June 30, 2024, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity		Amount
The Mactan Newtown	Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.	P	75,000,000
ArcoVia City	Pasig	Malls, Offices, Land Development, and Other Developments	ArcoVia Properties, Inc.		35,000,000
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.		30,000,000
				P	140,000,000

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated April 22, 2024.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds for the quarter ended June 30, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

P&A Grant Thornton

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location	Amount	
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Cebu	P	75,000,000
ArcoVia Properties, Inc.	ArcoVia City	Pasig		35,000,000
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod		30,000,000
			P	140,000,000

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: John Endel S. Mata
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

July 10, 2024

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 15 July 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 217 ;
Page No. 45 ;
Book No. III;
Series of 2024.

C04735-2024

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

☑ Annual Report

☐ Quarterly Report

Subject of the Disclosure

Quarterly Progress Report for the Second Quarter of 2024 on the Use of the Proceeds from the Sale of 79,700,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld).

Background/Description of the Disclosure

Progress Report on the use of proceeds for the quarter ending June 30, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the sale of 79,700,000 common shares of MREIT, duly certified by external auditors

Update or Status of the Reinvestment Plan

As of June 30, 2024, the remaining balance of the proceeds from the sale amounts to Nine Hundred Twenty Eight Million Seven Thousand Six Hundred Twenty Five Pesos and Eighty Centavos (Php928,007,625.80).

Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 05 June 2024 to 30 June 2024:

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php15,000,000

Project Name: ArcoVia City
Disbursing Entity: ArcoVia Properties, Inc.
Total: Php20,000,000

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php10,000,000

Description of Real Estate Assets and/or Infrastructure Projects for the Period

The Mactan Newtown – Malls, Offices, Land Development, and other developments in Mactan, Cebu
ArcoVia City – Malls, Offices, Land Development and other developments in Pasig City
Bacolod Projects - Malls, Offices, Land Development and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **15 July 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower,**
   36th Street cor. 11th Avenue,
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**31,183,251,872**
Preferred	**6,000,000,000**
Total	**37,183,251,872**

10. **Item 9(b)**

Please see the attached 2nd Quarter 2024 Progress Report on the Use of Proceeds from the Sale of 79,700,000 common shares of MREIT, Inc. which was settled on June 05, 2024.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
July 15, 2024

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

July 12, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. ALEXANDRA D. TOM WONG**
Head, Disclosure Department

Subject: 2nd Quarter 2024 Progress Report on the Use of Proceeds from the Sale of 79,700,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Tom-Wong,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending June 30, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds were generated from the Sale of 79,700,000 common shares of MREIT, Inc. settled on June 05, 2024, with an average sale price of Php12.3001 per share, resulting in net proceeds of Php973,007,625.80.

Please be advised that as of June 30, 2024, the remaining balance of the proceeds from the sale amounts to Nine Hundred Twenty Eight Million Seven Thousand Six Hundred Twenty Five Pesos and Eighty Centavos (Php928,007,625.80) as indicated below:

Net Proceeds from the Block Sale	973,007,625.80
Less:	
Disbursement from June 05 to June 30, 2024 (Annex A)	(45,000,000.00)
Balance of Proceeds from the Block Sale as of June 30, 2024	928,007,625.80

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

ANNEX A: Disbursements from the Proceeds of the Sale for the period covering June 05 to June 30, 2024

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	15,000,000.00	Megaworld Oceantown Properties, Inc
2	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	20,000,000.00	ArcoVia Properties, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	10,000,000.00	Megaworld Bacolod Properties, Inc
	TOTAL			**PHP**	**45,000,000.00**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City, METRO MANILA) SS

At Makati City, Metro Manila, on this JUL 15 2024 day of July 2024, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this JUL 15 2024 day of July 2024.

NOTARY PUBLIC

BUENAVENTURA U. MENDOZA
NOTARY PUBLIC
Until December 31, 2025
PTR No. 10075560 Makati City-01/02/24
IBP No. 300994 01-02-2024 Roll No. 31206
MCLE Compliance No. VII-0020846 April 14, 2025
500-A Madrigal Bldg. Ayala Ave., Makati City

Doc. No 386;
Page No. 79;
Book No. 33;
Series of 2024.

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended June 30, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the sale of 79,700,000.00 common shares of MREIT, Inc. (MREIT) which was settled on June 5, 2024, with the offer price of P12.3001 per share (the Sale), resulting in a net proceeds estimated at P973.01 million (the Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements.*

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
    a) The Report;
    b) Schedule of planned application of proceeds from the Sale; and,
    c) Detailed schedule of utilization of proceeds for the quarter ended June 30, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

P&A Grant Thornton

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Sale for the quarter ended June 30, 2024, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity	Amount
ArcoVia City	Pasig	Malls, Offices, Land Development, and Other Developments	ArcoVia Properties, Inc.	P 20,000,000
The Mactan Newtown	Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.	15,000,000
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.	10,000,000
				P 45,000,000.00

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Sale Proceeds is in agreement with the Reinvestment Plan dated June 5, 2024.

4. With respect to item 4, we traced the utilization of the Sale Proceeds for the quarter ended June 30, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location	Amount
ArcoVia Properties Inc.	ArcoVia City	Pasig	P 20,000,000
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Cebu	15,000,000
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod	10,000,000
			P 45,000,000.00

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: **John Endel S. Mata**
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
SEC Group A Accreditation
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

July 10, 2024

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 15 July 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

IRA JENNENA J. BERO, CPA
NOTARY PUBLIC
ROLL NO. 82663
MAKATI CITY, PHILIPPINES

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 217 ;
Page No. 45 ;
Book No. III;
Series of 2024.

C06561-2024

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

- [x] Annual Report
- [ ] Quarterly Report

Subject of the Disclosure
Quarterly Progress Report for the Third Quarter of 2024 on the Use of the Proceeds from the Sale of 40,650,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld).
Background/Description of the Disclosure
Progress Report on the use of proceeds for the quarter ending September 30, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the sale of 40,650,000 common shares of MREIT, duly certified by external auditors
Update or Status of the Reinvestment Plan
As of 30 September 2024, the remaining balance of the proceeds from the sale amounts to Two Hundred Twenty Six Million One Hundred Forty Eight Thousand Three Hundred Eighty Eight and Forty Seven Centavos (Php226,148,388.47).
Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 01 July 2024 to 30 September 2024:

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php35,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php30,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php65,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

The Mactan Newtown – Malls, Offices, Land Development, and other developments in Mactan, Cebu
ArcoVia City – Malls, Offices, Land Development and other developments in Pasig City
Bacolod Projects - Malls, Offices, Land Development and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **15 October 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower,**
   36th Street cor. 11th Avenue,
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**32,558,251,872**[1]
Preferred	**6,000,000,000**
Total	**38,558,251,872**

10. **Item 9(b)**

Please see the attached 3rd Quarter 2024 Progress Report on the Use of Proceeds from the Block Sale of 40,650,000 common shares of MREIT, Inc. (MREIT) which was settled on 22 April 2024.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
October 15, 2024

[1] The Corporation has issued an additional 1,375,000,000 common shares pursuant to the increase in authorized capital stock approved by the Securities and Exchange Commission on 29 July 2024. 31,183,251,872 outstanding common shares are listed with the Philippine Stock Exchange (PSE), while the additional 1,375,000,000 common shares recently issued has been applied for listing in accordance with the PSE Listing Rules.

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

October 14, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. STEFANIE ANN B. GO**
Officer-In-Charge, Disclosure Department

Subject: 3rd Quarter 2024 Progress Report on the Use of Proceeds from the Block Sale of 40,650,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Go,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending September 30, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds were generated from the Block Sale of 40,650,000 common shares of MREIT, Inc. settled on April 22, 2024, at an offer price of Php12.30 per share, resulting in net proceeds of Php496,148,388.47.

Please be advised that as of September 30, 2024, the remaining balance of the proceeds from the block sale amounts to Two Hundred Twenty Six Million One Hundred Forty Eight Thousand Three Hundred Eighty Eight and Forty Seven Centavos (Php226,148,388.47) as indicated below:

Net Proceeds from the Block Sale	496,148,388.47
Less:	
Disbursement from April 22 to June 30, 2024	(140,000,000.00)
Disbursement from July 01 to September 30, 2024	(130,000,000.00)
Balance of Proceeds from the Block Sale as of September 30, 2024	226,148,388.47

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

CERTIFICATION INTERNATIONAL
ISO 9001:2015

ANNEX A: Disbursements from the Proceeds of the Block Sale for the period covering July 01 to September 30, 2024

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	35,000,000.00	Megaworld Oceantown Properties, Inc
2	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	30,000,000.00	ArcoVia Properties, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	65,000,000.00	Megaworld Bacolod Properties, Inc
	TOTAL			**PHP**	**130,000,000.00**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
__________, METRO MANILA) SS
CITY OF MAKATI

At MAKATI City, Metro Manila, on this 14th day of October 2024, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 14th day of October 2024.

NOTARY PUBLIC

ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-77
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31 2024
2364 ANGONO STREET
BARANGAY POBLACION 1210, MAKATI CITY
SC Roll No. 62179/04 26-2013
IBP NO. 374750/12 26 2023/Pasig City
PTR NO. MKT 10074525/01-02-2024/Makati City
MCLE Compliance No. VII-0020180/04-14-2025

Doc. No. 447;
Page No. 91;
Book No. 342;
Series of 2024

P&A
Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended September 30, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the block sale of 40,650,000 common shares of MREIT, Inc. (MREIT) which was settled on April 22, 2024, with the offer price of P12.30 per share (the Block Sale), resulting in a net proceeds estimated at no greater than P500.00 million (the Block Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements.*

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a) The Report;
   b) Schedule of planned application of proceeds from the Block Sale; and,
   c) Detailed schedule of utilization of proceeds for the quarter ended September 30, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Block Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Block Sale for the quarter ended September 30, 2024, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity		Amount
The Mactan Newtown	Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.	P	35,000,000
ArcoVia City	Pasig	Malls, Offices, Land Development, and Other Developments	ArcoVia Properties, Inc.		30,000,000
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.		65,000,000
				P	130,000,000

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Block Sale Proceeds is in agreement with the Reinvestment Plan dated April 22, 2024.

4. With respect to item 4, we traced the utilization of the Block Sale Proceeds for the quarter ended September 30, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

P&A Grant Thornton

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location		Amount
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Cebu	P	35,000,000
ArcoVia Properties, Inc.	ArcoVia City	Pasig		30,000,000
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod		65,000,000
			P	130,000,000

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Block Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: **John Endel S. Mata**
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-012 (until Aug. 12, 2027)

October 11, 2024

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 14 October 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

ATTY. IRA JENNENA J. BERO, CPA
NOTARY PUBLIC
ROLL NO. 82663
MAKATI CITY, PHILIPPINES

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 421;
Page No. 87;
Book No. 111
Series of 2024.

Megaworld Corporation
MEG

PSE Disclosure Form REIT-2 - Reinvestment Plan Progress Report
Reference: Section 6 of the Amended PSE Listing Rules for REITS

- ☑ Annual Report
- ☐ Quarterly Report

Subject of the Disclosure

Quarterly Progress Report for the Third Quarter of 2024 on the Use of the Proceeds from the Sale of 79,700,000 Common Shares of MREIT, Inc. (MREIT), pursuant to the Reinvestment Plan of Megaworld Corporation (Megaworld).

Background/Description of the Disclosure

Progress Report on the use of proceeds for the quarter ending September 30, 2024, in relation to the Reinvestment Plan submitted by Megaworld in connection with the sale of 79,700,000 common shares of MREIT, duly certified by external auditors

Update or Status of the Reinvestment Plan

As of September 30, 2024, the remaining balance of the proceeds from the sale amounts to Eight Hundred Seventy Three Million Seven Thousand Six Hundred Twenty Five and Eighty Centavos (Php873,007,625.80).

Summary of Transactions Involving Real Estate and/or Infrastructure Projects for the Period

The following disbursements for the Reinvestment Plan were made for the period covering 01 July 2024 to 30 September 2024:

Project Name: The Mactan Newtown
Disbursing Entity: Megaworld Oceantown Properties, Inc.
Total: Php20,000,000.00

Project Name: ArcoVia City
Disbursing Entity: Arcovia Properties, Inc.
Total: Php10,000,000.00

Project Name: Bacolod Projects
Disbursing Entity: Megaworld Bacolod Properties, Inc.
Total: Php25,000,000.00

Description of Real Estate Assets and/or Infrastructure Projects for the Period

The Mactan Newtown – Malls, Offices, Land Development, and other developments in Mactan, Cebu
ArcoVia City – Malls, Offices, Land Development and other developments in Pasig City
Bacolod Projects - Malls, Offices, Land Development and other developments in Bacolod

Other Relevant Information

Please see attached file.

Filed on behalf by:

Name	Anna Michelle Llovido
Designation	Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2 (c) THEREUNDER

1. **15 October 2024**
   Date of Report

2. SEC Identification Number: **167423** 3. BIR Tax Identification No: **000-477-103**

4. **MEGAWORLD CORPORATION**
   Exact name of Issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **30th Floor, Alliance Global Tower,**
   36th Street cor. 11th Avenue,
   Uptown Bonifacio, Taguig City 1634
   Address of principal office

8. **(632) 8894-6300/6400**
   Issuer's telephone number, including area code

9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
Common	**32,558,251,872**[1]
Preferred	**6,000,000,000**
Total	**38,558,251,872**

10. **Item 9(b)**

Please see the attached 3rd Quarter 2024 Progress Report on the Use of Proceeds from the Sale of 79,700,000 common shares of MREIT, Inc. which was settled on June 05, 2024.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEGAWORLD CORPORATION
Issuer
By:

DR. FRANCISCO C. CANUTO
Senior Vice President and
Corporate Information Officer
October 15, 2024

[1] The Corporation has issued an additional 1,375,000,000 common shares pursuant to the increase in authorized capital stock approved by the Securities and Exchange Commission on 29 July 2024. 31,183,251,872 outstanding common shares are listed with the Philippine Stock Exchange (PSE), while the additional 1,375,000,000 common shares recently issued has been applied for listing in accordance with the PSE Listing Rules.

MEGAWORLD CORPORATION
30th Floor, Alliance Global Tower, 36th Street Corner 11th Avenue, Uptown Bonifacio, Fort Bonifacio, Taguig City, NCR, Fourth District Philippines 1630
Tels (632) 88946300 / 79052800 • www.megaworldcorp.com • Email customerservice@megaworldcorp.com

October 14, 2024

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: **MS. STEFANIE ANN B. GO**
Officer-In-Charge, Disclosure Department

Subject: 3rd Quarter 2024 Progress Report on the Use of Proceeds from the Sale of 79,700,000 common shares of MREIT, Inc. (MREIT)

Dear Ms. Go,

We hereby submit our Progress Report on the Use of Proceeds for the quarter ending September 30, 2024, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

The proceeds were generated from the Sale of 79,700,000 common shares of MREIT, Inc. settled on June 05, 2024, with an average sale price of Php12.3001 per share, resulting in net proceeds of Php973,007,625.80.

Please be advised that as of September 30, 2024, the remaining balance of the proceeds from the sale amounts to Eight Hundred Seventy Three Million Seven Thousand Six Hundred Twenty Five Pesos and Eighty Centavos (Php873,007,625.80) as indicated below:

Net Proceeds from the Block Sale	973,007,625.80
Less:	
Disbursement from June 05 to June 30, 2024	(45,000,000.00)
Disbursement from July 01 to September 30, 2024 (Annex A)	(55,000,000.00)
Balance of Proceeds from the Block Sale as of September 30, 2024	873,007,625.80

Thank you.

Respectfully yours,

FRANCISCO C. CANUTO
Treasurer

CERTIFICATION INTERNATIONAL
ISO 9001:2015

ANNEX A: Disbursements from the Proceeds of the Sale for the period covering July 01 to September 30, 2024

	Project Name	Township/ Location	Investment Type	Product	Disbursement	Disbursing Entity
1	The Mactan Newtown	Cebu City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	20,000,000.00	Megaworld Oceantown Properties, Inc
2	ArcoVia City	Pasig City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	10,000,000.00	ArcoVia Properties, Inc
3	Bacolod Projects	Bacolod City	Investment in Building and its improvements, Land and its developments through the Company and its subsidiaries	Malls, Offices, Land Development and other developments	25,000,000.00	Megaworld Bacolod Properties, Inc
	TOTAL			**PHP**	**55,000,000.00**	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI METRO MANILA) SS

At MAKATI City, Metro Manila, on this 14th day of October 2024, before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
For and on behalf of MEGAWORLD CORPORATION: FRANCISCO C. CANUTO	SSS ID No. 035188143-1	

who made known and represented to me that they are the same persons who executed the foregoing report including the Annex A and this page on which this Acknowledgment is written, and are signed by the parties hereto, and acknowledged to me that the same is their free and voluntary act and deed as well as of the entities respectively represented by them.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 14th day of October 2024.

NOTARY PUBLIC

ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-77
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31 2024
2364 ANGONO STREET
BARANGAY POBLACION 1210, MAKATI CITY
SC Roll No. 62179/04 26 2013
IBP NO. 374750/12 26 2023/Pasig City
PTR NO. MKT 10074525/01-02-2024/Makati City
MCLE Compliance No. VII-0020180/04-14-2025

Doc. No 446;
Page No. 91;
Book No. 342;
Series of 2024.

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
Megaworld Corporation
30th Floor, Alliance Global Tower
36th Street cor. 11th Avenue
Uptown Bonifacio, Taguig City

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report (the Report) for the quarter ended September 30, 2024 on the application of proceeds received by Megaworld Corporation (the Company) from the sale of 79,700,000 common shares of MREIT, Inc. (MREIT) which was settled on June 5, 2024, with the offer price of P12.3001 per share (the Sale), resulting in a net proceeds estimated at P973.01 million (the Sale Proceeds). The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements.*

Agreed-upon Procedures

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
   a) The Report;
   b) Schedule of planned application of proceeds from the Sale; and,
   c) Detailed schedule of utilization of proceeds for the quarter ended September 30, 2024.

2. Compared the total amount of utilization appearing in the Report with the detailed schedule of utilization of proceeds.

3. Compared the schedule of planned application of the Sale Proceeds to the Reinvestment Plan. Inquired with the Company's management of the reason for the difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in the use of proceeds.

4. Traced to and examined supporting documents such as acknowledgement receipts and approved payment endorsement documents, of disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Report.

Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.

   We present below the summary of the application of the proceeds from the Sale for the quarter ended September 30, 2024, based on the information we obtained from the Company.

Project Name	Township or Location	Products	Disbursing Entity	Amount
ArcoVia City	Pasig	Malls, Offices, Land Development, and Other Developments	ArcoVia Properties, Inc.	P 10,000,000
The Mactan Newtown	Cebu	Malls, Offices, Land Development, and Other Developments	Megaworld Oceantown Properties, Inc.	20,000,000
Bacolod Projects	Bacolod	Malls, Offices, Land Development, and Other Developments	Megaworld Bacolod Properties, Inc.	25,000,000
				P 55,000,000

2. With respect to item 2, we noted that the total amount of utilization appearing in the Report is in agreement with the amount in the detailed schedule of utilization of proceeds.

3. With respect to item 3, we noted that the planned application of the Sale Proceeds is in agreement with the Reinvestment Plan dated June 5, 2024.

4. With respect to item 4, we traced the utilization of the Sale Proceeds for the quarter ended September 30, 2024 to supporting acknowledgment receipts and approved payment endorsement documents.

We noted that the Company granted advances to the following disbursing entities to be used in the projects specified:

Disbursing Entity	Project Name	Township or Location	Amount
ArcoVia Properties Inc.	ArcoVia City	Pasig	P 10,000,000
Megaworld Oceantown Properties, Inc.	The Mactan Newtown	Cebu	20,000,000
Megaworld Bacolod Properties, Inc.	Bacolod Projects	Bacolod	25,000,000
			P 55,000,000

We traced the cash advances granted by the Company to the acknowledgement receipts issued by the entities. Moreover, we agreed the amounts presented in the Report to the accounting records of the Company.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of the Sale Proceeds based on the said standards. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

PUNONGBAYAN & ARAULLO

By: **John Endel S. Mata**
Partner

CPA Reg. No. 0121347
TIN 257-622-627
PTR No. 10076144, January 3, 2024, Makati City
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-012 (until Aug. 12, 2027)

October 11, 2024

SUBSCRIBED AND SWORN to before me, in the City of Makati, on 14 October 2024, the affiant, **John Endel S. Mata,** exhibiting his Professional Regulatory Commission (PRC) License ID registration no. 0121347 valid until July 5, 2025.

IN WITNESS WHEREOF, I set unto my hand and seal on the date and place above written.

ATTY. IRA JENNENA J. BERO, CPA
NOTARY PUBLIC
ROLL NO. 82663
MAKATI CITY, PHILIPPINES

ATTY. IRA JENNENA J. BERO, CPA
Notary Public for Makati City
Until December 31, 2024
Notarial Commission No. M-200
Roll No. 82663
IBP Number: 394290 01/03/2024, Cebu City
PTR No. 10079021 01/04/2024, Makati City
MCLE Compliance No. Admitted to the BAR on May 30, 2022
19th Flr., Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City

Doc. No. 422
Page No. 87;
Book No. 111
Series of 2024.

Exhibit 3

Sustainability Report for 2024

2024
Sustainability Report

SEC Form 17-A Annex A

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Contextual Information

Name of Organization	Megaworld Corporation (Megaworld) (The Company)
Location of Headquarters	Main Office: ● Alliance Global Tower, Uptown Bonifacio, Taguig City Other Corporate Offices: ● Global Corporate Plaza, Eastwood City, Quezon City ● Two World Square, McKinley Hill, Taguig City
Location of Operations	Philippines (Megaworld currently has 11 international sales offices and is present in over 60 countries.)
Report Boundary *Legal Entities (e.g. Subsidiaries) included in this Report*	Megaworld Corporation and Subsidiaries, including the following listed companies: ● Megaworld Corporation (Megaworld) ● Global Estate and Resorts, Inc. (Global-Estate) ● Empire East Land Holdings, Inc. (Empire-East) ● MREIT, Inc. (MREIT)
Business Model, including Primary Activities, Brands, Products, and Services	Megaworld Corporation, established in 1989, is one of the leading real estate developers in the Philippines, revered for its innovative approach and transformative impact on large-scale, mixed-use township developments. As the pioneer of the "live-work-play" concept in the country, marked by the launch of Eastwood City in 1996, Megaworld has redefined urban living by seamlessly integrating residential, commercial, and office developments with leisure, entertainment, and, in some townships, educational institutions, cultural landmarks, transportation hubs, and other essential facilities. Now in its 35th year, Megaworld has launched 35 master-planned townships and tourism estates across the Philippines, continually expanding through strategic land acquisitions and sustainable urban planning. These developments create self-sustaining communities that elevate the quality of life for residents, workers, and visitors, embodying Megaworld's commitment to holistic, integrated living environments. Megaworld's business model is built on three primary segments: real estate sales, leasing operations, and hotel management. The Company develops and sells residential condominiums as well as residential and commercial lots, strategically located in Metro Manila and key regional growth areas. Its leasing operations offer prime office spaces, primarily catering to Business Process Outsourcing (BPO) companies, multinational corporations, and local enterprises, along with retail spaces that feature diverse shopping, dining, and lifestyle options. Megaworld also manages a portfolio of homegrown hotel brands, providing hospitality services and MICE (Meetings, Incentives, Conventions, and Exhibitions) facilities in strategic business and tourism hubs across the Philippines. Through its integrated and diverse portfolio, Megaworld remains committed to sustainability, innovation, and long-term value creation, solidifying its position as a leader in the Philippine real estate landscape.

Reporting Period	January 1, 2024 - December 31, 2024
Highest Ranking Person responsible for this report	Lourdes T. Gutierrez-Alfonso

The Board has general oversight over the sustainability-related risks and opportunities of the company. On 14 April 2025, Megaworld's Board of Directors, under the auspices of the Corporate Governance Committee, convened to review and approve the submission of the company's Sustainability Report for the fiscal year ending 2024. This review underscores Megaworld's dedication to transparency, accountability, and sustainable business practices, reaffirming its commitment to stakeholders and the broader community.

Sustainability Strategy

Megaworld's sustainability strategy is built on its vision of creating innovative and future-ready urban communities that enhance the quality of life. As a leading real estate developer, Megaworld integrates sustainability across its operations by promoting responsible business practices, environmental stewardship, and community engagement. The company upholds its core values of integrity, excellence, and innovation while ensuring long-term value for its stakeholders.

Guided by its parent company's SustainAGIlity framework, Megaworld organizes its sustainability activities under three key areas: People, Planet, and Prosperity. For People, Megaworld prioritizes employee wellness, community improvement, and excellent customer care. In protecting the Planet, the company focuses on becoming carbon-neutral, using resources wisely, designing sustainable communities, and acting responsibly towards the environment. Under Prosperity, Megaworld aims for impactful growth while practicing good governance, aligning all efforts to support the United Nations' Sustainable Development Goals (SDGs).

Pillar 1: People

Megaworld understands that its success relies on empowered employees and thriving communities. The company invests in employee well-being through continuous training, health and safety programs, and promoting a diverse and inclusive workplace. Megaworld believes that when its employees feel valued and supported, they deliver exceptional service, resulting in greater customer satisfaction and trust.

Employee Wellness & Empowerment
• **Human Rights, Diversity and Equal Opportunity, Employee Welfare, and Workforce Health and Safety** 　○ *Megaworld prioritizes employee growth and safety by offering comprehensive training and wellness programs.*

- *These actively promote diversity, inclusion, and equal opportunities for all, fostering a healthy and engaged workforce.*

Community Transformation

- **Corporate Social Responsibility and Corporate Citizenship**
  - *Megaworld actively engages with communities to understand their needs and deliver meaningful support.*
  - *Through corporate social responsibility initiatives and responsible community planning, Megaworld ensures the communities around its developments experience long-term positive impacts.*

Customer Care

- **Customers, and Data Privacy**
  - *Customer safety and satisfaction remain top priorities for Megaworld.*
  - *The company consistently maintains high safety standards, respects customer privacy, and continuously improves its services to build lasting relationships and enhance brand loyalty.*

Pillar 2: Planet

Megaworld is committed to protecting the environment through careful management of natural resources. The company actively seeks ways to minimize its environmental impact by reducing carbon emissions, managing resources responsibly, and integrating eco-friendly designs into its projects. Megaworld's approach aims to preserve ecosystems, ensuring sustainable communities and healthier living spaces for generations to come.

Carbon Neutrality

- **Climate Change, Emissions, Air Quality**
  - *Megaworld takes meaningful steps toward reducing carbon emissions by incorporating renewable energy and energy-efficient technologies into its developments.*
  - *These efforts align with the broader goal of achieving carbon neutrality and addressing climate change.*

Resource Efficiency

- **Energy Management, Water Management, Waste Management, Materials**
  - *Through effective resource management, Megaworld actively reduces waste, conserves water, and adopts sustainable materials in its operations.*
  - *Its commitment includes compliance with environmental regulations and protecting biodiversity.*

Sustainable Building Operations

- **Biodiversity, Land Use, Open Spaces, Accessibility and Walkability**
  - *Megaworld integrates sustainable and climate-resilient designs into its communities, incorporating green spaces and infrastructure designed to withstand environmental challenges such as floods or typhoons.*
  - *Through this approach, it ensures harmonious coexistence with local environments.*

Pillar 3: Prosperity

Economic performance remains a cornerstone of Megaworld's strategy. By leveraging digital transformation, enhancing market presence, and ensuring sound financial management, the Company drives economic resilience while fostering local and national economic growth. Good governance practices and strategic investments in innovative business models ensure that Megaworld not only meets current financial targets but also builds a competitive, future-ready organization.

Impact Growth

- **Economic Performance, Market Presence, Digitalization**
  - *Megaworld maintains its leadership in real estate development by innovating its products and services and harnessing digital tools to reach and serve more customers effectively. This drives consistent growth and strengthens local economies.*

Good Governance

- **Enterprise Risk Management, Business Ethics and Integrity, Regulatory and Economic Compliance, Procurement Practices, Tax**
  - *Integrity and transparency define Megaworld's governance approach. It adheres strictly to ethical business practices, regulatory compliance, and careful selection of suppliers who share the company's sustainability and ethical standards, contributing to a responsible and future-ready business.*

Megaworld's Commitment to Sustainability

Megaworld's commitment to sustainability is deeply embedded in its townships, integrating green infrastructure, energy efficiency, and community-driven initiatives to create eco-friendly and future-ready urban environments. Since 2019, Megaworld has committed to making all future office buildings LEED-certified, with 21 LEED-certified office buildings as of 2024—9 Gold and 12 Silver. The newest additions include International Finance Center (Silver) and Uptown Eastgate (Gold) in Uptown Bonifacio and Enterprise One (Gold) in Iloilo Business Park.

Township operations are optimized to reduce environmental impact. The Estates Management Division, in partnership with Megaworld Lifestyle Malls, Megaworld Hotels and Resorts, and property management firms First Oceanic Property Management, Inc. and Asia Affinity Property Management, Inc., implements energy and water efficiency programs. Energy efficiency programs have resulted in an estimated 2,455,268.80 kWh annual savings by optimizing chiller operations in pilot mall properties and replacing streetlights with solar-powered streetlights, with similar projects now being replicated across the portfolio. Another 52,680 liters of fuel was also saved by converting the existing fleet with electric-vehicles (i.e., COMET bus, and patrol motorcycles in townships). Water efficiency initiatives include rainwater harvesting and greywater reuse for landscaping and cleaning township common areas, with ongoing projects exploring the use of greywater for flushing inside buildings.

Waste management is also a core component of sustainable townships. Compliance with the Extended Producer Responsibility Law ensures responsible waste management across operations. Corporate partnerships with Plastic Credit Exchange and the ABS-CBN

Foundation have further strengthened efforts in plastic waste reduction and hazardous waste management. Community involvement is encouraged through quarterly Eco-Warrior initiatives, focusing on responsible waste segregation, recycling, and education campaigns. Donate to Create and Restore, a program under Megaworld Lifestyle Malls, promotes public participation in waste reduction by partnering with EcoWaste Coalition (electronic waste), Plastic Flamingo (clean and dry plastics), TetraPak (food cartons), Silent Beads (paper and old cosmetics), and Wear Forward (textiles and old clothes). In 2024, public participation collected 2,000 kg of recyclables from selected Megaworld Lifestyle Malls in Metro Manila. Additionally, investments in materials recovery facilities and composting pits within townships enable proper waste segregation and reduce landfill-bound organic waste.

Building on its sustainability efforts, Megaworld's Road to Zero Carbon strategy advances its carbon reduction goals. A significant milestone was reached in 2024 with the carbon neutrality declaration for all 100%-owned malls and office buildings, supported by a 100MW clean energy transition through a power purchase agreement with MPower. This transition covers 80% of Megaworld's electricity consumption in its commercial businesses, including malls, office buildings, and hotels. Properties with 500kW monthly electricity demand are covered under the Retail Competition and Open Access (RCOA) mechanism, while the remaining 20% (under 500kW demand) is targeted for transition to renewable energy through the Green Energy Option Program (GEOP) by 2025. Additionally, Megaworld is actively exploring onsite renewable energy installations, such as solar power projects, to further reduce emissions.

To offset residual emissions, Megaworld launched the Project Tree Point Five Million Trees Initiative, aiming to plant 3.5 million trees by 2035, with a near-term goal of planting 2.12 million trees (60% of the target) by 2030. By the end of 2024, Megaworld had already planted 350,000 native and endemic trees across 1,500 hectares of internal landbank and external reforestation sites in partnership with DENR and local People's Organizations, achieving 10% of its target. The SeedQuest Program further supports this initiative by engaging employees and communities in collecting native and endemic tree seeds. Additionally, Megaworld proactively purchases carbon offsets through accredited brokers, with a long-term goal of phasing out purchased offsets by 2030, ensuring that all Scope 1 and 2 emissions are either transitioned to renewable energy or fully sequestered through dedicated carbon forests.

Beyond environmental initiatives, Inclusive Development remains a key focus for Megaworld, ensuring that economic growth benefits communities. Through Megaworld Foundation and its partners, the company has supported 36,900 individuals in education, healthcare, and livelihood programs. Education remains a priority, with 1,000 scholars supported annually from elementary to tertiary levels. In celebration of its 35th anniversary, Megaworld expanded its outreach by adopting 35 elementary and secondary schools during Brigada Eskwela. A partnership with Hope Bottles led to the construction of a classroom for the Aeta community at Katutubo Elementary School in Porac, Pampanga.

Healthcare initiatives include feeding programs and medical missions, bringing essential health services to communities where Megaworld operates. The Hands in Harmony program provides economic opportunities for the PWD community of Brgy. Ugong, Pasig City, reinforcing Megaworld's commitment to inclusivity and social empowerment.

Stakeholder Engagement is central to embedding sustainability into Megaworld's corporate culture and public outreach. Sustainability awareness begins with employees through the New Employees Orientation Program, where sustainability principles and initiatives are introduced from day one. The Megaworld Learning Academy, through DZHR (a podcast-style learning platform), regularly features sustainability topics, providing employees with learning hours and engagement opportunities. Employees are also encouraged to volunteer in tree-growing programs and beach cleanups, fostering a hands-on commitment to sustainability.

Externally, Megaworld engages stakeholders by promoting public participation in sustainability programs. The company ensures that sustainability initiatives are communicated transparently and invites collaboration from tenants, communities, and industry partners. Through these efforts, Megaworld continues to champion a sustainable, inclusive, and low-carbon future, shaping the landscape of urban development while prioritizing environmental and social responsibility.

Approach to Stakeholder Engagement

Megaworld is committed to fostering meaningful and productive relationships with its key internal and external stakeholders, through targeted engagement initiatives, Megaworld interacts with key internal stakeholders, including management, employees and personnel, and external stakeholders, including customers like home buyers, office tenants, retail partners, hotel guests, the local community, suppliers, investors, government entities, and employees. Recognizing the critical importance of stakeholder engagement, Megaworld has undertaken proactive initiatives to connect and collaborate with each identified group and gather feedback on sustainability matters that are material to Megaworld's business. Leveraging a combination of in-person and virtual communication platforms, Megaworld has facilitated meaningful dialogues and exchanges to gain deeper insights into the unique needs, preferences, and concerns of each stakeholder.

Central to Megaworld's stakeholder engagement strategy is the principles of open dialogue and transparent communication. By actively listening to stakeholder feedback, addressing concerns, and sharing relevant information, Megaworld builds trust, collaboration, and mutual understanding. This approach enables Megaworld to deliver exceptional products and services to customers, foster strong partnerships with suppliers and partners, contribute positively to the local community, provide sustainable returns to its investors, and support the professional growth and well-being of its employees. Through its commitment to stakeholder engagement, Megaworld aims to create shared value, drive sustainable growth, and make a positive impact on society and the environment.

Sustainability Team

At Megaworld, the MEGreen Sustainability Circle stands at the forefront of our commitment to integrate sustainability across all aspects of our operations. Led by the Sustainability Head and managed by the Sustainability Manager, this specialized team orchestrates our company-wide sustainability initiatives. The circle is organized around four pivotal pillars: Road to Zero Carbon, Sustainable Townships (Environmental), Inclusive Development (Social), and Stakeholder Engagement (Governance), each tailored to address the multifaceted nature of sustainable development.

The Environmental Pillar plays a critical role, with teams dedicated to crucial areas such as achieving zero carbon emissions, transitioning to renewable energy sources, enhancing energy management, and developing carbon forests for offsetting emissions. These teams are led by specialists including the Road to Zero Carbon Lead, Renewable Energy Lead, Energy Management Lead, and Carbon Forests Lead, each responsible for driving their respective sustainability domains.

In tandem, the Sustainable Townships segment focuses on the sustainable development of our townships, managed by leads in Waste Management, Water Management, and Certifications & Operations. They ensure that our projects not only adhere to high sustainability standards but also contribute positively to the ecological and social fabric of their locales.

The Social Pillar, spearheaded by the Inclusive Development Lead, ensures our projects foster community development and social inclusivity, creating benefits that extend beyond our direct operations.

Lastly, the Governance Pillar includes the Engagements Lead and the Public Relations Lead, who are crucial in managing stakeholder engagements and public communications. This pillar ensures transparency and fosters trust among stakeholders, maintaining our reputation as a responsible and forward-thinking company.

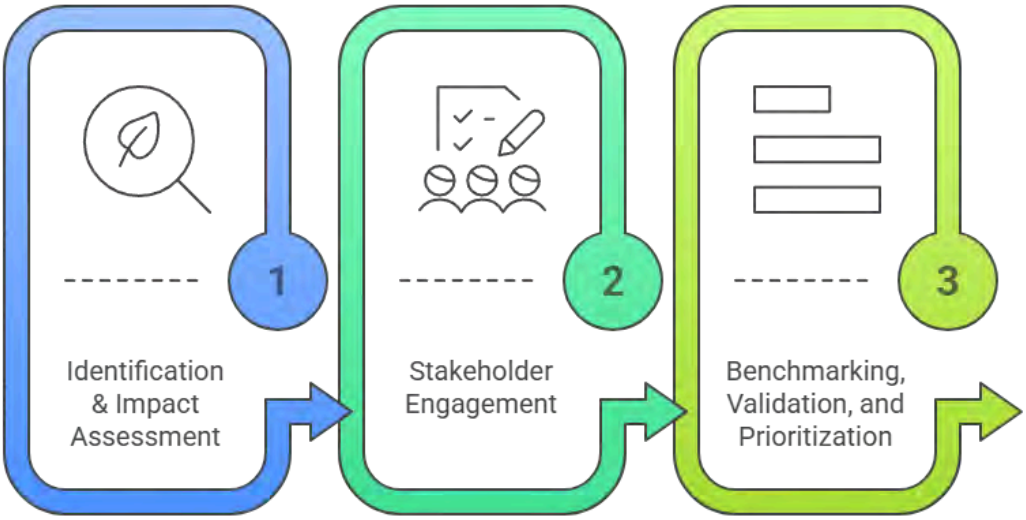
Together, the MEGreen Sustainability Circle encapsulates Megaworld's strategic approach to sustainability, ensuring we meet our environmental targets, contribute positively to society, and uphold robust governance, thus affirming our leadership in sustainable urban development.

Materiality Process

Megaworld followed the Global Reporting Initiative (GRI) guidelines to review its previously identified material topics. Building on past frameworks, the company assessed the continued relevance of these topics. This involved evaluating both the positive and negative impacts across economic, environmental, and social sustainability areas, ensuring alignment with the latest GRI Standards.

Furthermore, recognizing the growing importance of technology, digitalization has been incorporated as a new material topic. By engaging a broad spectrum of stakeholders—including employees, customers, suppliers, investors, and local communities—Megaworld's ensured that sustainability priorities remain aligned with current trends, stakeholder expectations, and are strategically positioned to deliver positive outcomes.

Key steps in the process included:



- **Identification & Impact Assessment:** A thorough review of topics that influence the economy, environment, and society. Positive impacts are recognized as achievements already experienced, while potential risks are flagged for proactive management.

- **Stakeholder Engagement:** Multiple channels of consultation ensure that feedback is integrated into decision-making, reinforcing Megaworld's commitment to inclusiveness and responsive management.

- **Benchmarking, Validation, and Prioritization:** By comparing its topics against industry standards and historical performance, and validating them with the Green Council and senior management, Megaworld refines a materiality matrix that prioritizes issues based on their impact and stakeholder relevance.

This process is driven by Megaworld's belief that sustainability reporting is more than compliance—it is about understanding the "whys" behind its actions and ensuring that every business decision contributes positively to society, the environment, and the economy.

Unified Impact: An ESG Blueprint

Megaworld further refined its sustainability framework by organizing previously identified material topics under the SustainAGIlity Pillars: People, Planet, and Prosperity. This alignment supports a clearer understanding of the company's ESG focus areas and strengthens consistency in reporting and program implementation across the organization.

Key adjustments were made to better reflect the relevance and impact of certain topics. Data Privacy, previously listed under Prosperity, has been realigned under the People pillar to emphasize its importance in protecting individual rights and customer information. Economic Performance and Digitalization, initially categorized under People, have been moved to the Prosperity pillar to better reflect their contribution to business growth and innovation. Occupational Health and Safety has also been renamed to Workforce Health and Safety, signifying a broader and more inclusive scope of employee well-being.

In addition to these changes, Materials, Biodiversity, and Enterprise Risk Management, while already disclosed in previous sustainability discussions, are now formally included in the list of material topics. This recognition highlights the company's growing focus on resource use, ecological balance, and the importance of identifying and managing risks across its operations.

The updated material topics under each pillar are shown in the table below:

PEOPLE	**PLANET**	**PROSPERITY**
• Human Rights • Diversity and Equal Opportunity • Employee Welfare • Workforce Health and Safety • Corporate Social Responsibility and Corporate Citizenship • Customers • Data Privacy	• Climate Change • Emissions • Air Quality • Energy Management • Water Management • Waste Management • Materials • Biodiversity • Land Use • Open Spaces • Accessibility and Walkability	• Economic Performance • Market Presence • Digitalization • Enterprise Risk Management • Business Ethics and Integrity • Regulatory Compliance • Procurement Practices • Tax
		

United Nations Sustainable Development Goals

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Employees and Customers: Megaworld upholds equality and non-discrimination in the recruitment of its workforce, recognizing that a diverse team provides broader perspectives for its business growth.	**GRI 401:** Employment **GRI 405:** Diversity and Equal Opportunity **GRI 406:** Non-discrimination	• Equitable hiring and diversity programs • Employee engagement and well-being initiatives • Service excellence	• Unconscious biases in hiring • Workplace culture changes • Customer service pressures	• Unbias hiring • Employee wellness programs • Change management strategies	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Training and Education: Investing in employee development fosters a highly skilled workforce that forwards Megaworld's position as a leader in sustainable and innovative real estate solutions.	**GRI 404:** Training and Education	• Learning and development programs • Skills and training sessions • Leadership summit	• Disparities in training access • Rapid skill shifts • Exclusion of non-participants	• Equal training access • Continuous learning frameworks • Inclusive leadership	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Workforce Health and Safety: Maintaining a safe and healthy work environment reduces business disruptions and protects Megaworld's workforce from hazards and accidents.	**GRI 403:** Occupational Health and Safety	• Quarterly emergency drills • Fire protection & fire safety awareness • First aid training and basic life support	• Non-compliance with safety protocols • Training costs	• Frequent audits • Mandatory safety training	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Local Communities: Strong community engagement enhances Megaworld's promotion of strong connections with the Company's surrounding communities and creates a positive social impact.	**GRI 413:** Local Communities	• Community partnerships • CSR programs	• Risk of community dependency on corporate support	• Long-term community development strategies	1 NO POVERTY 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
Customer Health and Safety: Strict standards in product and service safety protect customers, minimize liability risks, and strengthen brand trust, which are crucial for sustaining customer loyalty and	**GRI 416:** Customer Health and Safety **GRI 417:** Marketing and Labeling	• Product and service quality checks	• High compliance costs • Certification barriers	• Cost-benefit analysis • Regulatory alignment	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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 success.	**GRI 418:** Customer Privacy				
Emissions: Megaworld actively monitors and tracks its emissions sources and aggressively utilizes renewable energy as part of its commitment to Net Zero operations.	**GRI 305:** Emissions	• Utilization of e-vehicles • Tree planting activities	• Limited charging infrastructure • Tree survival rates	• Investment in EV infrastructure • Sustainable forestry partnerships	
Energy: Efficient energy management reduces operational costs and drives operational excellence.	**GRI 302:** Energy	• Earth Hour Celebration • Solar-powered lights	• Limited long-term impact of single-day events • Maintenance challenges	• Year-round energy conservation initiatives • Robust maintenance tracking	
Water: Megaworld monitors water usage and continuously maintains and upgrades its water facilities to promote responsible resource management.	**GRI 303:** Water and Effluents	• Water Distribution Facility	• High initial investment costs	• Cost-sharing models for water infrastructure	

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Waste: Effective waste management reduces environmental impact and ensures compliance to waste disposal practices.	**GRI 306:** Waste	• Waste reduction and recycling programs • Coastal cleanup drives • Vermicomposting	• Challenges in changing consumer waste habits • Operational difficulties	• Educational waste programs • Cleanup incentives • Scalable composting models	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Biodiversity: Megaworld upholds the Philippine NIPAS Act to safeguard ecosystems, minimize environmental risks, and promote responsible land development.	**GRI 304:** Biodiversity	• Turtle Hatching	• Disruptions due to habitat interventions	• Biodiversity impact assessments and monitoring	14 LIFE BELOW WATER 15 LIFE ON LAND
Materials: Sustainable sourcing and efficient material use lower costs, minimize resource consumption, and promote circular economy principles of everyday materials.	**GRI 301:** Materials	• Sustainable sourcing	• Supply chain complexities	• Supplier training • Sustainability incentives	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Land Use and Green Infrastructure: The Company puts a priority in integrating green infrastructure and sustainable land-use planning into its developments to enhance climate resilience and improve community livability.	**GRI 304:** Biodiversity and Land Use	• Green spaces and sustainable design	• High costs and space requirements	• Urban planning integration • Climate resilience planning	
Economic Performance: Financial stability and strategic growth planning enable Megaworld to attract investors, fund sustainable developments, and maintain market leadership amid economic fluctuations.	**GRI 201:** Economic Performance	• Strategic business planning	• Economic downturns affecting planning effectiveness	• Scenario-based strategic planning	
Market Presence: Megaworld prioritizes local recruitment to strengthen its market positioning and improve business-community relationships with the community.	**GRI 202:** Market Presence	• Local hiring and recruitment • Brand presence	• Limited job market diversity • Market saturation	• Diversity recruitment programs • Brand differentiation strategies	

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Digitalization: The adoption of digital solutions enhances efficiency, improves customer experience, and positions Megaworld as a forward-thinking real estate developer in an increasingly tech-driven market.	N/A	• Paperless operations • Automated workflows	• Resistance to adopting digital workflows • Cybersecurity risks	• Training and gradual transition • Cybersecurity investments	 
Enterprise Risk Management: Megaworld utilizes a structured risk management framework in order to identify and mitigate risks.	N/A	• Business continuity	• Difficulty in ensuring full compliance	• Compliance audits and corrective actions	 
Business Ethics and Integrity: Ethical business practices promote trust among investors, customers, and regulators, reducing legal and reputational risks while strengthening corporate governance.	**GRI 205:** Anti-Corruption	• Anti-corruption training • Compliance to corporate governance policies	• Challenges in measuring anti-corruption effectiveness • Compliance costs	• Independent anti-corruption assessments • Policy updates	

ECONOMIC

Economic Performance

Megaworld's economic performance improved in 2024, supported by its diversified business model and strategic focus on growth. The Company recorded consolidated revenues of Php 81,687.33 million, a 17% increase from Php 69,728.16 million in 2023. This growth was driven by higher real estate sales, increased leasing income, and a continued recovery in the hospitality sector.

Real estate sales remained the main revenue source, contributing 62% of total revenues and growing by 19% to Php 50,988.48 million, fueled by sustained demand for residential properties across Megaworld's township developments in Metro Manila and key provincial locations.

Leasing revenues reached Php 19,678.07 million, a 10% increase, accounting for 24% of consolidated revenues. Growth was supported by rental escalations, strong tenant retention, and performance of retail spaces within Megaworld Lifestyle Malls. Office leasing also continued to gain traction from BPOs and multinational corporations.

Megaworld Hotels and Resorts posted the highest percentage growth among core segments, with revenues rising by 34% to Php 5,107.05 million, reflecting the rebound of domestic tourism and more frequent MICE (Meetings, Incentives, Conventions, and Exhibitions) events.

Direct Economic Value Generated and Distributed

Disclosure	Unit	2022	2023	2024
Direct Economic Value Generated (Revenue)	Php (million)	59,527.26	69,728.16	81,687.33
Direct Economic Value Distributed:				
a. Operating Costs and Payments to Suppliers, Other Operating Costs	Php (million)	26,278.93	31,085.49	37,127.98
b. Employee Wages and Benefits	Php (million)	3,864.10	4,881.56	5,719.83
c. Payments to Providers of Capital	Php (million)	7,281.44	9,009.14	10,626.20
d. Taxes given to Government	Php (million)	3,720.54	2,830.92	3,547.10

Disclosure	Unit	2022	2023	2024
e. Investments to Community (e.g. Donations, CSR)	Php (million)	100.52	104.41	131.34
Economic Value Retained	Php (million)	18,281.73	21,816.63	24,534.88

The distribution of economic value in 2024 reflects Megaworld's expanding operations and continued investments. Operating costs and payments to suppliers rose to Php 37,127.98 million, up 19%, consistent with intensified development activities. Employee wages and benefits reached Php 5,719.83 million, reflecting a 17% increase and sustained focus on workforce engagement.

The Company also distributed Php 10,626.20 million in dividends and interest, fulfilling shareholder and creditor commitments. Taxes paid to the government increased to Php 3,547.10 million, aligned with improved earnings and tax compliance.

Community investments rose to Php 131.34 million, supporting social initiatives and development programs. The retained economic value reached Php 24,534.88 million, reinforcing Megaworld's financial strength and reinvestment capacity.

Our Management Approach

Growth Beyond Numbers

Megaworld's management approach is built on prudent financial planning, disciplined capital allocation, and responsible value creation for its stakeholders. The company focuses investments on high-growth sectors—real estate, leasing, and hospitality—to drive revenue growth while maintaining financial health. In 2024, its township developments continued to support job creation and stimulate local economies, reinforcing its contribution to national development.

To manage costs, Megaworld implements efficient procurement practices, long-term supplier partnerships, and rigorous project evaluations. This ensures resources are optimized without compromising quality and profitability.

Employee compensation and development remain a priority. Megaworld upholds competitive wage structures, continuous training, and engagement programs to attract and retain talent—recognizing that a skilled and motivated workforce is critical to long-term success.

Capital management is guided by a balanced approach across dividend distribution, debt servicing, and reinvestment. In 2024, Megaworld reviewed its loan agreements to ensure full compliance with disclosure requirements and financial obligations. Its Treasury and Finance teams closely monitor loan covenants and financial commitments to ensure timely repayments and maintain lender confidence. Transparent communication with creditors helps preserve a sustainable debt profile and financial flexibility.

The company also ensures full regulatory compliance, including accurate and timely tax payments. In 2024, Megaworld's tax contributions reflected its strengthened financial performance and reinforced its role as a responsible corporate citizen.

Megaworld incorporates corporate social responsibility into financial planning by funding programs in education, disaster response, and community development. In 2024, it increased community investments in line with its sustainability goals.

Beyond generating profit, Megaworld enables broader economic growth by delivering essential services—such as housing, commercial spaces, and hospitality—and supporting businesses and tourism in its township ecosystems. This multiplies its economic impact while reinforcing environmental and social value.

Retained earnings are strategically reinvested to support township development and business expansion. This disciplined reinvestment strategy underpins sustained growth and strengthens the company's competitive position.

Through sound financial governance and value-sharing mechanisms, Megaworld ensures responsible economic value distribution, long-term resilience, and inclusive, sustainable growth.

Climate-related risks and opportunities

Megaworld recognizes the increasing impact of climate change on business operations, infrastructure development, and stakeholder value. Climate-related risks pose challenges to supply chains, workforce safety, and financial sustainability, while climate opportunities drive innovation in renewable energy investments, resilient infrastructure, and eco-friendly developments.

As part of Megaworld's commitment to sustainability and responsible corporate governance, the company integrates climate considerations across its governance, strategy, risk management, and performance measurement. Climate resilience is embedded in long-term business planning, ensuring that risks are mitigated while opportunities are leveraged to enhance operational efficiency and financial performance.

TCFD Pillar	Disclosure
Governance	**Board Oversight:** The Board, supported by ESG committees, oversees climate-related risks and opportunities, integrating them into Megaworld's governance framework. Periodic reviews ensure accountability, compliance, and alignment with sustainability objectives. **Senior Management Role:** Senior management ensures effective implementation of climate-related strategies, resource allocation, and risk mitigation efforts.

TCFD Pillar	Disclosure
Strategy	Key climate-related risks and opportunities identified by the company include the following: *Key Risks* ● Physical Risks: Extreme weather events (typhoons, floods, heatwaves) that may cause damage to properties and operational disruptions ● Physical Risks: Increased cooling and maintenance costs due to rising temperatures ● Regulatory Risks: Stricter environmental and building regulations increasing compliance costs ● Regulatory Risks: Potential carbon pricing mechanisms that could raise operational expenses *Opportunities* ● Investments in renewable energy and green building developments ● Adoption of climate-resilient infrastructure to enhance long-term asset value ● Expansion of eco-friendly construction and energy-efficient building designs
Risk Management	Climate Risks Managed Through: ● A structured framework for assessing, monitoring, and mitigating climate risks ● Scenario analysis and stress testing to enhance business continuity planning ● Diversified sourcing strategies to reduce supply chain vulnerabilities ● Infrastructure retrofitting to improve climate resilience Risk Prioritization: Risks are prioritized based on their impact on business continuity, financial sustainability, and regulatory compliance
Metrics and Targets	Key Metrics: ● Tracking greenhouse gas emissions ● Monitoring energy and water efficiency across operations ● Measuring the adoption of renewable energy and sustainable building standards Target Goals: ● Annual reduction targets for Scope 1 and Scope 2 emissions ● - Commitment to achieving carbon neutrality within a defined timeframe ● - Enhancing energy efficiency through operational optimizations and green investments

Procurement Practices

Megaworld continues to uphold a meticulous and strategic approach to procurement, ensuring the acquisition of top-quality materials for its real estate projects. The company emphasizes the long-term durability and resilience of its developments, especially in addressing the challenges posed by climate change. Safety remains a top priority, with stringent requirements for suppliers and partners to demonstrate strong reputations and reliability.

Proportion of Spending on Local Suppliers

Subsidiary	Units	2022	2023	2024
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers.	%	98	100	100

Megaworld commits to sourcing 100% of its supplies locally; this decision reflects the company's dedication to supporting local businesses, strengthening its supply chain, and advancing sustainability goals. By prioritizing local procurement, Megaworld not only enhances its operational resilience but also contributes positively to the communities in which it operates.

Our Management Approach

Building a Responsible Supply Chain

Aligned with its sustainability objectives, Megaworld has further committed to sourcing supplies and services locally, reducing carbon emissions from transportation while strengthening local economies. This local procurement strategy not only supports community growth but also helps reduce costs. In addition, Megaworld ensures that all procurement activities comply with ISO 9001 Quality Management System certification, guaranteeing high-quality standards and minimizing risks associated with substandard materials. The company's multi-sourcing approach also mitigates potential disruptions, helping to keep projects on track and contributing to its continued growth and success in 2024.

Anti-Corruption

Megaworld continues to prioritize transparency and integrity by ensuring that all employees and business partners are fully informed about the company's anti-corruption policies and procedures. The organization has successfully maintained a 100% communication reach, ensuring that everyone within the company, including directors and management, is well-versed in these policies.

Training on Anti-Corruption Policies and Procedures

Disclosure	Unit	2022	2023	2024
Percentage of Employees to whom the Organization's Anti-Corruption Policies and Procedures have been Communicated	%	100	100	100
Percentage of Business Partners to whom the Organization's Anti-	%	100	100	100

Disclosure	Unit	2022	2023	2024
Corruption Policies and Procedures have been Communicated To				
Percentage of Directors and Management that have Received Anti-Corruption Training	%	100	100	100
Percentage of Employees that have Received Anti-Corruption Training	%	100	100	100

Incidents of Corruption

Disclosure	Unit	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

Megaworld remains steadfast in its commitment to maintaining the highest ethical standards across its operations. The company's focus on transparency and accountability continues to yield positive results, as no incidents of corruption were reported in the past year. This includes no removal or disciplinary actions involving directors, no employee dismissals, and no termination of contracts with business partners due to corruption. These outcomes align with the company's track record from previous years, further reinforcing Megaworld's dedication to upholding integrity and ethical business practices.

Our Management Approach

Ensuring a Corruption-Free Organization

Megaworld's management approach to maintaining a corruption-free environment in 2024 is built on a foundation of transparency, accountability, and rigorous ethical standards. The company ensures that all employees, directors, and business partners are consistently educated on anti-corruption policies and procedures. By providing regular, comprehensive anti-corruption training and maintaining a 100% coverage rate across all levels, Megaworld fosters a culture of integrity and ethical behavior.

In addition to training, Megaworld enforces a strict zero-tolerance policy toward corruption, where all reported incidents are carefully investigated and addressed. The company maintains clear communication channels for reporting misconduct, ensuring that all stakeholders feel empowered to speak up without fear of retaliation. Furthermore, Megaworld works closely with business partners to ensure they also adhere to the same ethical standards, fostering a network of trust and accountability across its operations.

The consistent absence of corruption-related incidents over the past years reflects the effectiveness of these practices. By embedding anti-corruption measures into its corporate culture and operations, Megaworld ensures that integrity remains at the core of its business, promoting long-term sustainability and strong stakeholder relationships.

ENVIRONMENT

Resource Management

Energy Consumption of the Organization

Megaworld's operations across malls, office towers, and hotels require significant energy input, particularly for lighting, cooling, and overall building functionality. To reduce its environmental footprint, the company continually strengthens its energy management initiatives.

As part of its sustainability strategy, Megaworld has integrated green building principles into its development practices. Since 2019, all newly constructed office buildings have obtained LEED (Leadership in Energy and Environmental Design) certification. As of 2024, the company operates 21 LEED-certified office towers, including 9 LEED Gold and 12 LEED Silver.

In 2024, Megaworld recorded 962,725.6 GJ in total energy consumption within the organization. Electricity remained the largest contributor at 639,773.75 GJ, followed by renewable energy at 201,932.95 GJ. The company continues to implement energy efficiency measures and sustainable operational practices to manage consumption growth as its portfolio expands.

Disclosure	Unit	2022 (Restated)	2023 (Restated)	2024
Renewable	GJ	118,020.47	153,573.46	201,932.95
Gasoline	GJ	4,898.70	4,238.91	5,235.55
LPG	GJ	8,290.32	13,015.64	16,129.14
Diesel, Stationary	GJ	66,414.45	100,008.54	84,069.75
Diesel, Mobile	GJ	8,714.62	9,414.61	15,584.46
Electricity	GJ	426,124.00	533,189.22	639,773.75
Total Energy Consumption	**GJ**	**632,462.57**	**813,440.38**	**962,725.60**

Restatement: Energy consumption figures for 2022 and 2023 previously included tenant and customer usage, which—based on the GHG Protocol—should fall under "Energy Consumption Outside the Organization." These values have been adjusted and reported separately below.

Energy Consumption Outside of the Organization

In line with the restatement above, Megaworld now separately discloses the energy consumption of tenants and other downstream users. These figures cover leased assets and other activities not directly controlled by the company. The surge in total energy consumption—from 1,091,687.11 GJ in 2022 to 6,705,913.69 GJ in 2024—is primarily due to increased leased space activity and broader operational coverage under this category.

LPG and electricity accounted for the majority of downstream consumption in 2024, at 4,892,636.55 GJ and 1,412,993.36 GJ respectively, reflecting intensified tenant operations in commercial spaces.

Disclosure	Unit	2022	2023	2024
Renewable Resources	GJ	236,154.78	268,893.15	262,550.65
Gasoline	GJ	99.93	773.35	1,797.47
LPG	GJ	62,286.36	453,880.47	4,892,636.55
Diesel (Stationary)	GJ	80,849.94	81,224.20	122,789.19
Diesel (Mobile)	GJ	725.73	4,941.11	13,146.47
Electricity	GJ	711,570.37	951,851.58	1,412,993.36
Total	**GJ**	**1,091,687.11**	**1,761,563.86**	**6,705,913.69**

Reduction of Energy Consumption

Megaworld actively implements energy conservation initiatives across its developments, guided by the principles of the Energy Efficiency and Conservation Act of the Philippines (RA 11285). Energy consumption is closely monitored and analyzed through an online tracking system, enabling real-time visibility and strategic decision-making. The company uses the Energy Efficiency Index (EEI) developed by the Department of Energy (DOE) to assess the performance of its buildings and identify areas for improvement.

To drive continuous improvement in energy performance, Megaworld has rolled out a series of energy efficiency measures across its properties. These include:

- Solar Lighting Systems:
  A total of 186 solar-powered streetlights were installed in key townships such as Capital Town, Boracay Newcoast, and Northhill Gateway, generating monthly energy savings of 29,035.20 kWh (104.53 GJ)—equivalent to approximately Php 50,146.46 in operational cost savings.
- Hybrid Solar Energy Systems:
  Residential areas in McKinley Hill, Newport City, and Central Nursery benefit from hybrid solar installations that harvest an average of 38.91 kW daily, contributing to monthly energy savings of Php 66,154.63.
- E-Mobility Initiatives:
  Megaworld has deployed 13 electric motorcycles across several townships, including McKinley Hill, Uptown Bonifacio, Newport City, Southwoods City, Iloilo Business Park, and Capital Town. This initiative reduces annual fuel consumption by 22,680 liters (862.32 GJ). Boracay Newcoast also launched an electric-vehicle fleet that saves 30,000 liters (1,140.63 GJ) of fuel annually.

- Power Purchase Agreements (PPAs):

  Megaworld entered into renewable energy supply agreements for selected commercial buildings, supporting the company's transition toward clean energy sources.
- Building Envelope Enhancements:

  Installation of double-glazed and tinted windows improves thermal insulation, reducing cooling demand in buildings.
- Efficient Lighting Systems:

  The company has standardized the use of LED lighting across all developments, delivering higher energy efficiency without compromising lighting quality.
- Occupancy-Based Lighting Controls:

  Sensors in hallways and parking areas automatically adjust lighting based on activity, optimizing energy usage.
- High-Efficiency Equipment Standards:

  All mechanical equipment procured and installed in Megaworld properties is required to meet high Energy Efficiency (EE) ratings, in compliance with DOE standards.
- Optimized Chiller Operations:

  In 2024, the company implemented chiller optimization programs in malls such as Uptown Mall, Iloilo Festive Walk, Southwoods Mall, and Venice Grand Canal, resulting in total energy savings of 2,455,268.80 kWh and cost reductions amounting to Php 13,708,219.83.
- Climate-Responsive Designs:

  The integration of green roofs, open spaces, and pocket gardens reduces the urban heat island effect and improves passive cooling across developments.

Megaworld remains fully compliant with RA 11285, consistently submitting all required reports to the Department of Energy. In 2024, the company achieved a 100% Energy Audit compliance rate across all establishments, allowing for the identification and implementation of priority energy-saving projects that significantly enhanced operational efficiency.

Our Management Approach

Greener Energy, Brighter Future

Megaworld implements a structured approach to energy management, focusing on efficiency, sustainability, and compliance. The company's strategy is guided by international and national standards, ensuring responsible energy consumption across its operations.

1. Energy Monitoring and Data Management

- Tracks energy consumption through an online energy management system
- Utilizes the Energy Efficiency Index (EEI) developed by the Department of Energy for performance assessment
- Conducts regular energy audits to identify areas for improvement

2. Energy Efficiency and Conservation Measures

- Implements LEED-certified building designs for energy-efficient operations
- Uses LED lighting, occupancy sensors, and high-efficiency equipment to optimize energy use

- Optimization of chillers in malls
- Reduces fuel consumption through fleet management optimization and controlled generator testing

3. Renewable Energy and Green Building Initiatives

- Expands the installation of solar panel systems to reduce reliance on traditional energy sources
- Power Purchase Agreement contracts to supply renewable energy to buildings
- Enhances building efficiency through double-glazed windows, green roofs, and passive cooling designs

4. Compliance and Reporting

- Ensures adherence to RA 11285 (Energy Efficiency and Conservation Act) by auditing 100% of its establishments
- Regularly submits Energy Audit Reports to the Department of Energy.

Through these measures, Megaworld optimizes energy use, reduces environmental impact, and aligns with sustainability commitments to create more efficient and responsible developments.

By leveraging innovative technologies, data-driven energy management strategies, and sustainable design principles, Megaworld remains steadfast in its commitment to reducing its environmental footprint and aligning its energy consumption practices with global sustainability standards.

Water and Effluents

Megaworld is committed to responsible water resource management, ensuring efficient water use, compliance with regulatory standards, and the reduction of its environmental impact. The company's water management strategy includes conservation, quality monitoring, and sustainable wastewater treatment practices. Most of Megaworld's water supply is sourced from third-party concessionaires, while consumption and discharge are monitored through an online tracking system. Water quality is maintained through regular cleaning and disinfection of storage tanks. Wastewater generated from operations is treated through on-site or third-party sewage and wastewater treatment facilities. All buildings are assigned Pollution Control Officers (PCOs), and 100% of facilities hold valid Wastewater Discharge Permits (WWDPs) in accordance with DENR-EMB and LLDA regulations.

Water Data (in ML: megaliters)

Disclosure	Unit	2022	2023	2024
Water Withdrawal	ML	7,942.83	8,769.78	12,315.99
Water Consumption	ML	2,037.33	2,244.52	4,402.52
Water Recycled and Reused	ML	Not available	Not available	Not available

Disclosure	Unit	2022	2023	2024
Total Volume of Water Discharges	ML	5,905.51	6,525.26	7,913.46
Percent of Wastewater Recycled	%	Not available	Not available	Not available

Water withdrawal reached 12,315.99 ML, up from 8,769.78 ML in 2023, reflecting increased operational activity and expanded property use. Water consumption rose to 4,402.52 ML, while the total volume of water discharges increased to 7,913.46 ML, aligned with broader utility demand across properties.

As of 2024, data on water recycled and reused, including the percentage of wastewater recycled, remain unavailable. The company is currently enhancing its monitoring systems to improve data collection and enable disclosure in future reports.

Our Management Approach

Every Drop Matters

Megaworld prioritizes sustainable water management by integrating rainwater harvesting, greywater reuse, and water-efficient fixtures across its developments. The company closely monitors water consumption and discharge through an online tracking system, ensuring efficient use and conservation. Regular maintenance of storage facilities and 100% compliance with wastewater regulations, including DENR-EMB and LLDA standards, reinforce its commitment to responsible water stewardship.

To minimize environmental impact, Megaworld operates wastewater treatment facilities and requires Environmental Impact Assessments (EIA) for new projects. By continuously improving its water efficiency strategies and raising awareness among stakeholders, the company ensures that its townships remain resilient, resource-efficient, and environmentally responsible.

Materials Used by the Organization

Megaworld remains committed to responsible material sourcing, ensuring efficiency, sustainability, and compliance with environmental standards across its construction operations. The company adopts a strategic approach to materials management, reinforcing its dedication to sustainable development and ethical business practices.

Disclosure	Unit	2022	2023	2024
Materials Used by Weight/Volume				
Renewable	Tonnes	95.55	3.36	208.35
Non-Renewable	Tonnes	47,861.74	231,720.12	183,740.90
Percentage of Recycled Input Materials Used to Manufacture the Organization's Primary Products and Services	%	Not available	Not available	Not available

A significant portion of the materials used in Megaworld's projects is procured through an accredited network of contractors and suppliers, all of whom are required to comply with ISO 14001-certified environmental management systems. This framework ensures that the materials sourced support the company's sustainability objectives while minimizing environmental impact. In instances where direct sourcing is required due to contractor limitations, Megaworld applies internal evaluation protocols to uphold environmental and quality standards.

To further strengthen its sustainability efforts, Megaworld also prioritizes the local sourcing of owner-supplied materials. This initiative helps reduce the carbon footprint from long-distance transport and supports local industries. Additionally, the company continuously monitors material usage to optimize efficiency, reduce construction waste, and lower its ecological footprint.

As of 2024, renewable materials usage increased to 208.35 tonnes, while non-renewable materials totaled 183,740.90 tonnes. Data on the percentage of recycled input materials used remain unavailable. The company is enhancing its data tracking systems to enable improved disclosure in future sustainability reports.

Our Management Approach

Sustainable Sourcing

In 2024, Megaworld expanded its efforts to enhance sustainability in material usage through several key initiatives:

- **Construction Operations**: The company is actively conducting supplier assessments, tracking the percentage of recycled materials used in construction, and implementing material recovery programs for resources such as rebars, plastics, and wood.
- **Corporate Offices**: Sustainability is embedded in daily operations through initiatives such as sourcing cleaning materials from SMEs, supporting small businesses, and using office supplies made from recycled materials, including paper products.

By integrating these sustainability-driven practices into procurement and operations, Megaworld continues to reinforce its commitment to environmental stewardship, ensuring its projects align with global best practices in sustainable construction and resource efficiency.

Environmental Impact

GHG Emissions

Megaworld is committed to reducing its greenhouse gas (GHG) emissions as part of its broader sustainability strategy. The company integrates energy efficiency, renewable energy adoption, sustainable urban design, and nature-based solutions into its developments to minimize its carbon footprint.

In 2024, Megaworld recorded 20,619.97 tonnes of CO_2e in Scope 1 emissions, representing direct emissions from company-owned operations. Scope 2 emissions, which arise from purchased electricity, totaled 163,014.85 tonnes of CO_2e. Scope 3 emissions, which represent indirect emissions from the company's value chain, reached 881,173.88 tonnes of CO_2e. This increase reflects the company's more comprehensive accounting of indirect emissions, including downstream leased assets, waste disposal, hotel stays, business travel, and selected purchased goods and services from its mall operations. At this stage, Scope 3 does not yet include emissions from purchased goods related to construction activities or employee commuting.

Disclosure	Unit	2022 (Restated)	2023 (Restated)	2024
Direct (Scope 1) GHG Emissions	Tonnes CO_2e	6,127.08	6,769.01	20,619.97
Energy indirect (Scope 2) GHG Emissions	Tonnes CO_2e	107,622.96	142,131.17	163,014.85
Other Indirect (Scope 3) GHG Emissions	Tonnes CO_2e	198,394.26	325,811.12	881,173.88
Emissions of ozone-depleting substances (ODS)	Tonnes CO_2e	Not Available	Not Available	Not Available

Note: Data for FY 2022 and 2023 was restated following the implementation of Diligent.

Emissions of ozone-depleting substances (ODS) data were previously unavailable. The company is currently enhancing its environmental data tracking and aims to include this information in future reports.

To address these emissions, Megaworld prioritizes energy efficiency and renewable energy integration across its developments. The company continues its transition to solar power, expands green building certifications, and partners with renewable energy providers to reduce reliance on fossil fuels. Initiatives such as LED lighting, smart energy systems, and optimized building designs help curb electricity consumption and lower Scope 2 emissions.

In the transport sector, Megaworld promotes low-carbon mobility solutions, including bike lanes, pedestrian-friendly pathways, EV charging stations, and free shuttle services to reduce reliance on fossil fuel-based transportation. Megaworld is also transitioning its fleet to electric vehicles. Urban green spaces such as parks, pocket gardens, and vertical gardens further enhance air quality by absorbing carbon emissions within the townships.

To further mitigate its emissions, Megaworld proactively and voluntarily purchases carbon offsets for its 100%-owned buildings, achieving carbon neutrality for Scopes 1 and 2 emissions for the second consecutive year. The company also maintains a dedicated carbon forest within its landbank and external sites to offset emissions that cannot yet be transitioned to renewable energy sources.

With the introduction of an online data warehouse platform, Megaworld is expected to further enhance data collection and streamline emissions computations. This will also support the company in refining its decarbonization strategy. At present, Megaworld does not have recorded data on specific air pollutants, including nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), and particulate matter (PM). However, the company is actively enhancing its emissions monitoring capabilities and aims to include this data in future disclosures as part of its continuous sustainability improvements.

Megaworld also leverages the Township Analytics Technology Laboratory (TAT Lab) to assess climate effects on its townships and enhance safety measures. Additionally, the company remains committed to its MEGreen Program, aiming for carbon neutrality by 2035. This strategy includes offsetting emissions through reforestation, investing in clean energy, and strengthening its carbon inventory to ensure transparent and accountable reporting.

Our Management Approach

Clear Skies Ahead

Megaworld is dedicated to minimizing its carbon footprint by enhancing energy efficiency, incorporating renewable energy, and implementing sustainable urban planning. The company actively tracks and manages its Scope 1, 2, and 3 emissions, utilizing renewable power, eco-friendly building designs, and smart energy technologies to reduce its overall greenhouse gas emissions.

To further mitigate emissions, Megaworld promotes low-carbon mobility solutions, including bike lanes, EV charging stations, and shuttle services, reducing reliance on fossil fuels. Through the MEGreen Program, Megaworld aims for carbon neutrality by 2035, leveraging nature-based solutions, carbon offsets, and technology-driven sustainability initiatives to achieve its climate goals.

Solid and Hazardous Wastes

Megaworld actively manages solid and hazardous waste across its integrated developments, including malls, hotels, office buildings, residential areas, and construction sites. The company implements waste reduction, segregation, composting, and recycling initiatives to minimize environmental impact and comply with national regulations. Waste is classified into non-hazardous and hazardous categories. Non-hazardous waste includes residual, recyclable, reusable, and biodegradable waste, while hazardous waste covers substances such as used oils, batteries, grease, and electronic waste (e-waste).

Disclosure	Unit	2022	2023	2024
Total Solid Waste Generated	**MT**	**39,878.63**	**92,368.48**	**226,896.74**
Reusable	MT	1.57	0.00	0.00
Recyclable	MT	1,143.89	14,928.56	78,964.01
Composted	MT	501.30	2,489.97	1,678.93
Incinerated	MT	0.00	0.00	0.00
Residuals/Landfilled	MT	38,034.07	72,348.79	145,555.73
Other Recovery Operation	MT	197.80	2,601.16	698.077

Disclosure	Unit	2022	2023	2024
Total Weight of Hazardous Waste Generated	MT	219.02	1,763.75	1,700.32
Total Weight of Hazardous Waste Transported	MT	242.94	2.56	467.01

Total solid waste generation increased from 92,368.48 MT in 2023 to 226,896.74 MT in 2024, reflecting the expansion of reporting coverage and operations across more sites. The percentage of recyclable waste in the total composition has made a positive leap, rising from 16.2% in 2023 to 34.8% in 2024. Recyclable waste amounted to 78,964.01 MT in 2024, significantly higher than 14,928.56 MT in 2023, showcasing improvements in waste segregation and recovery. In 2024, 1,678.93 MT of waste was composted, and the company continues to focus on further strengthening systems for biodegradable materials. The total waste sent to residual or landfill reached 145,555.73 MT.

Hazardous waste generation amounted to 1,700.32 MT in 2024, and 467.01 MT was properly transported for treatment and disposal through DENR-accredited haulers. Megaworld continues to ensure compliance with waste management partners and internal monitoring protocols.

To reduce landfill contributions, Megaworld enforces the Goal Zero Waste Program, which mandates segregation at the source and implements a No Segregation, No Collection policy across all its developments. As part of its Zero Waste to Landfill target for 2024, the company aims to reduce waste sent to landfills by 90% from its 2023 baseline, and further achieve 95% waste diversion by 2030. Initiatives like Trash to Cash, Donate to Create, and the deployment of Materials Recovery Facilities (MRFs) support these targets. Waste management is further reinforced through employee training and contractor compliance programs.

Our Management Approach

From Waste to Wonder

Megaworld adopts a comprehensive waste management strategy, focusing on waste reduction, recycling, and compliance with environmental regulations. Non-hazardous waste is either segregated for recycling, composted, or sent to landfills, while hazardous waste is handled strictly by DENR-accredited transporters and disposal facilities.

To minimize environmental impact, the company promotes segregation at source through its Goal Zero Waste Program and integrates waste management training into its employee and tenant engagement initiatives. All properties have Materials Recovery Facilities (MRFs) to facilitate proper waste sorting, and waste collection is strictly monitored via an online tracking platform. By embedding sustainability in its operations, Megaworld continues to drive waste reduction, resource recovery, and responsible disposal across all its developments.

Ecosystems and Biodiversity

Megaworld recognizes the importance of preserving biodiversity across its developments, particularly in upland and waterland/coastal and marine ecosystems. The company ensures that its real estate projects align with environmental sustainability by integrating green spaces, maintaining ecological balance, and implementing conservation programs. Upland areas are protected through afforestation and landscape restoration efforts, contributing to carbon sequestration and habitat preservation for native species.

Upland and Watershed or Coastal and Marine

In waterland and coastal zones, Megaworld actively safeguards marine biodiversity by preventing pollution, implementing sustainable drainage systems, and ensuring responsible land use planning near aquatic environments. The company follows regulatory frameworks and collaborates with environmental organizations to enhance conservation efforts. By maintaining a balance between development and ecological protection, Megaworld strives to foster biodiversity resilience while creating sustainable communities.

Megaworld, as a leading real estate developer, recognizes the importance of biodiversity in sustaining ecosystems and promoting environmental resilience. With townships spanning urban and tourism developments, the company is committed to integrating nature into its projects, ensuring a balance between development and ecological preservation. Through strategic urban planning, reforestation, and adherence to environmental regulations, Megaworld embeds biodiversity conservation into its long-term sustainability goals, aligning its developments with global conservation efforts.

The company's projects contribute positively to biodiversity through various initiatives. By allocating 40% of future township developments to open and green spaces, Megaworld enhances urban biodiversity and preserves natural landscapes. Its *Project Tree Point Five Million* aims to plant and grow 3.5 million native and endemic trees, improving carbon sequestration, restoring wildlife habitats, and supporting local communities. Additionally, partnerships with government agencies, environmental organizations, and local communities promote sustainable reforestation, habitat protection, and conservation education.

Despite its positive contributions, Megaworld acknowledges the potential negative impacts of real estate development on biodiversity. Land use changes can disrupt ecosystems and lead to habitat loss, while construction activities contribute to greenhouse gas (GHG) emissions and environmental pollution. Resource consumption, particularly water and energy, may also create competition with local ecosystems. Recognizing these risks, Megaworld proactively implements mitigation strategies, such as sustainable construction practices, compliance with environmental regulations, and the exclusive use of native species in reforestation projects.

To address biodiversity concerns, Megaworld integrates environmental impact assessments (EIA) into all its projects, ensuring that potential risks are identified and mitigated. The company also employs sustainable land management practices, enhances green infrastructure, and supports ecosystem restoration programs. By continuously monitoring biodiversity indicators such as carbon sequestration potential, wildlife presence, and community livelihood benefits, Megaworld ensures that its conservation efforts deliver tangible, long-term environmental and social benefits.

Megaworld acknowledges the vital role of biodiversity conservation and the protection of species listed on the International Union for Conservation of Nature (IUCN) Red List and national conservation lists. In areas affected by its operations, the company has identified key habitats essential for the survival of these species and has implemented protective and restorative measures.

Disclosure	Location	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Metro Manila Townships: 260 Highland City and Eastland Heights: 664 Paragua Coastown: 462 Baytown Palawan: 6 Twin Lakes: 1,200 The Hamptons Caliraya: 300 Iloilo Business Park and Sta. Barbara Heights: 245 Boracay Newcoast: 150 The Mactan Newtown: 30 The Upper East and Northill Gateway: 87 Upper Central: 117	hectares
Habitats protected or restored	Miag-ao, Iloilo Adopted Carbon Forest: 240 San Jose, Tarlac Adopted Carbon Forest: 173 Maple Grove Internal Carbon Forest: 2	hectares
IUCN[17] Red List species and national conservation list species with habitats in areas affected by operations	Least concerns: 53 Near Threatened: 6 Vulnerable: 6 Endangered: 2 Critically endangered: 1	#

One of Megaworld's significant initiatives includes the conservation and rehabilitation of 240 hectares of land across Barangays Alimodias, Dalije, and Cabalaunan in Miag-ao, Iloilo City and the 173 hectares of forest in San Jose, Tarlac. These projects aim to preserve the region's diverse ecosystems while creating a sanctuary for various plant species, including those recognized on the IUCN Red List and national conservation lists.

Among the species thriving in these habitats, some are categorized as "Least Concern," indicating stable populations that are not currently exposed to significant threats.

Some species within these habitats fall under classifications such as "Threatened," "Vulnerable," "Endangered," "Critically Endangered," or "Data Deficient" according to the IUCN Red List and national conservation assessments. These designations indicate varying levels of risk to their survival, emphasizing the need for targeted conservation efforts. Megaworld remains committed to protecting these species by implementing proactive measures to preserve and restore their natural habitats.

Furthermore, carbon sequestration potential studies were conducted internally by the Megaworld Sustainability team in the two sites and the studies showed that the two forest sites have the combined potential to sequester 3,612 tCO_2e per year. The team is planning to conduct annual measurements to update and keep accurate records of the carbon sequestration potential of the trees being planted and grown within its carbon forests.

Some species found in the forests sites are as follows:

Species	Extinction Risk
Gmelina arborea	Least Concern
Gliricidia sepium	Least Concern
Lagerstroemia speciosa	Least Concern
Melanolepis multiglandulosa	Least Concern
Leucaena leucocephala (Lam.) de Wit	Least Concern
Alstonia macrophylla	Least Concern
Albizia procera (Roxb.) Benth.	Least Concern
Petersianthus quadrialatus	Least Concern
Albizia saman	Least Concern
Cassia javanica	Least Concern
Artocarpus blancoi	Least Concern
Caryota mitis	Least Concern
Leea aculeata	Least Concern
Dysoxylum gaudichaudianum (A. Juss.) Miq.	Least Concern
Ficus nota	Least Concern
Ficus balete Merr	Least Concern
Tabernaemontana pandacaqui	Least Concern
Cratoxylum sumatranum	Least Concern
Ficus Minahassae (Teijsm. & Vriese) Miq.	Least Concern
Antidesma bunius (L.) Spreng	Least Concern

Species	Extinction Risk
Pithecellobium dulce	Least Concern
Ficus pseudopalma Blanco	Least Concern
Ficus septica	Least Concern
Acacia confusa	Least Concern
Syzygium cumini	Least Concern
Antidesma bunius	Least Concern
Azadirachta excelsa	Least Concern
Cnesmocarpus excelsus Zipp. Ex Blume	Least Concern
Flueggea virosa	Least Concern
Pinus kesiya	Least Concern
Garcinia binucao (Blanco) Choisy	Least Concern
Mangifera indica Linn.	Least Concern
Palaquium luzoniense (FernVill.) Vidal	Least Concern
Macaranga tanarius (Linn.) Muell-Arg	Least Concern
Tamarindus indica L.	Least Concern
Pouteria campechiana	Least Concern
Cordia dichotoma	Least Concern
Averrhoa bilimbi	Least Concern
Terminalia catappa	Least Concern
Ficus ulmifolia Lam.	Least Concern
Muntingia calabura	Least Concern

Species	Extinction Risk
Bixa orellana	Least Concern
Spondias pinnata	Least Concern
Pterocymbium	Least Concern
Tinctorium	Least Concern
Castanopsis philippinensis	Least Concern
Pterospermum diversifolium Blume	Least Concern
Broussonetia luzonica	Least Concern
Anacardium occidentale	Least Concern
Canarium asperum var. asperum	Least Concern
Wrightia pubescens	Least Concern
Cassia nodosa	Least Concern
Polyalthia longifolia	Least Concern
Litsea philippinensis	Near Threatened
Kleinhovia hospita	Near Threatened
Caryota mitis	Near Threatened
Sandoricum koetjape	Near Threatened
Bridelia insulana	Near Threatened
Pinus kesiya	Near Threatened
Ficus ulmifolia Lam.	Vulnerable
Sindora supa Merr.	Vulnerable
Ehretia philippines	Vulnerable

Species	Extinction Risk
Polyscias nodosa	Vulnerable
Acalypha amentacea Roxb	Vulnerable
Artocarpus camansi Blanco	Vulnerable
Ligustrum quadriloculare Blanco	Critically Endangered
Coffea arabica	Endangered
Swietenia macrophylla	Endangered
*Mangifera indica * (Malapako)*	Data Deficient
Ludwigia octovalvis (Jacq.) P.H.Raven	Data Deficient
Nephelium lappaceum Linn.	Data Deficient

Through its biodiversity-focused initiatives, Megaworld reinforces its role as a responsible developer committed to sustainable urbanization. By prioritizing conservation, reforestation, and community engagement, the company not only minimizes its ecological footprint but also contributes to the broader global effort of protecting and restoring biodiversity.

Our Management Approach

Protecting Nature's Balance

Megaworld is committed to preserving biodiversity across its developments through the integration of green spaces, sustainable construction practices, and nature-based solutions. Our biodiversity management approach is aligned with international and national conservation efforts, ensuring that our projects contribute to the protection of natural ecosystems.

Key Strategies and Initiatives

1. **Biodiversity-Conscious Urban Planning**
    - All future townships will allocate at least 40% of the total development area to open and green spaces.
    - Landscaping efforts prioritize the retention of original landscapes in areas with high biodiversity value.
    - Sustainable building designs incorporate green infrastructure such as vertical gardens and urban forests.
2. **Reforestation and Habitat Restoration**

- *Project Tree Point Five Million* aims to plant and grow 3.5 million native and endemic trees in key locations across the country.
- *SeedQuest Program* ensures a sustainable supply of native tree seedlings by engaging employees, customers, and communities in seed collection efforts.
- Reforestation sites include Miag-ao, Iloilo; General Trias, Cavite; San Jose, Tarlac; and future sites in Nasugbu, Batangas; Quezon Province; Rizal; and Palawan.

3. **Mitigating Environmental Impacts**
    - Strict compliance with the Environmental Impact Assessment (EIA) process ensures that potential biodiversity impacts are identified, mitigated, and managed effectively.
    - Megaworld adheres to national environmental laws, including the Clean Water Act, Ecological Solid Waste Management Act, and Air Pollution Control Act.
    - Environmental Management Plans include measures such as the exclusive use of native and endemic species in reforestation, conservation of existing forests, and sustainable resource management.
4. **Monitoring and Assessment**
    - Carbon sequestration potential of reforested areas is measured annually to track the impact of reforestation efforts.
    - Biodiversity assessments will commence in 2025 to monitor the presence of wildlife and ecosystem recovery in reforested sites.
    - Community livelihood benefits from biodiversity programs will be assessed through revenue generation metrics linked to sustainable forestry and agroforestry practices.
5. **Community and Stakeholder Engagement**
    - Collaboration with government agencies, environmental organizations, and academic institutions strengthens biodiversity conservation efforts.
    - Partnerships with local communities and People's Organizations ensure that conservation projects provide economic benefits, fostering sustainable livelihoods.
    - Educational initiatives such as the *MEGreen Program* promote awareness and engagement in biodiversity conservation among employees and stakeholders.

Environmental Compliance

Megaworld maintained its strong track record of environmental compliance, with no reported monetary fines, non-monetary sanctions, or dispute resolution cases related to environmental regulations. This consistent performance, continuing from 2022 and 2023, reflects the company's proactive approach to risk mitigation and regulatory adherence.

Disclosure	Unit	2022	2023	2024
Total Amount of Monetary Fines for Non – Compliance with Environmental Laws and / or	Php	None	None	None

Disclosure	Unit	2022	2023	2024
Regulations				
No. of Non – Monetary Sanctions for Non – Compliance with Environmental Laws and / or Regulations	#	None	None	None
No. of Cases Resolved through Dispute Resolution Mechanism	#	None	None	None

Our Management Approach

Beyond Green Standards

Megaworld places great importance on securing and upholding Environmental Compliance Certificates (ECCs) from regulatory bodies such as the Department of Environment and Natural Resources (DENR) and the Laguna Lake Development Authority (LLDA). By implementing rigorous compliance measures and continuous coordination with authorities, Megaworld ensures that its developments align with environmental standards, setting a benchmark for responsible real estate development.

Through its commitment to sustainability and environmental protection, Megaworld continues to foster eco-conscious communities while upholding its reputation as a leader in environmental accountability and regulatory excellence.

SOCIAL

Employee Management

Employee Hiring & Benefits

Megaworld is committed to attracting, developing, and retaining top talent by fostering a diverse, inclusive, and growth-oriented workplace. The company implements merit-based hiring practices, ensuring equal opportunities for all applicants regardless of gender, age, or background. By maintaining a strong emphasis on diversity and inclusion, Megaworld promotes gender balance and multigenerational representation across its subsidiaries.

Employee Data

Disclosure	Units	2022	2023	2024
Total Number of Employees	#	5,898	6501	7,642
a. Number of Female Employees	#	3218	3659	4,206
b. Number of Male Employees	#	2680	2842	3,436
Attrition Rate	%	Not available	Not available	Not available
Ratio of Lowest Paid Employee Against Minimum Wage	Ratio	1.08:1	1.08:1	Not available

Restatement: The 2022 and 2023 employee headcount was restated due to the inclusion of previously unaccounted manpower from one property under a Megaworld subsidiary during consolidation.

Megaworld's workforce continued to expand in 2024, reaching 7,642 employees—a reflection of the company's business growth and operational scale. Of this total, 4,206 employees (55%) were female, while 3,436 were male, maintaining the organization's commitment to gender inclusivity and balance.

In prior years, the company ensured fair compensation practices, with the lowest-paid employee earning more than the required minimum wage (1.08:1 ratio for both 2022 and 2023). While attrition rate and the 2024 wage ratio were not available at the time of reporting, Megaworld continues to uphold a competitive and equitable employment framework across its developments.

Percentage of Employees Availing the Benefits

To support employees, Megaworld offers comprehensive benefits that go beyond standard compensation. These include competitive salaries, health and wellness programs, paid leaves, insurance coverage, and retirement plans. The company also invests in career development through training programs, leadership workshops, and mentorship opportunities, allowing employees to enhance their skills and advance in their careers.

Disclosure	Y/ N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	**Y**	72%	28%
PhilHealth	**Y**	71%	29%
PAG - IBIG	**Y**	64%	36%
Parental Leaves	**Y**	66%	34%
Vacation Leaves	**Y**	54%	46%
Sick Leaves	**Y**	55%	45%
Medical Benefits *(Aside from PhilHealth)*	**Y**	61%	39%
Retirement Fund (Aside from SSS)	**Y**	0	0
Flexible – Working Hours	**N**	0	0

Our Management Approach

Culturing Champions

Megaworld's employee management strategy focuses on attracting, retaining, and developing talent through fair hiring practices, competitive benefits, and a strong commitment to career growth. The company ensures a diverse workforce by welcoming both fresh graduates and experienced professionals, using a merit-based selection process that aligns skills with organizational values.

Employees receive competitive compensation packages, including bonuses, performance-based incentives, and extensive healthcare coverage. Megaworld also prioritizes work-life balance, offering flexible working arrangements, leave benefits, and wellness programs to support employee well-being. Career advancement is encouraged through continuous training, leadership development, and internal promotion opportunities.

To foster engagement, Megaworld implements recognition programs, professional milestone celebrations, and clear internal policies that promote growth, inclusivity, and ethical workplace conduct. These policies, outlined in employee handbooks, ensure transparent hiring, structured career progression, and a culture of excellence. By prioritizing employee welfare and professional development, Megaworld strengthens its workforce, driving both individual success and company-wide innovation.

Employee Training & Development

Megaworld delivers employee training through a structured developmental track system, comprising Core, Growth, and Mastery stages. This approach ensures that employees receive training aligned with their specific roles and responsibilities. Programs include retraining for functional competencies, as well as behavioral courses aimed at improving workplace effectiveness and professional growth.

Disclosure	Units	2022	2023	2024
Total Training Hours Provided to Employees		**70,914.35**	**130,952.15**	**94,923.45**
a. Female Employee	Hours	34,786.37	75,674.27	43,451.55
b. Male Employee	Hours	36,127.98	55,277.88	51,471.90
Average Training Hours Provided to Employees		**19.93**	**28.15**	**12.78**
a. Female Employees	Hrs/Employee	18.56	28.52	10.40
b. Male Employees	Hrs/Employee	21.29	27.77	15.15

In 2024, Megaworld delivered a total of 94,923.45 training hours to employees. Female employees received 43,451.55 hours of training, while male employees received 51,471.90 hours. The overall average training hours per employee was 12.78, with female employees averaging 10.40 hours and male employees averaging 15.15 hours.

Compared to 2023, total and average training hours decreased, reflecting a shift in training delivery focus and a higher number of new employees with reduced individual training exposure. Despite this decline, Megaworld continues to invest in employee development through its tiered training framework, ensuring access to role-relevant learning opportunities.

Training programs remain instrumental in supporting employee growth and capability-building. Although structured retirement transition training has not yet been implemented, retiring employees continue to receive support through severance packages and exit processes. The company remains committed to enhancing its training system to align with evolving workforce needs and strategic goals..

Our Management Approach

Unlocking Potential

Megaworld adopts a competency-based learning approach to enhance both functional and behavioral skills across all employee levels. Training follows a structured track system—Core, Growth, and Mastery—ensuring continuous development aligned with employees' roles and responsibilities.

Employees undergo retraining for functional skills and behavioral programs to improve workplace efficiency and effectiveness. While retirement transition programs are not available, Megaworld provides severance pay and exit processes for retiring employees. Through targeted learning initiatives, the company ensures a skilled, adaptable, and future-ready workforce that contributes to long-term business success.

Labor-Management Relations

Megaworld is committed to cultivating a positive, inclusive, and responsive work environment through open communication and proactive engagement with its employees. Although no employees are currently covered by Collective Bargaining Agreements (CBAs), the company ensures that employee-related policies and workplace concerns are addressed through structured internal communication channels, including team meetings, HR dialogues, and employee feedback platforms. This approach demonstrates Megaworld's ongoing adherence to fair labor practices, and its dedication to employee well-being and workplace harmony.

Disclosure	Unit	2022	2023	2024
% of Employees Covered with Collective Bargaining Agreements	%	0	0	0
Number of Consultations Conducted with Employees Concerning Employee – Related Policies	#	0	0	0

Megaworld values transparency in its labor-management relations and continuously seeks to enhance employee engagement. The company remains committed to strengthening employee engagement initiatives, improving feedback mechanisms, and fostering a collaborative workplace. By upholding fair labor practices and ensuring that employee concerns are addressed with diligence and care, Megaworld reinforces its role as an employer of choice, driving both organizational growth and workforce satisfaction.

Diversity, Equal Opportunity, & Anti-Discrimination

Megaworld continues to demonstrate a strong commitment to promoting diversity, equal opportunity, and anti-discrimination across its organization. The company integrates inclusive hiring practices that support gender representation and aims to cultivate a work environment free from bias, harassment, or prejudice. Through policies that promote fairness in recruitment, career advancement, and employee engagement, Megaworld fosters a culture that values the unique contributions of individuals regardless of gender, background, or identity.

Disclosure	Unit	2022	2023	2024
% of Female Workers in the Workforce	%	52	53	55

Disclosure	Unit	2022	2023	2024
% of Male Workers in the Workforce	%	48	47	45
Number of Employees from Indigenous Communities and/or Vulnerable Sector	#	Not Available	Not Available	Not Available

In 2024, female employees represented 55% of the workforce—continuing an upward trend from 52% in 2022—while male representation stood at 45%. This steady shift underscores Megaworld's progress in fostering a more gender-inclusive workplace, reflecting its broader commitment to balanced representation.

While data on employees from indigenous communities and other vulnerable sectors remains unavailable, the company acknowledges the importance of inclusive workforce tracking. Efforts are underway to strengthen data collection systems and refine inclusive hiring indicators that will support long-term diversity goals.

By embedding equity principles into its people strategy, Megaworld ensures that all employees have access to opportunities and are treated with dignity and respect—strengthening the company's position as an inclusive and socially responsible employer.

Our Management Approach

Shaping Unique Talents

Megaworld strictly adheres to a zero-tolerance policy on discrimination and harassment, ensuring that employment decisions are based solely on merit, qualifications, and performance.

The company's diversity and non-discrimination policies align with local labor laws and international best practices, reinforcing Megaworld's role as an employer that values inclusivity and equal opportunity. These policies are regularly reviewed and updated to reflect evolving industry standards and workplace needs.

Megaworld's management approach to diversity and non-discrimination is built on inclusivity, fairness, and continuous improvement. By implementing targeted recruitment, career development, and workplace equity initiatives, the company ensures that diversity remains a key pillar of its corporate culture. Moving forward, Megaworld remains committed to enhancing workforce representation, eliminating biases, and fostering a work environment that empowers all employees to thrive.

Workplace Conditions, Labor Standards, and Human Rights

Workforce Health & Safety

Megaworld remains fully committed to safeguarding the health, safety, and well-being of its employees, especially across high-risk environments such as construction sites and township developments. In compliance with Republic Act No. 11058 and Department of Labor and Employment (DOLE) regulations, the company implements an Occupational Health and Safety Management System (OHSMS) that integrates workplace risk assessments, emergency preparedness, regular medical support, and wellness programs.

These efforts are aligned with Megaworld's goal of maintaining safe working conditions, preventing injuries, and fostering a culture of care and safety.

Megaworld conducts daily safety briefings and risk assessments, particularly at construction sites, and holds regular safety drills in all its business units to reinforce emergency preparedness and awareness. Compliance audits and toolbox meetings are conducted to address site-specific hazards and promote consistent communication between teams. Furthermore, the company engages both its employees and third-party service providers in safety training and awareness campaigns.

Megaworld also provides access to medical support services through an on-site registered nurse and an on-call doctor, offering health consultations, screenings, and flu vaccinations. These are complemented by Health Maintenance Organization (HMO) benefits for employees and extended medical programs—including flu vaccinations and regular health monitoring—for service partners operating in Megaworld's estates.

Megaworld strictly enforces occupational safety standards among contractors and third-party service providers. Prior to project onboarding, contractors must submit Occupational Safety and Health (OSH) policies in line with DOLE Department Order No. 13. All construction workers are required to undergo the 40-hour Construction Occupational Safety and Health (COSH) training, while security and facility personnel regularly participate in first aid and emergency response training.

Disclosure	Units	2022	2023	2024
Safe Man-Hours	Man-Hours	52,127,835	107,885,336	235,381,064
No. of Work – Related Injuries	#	215	327	736
No. of Work – Related Fatalities	#	0	0	0
No. of Work – Related Ill-Health	#	338	7,902	11,745
No. of Safety Drills	#	54	128	340

In 2024, Megaworld recorded a substantial increase in safe man-hours, reaching 235.38 million—more than doubling the 2023 total. This growth reflects both the company's expanding operations and its continued adherence to stringent safety protocols across all workplaces.

The number of reported work-related injuries rose to 736 in 2024. While this marks an increase from previous years, it is largely attributed to enhanced operational activity and improved reporting mechanisms that encourage transparency and timely documentation of even minor incidents. Importantly, Megaworld upheld its zero-fatality record for the third consecutive year—demonstrating its steadfast commitment to life safety and accident prevention.

Work-related ill-health cases increased to 11,745 in 2024. This rise correlates with the company's broadened health surveillance programs, which now capture a wider spectrum of illnesses, including non-critical conditions. By promoting early detection and improving access to medical consultations, Megaworld ensures better health outcomes for its employees and service partners.

The number of safety drills significantly increased to 340 in 2024, underscoring the company's proactive stance on emergency preparedness. These drills include fire and earthquake simulations, evacuation exercises, and first aid training conducted regularly across project sites and office locations.

To evaluate the effectiveness of its health and safety programs, Megaworld monitors key performance indicators such as injury frequency, health reports, compliance scores, and safety audit results. By embedding a safety-first culture and continually enhancing its systems, Megaworld reinforces its role as a responsible and caring employer in line with national regulations and industry best practices.

Our Management Approach

Protect and Perform

Megaworld's OHS approach is designed to prevent workplace accidents, promote proactive risk management, and ensure swift response to hazards and emergencies. The company enforces zero tolerance for unsafe practices, requiring strict adherence to safety protocols, hazard identification, and compliance audits. These policies apply across all business operations, including office-based employees, project contractors, and third-party service providers.

Megaworld demonstrates its commitment to protecting employees, minimizing risks, and fostering a safe work environment. By prioritizing safety training, medical support, and regulatory compliance, the company ensures that occupational health and safety remain a core pillar of its corporate responsibility and sustainability efforts. With a proactive stance on risk management and a continuous improvement mindset, Megaworld remains dedicated to creating a safer, healthier, and more resilient workplace for all stakeholders.

Labor Standards & Human Rights

Megaworld upholds a strong and unwavering commitment to labor standards and human rights by creating a workplace that is safe, respectful, and compliant with national labor codes and internationally recognized human rights principles. The company has implemented stringent policies to prevent forced labor, child labor, harassment, and any form of discrimination across its business operations and supply chain. These measures are part of a broader framework that promotes ethical employment practices, protects employee dignity, and ensures that all work is performed voluntarily under fair and lawful conditions.

To reinforce these commitments, Megaworld conducts regular vendor assessments and compliance checks, helping ensure that third-party service providers and contractors align with the company's labor and ethical standards. By embedding respect for human rights in all aspects of its operations—from hiring practices to workplace conduct—the company fosters a culture of integrity, inclusion, and corporate responsibility.

Disclosure	Units	2022	2023	2024
No. of Legal Actions or Employees Grievance involving Forced or Child Labor	#	0	0	0

Over the last three years, Megaworld has reported zero incidents of forced labor, child labor, or related employee grievances, reflecting the effectiveness of its control measures and ethical employment standards. The company's due diligence processes, including contractor screening and continuous oversight, have helped ensure that human rights are upheld across all business functions.

Policies

Topic	Y/ N	Reference in Company Policy
Forced Labor	Y	The Company conducts thorough audits on its vendors and contractors to ensure that underage workers are not employed in their operation.
Child Labor	Y	
Human Rights	Y	- Policy against Sexual Harassment - Policy for Supporting Breastfeeding Employees - Policy supporting the Magna Carta for Women - Policy in support of the Family Welfare Act - Special Leave Benefits for Women Employees - Workplace policy and program on Hepatitis B - Anti-discrimination policy

A cornerstone of Megaworld's commitment to human rights is its comprehensive policy framework that safeguards the welfare, dignity, and equal rights of its employees. The Policy Against Sexual Harassment enforces a strict zero-tolerance approach to misconduct, protecting employees from any form of abuse or inappropriate behavior in the workplace. The Policy for Supporting Breastfeeding Employees helps ensure a supportive and inclusive environment for working mothers, while policies aligned with the Magna Carta for Women, Family Welfare Act, and provisions for Special Leave Benefits for Women Employees further reinforce gender equity and family health support.

Additionally, Megaworld promotes health inclusion and non-discrimination through its Workplace Policy and Program on Hepatitis B, which aims to reduce stigma and support employees managing the condition. The company's Anti-Discrimination Policy guarantees that employment decisions are based solely on qualifications, performance, and merit—regardless of an employee's gender, religion, ethnicity, or health status.

By integrating these labor and human rights safeguards into its governance systems and operational practices, Megaworld demonstrates a proactive and principled approach to social responsibility, employee empowerment, and organizational integrity.

Our Management Approach

Rights and Respect

Megaworld's commitment to labor standards and human rights is anchored in the core principles of rights and respect, ensuring a workplace that fosters dignity, fairness, and ethical responsibility. Through proactive policies and strategic initiatives, the company cultivates an environment where employees, partners, and stakeholders are valued, protected, and empowered.

At the heart of Megaworld's approach is a zero-tolerance policy for labor rights violations, including forced labor, child labor, harassment, and discrimination. By conducting rigorous compliance audits and due diligence assessments within its operations and supply chain, the company actively safeguards against unethical labor practices, ensuring all employment remains voluntary and fair.

Through these initiatives, Megaworld goes beyond compliance, embedding human rights and ethical labor practices into its corporate DNA. By prioritizing rights and respect, the company continues to build a workplace culture where employees thrive, feel protected, and contribute meaningfully to both business success and societal well-being.

Supply Chain Management

Megaworld's supply chain management strategy is a cornerstone of its commitment to sustainability, ethics, and social responsibility. By integrating these values into every aspect of its operations, Megaworld ensures that its property developments are not only of high quality and secure but also environmentally and socially responsible. The company is focused on creating a transparent, efficient, and ethical supply chain that serves as the backbone of its projects and enhances its long-term sustainability goals.

A key component of Megaworld's supply chain strategy is a comprehensive accreditation system that evaluates suppliers and contractors across various phases of property development—from construction through post-construction. This robust accreditation process ensures that only suppliers and contractors who meet stringent quality and performance standards are selected. This approach guarantees that Megaworld's developments are built with premium materials, promoting both project integrity and timely, high-quality completion.

A central pillar of this strategy is the MEGreen Program, which reinforces Megaworld's commitment to environmental sustainability. Through the MEGreen Program, sustainability is integrated into every phase of construction, with green building strategies, codes, and standards embedded in development practices. This commitment extends to the company's supplier selection criteria, ensuring that partners align with Megaworld's environmental and sustainability goals. As a result, the company not only meets but often exceeds regulatory and industry standards for environmental sustainability.

The MEGreen Program has enabled Megaworld to grow its portfolio of environmentally friendly buildings, making it a leader in promoting sustainable development within the real estate industry. This emphasis on green building practices includes the use of sustainable materials, energy-efficient designs, and responsible construction methods that reduce environmental impacts.

In addition to sustainability, Megaworld has embraced technological innovation to optimize its supply chain operations. By integrating cutting-edge digital solutions, the company has improved operational efficiency, reduced delays, and minimized material wastage. These technological advancements provide real-time insights, which help Megaworld make informed decisions, improve project management, and allocate resources efficiently throughout the supply chain. As a result, the company has been able to achieve significant cost savings while reducing its environmental footprint.

Through these strategies—sustainability initiatives, ethical supplier selection, and digital innovations—Megaworld continues to enhance its supply chain management, driving operational efficiency and supporting the company's broader sustainability objectives.

Sustainability Topics when Accrediting Suppliers

Topic	2024	Policy
Environmental Performance	Y	The company has a third-party accreditation firm that handles the screening process and ensures that these metrics are considered.
Forced Labor	Y	
Child Labor	Y	
Human Rights	Y	
Bribery and Corruption	Y	

Our Management Approach

Delivering Success

In 2024, Megaworld continues to strengthen its supplier accreditation process by emphasizing sustainability, ethical business conduct, and compliance with environmental, social, and governance (ESG) standards. Suppliers are assessed based on key criteria, including environmental performance, labor rights, and anti-corruption measures. The company enforces strict compliance with green building codes, human rights protections, and anti-bribery policies to ensure responsible and ethical sourcing.

To uphold these standards, Megaworld collaborates with an independent third-party accreditation firm that conducts rigorous assessments and continuous monitoring of suppliers. This ensures transparency and accountability throughout the supply chain. Regular audits and corrective action plans are implemented to address any non-compliance, reinforcing Megaworld's commitment to sustainability and ethical business practices.

Megaworld is also leveraging digital solutions to enhance supply chain efficiency and risk management. By integrating automated reporting and AI-driven analytics, the company improves real-time tracking of supplier performance and strengthens overall supply chain transparency. Additionally, supplier engagement programs, such as training on green practices and regulatory compliance, help vendors align with global sustainability standards.

Through these initiatives, Megaworld ensures that its developments not only meet but exceed industry benchmarks for sustainability and ethical responsibility. By embedding responsible sourcing into its operations, the company extends its positive impact beyond its projects, fostering a greener and more ethical construction industry.

Relationship with Community

Significant Impacts on Local Communities

Megaworld continues to deepen its commitment to sustainable development, with a focus on enhancing the quality of life for local communities surrounding its townships. The company recognizes that social responsibility is integral to its operations, and as such, implements initiatives aimed at promoting social inclusivity and environmental stewardship. These programs are designed to address key community needs while aligning with Megaworld's broader sustainability goals.

Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
Scholarship Program	Youth	Megaworld is committed to continuously expanding access to quality education and employment opportunities for deserving youth within the community.
Tree Planting Activity	Community	Megaworld collaborated with a local farmers' group to reforest a 240-hectare area, creating a forest that functions both as a carbon sink and a sustainable livelihood program for the community.
Eskwela ng Bayan	Children	Megaworld organizes learning sessions aimed at enhancing students' literacy and numerical skills, equipping them for improved academic performance in the upcoming school year.
Brigada Eskwela	Youth	Megaworld strives to create a more conducive learning environment for students while fostering a culture of

Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
		Bayanihan across the country.
Medical Mission	Elderly, Indigent Adults, Children, Youth, and Impoverished Community	Megaworld is dedicated to promoting wellness and providing access to basic healthcare for underserved individuals by organizing free general check-ups and other medical services.
Hands in Harmony Livelihood Program	Person-with-disability (PWDs)	Megaworld aims to empower persons with disabilities (PWDs) by offering sustainable livelihood opportunities, enabling them to contribute actively and productively to their communities.
Hope Schools	Youth, Children, Indigenous People (Aeta Community)	Megaworld is dedicated to consistently offering access to quality education and employment opportunities for deserving youth within the community.

In 2024, Megaworld further exemplified its commitment to social inclusivity through its annual Operations Malasakit outreach program. The program's 2024 theme, "Ability Beyond Limits," centered on supporting individuals with special needs. The initiative benefited 180 individuals, who received essential items such as groceries, cash assistance, and electric fans. This program highlights the company's ongoing commitment to addressing the needs of vulnerable groups within its communities.

Environmental Sustainability and Recognition

Beyond its social initiatives, Megaworld has made notable strides in environmental sustainability. The company achieved carbon neutrality for all its company-owned mall and office developments in 2024, marking a major milestone in its sustainability journey. This achievement underscores Megaworld's commitment to reducing its environmental footprint and embracing green building practices.

Additionally, Megaworld Hotels & Resorts, the company's hospitality arm, received the Philippines' Leading Hotel Group award at the 2024 World Travel Awards. This recognition highlights Megaworld Hotels & Resorts' efforts to champion social sustainability while promoting Filipino culture through sustainable design and green building certifications.

Community Engagement and Participatory Processes

Megaworld places great emphasis on engaging with local communities through participatory processes. The company conducts comprehensive social impact assessments, including gender-sensitive analyses, to ensure that development programs are aligned with the diverse needs of community members. In addition, environmental impact assessments are conducted, with ongoing monitoring to uphold sustainability standards. Megaworld ensures transparency throughout these processes by publicly disclosing the results, thereby fostering trust and accountability among stakeholders.

Understanding and addressing the unique needs of local communities is central to Megaworld's development strategy. Through stakeholder mapping, the company designs tailored community development programs that reflect the aspirations and concerns of residents. Furthermore, local community consultation committees—which include vulnerable groups—are formed to facilitate continuous dialogue, ensuring that Megaworld's projects are aligned with community expectations and positively contribute to social welfare.

Certificates for Activities Impacting Indigenous Peoples (IPs)

Certificates	Units	2024
FPIC process is still undergoing	Not Applicable	Not Applicable
CP secured	Not Applicable	Not Applicable

Our Management Approach

Nurturing Foundations

The company ensures that its developments contribute to social well-being, economic empowerment, and environmental stewardship through strategic programs and stakeholder engagement.

Key Strategies:

- Social Inclusion & Outreach – Through initiatives like Operations Malasakit, Megaworld addresses the needs of vulnerable groups, ensuring meaningful and long-term community impact.
- Stakeholder Engagement & Transparency – The company conducts social and environmental impact assessments, public disclosure of findings, and active consultations to align its developments with community needs.
- Sustainability & Environmental Responsibility – Megaworld prioritizes green building practices, carbon neutrality in its developments, and sustainability-focused programs in hospitality and commercial spaces.
- Community Development & Grievance Mechanisms – Through local consultation committees and formal grievance processes, Megaworld ensures that communities have a voice in its developments, fostering trust and accountability.

By integrating these approaches, Megaworld continues to build vibrant, sustainable townships that enhance the quality of life for surrounding communities while advancing its corporate sustainability goals.

Customer Management

Customer Satisfaction

Disclosure	Units	2022	2023	2024
Customer Satisfaction Score	%	Not available	68%	96%

Megaworld remains committed to delivering high-quality products and services, ensuring an enhanced customer experience across all of its developments. In 2024, the company achieved a 96% customer satisfaction score, marking a significant improvement from 68% in 2023. This positive trend reflects Megaworld's continuous efforts in customer engagement, service enhancements, and responsiveness to client needs. The company actively gathers feedback and incorporates it into its operations to further refine its offerings, ensuring that customer expectations are consistently met or exceeded.

Customer Health & Safety

Disclosure	Units	2022	2023	2024
No. of Substantiated Complaints on Product or Service Health and Safety	#	0	72	16,757
No. of Complaints Addressed	#	0	70	1,595

Megaworld prioritizes the health and safety of its customers by complying with relevant safety standards across its developments and services. The company monitors and manages customer concerns to improve safety performance and address issues efficiently.

In 2023, there were 72 substantiated complaints on product or service health and safety, of which 70 were addressed within the same year. In 2024, a total of 16,757 substantiated complaints were recorded—a significant increase that reflects improvements in the company's reporting systems and customer feedback mechanisms. Of these, 1,595 complaints were addressed. Megaworld continues to enhance its complaint resolution processes and safety protocols to strengthen customer protection and responsiveness.

Our Management Approach

Elevating Experiences

Megaworld is committed to ensuring customer satisfaction by delivering high-quality products and services while upholding the highest standards of health and safety. The company continuously refines its strategies based on customer feedback, leveraging data-driven insights to enhance service delivery and exceed customer expectations. Through responsive support channels and proactive engagement, Megaworld fosters strong relationships with its customers, ensuring that their concerns are addressed efficiently and effectively.

Customer health and safety remain a top priority, with strict adherence to regulatory standards and internal quality control measures. Megaworld implements comprehensive safety protocols across its developments, regularly assessing risks and improving safeguards to minimize potential hazards. A structured complaint resolution system is in place to swiftly address concerns related to product and service safety, reinforcing the company's commitment to providing a secure and reliable environment for all stakeholders.

By integrating customer-centric strategies with safety measures, Megaworld ensures a seamless and secure experience for its customers. The company remains dedicated to continuous improvement, transparency, and proactive engagement, strengthening trust and satisfaction while prioritizing the well-being of its communities.

Customer Privacy & Data Security

Protecting customer data privacy and security is a top priority for Megaworld. The company has implemented comprehensive cybersecurity measures to safeguard personal and confidential information. For three consecutive years (2022–2024), there have been no substantiated complaints regarding customer privacy breaches. Additionally, there have been no incidents of data leaks, unauthorized use of information, or security breaches. This reflects the effectiveness of Megaworld's data protection policies, its cybersecurity frameworks, and adherence to regulatory standards. The company remains vigilant in monitoring potential risks and continuously enhancing its security infrastructure to maintain customer trust and safeguard data integrity.

Disclosure	Units	2022	2023	2024
No. of Substantiated Complaints on Customer Privacy	#	0	0	0
No. of Complaints Addressed	#	0	0	0
No. of Customers, Users, and Account Holders whose Information is Used for Secondary Purposes	#	0	0	0

Disclosure	Units	2022	2023	2024
No. of Data Breaches, including Leaks, Thefts, and Losses of Data	#	0	0	0

Megaworld has not recorded any verified complaints regarding breaches of customer privacy or data loss over the three years. The company's security operations center also reported no data breaches, including leaks, network intrusions, or data exfiltration incidents.

Our Management Approach

Your Data, Our Responsibility

Megaworld is committed to upholding the highest standards of data privacy and security to protect its customers' personal and confidential information. The company enforces strict cybersecurity measures and adheres to regulatory standards to prevent unauthorized access, data breaches, and misuse of customer data. By continuously enhancing its security infrastructure and implementing advanced risk management protocols, Megaworld ensures that customer information remains protected at all times.

To maintain transparency and accountability, Megaworld has established comprehensive data protection policies and incident response mechanisms. Regular audits, system monitoring, and employee training on data security best practices further strengthen its cybersecurity framework. The company also ensures that customer data is never used for secondary purposes without explicit consent, reinforcing its commitment to ethical data management.

With a proactive approach to data security, Megaworld has successfully maintained a record of zero reported data breaches, privacy complaints, or unauthorized data usage from 2022 to 2024. By prioritizing customer trust and regulatory compliance, the company continues to safeguard its digital ecosystem, ensuring a secure and responsible data management environment.

Marketing and Labeling

Megaworld continued to uphold its commitment to ethical marketing and transparent labeling practices, ensuring that all communications accurately represent its products and services. The company strictly adheres to regulatory guidelines and industry best practices to prevent misleading claims, deceptive advertising, or misrepresentation.

Disclosure	Units	2022	2023	2024
Substantiated complaints on marketing and labeling	#	0	0	0

Disclosure	Units	2022	2023	2024
Complaints addressed	#	0	0	0

As a result of its responsible marketing efforts, Megaworld reported zero substantiated complaints related to marketing and labeling in 2024, maintaining its track record of compliance and integrity. Additionally, no complaints required resolution, demonstrating the effectiveness of its internal review processes and adherence to ethical marketing principles.

Our Management Approach

Maximizing Reach

Megaworld is committed to ethical and transparent marketing practices, ensuring that all promotional materials and product information are accurate, clear, and compliant with industry standards. The company upholds strict guidelines to prevent misleading claims, misrepresentations, or false advertising, reinforcing its responsibility to provide truthful and reliable information to customers.

As a testament to its responsible marketing approach, Megaworld has reported zero substantiated complaints related to marketing and labeling from 2022 to 2024. This reflects the company's dedication to maintaining the highest standards of integrity in its branding, advertisements, and customer communications. Additionally, Megaworld has established monitoring and grievance mechanisms to promptly address any concerns, ensuring transparency and consumer trust in all marketing initiatives.

By continuously refining its marketing strategies and adhering to regulatory best practices, Megaworld remains focused on maximizing its reach while prioritizing ethical standards and consumer satisfaction.