COVER SHEET

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AYALALAND LOGISTICS HOLDINGS CORP.

(Company's Full Name)

3RD FLOOR GLORIETTA 5

AYALA CENTER MAKATI CITY

(Business Address: No. Street City/Town/Province)

TRISTAN JOHN T. DE GUZMAN	8884-1106
(Contact Person)	(Company Telephone Number)

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Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

(First or Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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Independent Auditor's Report

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

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of AyalaLand Logistics Holdings Corp. and its subsidiaries (together, the "Group") as at December 31, 2024 and 2023, and their consolidated financial performance and their consolidated cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the consolidated statements of changes in equity for the years ended December 31, 2024 and 2023;
- the consolidated statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to consolidated financial statements, comprising material accounting policy and other information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit 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.

Other Matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2022 were audited by another firm of auditors whose report thereon dated February 28, 2023 expressed an unmodified opinion on those statements.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

Key Audit Matter

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

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

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Real estate revenue recognition based on PoC as a measure of progress Refer to Note 22 to the consolidated financial statements for the details of the Group's revenue, Note 28 for the discussion on critical accounting estimates and assumptions, and Note 29 for the discussion on Group's accounting policies. The revenue from sale of real estate for the year ended December 31, 2024 amounts to P3,344 million which accounts for approximately 64% of the consolidated total revenue. It is therefore material to the consolidated financial statements. Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, Revenue from contracts with customers, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2018-12. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical completion of the project. Hence, real estate revenue recognition requires significant management judgment and estimation.	We addressed the matter by understanding and evaluating the process employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows: • Evaluated the design and tested the operating effectiveness of key controls on project budgeting, project costing and project milestone measurement activities. Further, we tested the reasonableness of key inputs and assumptions used in the project budgeting and project costing activities, through site visits and inspection of bill of quantity and other relevant supporting documents. • Agreed the milestone percentage per project by inspecting the underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Inspected supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Checked mathematical accuracy of PoC applied to each project and individually sold units. Verified that the PoC is accurately used in the calculation of the real estate revenue.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Zaldy D. Aguirre.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No.
P.T.R. No. , issued on ,
TIN
BIR A.N. , issued on ; effective until .
BOA/PRC Reg. No. , effective until

Makati City
February 14, 2025

Statement Required by Rule 68,
Securities Regulation Code (SRC)

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

We have audited the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the “Parent Company”) and its subsidiaries (together, the “Group”) as at December 31, 2024 and 2023 and for the years then ended, on which we have rendered the attached report dated February 14, 2025. The supplementary information shown in the Reconciliation of Parent Company’s Retained Earnings Available for Dividend Declaration, Map of Relationships of the Companies within the Group, and Schedules A, B, C, D, E, F, and G, as additional components required by the Revised SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to auditing procedures applied in the audit of the basic consolidated financial statements.

In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No.
P.T.R. No. , issued on ,
TIN
BIR A.N. issued on ; effective until .
BOA/PRC Reg. No. , effective until

Makati City
February 14, 2025

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Statement Required by Rule 68,
Securities Regulation Code (SRC)

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2024 and 2023 and for the years then ended, and have issued our report thereon dated February 14, 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 PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for years then ended and no material exceptions were noted.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No.
P.T.R. No. , issued on ,
TIN
BIR A.N. , issued on effective until .
BOA/PRC Reg. No. , effective until

Makati City
February 14, 2025

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	2	242,677	214,713
Receivables, net	3	2,989,124	1,402,707
Real estate held for development and sale, net	4	5,705,925	5,045,201
Amounts owed by related parties	15	932,702	685,542
Financial assets at fair value through profit or loss	6	4,906	4,798
Other current assets	7	1,445,348	2,384,049
Total current assets		11,320,682	9,737,010
Non-current assets			
Receivables, net of current portion	3	2,639,047	3,329,629
Financial assets at fair value through other comprehensive income	5	151,284	126,614
Investment in joint venture	8	737,607	677,773
Right-of-use of asset, net	24	999,762	1,066,049
Investment properties, net	9	12,208,487	12,113,423
Property and equipment, net	10	1,702,781	1,234,396
Net pension assets	20	1,519	4,433
Deferred tax assets, net	21	182,112	182,669
Other non-current assets	7	796,015	150,133
Total non-current assets		19,418,614	18,885,119
Total assets		30,739,296	28,622,129
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued expenses	11	2,250,617	1,492,998
Amounts owed to related parties	15	7,124,850	6,434,862
Current portion of long-term debts	12	24,800	21,050
Income tax payable		5,390	10,059
Lease liabilities	24	36,014	155,981
Rental and other deposits	13	404,674	443,086
Total current liabilities		9,846,345	8,558,036
Non-current liabilities			
Installment payable, net of current portion	11	444,360	788,440
Long-term debts, net of current portion	12	2,421,089	2,444,014
Rental and other deposits, net of current portion	13	461,308	439,522
Lease liabilities, net of current portion	24	1,677,432	1,568,998
Deferred income tax liabilities, net	21	274,669	260,602
Other non-current liabilities	16	729,660	655,308
Total non-current liabilities		6,008,518	6,156,884
Total liabilities		15,854,863	14,714,920

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in thousands of Philippine Peso)

(continued)

	Notes	2024	2023
Equity			
Equity attributable to equity holders of the Parent Company			
Capital stock	14	6,214,328	6,209,956
Additional paid-in capital	14	6,023,733	6,020,760
Shares held by a subsidiary	14	(144,377)	(144,377)
Equity reserves	26	(1,693,307)	(1,693,307)
Other comprehensive losses, net	14	(912,544)	(928,145)
Retained earnings		5,126,762	4,171,573
		14,614,595	13,636,460
Non-controlling interests		269,838	270,749
Total equity		14,884,433	13,907,209
Total liabilities and equity		30,739,296	28,622,129

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(with comparative figures ended December 31, 2022)
(All amounts in thousands of Philippine Peso except for earnings per share figure)

	Notes	2024	2023	2022
Revenues				
Real estate sales	22	3,344,426	1,763,231	2,354,266
Rental services	9	1,334,310	1,252,297	1,071,145
Sale of storage services	22	163,474	169,490	115,527
Sale of electricity	22	-	-	274,675
Others	24	345,604	325,054	392,509
		5,187,814	3,510,072	4,208,122
Cost and expenses				
Cost of real estate sold	17	2,174,342	1,136,870	1,368,081
Cost of rental services	17	1,135,332	1,086,011	940,755
Cost of storage services	17	130,873	101,065	78,024
Cost of purchased electricity		-	-	256,794
Operating expenses	18	310,495	224,389	174,089
		3,751,042	2,548,335	2,817,743
Other charges, net				
Interest expense and bank charges, net	19	(569,006)	(307,406)	(218,296)
Provision for probable losses	25	(61,362)	-	(6,000)
Miscellaneous charges (income)	19	(19,678)	89,672	32,071
		(650,046)	(217,734)	(192,225)
Income before income tax		786,726	744,003	1,198,154
Income tax expense	21	(85,970)	(107,896)	(191,273)
Net income for the year		700,756	636,107	1,006,881
Attributable to:				
Equity holders of the Parent Company		700,909	625,222	1,006,579
Non-controlling interests		(153)	10,885	302
		700,756	636,107	1,006,881
Earnings per share				
Basic and diluted, for income for the year attributable to ordinary equity holders of the Parent Company	23	0.11	0.10	0.16

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(with comparative figures ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023	2022
Net income		700,756	636,107	1,006,881
Other comprehensive income (loss)				
Items that may not be reclassified to profit or loss in subsequent periods:				
Unrealized gain (loss) on equity financial assets at fair value through other comprehensive income	5	24,670	38,456	(9,670)
Gain on remeasurement of retirement benefits liability, net of tax	20	213	1,858	5,447
Total comprehensive income		725,639	676,421	1,002,658
Attributable to:				
Equity holders of the Parent Company		726,550	664,552	1,004,562
Non-controlling interests		(911)	11,869	(1,904)
		725,639	676,421	1,002,658

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(with comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

		Attributable to equity holders of the Parent Company								
	Notes	Capital stock (Note 14)	Additional paid-in capital (Note 14)	Shares held by a subsidiary (Note 14)	Equity reserves (Note 26)	Other comprehensive losses, net (Note 14)	Retained Earnings	Total	Non-controlling interests	Total equity
Balances at January 1, 2022		6,195,318	6,015,733	(144,377)	(1,693,307)	(951,400)	2,525,714	11,947,681	19,964	11,967,645
Comprehensive income										
Net income for the year		-	-	-	-	-	1,006,579	1,006,579	302	1,006,881
Other comprehensive income for the year		-	-	-	-	(2,017)	-	(2,017)	(2,206)	(4,223)
Total comprehensive income for the year		-	-	-	-	(2,017)	1,006,579	1,004,562	(1,904)	1,002,658
Transactions with owners										
Proceeds from share subscriptions	14	6,459	4,390	-	-	-	-	10,849	-	10,849
Additions to non-controlling interests		-	-	-	-	-	-	-	240,820	240,820
Transfer of realized valuation increment		-	-	-	-	(7,029)	7,029	-	-	-
Total transactions with owners		6,459	4,390	-	-	(7,029)	7,029	10,849	240,820	251,669
Balances at December 31, 2022		6,201,777	6,020,123	(144,377)	(1,693,307)	(960,446)	3,539,322	12,963,092	258,880	13,221,972
Comprehensive income										
Net income for the year		-	-	-	-	-	625,222	625,222	10,885	636,107
Other comprehensive income for the year	5,20	-	-	-	-	39,330	-	39,330	984	40,314
Total comprehensive income for the year		-	-	-	-	39,330	625,222	664,552	11,869	676,421
Transactions with owners										
Proceeds from share subscriptions	14	8,179	637	-	-	-	-	8,816	-	8,816
Transfer of realized valuation increment		-	-	-	-	(7,029)	7,029	-	-	-
Total transactions with owners		8,179	637	-	-	(7,029)	7,029	8,816	-	8,816
Balances at December 31, 2023		6,209,956	6,020,760	(144,377)	(1,693,307)	(928,145)	4,171,573	13,636,460	270,749	13,907,209
Impact of adoption of PFRS 15 covered by PIC Q&A 2018-12-D		-	-	-	-	-	247,251	247,251	-	247,251
Balances at January 1, 2024, as restated		6,209,956	6,020,760	(144,377)	(1,693,307)	(928,145)	4,418,824	13,883,711	270,749	14,154,460
Comprehensive income										
Net income for the year		-	-	-	-	-	700,909	700,909	(153)	700,756
Other comprehensive income for the year	5,20	-	-	-	-	25,641	-	25,641	(758)	24,883
Total comprehensive income for the year		-	-	-	-	25,641	700,909	726,550	(911)	725,639
Transactions with owners										
Proceeds from share subscriptions	14	4,372	2,973	-	-	-	-	7,345	-	7,345
Transfer of realized valuation increment		-	-	-	-	(10,040)	7,029	(3,011)	-	(3,011)
Total transactions with owners		4,372	2,973	-	-	-	7,029	4,334	-	4,334
Balances at December 31, 2024		6,214,328	6,023,733	(144,377)	(1,693,307)	(912,544)	5,126,762	14,614,595	269,838	14,884,433

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

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(with comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2024	2023	2022
Cash flows from operating activities				
Income before income tax		786,726	744,003	1,198,154
Adjustments for:				
Depreciation and amortization	7,9,10,17,18	461,370	426,791	385,802
Interest expense and bank charges	19	615,603	492,093	307,193
Depreciation of right-of-use assets	17,24	66,287	69,771	64,883
Provision for probable losses	25	61,362	-	6,000
Provision for impairment losses on receivables	3	23,747	-	-
Equity in net loss of joint ventures	19	23,166	5,837	-
Unrealized (gain) loss on financial assets at FVPL	6	(108)	(182)	185
Interest income	19	(46,597)	(184,687)	(88,897)
Operating income before working capital changes		1,991,556	1,553,626	1,873,320
Increase (decrease) in:				
Receivables		(608,089)	(600,448)	(1,668,909)
Real estate held for sale and development		(660,724)	(661,059)	(986,125)
Other current assets		938,701	(626,668)	(695,978)
Pension assets		3,174	8,820	7,108
Other noncurrent assets		(645,886)	23,433	279,040
Decrease (increase) in:				
Accounts payable and accrued expenses		572,906	(153,845)	42,932
Amounts owed to related parties		(112,589)	236,952	368,546
Rental and other deposits		(10,837)	94,361	59,799
Other noncurrent liabilities		69,462	(6,981)	(2,766)
Net cash flows generated from (used in) operations		1,537,674	(131,809)	(723,033)
Interest received		54,325	3,791	3,664
Interest paid		(567,926)	(159,345)	(4,650)
Income tax paid		(144,167)	(140,079)	(122,910)
Net cash generated from (used) in operating activities		879,906	(427,442)	(846,929)
Cash flows from investing activities				
Additions to amounts owed by related parties		(729,469)	(2,132,987)	(181,162)
Deductions from amounts owed by related parties		321,057	2,009,514	948,532
Investment in joint venture	8	(83,000)	(502,465)	(181,145)
Acquisitions of:				
Investment in properties	9	(773,522)	(1,050,308)	(1,212,322)
Property and equipment	10	(499,181)	(416,567)	(394,842)
Proceeds from sale of equipment		-	56	-
Proceeds from sale and maturity of:				
Financial assets at FVOCI	5	-	36,000	9,500
Net cash used in investing activities		(1,764,115)	(2,056,757)	(1,011,439)

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(with comparative figures for the year ended December 31, 2022)
(All amounts in thousands of Philippine Peso)

(continued)

	Notes	2024	2023	2022
Cash flows from financing activities				
Proceeds from loan availment		-	-	496,250
Payments of loan		(21,050)	-	-
Proceeds from share subscriptions, net	14	7,345	8,816	10,849
Proceeds from amounts owed to related parties	15	5,770,866	9,373,141	1,760,835
Payment of amounts owed to related parties	15	(4,686,982)	(6,977,349)	(92,833)
Payment of principal portion of lease liabilities	24	(158,006)	(156,314)	(188,188)
Transaction with non-controlling interest	1	-	-	240,820
Net cash flows from financing activities		912,173	2,248,294	2,227,733
Net increase (decrease) in cash and cash equivalents		27,964	(235,905)	369,365
Cash and cash equivalents at beginning of year		214,713	450,618	81,253
Cash and cash equivalents at end of year	2	242,677	214,713	450,618

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

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

1 Corporate and Group information

1.1 Corporate information

AyalaLand Logistics Holdings Corp. (ALLHC; the "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 19, 1989. The Parent Company's registered office address is 3rd Level Glorietta 5, Ayala Center, Makati City. The Parent Company is a subsidiary of Ayala Land, Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is 47.57% owned by Mermac, Inc. and the rest by the public as at December 31, 2024. Both ALI and AC are publicly-listed companies incorporated in the Philippines. The Parent Company is listed in the Philippine Stock Exchange.

ALLHC and its subsidiaries, collectively referred to as "the Group", have principal business interests in holding companies, industrial lot development and sale, warehouse and commercial leasing, cold storage services, and retail electricity supply. In 2022, the Group ceased its retail electricity business.

1.2 Group Information

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

		Percentage of Ownership		
Subsidiaries	Nature of business	2024	2023	2022
Laguna Technopark, Inc. (LTI)	Real estate development and warehouse leasing	100%	100%	100%
ALogis Artico Inc. (AAI), *formerly Ecozone Power Management, Inc. (EPMI)*	Warehouse leasing and cold storage services	100%	100%	100%
Unity Realty & Development Corporation (URDC)	Real estate development	100%	100%	100%
Orion Land, Inc. (OLI)	Commercial leasing	100%	100%	100%
Tutuban Properties, Inc. (TPI)	Commercial leasing	100%	100%	100%
TPI Holdings Corporation (TPIHC)**	Investment holding company	100%	100%	100%
Orion Property Developments, Inc. (OPDI)	Real estate development	100%	100%	100%
Orion Beverage, Inc. (OBI)*	Manufacturing	100%	100%	100%
LCI Commercial Ventures, Inc. (LCVI)	Warehouse leasing	100%	100%	100%
Luck Hock Venture Holdings, Inc. (LHVHI)**	Other business activities	60%	60%	60%
Orion Maxis, Inc. (OMI)*	Marketing and administrative services	100%	100%	100%
Orion I Holdings Philippines, Inc. (OIHPI)**	Financial holding company	100%	100%	100%
FLT Prime Insurance Corporation (FPIC)*	Non-life insurance company	78.77%	78.77%	78.77%
A-FLOW Land I Corp (A-FLOW Land)	Real estate leasing	60.00%	60.00%	60.00%
Orion Solutions, Inc. (OSI)*	Management information technology consultancy services	100%	100%	100%

** Inactive companies approved by their respective BOD for liquidation*
***SEC approved shortening of corporate term*

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

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

LTI
LTI was incorporated on November 15, 1990 and is based in Laguna. LTI develops industrial parks and leases ready-built factory units and sells industrial lots to local and company locators. In 2022, LTI acquired a property in Padre Garcia, Batangas for the development of the future Batangas Technopark. LTI is likewise into the construction and operation of standard factory buildings located in multiple sites in Laguna, Cavite, and Pampanga.

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

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

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

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

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

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

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

1.3 Approval of financial statements

The accompanying consolidated financial statements of the Group as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 were approved by the Parent Company's Board of Directors (BOD) in a meeting dated February 14, 2025.

2 Cash and cash equivalents

Details of the account are as follows:

	2024	2023
Cash on hand	407	307
Cash in bank	242,270	202,790
Cash equivalent	-	11,616
	242,677	214,713

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

Cash equivalents pertain to short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of acquisition and subject to an insignificant risk of changes in value. Interest rates in 2024 ranges from in 2024 - 4.50% to 5.25% (2023 - 3.50% to 4.75%).

Interest earned from cash and cash equivalents amounted to P0.80 million in 2024 (2023 - P1.46 million; 2022 - P0.85 million) (Note 19).

3 Receivables, net

Details of the account are as follows:

	2024	2023
Trade receivables		
Land sales	4,529,068	3,790,239
Receivables from tenants	848,707	734,055
Retail electricity	18,004	13,865
Non-trade receivables	505,029	468,067
	5,900,808	5,006,226
Less: allowance for expected credit losses	272,637	273,890
	5,628,171	4,732,336
Less: non-current portion	2,639,047	3,329,629
Receivables, current portion	2,989,124	1,402,707

Receivables from land sales represent amounts arising from sale of industrial lots, which are collectible in monthly installments within two to ten years from the date of sale.

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

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

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

	Note	Trade receivables	Non-trade receivables	Total
At January 1, 2023		78,931	195,046	273,977
Write-off		(87)	-	(87)
At December 31, 2023		78,844	195,046	273,890
Provision for impairment losses	18	23,747	-	23,747
Write-off		(25,000)	-	(25,000)
At December 31, 2024		77,591	195,046	272,637

4 Real estate held for development and sale, net

Details of the account are as follows:

	2024	2023
Land	5,745,773	5,085,049
Less: allowance for inventory write-down	39,848	39,848
	5,705,925	5,045,201

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

The composition of inventoriable costs as at December 31 follows:

	2024	2023
Land cost	5,420,363	4,610,981
Construction overhead and other related costs	325,410	474,068
	5,745,773	5,085,049

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

	Note	2024	2023
Balance at the beginning of the year		5,085,049	4,423,990
Acquisition		464,814	-
Development costs incurred		1,946,590	1,645,497
Cost of real estate (excluding commission)	17	(1,750,680)	(984,438)
		5,745,773	5,085,049
Less allowance for inventory write-down		39,848	39,848
		5,705,925	5,045,201

Sale of real estates recognized in 2024 amounted to P3,344.43 million (2023 - P1,763.23 million; 2022 - P2,354.27 million) (Note 22). Real estate inventories recognized as cost of real estate sales amounted to P1,750.68 million (2023 - P984.44 million; 2022 - P1,113.16 million) (Note 17).

There are no real estate inventories held as collateral as at December 31, 2024 and 2023.

5 Financial assets at FVOCI

Details of the account are as follows:

	Note	2024	2023
Equity securities	16	114,387	85,387
Debt securities		36,897	41,227
		151,284	126,614

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

The Group’s investment in Cyber Bay Corporation amounting to P458.07 is fully provided of the allowance. As at December 31, 2024 and 2023, the book value of Cyber Bay shares amounted to nil.

Debt instruments pertain to quoted government securities.

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

	2024	2023
Beginning of year	126,614	124,158
Unrealized gain	24,670	38,456
Proceeds from maturity	-	(36,000)
End of year	151,284	126,614

Interest earned from financial assets at FVOCI amounted to P1.46 million in 2024 (2023 - P2.33 million; 2022 - P2.81 million) (Note 19).

6 Financial assets at FVPL

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

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

	2024	2023
Beginning of year	4,798	4,616
Unrealized gain	108	182
End of year	4,906	4,798

There were no dividend income earned from these shares in 2024, 2023 and 2022.

7 Other assets

Details of the account are as follows:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Input VAT	824,450	452,452	1,276,902	1,123,039	98,766	1,221,805
Creditable withholding taxes	181,119	233,275	414,394	369,120	-	369,120
Advances to suppliers and contractors	345,452	-	345,452	794,631	-	794,631
Refundable deposits	6,135	108,651	114,786	6,220	46,536	52,756
Prepayments	91,811	-	91,811	94,707	-	94,707
Others	5,334	1,637	6,971	5,285	4,831	10,116
	1,454,301	796,015	2,250,316	2,393,002	150,133	2,543,135
Less allowance for impairment losses	8,953	-	8,953	8,953	-	8,953
	1,445,348	796,015	2,241,363	2,384,049	150,133	2,534,182

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

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

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

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

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

Others include software costs with depreciation expense recognized amounting to P0.03 million in 2024 (2023 - P0.02 million; 2022 - P0.05 million) (Note 18).

There were no provisions for impairment losses for the years ended December 31, 2024, 2023 and 2022 (Note 18).

8 Investments in joint venture

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

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

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

Movement in investment in joint venture follows:

	Note	2024	2023
Beginning of the year		677,773	181,145
Investment including transaction costs during the year		83,000	502,465
Share in net loss during the year	19	(23,166)	(5,837)
End of year		737,607	677,773

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

	2024	2023
Current assets	771,681	440,701
Non-current assets	2,329,639	280,008
Current liabilities	(226,901)	(3,698)
Non-current liabilities	(1,710,000)	-
Equity	1,164,419	717,011
Revenue during the year	210	145
Net loss during the year	(46,333)	(8,521)
Total comprehensive loss during the year	(46,333)	(8,521)

ALLHC did not receive any dividends from A-FLOW PropCo for the year ended December 31, 2024 and 2023.

ALLHC has not incurred any contingent liabilities as at December 31, 2024 and 2023 in relation to its interest in the joint ventures, nor do the joint ventures themselves have any contingent liabilities for which the ALLHC is contingently liable.

9 Investment properties

Details of the account are as follows:

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

December 31, 2023	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		11,580,904	3,289,458	540,874	15,411,236
Additions during the year		283,797	347,164	173,744	804,705
Reclassifications during the year		184,701	-	(184,701)	-
End of year		12,049,402	3,636,622	529,917	16,215,941
Accumulated depreciation					
Beginning of year		3,688,591	31,096	-	3,719,687
Depreciation during the year	17,18	381,266	1,565	-	382,831
At end of year		4,069,857	32,661	-	4,102,518
Net book values		7,979,545	3,603,961	529,917	12,113,423

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

	Notes	2024	2023	2022
Cost of rental services	17	407,540	363,094	334,904
Operating expenses	18	22,983	19,737	19,653
		430,523	382,831	354,557

Fair Value of Investment Properties

The aggregate fair value of the Group's investment properties amounted to P19,716.71 million as at December 31, 2024 (2023 - P19,570.60 million). The fair value of the Group's investment properties is determined by independent professionally qualified appraisers, based on the latest valuation reports. Fair value was measured using income approach method with expected rental income and expenses as inputs (except URDC where sales comparison approach method has been used with comparable selling price as inputs). The fair value of the Group's investment property falls under Level 3 of the fair value hierarchy.

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

	Note	2024	2023	2022
Revenue from rental services		1,334,310	1,252,297	1,071,145
Cost of rental services	17	(1,135,332)	(1,086,011)	(940,755)
		198,978	166,286	130,390

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

10 Property and equipment

Details of the account are as follows:

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

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
2023									
Cost									
Beginning of year		354,633	690,166	10,066	61,081	30,284	59,612	23,313	1,229,155
Additions during the year		1,800	6,108	1,550	129	3,998	16,449	158,347	188,381
Disposals during the year		-	-	-	-	-	(162)	-	(162)
Reclassifications during the year		-	23,043	(6,079)	-	-	-	(16,964)	-
End of year		356,433	719,317	5,537	61,210	34,282	75,899	164,696	1,417,374
Accumulated depreciation and amortization									
Beginning of year		-	25,333	2,924	53,402	15,023	42,458	-	139,140
Depreciation and amortization during the year	17,18	-	28,745	654	4,224	4,644	5,677	-	43,944
Disposals during the year		-	-	-	-	-	(106)	-	(106)
End of year		-	54,078	3,578	57,626	19,667	48,029	-	182,978
Net book values		356,433	665,239	1,959	3,584	14,615	27,870	164,696	1,234,396

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

	Notes	2024	2023	2022
Cost of storage services	17	20,565	34,174	24,602
Operating expenses	18	10,279	9,770	6,591
		30,844	43,944	31,193

11 Accounts payable and accrued expenses; Installment payables

Details of the account are as follows:

	Note	2024	2023
Trade payables		1,314,386	834,992
Payable to government agencies		405,286	350,653
Current portion of installment payables		284,511	187,386
Provision	25	89,418	32,057
Accrued expenses		75,964	67,153
Others		81,052	20,757
		2,250,617	1,492,998

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

Installment payables

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

	2024	2023
Current portion	284,511	187,386
Non-current portion	444,360	788,440
	728,871	975,826

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

	Note	2024	2023
Beginning of year		57,663	95,633
Accretion for the year	19	(28,476)	(37,970)
End of year		29,187	57,663

12 Long-term debts

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

Loan	Borrower	Date availed	2024	2023	Details
			Outstanding balance		
1	ALLHC	November 2021	1,277,100	1,290,000	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at December 31, 2024 and 2023, respectively.
2	LTI	November 2021	683,100	690,000	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at December 31, 2024 and 2023, respectively.
3	AAI	September 2022	372,068	373,000	- Matures in September 2032 - Interest rate per annum is at 6.66% and 6.80% as at December 31, 2024 and 2023, respectively.
4	AAI	September 2022	126,682	127,000	- Matures in November 2032 - Interest rate per annum is at 6.66% and 6.80% as at December 31, 2024 and 2023, respectively.
			2,458,950	2,480,000	
Less: Deferred transaction costs			(13,061)	(14,936)	
			2,445,889	2,465,064	

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

	Note	2024	2023
Beginning of year		2,465,064	2,463,160
Payments for the current year		(21,050)	-
Amortization of deferred transaction costs	19	1,875	1,904
End of year		2,445,889	2,465,064

Total interest expense arising from bank loans amounted to P161.55 million for 2024 (2023 - P99.73 million; 2022 - P64.70 million) (Note 19).

These loans require that the borrowers comply with certain covenants including, among others, a bank debt to tangible net worth ratio. As at December 31, 2024 and 2023, the Group has complied with the loan covenants.

13 Rental and other deposits

Details of the account are as follows:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits	289,694	280,888	570,582	324,055	265,924	589,979
Rental deposits	68,468	169,838	238,306	70,377	163,024	233,401
Construction bond	34,048	538	34,586	29,337	5,684	35,021
Customer deposits	9,214	-	9,214	9,302	-	9,302
Others	3,250	10,044	13,294	10,015	4,890	14,905
	404,674	461,308	865,982	443,086	439,522	882,608

Tenants are required to post security deposits, which shall be refunded, without interest, within sixty (60) days after the expiration of the lease period, deducting the amount of damages to the leased premises, if any. Interest expense from accretion of security deposits amounted to P0.35 million for 2024 (2023 - P0.35 million; 2022 - P0.36 million) (Note 19).

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

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

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

Customer deposits pertain to reservation deposits of the tenants which will form part of the payment of rent upon commencement of lease.

14 Equity

Capital stock and additional paid-in capital

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

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
Authorized, P1 par value	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000
Issued	6,158,660,192	6,158,660,192	6,158,660,192	6,158,660,192
Subscribed	142,931,795	142,931,795	142,931,795	142,931,795
Subscription receivable		(87,263,931)		(91,636,672)
Issued and outstanding	6,214,328,056	6,214,328,056	6,209,955,315	6,209,955,315
Additional paid-in capital		6,023,733,248		6,020,759,784

Capital stock and additional paid-in capital increased by P4.4 million and P3.0 million, net of stock transaction costs, respectively, following collection of subscription receivable (2023 - P8.17 million and P0.64 million), respectively.

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

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

Shares held by a subsidiary

In 2019, OLI subscribed to 49,444,216 shares of the Parent Company for a total consideration amounting to P144.38 million. As at December 31, 2024 and 2023, the listing of these shares is still pending with the Philippine Stock Exchange (PSE).

Other comprehensive losses, net

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

	Note	2024	2023
Revaluation increment	9	165,682	175,721
Unrealized loss on financial assets at FVOCI	5	(1,034,252)	(1,059,679)
Loss on measurement of retirement benefits	20	(43,974)	(44,187)
		(912,544)	(928,145)

(912,544)
Capital Management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the Group considers its capital stock, additional paid in capital and retained earnings as its capital.

The Group is not subject to externally imposed capital requirements.

15 Related party transactions

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

The Parent Company and its subsidiaries, in their normal course of business, have entered into transactions with related parties principally consisting of interest and noninterest-bearing advances with no fixed repayment terms and are due and demandable. These transactions are normally settled in cash. The assessment of impairment is undertaken at each financial year-end by examining the financial position of the related parties and the market in which the related parties operate. As at December 31, 2024 and 2023, the Group has not recognized any impairment on its amounts owed by related parties.

Amounts owed by related parties

	Transactions for the year		Due from		Terms and condition
	2024	2023	2024	2023	
Loans to related parties					These are unsecured, unguaranteed, interest bearing and collectible in cash within 12 months. Interest rate is at 5.60% to 5.95% per annum.
Immediate Parent Company	-	358,400	-	-	
Entities under common control	685,382	1,722,295	842,570	565,600	
	685,382	2,080,695	842,570	565,600	
Interest Income (Note 19)					Interest income is due and demandable and shall be collected based on interest rates agreed between parties.
Immediate Parent Company	1,531	1,863	582	243	
Entities under common control	42,556	50,429	43,615	53,399	
	44,087	52,292	44,197	53,642	
Service fees					The Group entered into various service agreement including management and supervision of planning, design, construction and commissioning of real estate projects. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
Immediate Parent Company	-	-	22,010	23,282	
Entities under common control	-	-	4,895	13,746	
Other Related Parties	-	-	2,509	6,036	
	-	-	29,414	43,064	
Leases					The Group entered into commercial space short-term lease agreements as lessor with its related parties. In consideration, lease fee are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
Immediate Parent Company	-	-	16,521	20,795	
Other Related Parties	-	33,973	-	2,441	
	-	33,973	16,521	23,236	
	729,469	2,166,960	932,702	685,542	

Amounts owed to related parties

	Transactions for the year		Due to		Terms and condition
	2024	2023	2024	2023	
Loans from related parties					These are unsecured, unguaranteed, interest bearing and payable in cash within 12 months. Interest rate is at 5.60% to 6.60% per annum. These loans were obtained to fund the Company's working capital requirements and business operations.
Immediate Parent Company	741,890	143,670	658,054	-	
Entities under common control	4,752,468	9,026,827	4,684,746	4,535,425	
	5,494,358	9,170,497	5,342,800	4,535,425	
Interest expense (Note 19)					Interest expense is due and demandable and shall be payable based on interest rates agreed between parties
Immediate Parent Company	16,074	7,089	12,537	26,984	
Entities under common control	260,434	195,555	76,539	191,590	
	276,508	202,644	89,076	218,574	
	5,770,866	9,373,141	5,431,876	4,753,999	

	Transactions for the year		Due to		Terms and condition
	2024	2023	2024	2023	
Management fees and systems cost (Note 17 and 18)					The Group entered into system cost and management fee agreement with its related parties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and payable in on demand.
Immediate Parent Company	388,949	178,775	1,314,642	985,807	
Entities under common control	-	-	3,300	5,646	
	388,949	178,775	1,317,942	991,453	
Construction contracts					The Group has engaged the services of its related parties for the technical due diligence, land development and construction of facilities within its real estate properties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and payable in on demand.
Immediate Parent Company	-	-	-	17,892	
Entities under common control	161,843	5,483,170	221,959	464,840	
	161,843	5,483,170	221,959	482,732	
Service and other fees					The Group engaged its related parties for certain service agreements including legal and professional services. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, noninterest bearing and collectible in on demand.
Entities under common control	3,152	-	3,534	1,509	
Purchase of real property					The Group acquired from its related parties, parcel of lots intended for industrial park development at agreed price. These are unsecured, unguaranteed, noninterest bearing and payable on demand.
Ultimate Parent Company	-	-	149,539	149,620	
Deposit for future stock subscription					This pertain to the amount of cash received from the non-controlling interest as deposit for future stock subscription of A-FLOW Land. The amount is recorded as liability as it does not satisfy the requirements for it to be recognized as equity.
Non-controlling interest	-	-	-	55,549	
	553,944	5,661,945	1,692,974	1,680,863	
	6,324,810	15,035,086	7,124,850	6,434,862	

Compensation of key management personnel

The key management personnel of the Group are employees of ALI. As such, the compensation of the said employees is paid by ALI, the necessary disclosures required by PAS 24, Related Party Disclosure are included in the financial statements of ALI. Compensation for said employees are billed to the Group and form part of systems cost. Systems cost billed to the Group in 2024 amounted to P49.47 million (2023 - P25.12 million; 2022 - P21.79 million) (Note 18).

16 Other non-current liabilities

Details of the account are as follows:

	2024	2023
Subscription payable	481,675	481,675
Retention payable	247,985	173,633
	729,660	655,308

As at December 31, 2024 and 2023, the Parent Company has outstanding subscription payable on common shares of Cyber Bay amounting to P481.68 million.

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

17 Cost of real estate sales, rental and storage services

Cost of real estate sales

The details of this account follow:

	Notes	2024	2023	2022
Cost of real estate	4	1,750,680	984,438	1,113,156
Management fee	15	294,050	102,442	178,542
Commission		129,612	49,990	76,383
		2,174,342	1,136,870	1,368,081

Cost of rental services

The details of this account follow:

	Notes	2024	2023	2022
Depreciation and amortization	7,9,10,24	454,346	438,717	402,016
Share in CUSA related expenses		329,091	324,552	253,607
Taxes and licenses		159,989	148,770	130,228
Repairs and maintenance		56,780	46,063	30,728
Management fees	15	45,430	51,217	71,936
Commissions		14,633	2,512	3,178
Insurance		10,730	5,136	4,010
Rental	24	9,575	9,404	7,618
Supplies		4,998	1,844	3,312
Professional fees		4,975	4,251	6,687
Others		44,785	53,545	27,435
		1,135,332	1,086,011	940,755

Cost of storage services

	Notes	2024	2023	2022
Share in CUSA related expenses		63,022	48,941	42,941
Depreciation and amortization	7,9,10,24	40,046	28,322	22,373
Taxes and licenses		6,498	7,103	2,065
Rental	24	5,573	3,314	878
Repairs and maintenance		5,271	4,861	5,134
Supplies		2,671	2,696	1,141
Insurance		1,443	689	1,078
Others		6,349	5,139	2,414
		130,873	101,065	78,024

18 Operating expenses

The details of this account follow:

	Notes	2024	2023	2022
Personnel expenses				
Compensation and employee benefits		99,373	79,215	61,403
Retirement expense	20	4,604	3,236	3,504
		103,977	82,451	64,907
Systems costs	15	49,469	25,116	21,786
Depreciation and amortization	7,9,10	33,265	29,523	26,296
Taxes and licenses		27,403	25,313	13,260
Professional and legal fees		24,298	29,074	19,158
Provision for impairment losses	3	23,747	-	-
Communication and transportation		11,990	7,826	7,365
Janitorial and security services		10,948	11,025	12,191
Supplies and repairs		8,427	4,498	3,741
Others		16,971	9,563	5,385
		310,495	224,389	174,089

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

Interest expense and bank charges, net

The details of this account follow:

	Notes	2024	2023	2022
Interest expense and bank charges				
Amounts owed to related parties	15	(276,508)	(202,644)	(44,197)
Bank loan	12	(161,550)	(99,727)	(64,704)
Interest expense on lease liabilities	24	(146,473)	(148,740)	(150,160)
Discount amortization on long term liabilities	11	(28,476)	(37,970)	(41,514)
Discount amortization on bank loan	12	(1,875)	(1,904)	(1,613)
Bank charges		(367)	(754)	(4,650)
Discount amortization on security deposits	13	(354)	(354)	(355)
		(615,603)	(492,093)	(307,193)
Interest income				
Amounts owed by related parties	15	44,087	52,292	32,226
Interest income on financial assets at FVOCI	5	1,458	2,335	2,812
Cash and cash equivalents	2	792	1,456	852
Retirement benefits liability, net	20	260	679	555
Accretion on long term receivables	3	-	127,925	52,452
		46,597	184,687	88,897
		(569,006)	(307,406)	(218,296)

Miscellaneous (charges) income

The details of this account follow:

	Note	2024	2023	2022
Equity in net loss of joint ventures	8	(23,166)	(5,837)	-
Reversal of excess accruals		-	68,052	-
Income from customer lounge		-	13,610	11,650
Recoveries and other miscellaneous income		3,488	13,847	20,421
		(19,678)	89,672	32,071

20 Retirement benefits liability

The Parent Company and LTI has a separate, funded, non-contributory retirement plan covering all its regular employees. The plan provides for retirement, separation, disability and death benefits to its members. The normal retirement benefit is based on a percentage of the employees' final monthly salary for every year of credited service. The latest independent actuarial valuation as at December 31, 2024 was determined using the projected unit credit method in accordance with PAS 19 (R).

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

	2024	2023
Fair value of plan assets	22,059	20,686
Present value of retirement benefit obligation	(20,540)	(16,253)
Net pension asset	1,519	4,433

	Notes	2024	2023	2022
Current service cost	18	4,604	3,236	3,504
Interest income	19	(260)	(679)	(555)
		4,344	2,557	2,949

Changes in fair value of plan assets follows:

	2024	2023
Beginning of year	20,686	18,787
Interest income	1,772	1,427
Remeasurement loss	(560)	(238)
Contribution	1,217	1,663
Benefits paid by the plan assets	(1,056)	(953)
End of year	22,059	20,686

Changes in the retirement benefit obligation follows:

	2024	2023
Beginning of year	16,253	8,071
Current service cost	4,604	3,236
Interest cost	1,512	748
Benefits paid by the plan assets	(1,056)	(953)
Remeasurement (gain) loss	(773)	5,924
Benefits paid by the Group	-	(773)
End of year	20,540	16,253

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

	2024	2023
Cash	2.30%	28.55%
Debt securities	97.57%	71.44%
Others	0.13%	0.01%
	100.00%	100.00%

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

The Group does not expect to contribute to the retirement plan for the year 2025.

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

	2024	2023	2022
Discount rates	5.18% to 7.18%	6.12% to 6.21%	7.12% to 7.29%
Salary increase rate	4.00% to 6.50%	5.00% to 6.50%	5.00% to 6.50%

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

	Impact on retirement benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
December 31, 2024			
Discount rate	+/-1%	(19,062)	23,923
Future salary increases	+/-1%	23,999	(18,829)
December 31, 2023			
Discount rate	+/-1%	(22,967)	27,474
Future salary increases	+/-1%	27,520	(22,864)

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

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

	2024	2023
Less than 1 year	233	6,773
More than 1 year to 10 years	264,677	334,755
More than 10 years to 20 years	61,974	107,796
More than 20 years	97,243	6,773

The average duration of the defined benefit obligation is 15 to 24 years in 2024 and 2023.

21 Income tax

	2024	2023	2022
Current	101,034	132,255	101,237
Deferred	(15,064)	(24,359)	90,036
	85,970	107,896	191,273

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

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

The reconciliation of the statutory income tax rates to the effective income tax rates follows:

	2024	2023	2022
At statutory tax rates	25%	25%	25%
Additions to (reductions in) income taxes resulting from:			
Movements in unrecognized deferred income tax assets	7.6	6.1	10.5
Income from registered activities subject to lower income tax	(24.1)	(19.2)	(19.5)
Non-deductible expenses	2.5	5.7	-
Other non-taxable income	(0.1)	(3.0)	-
At effective tax rates	10.9%	14.6%	16.0%

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

Deferred income tax liabilities, net

	2024	2023
Deferred income tax liabilities:		
Deferred profit on installment sales	157,064	139,197
Revaluation increment on property and equipment	73,573	70,561
Accrued rent income	29,882	27,763
Discount on purchase price payable	7,208	14,416
Undepreciated capitalized interest	4,893	6,466
Unrealized gain on valuation of FVOCI	2,049	2,199
	274,669	260,602

Deferred income tax assets, net

	2024	2023
Deferred income tax asset on:		
Lease liabilities	460,228	446,133
Allowance for impairment losses on receivables	10,571	10,571
NOLCO	37,591	37,531
Accrued expense	39,570	37,367
Remeasurement loss on retirement benefits liability	350	429
Unamortized discount on long term receivable	38,675	56,851
Others	3,069	17,156
	590,054	606,038
Deferred income tax liability on:		
Right-of-use asset	(264,079)	(280,651)
Recovery on insurance	(81,985)	(81,985)
Revaluation reserve on investment properties	(43,866)	(40,854)
Accrued rent income	(15,158)	(14,612)
Pension assets	(1,551)	(1,701)
Unrealized gain on foreign exchange	(891)	(886)
Others	(412)	(2,680)
	(407,942)	(423,369)
	182,112	182,669

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

Unrecognized deferred income tax assets are as follows:

	2024	2023
Allowance for impairment losses	75,310	54,033
NOLCO	72,484	37,064
MCIT	4,333	1,462

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

Year incurred	Year of expiration	2024	2023
2020	2025	49,157	49,157
2021	2026	37,636	37,636
2022	2025	42,520	42,520
2023	2026	169,068	169,068
2024	2027	141,919	-
		440,300	298,381
Tax rate		25%	25%
		110,075	74,595
Recognized DTA on NOLCO		37,591	37,531
Unrecognized DTA on NOLCO		72,484	37,064

22 Segment information

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

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

Revenue from Contracts with Customers

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

Geographical Segments

The Group does not have geographical segments.

Business Segments

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

The industry segments where the Parent Company and its subsidiaries operate are as follows: (1) Holding Company; (2) Real estate and property development - commercial leasing and industrial lot sales and development; (3) Cold storage operations; (4) Retail electricity supply.

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

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

	Holding company	Real Estate and Property Development*	Cold Storage Operations	Retail and Electricity Supply	Others	Subtotal	Elimination	Total
December 31, 2024								
Revenues	-	5,024,340	163,474	-	3,585	5,191,399	(3,585)	5,187,814
Cost and expenses	(20,490)	(3,531,300)	(173,471)	(18,553)	(11,132)	(3,754,946)	3,904	(3,751,042)
Other income (charges)	(210,252)	(402,158)	(39,689)	(9,810)	11,863	(650,046)	-	(650,046)
Profit (loss) before income tax	(230,742)	1,090,882	(49,686)	(28,363)	4,316	786,407	319	786,726
Income tax expense (benefit)	(15)	(80,395)	(8,013)	2,751	(298)	(85,970)	-	(85,970)
Net income	(230,757)	1,010,487	(57,699)	(25,612)	4,018	700,437	319	700,756
Segment assets	16,029,699	28,553,318	1,457,758	352,275	1,523,516	47,916,566	(17,177,270)	30,739,296
Segment liabilities	4,436,101	12,673,821	754,770	739,719	433,554	19,037,965	(3,183,102)	15,854,863
December 31, 2023								
Revenues	-	3,087,020	169,490	-	257,147	3,513,657	(3,585)	3,510,072
Cost and expenses	(25,856)	(2,247,159)	(105,159)	(6,893)	(162,049)	(2,547,116)	(1,219)	(2,548,335)
Other income (charges)	(84,632)	(123,390)	(17,624)	139	4,483	(221,024)	3,290	(217,734)
Profit (loss) before income tax	(110,488)	716,471	46,707	(6,754)	99,581	745,517	(1,514)	744,003
Income tax expense (benefit)	(15,864)	91,851	7,386	-	24,523	107,896	-	107,896
Net income	(94,624)	624,620	39,321	(6,754)	75,058	637,621	(1,514)	636,107
Segment assets	16,101,912	25,228,193	2,499,829	310,722	2,125,137	46,265,793	(17,643,664)	28,622,129
Segment liabilities	4,309,876	10,700,360	1,443,323	851,291	696,262	18,001,112	(3,286,192)	14,714,920
December 31, 2022								
Revenues	-	3,821,505	115,527	274,675	-	4,211,707	(3,585)	4,208,122
Cost and expenses	(9,152)	(2,461,151)	(84,024)	(260,455)	(1,742)	(2,816,524)	(1,219)	(2,817,743)
Other income (charges)	(36,345)	(149,660)	(4,604)	(8,672)	3,738	(195,543)	3,318	(192,225)
Profit (loss) before income tax	(45,497)	1,210,694	26,899	5,548	1,996	1,199,640	(1,486)	1,198,154
Income tax expense (benefit)	(40)	185,154	5,338	263	558	191,273	-	191,273
Net income	(45,457)	1,025,540	21,561	5,285	1,438	1,008,367	(1,486)	1,006,881
Segment assets	15,393,551	24,165,943	1,175,192	310,722	2,121,958	43,167,366	(17,525,863)	25,641,503
Segment liabilities	3,726,557	9,858,413	283,462	851,291	769,849	15,489,572	(3,070,041)	12,419,531

**includes lot sales and rental revenue amounting to P3,344.43 million and P1,334.31 million, respectively (2023 - P1,763.23 million and P1,252.30 million, respectively; 2022 - P2,354.27 million and P1,071.14 million, respectively)*

23 Earnings per share

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

	2024	2023	2022
Net income attributable to equity holders of the Parent	700,909	625,222	1,006,579
Weighted average number of shares	6,252,148	6,252,148	6,252,148
Basic/diluted earnings per share	0.11	0.10	0.16

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

24 Leases

Group as Lessee

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

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

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

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

Parent Company
In 2020, the Parent Company entered into a Contract of Lease with ALI Commercial Center, Inc., a related party, to lease a building space located primarily for administrative use of the Parent Company. The contract provided for a payment of a guaranteed fixed monthly rental. The lease covers period covers from July 1, 2020 to December 31, 2023. The Parent Company extended the lease contract until 2025.

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

	Note	2024	2023
Beginning of year		1,066,049	1,135,820
Amortization expense	19	(66,287)	(69,771)
End of year		999,762	1,066,049

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

	2024	2023
Beginning of year	1,724,979	1,732,553
Accretion of interest	146,473	148,740
Payments	(158,006)	(156,314)
End of year	1,713,446	1,724,979
Less: Current portion	(36,014)	(155,981)
Non-current portion	1,677,432	1,568,998

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

	2024	2023
Within one (1) year	347,859	178,823
More than one (1) year to five (5) years	909,207	909,207
More than five (5) years	2,004,989	2,176,448
	3,262,055	3,264,478

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

	Note	2024	2023	2022
Accretion of interest on lease liabilities	19	146,473	148,740	150,160
Amortization expense for right-of-use assets	17	66,287	69,771	64,883
Variable lease payments	18	5,148	12,718	8,496
		217,908	231,229	223,539

Group as a Lessor (Operating leases)

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

The total other revenues of the Group for the year ended December 31, 2024 amounting to P345.60 million (2023 - P325.05 million; 2022 - P392.51 million) includes gross CUSA and air-conditioning charges amounting to P305.87 million (2023 - P292.95 million; 2022 - P334.46 million).

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

	2024	2023
Less than one (1) year	1,285,364	709,827
One (1) year to five (5) years	3,589,572	3,686,481
More than five (5) years	2,190,647	4,069,220
	7,065,583	8,465,528

25 Provisions and contingencies

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

The roll forward of the provisions follows:

	Note	2024	2023
Beginning of year		32,057	35,057
Provisions during the year		61,362	-
Settlements during the year		(4,001)	(3,000)
End of year	11	89,418	32,057

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

26 Share-based payments

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

There are no share-based compensation granted for the years ended December 31, 2024 and 2023.

27 Financial instruments

Fair Value Information

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

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized costs				
Cash and cash equivalents	242,677	242,677	214,713	214,713
Receivables	5,628,171	5,628,171	4,732,336	4,732,336
Amounts owed by related parties	932,702	932,702	685,542	685,542
Refundable deposits	114,786	114,786	52,756	52,756
Financial assets at FVPL	4,906	4,906	4,798	4,798
Financial assets at FVOCI	151,284	151,284	126,614	126,614
	7,074,526	7,074,526	5,816,759	5,816,759
Financial liabilities				
Accounts payable and accrued expenses	2,200,273	2,200,273	1,898,728	1,898,728
Amounts owed to related parties	7,124,850	7,124,850	6,434,862	6,434,862
Long-term debts	2,445,889	2,445,889	2,465,064	2,465,064
Rental and other deposits	583,876	583,876	604,884	604,884
Lease liabilities	1,713,446	1,713,446	1,724,979	1,724,979
Subscription payable	481,675	481,675	481,675	481,675
	14,550,009	14,550,009	13,610,192	13,610,192

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values at December 31, 2024 and 2023 are set out below:

Cash and cash equivalents

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

Receivables, Accounts payable and accrued expenses and Amounts owed to and by related Parties

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

The fair value of the non-current portion of land sales trade receivables is based on the discounted value of future cash flows using the applicable rates for similar type of instruments. The discount rates used range from 5.23% to 6.28%.

The fair value of the non-current portion of land sales trade receivables as at December 31, 2024 is based on the undiscounted value of future cash flows following the Group's adoption of PIC Q&A 2018-12 and the Group's assessment that the overall impact pertaining to significant financing component is not material to the consolidated financial statements of the Group (Note 29).

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

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

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

Long-term debts and lease liabilities

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

Financial Assets at FVOCI

Except for Investment in Cyber Bay equity securities, equity financial assets that are listed are based on their quoted prices published in markets as at December 31, 2024 and 2023. Debt financial assets that are quoted are based on published market prices as at December 31, 2024 and 2023.

Financial Assets at FVPL

Listed equity securities designated as financial assets at FVPL are based on their quoted prices as at December 31, 2024 and 2023. The fair value of the UITF has been determined based on the net asset values as at reporting date, based on the nature and level of adjustments needed to be made to the NAV and the level of trading in the money market UITF.

Fair Value Hierarchy

Quoted FVOCI financial assets amounting to P151.28 million as at December 31, 2024 were classified under Level 1 (2023 - P126.61 million) (Note 5).

Quoted FVPL financial assets amounting to P4.91 million as at December 31, 2024 (2023 - P4.80 million) were classified under Level 1 (Note 6).

The fair value disclosure of receivables, long-term debt, rental and other deposits and refundable deposits as at December 31, 2024 and 2023, were classified under Level 3.

There have been no reclassifications from Level 1 to Level 2 categories in 2024 and 2023.

Financial Risk Management Objectives, Policies and Capital Management

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

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

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

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

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

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

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

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 Year	Total
December 31, 2024						
Accounts payable and accrued expenses	1,314,386	-	157,016	284,511	444,360	2,200,273
Amounts owed to related parties	7,124,850	-	-	-	-	7,124,850
Long-term debts and interest payable	11,952	24,871	37,095	74,666	3,158,726	3,307,310
Rental and other deposits	-	-	-	292,944	290,932	583,876
Lease liabilities	-	86,945	86,945	176,969	2,914,196	3,265,055
Subscription payable	-	-	-	-	481,675	481,675
	8,451,188	111,816	281,056	829,090	7,289,889	16,963,039
December 31, 2023						
Accounts payable and accrued expenses	834,992	-	87,910	187,386	788,440	1,898,728
Amounts owed to related parties	6,434,862	-	-	-	-	6,434,862
Long-term debts and interest payable	10,243	36,199	36,185	74,263	3,333,159	3,490,049
Rental and other deposits	-	-	-	334,070	270,814	604,884
Lease liabilities	-	44,706	44,706	89,411	3,085,655	3,264,478
Subscription payable	-	-	-	-	481,675	481,675
	7,280,097	80,905	168,801	685,130	7,959,743	16,174,676

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

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

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

	Gross maximum exposure
December 31, 2024	
Cash in banks and cash equivalents	242,270
Trade receivables	
Land sales	4,529,066
Receivables from tenants	848,707
Retail electricity	18,004
Non-trade receivables	505,029
Financial assets at FVOCI - quoted debt securities	36,897
	6,179,973
December 31, 2023	
Cash in banks and equivalents	214,416
Trade receivables	
Land sales	3,790,239
Receivables from tenants	734,055
Retail electricity	13,865
Non-trade receivables	468,067
Financial assets at FVOCI - quoted debt securities	41,227
	5,261,869

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

Trade receivables - real estate receivables
For real estate receivables, exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Applying the expected credit risk model did not result in the recognition of an impairment loss for real estate receivables in 2024 and 2023.

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

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

	Current	More than 30 days	More than 60 days	More than 90 days	Total
2024					
Expected credit loss rate	1.01%	11.82%	10.19%	15.46%	9.14%
Total gross carrying amount	310,764	70,406	116,521	351,016	848,707
Expected credit losses	3,129	8,324	11,877	54,261	77,591
2023					
Expected credit loss rate	1.10%	10.95%	22.87%	12.88%	10.74%
Total gross carrying amount	161,899	63,654	46,004	462,498	734,055
Expected credit losses	1,774	6,969	10,522	59,579	78,844

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

Trade receivables - retail electricity
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss pattern. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Applying the expected credit risk model did not result in the recognition of an impairment loss for trade debtors retail electricity in 2024 and 2023.

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

Non-trade receivables
Credit risk exposure in respect of all other counterparties is managed by setting standard business terms that are required to be met by all counterparties. An impairment analysis is performed at each reporting date to consider when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. These receivables are written off when there is no reasonable expectation of recovering the contractual cash flows. There were no impairment losses recognized in 2024 and 2023 applying the expected credit risk model. Total write offs amounted to nil in 2024 (2023 - P0.87 million) (Note 3).

Financial assets at FVOCI - quoted debt securities
The Group's debt instruments at fair value through OCI comprise solely of government securities. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure expected credit losses (ECLs) on such instruments on a 12-month basis. Applying the expected credit risk model did not result in the recognition of an impairment loss in 2024 and 2023.

28 Significant Accounting Judgments, Estimates and Assumptions

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

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

Judgments

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

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

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

Classification of joint venture

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

Assessing operating lease commitments - Group as lessor

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

Distinction between investment properties and owner-occupied properties

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

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

Assessing realizability of deferred income tax assets

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

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

Estimates and assumptions

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

Leases - estimating the incremental borrowing rate

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

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

Provision for expected credit losses of trade and other receivables

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

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

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

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

Estimating useful lives of depreciable investment properties and property and equipment

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

A reduction in the estimated useful lives of these assets increases depreciation and amortization and decreases the carrying value of investment properties and property and equipment.

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

Determining retirement benefits liability

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

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

Assessing and estimating contingencies and provisions

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

29 Summary of material accounting policies

29.1 Basis of preparation

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

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

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

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

29.2 Statement of Compliance

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

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

29.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.

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

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

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

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

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

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

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

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

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

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

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

29.4 Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

PAS 1, Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

• the carrying amount of the liability
• information about the covenants, and
• facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or noncurrent if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments has been applied retrospectively in accordance with the normal requirements in PAS 8 *'Accounting Policies, Changes in Accounting Estimates and Errors'.*

Amendments to PFRS 16, 'Lease Liability in a Sale and Leaseback'

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right-of-use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Adoption of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020.

On December 15, 2020, the SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of the PIC Q&A until December 31, 2023. The PIC Q&A provisions covered by the SEC deferral that the Parent Company availed pertain to 'Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)' with allowed deferral period until December 31, 2023.

Effective January 1, 2024, the Group adopted the PIC Q&A No. 2018-12. The Group followed the allowed modified retrospective approach allowing it to adjust the beginning balance of equity in 2024. The adjustment on the 2024 beginning balance of Retained earnings is an increase of P247.25 million. The Group assessed that the overall impact of the adoption of the requirement of PIC Q&A No. 2018-12 pertaining to significant financing component is not material to the financial statements of the Group.

Future Changes in Accounting Policies

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

Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (Effective beginning on or after January 1, 2026)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

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

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

PFRS 18 Presentation and Disclosure in Financial Statements (Effective beginning on or after January 1, 2027)

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

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

- Although the adoption of PFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
- Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of January 1, 2027.

Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

29.5 Financial Instruments

Financial assets

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

Financial liabilities

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

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

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

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

29.6 Fair Value Measurement

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

29.7 Real Estate Held for Development and Sale

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

29.8 Investments in Joint Ventures

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

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

29.9 Investment Properties

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

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

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

29.10 Property and Equipment

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

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

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

29.11 Combinations of Entities Under Common Control

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

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

29.12 Revenue Recognition

Revenue from Contract with Customers

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

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

(i) Real estate sales

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

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

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

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

(ii) Rental and Rent Concessions

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

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

(iii) Cold Storage Revenue

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

(iv) Sale of Electricity Revenue

The Group recognizes revenue from electricity services over time using the output method as the customer receives and consumes the benefit from the performance of the related utility service. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount for every kilowatt hour of electricity delivered. Electricity is billed every month according to the billing cycles of the customer.

(v) Interest Income

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

(vi) Dividend Income

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

29.13 Income Tax

Current income tax

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

Deferred tax

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

29.14 Retirement Benefits Costs

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

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

Defined benefit costs comprise the following:

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

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

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

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

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

29.15 Leases (Group as a lessee)

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

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

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

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

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

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

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

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

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

AyalaLand Logistics Holdings Corp.

Index to the Supplementary Schedules

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

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

Annex C: Supplementary Schedules Required by Annex 68-J

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

Annex D: Schedule of External Auditor Fee- Related information

AyalaLand Logistics Holdings Corp.

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2024

Unappropriated Retained Earnings, beginning of the year		828,318,279
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others	-	
		-
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	-
-Unappropriated Retained Earnings, as adjusted		828,318,279
Add/Less: Net Income for the current year		118,587,789
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-

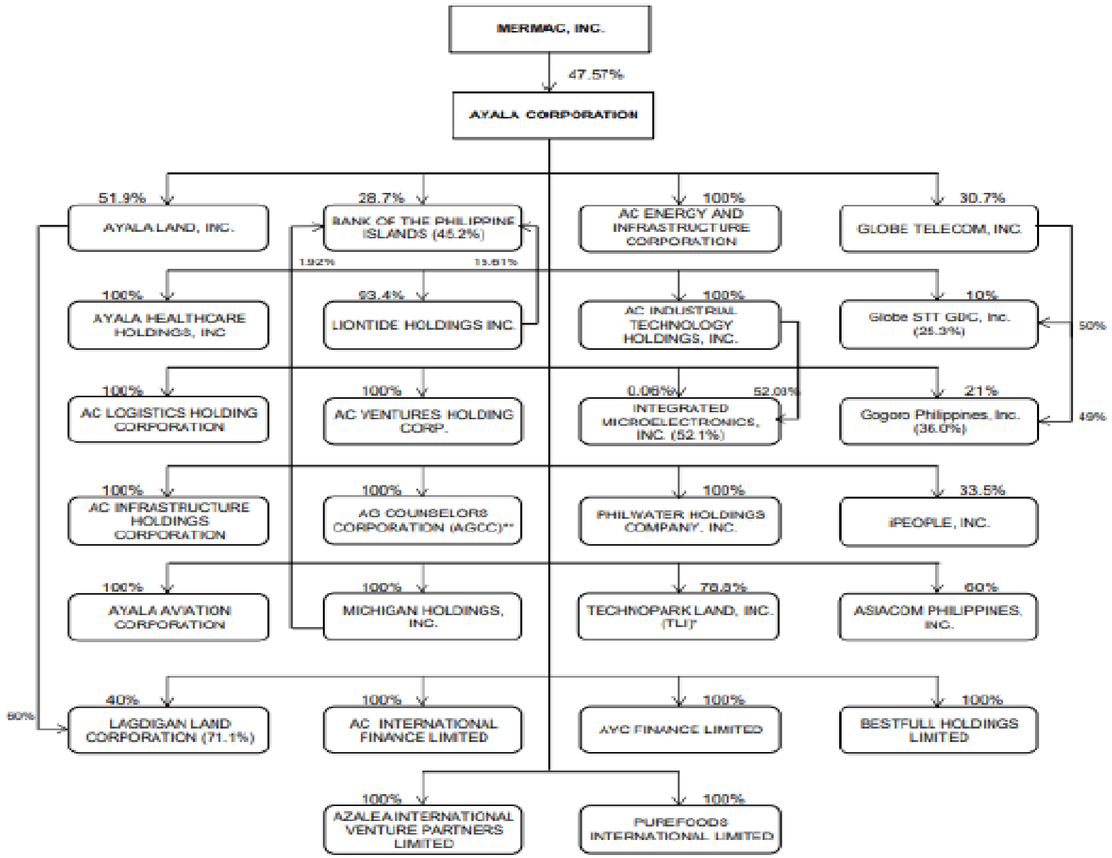
(continued)

AyalaLand Logistics Holdings Corp.

Reconciliation of Retained Earnings Available for Dividend Declaration *(continued)*
For the year ended December 31, 2024

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	-
Adjusted net income		946,906,068
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	-
Total Retained Earnings, end of the year available for dividend declaration		946,906,068

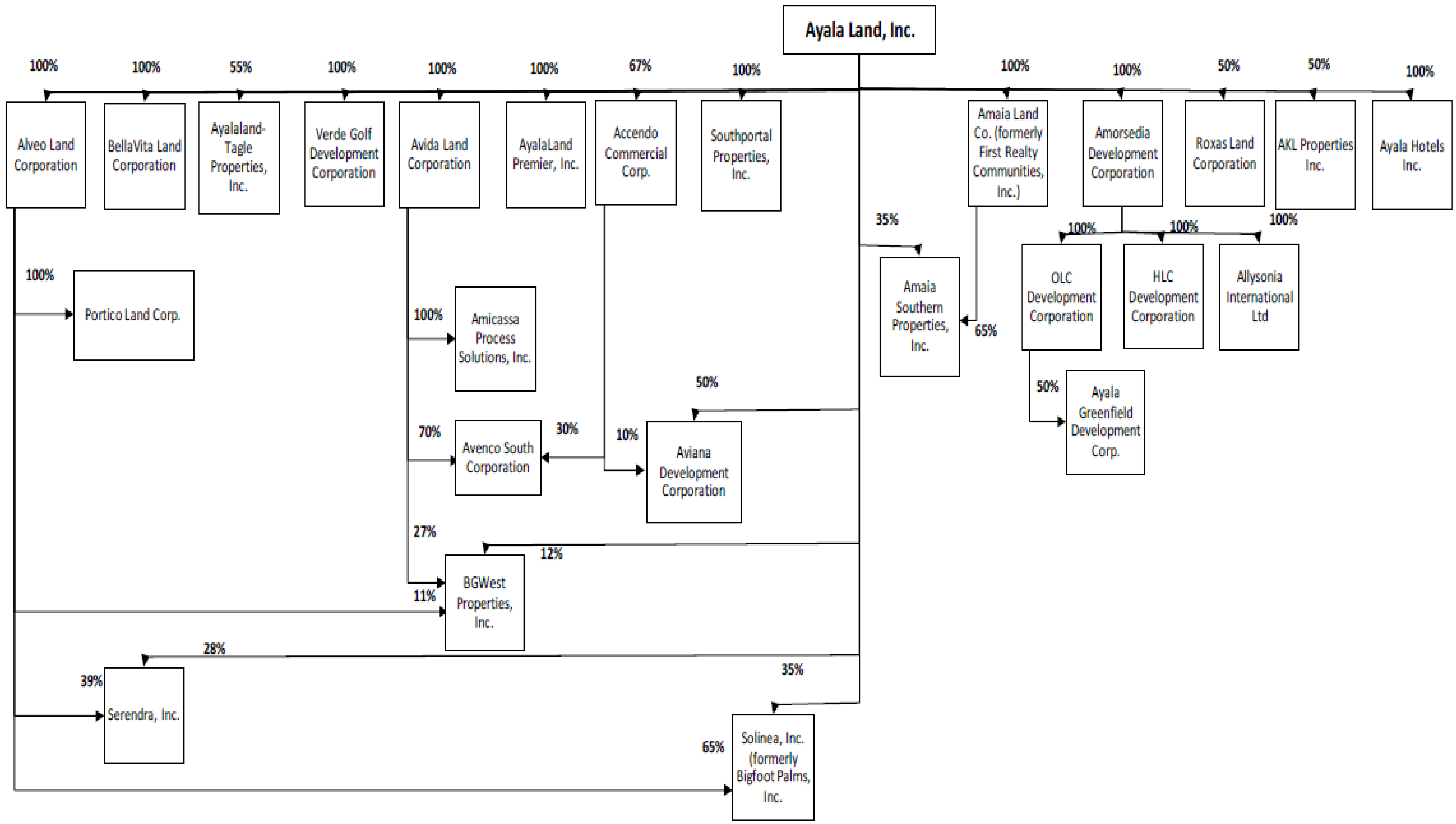
AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered



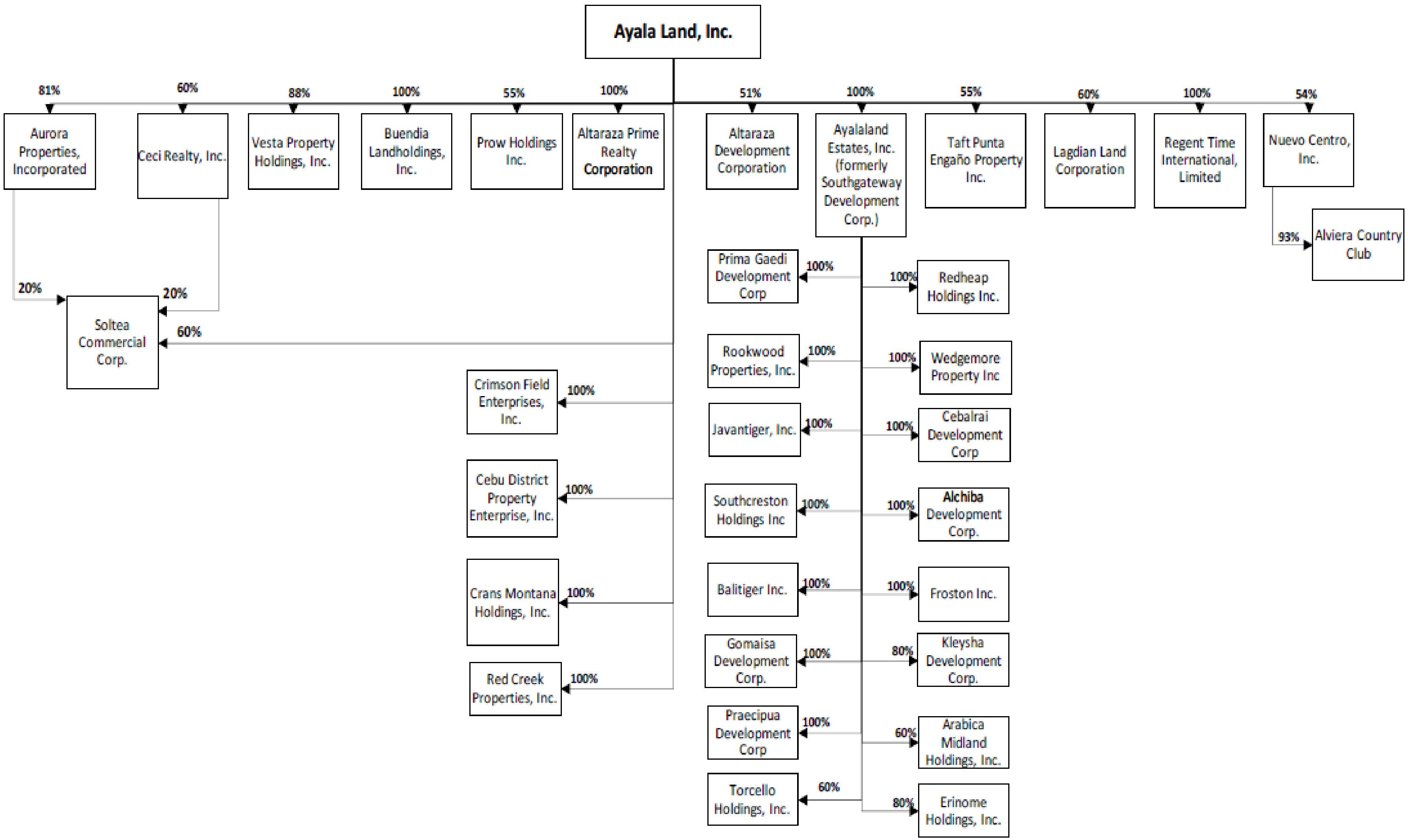
Legend:
% of ownership appearing outside the box - direct % of economic ownership
% of ownership appearing inside the box - effective % of economic ownership

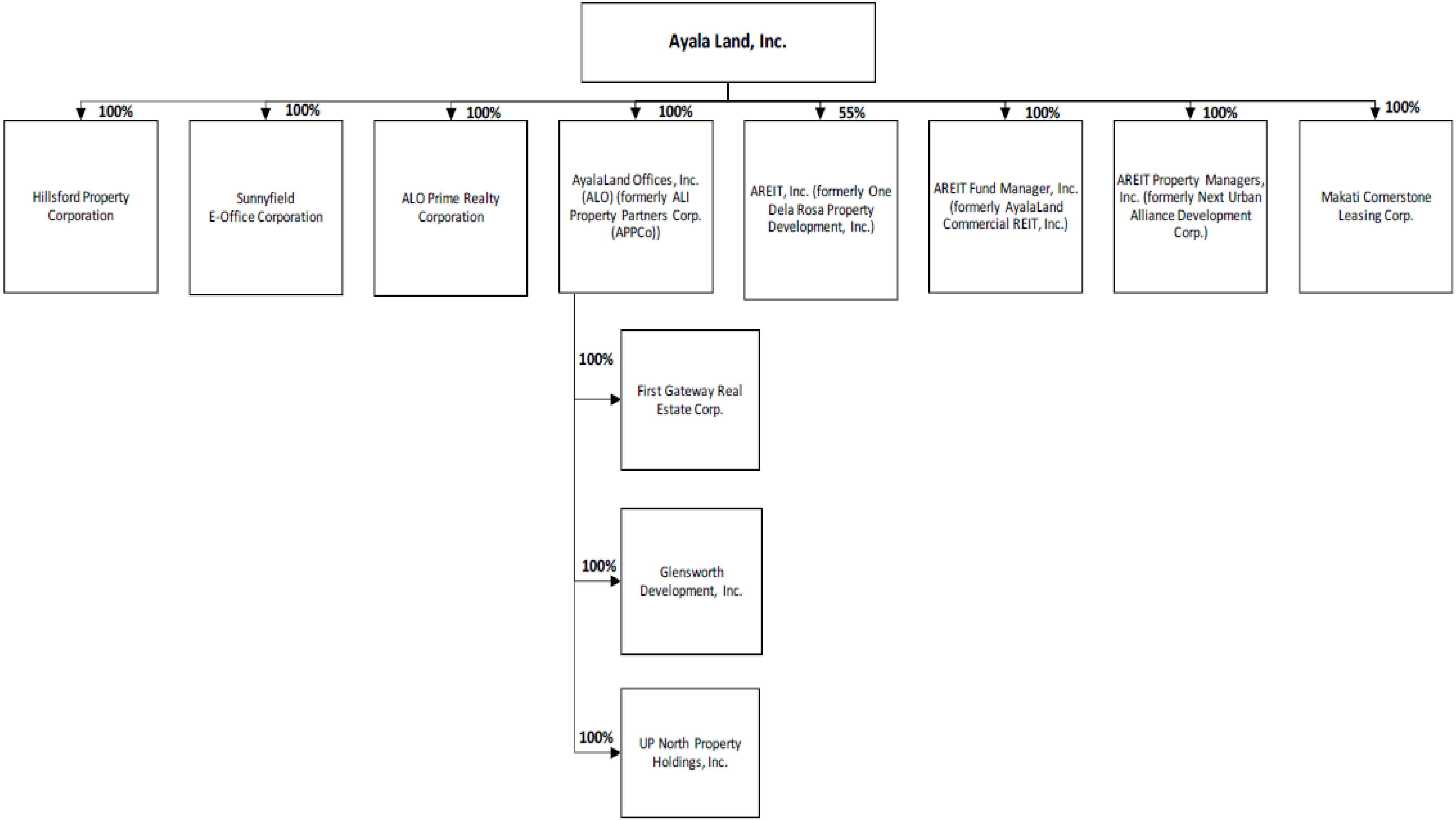
**On December 13, 2021, the BOD and stockholders of TLI approved the plan to shorten its corporate term to June 30, 2023. On December 23, 2021, the SEC approved the amendment of the Fourth Article of the Articles of Incorporation to shorten the corporate term to June 30, 2023. It is anticipated that it will not carry out any significant business operation or activity until approval of closure from other regulatory bodies.*

***On January 6, 2025, the SEC approved the amendment to AGCC's AOI including (1) the change of its corporate name to ACX Holdings Corporation, and (2) the change in its business from a business of advisory, consultancy assistance and other allied services, into a holding company with principal business interest in the consumer retail space.*

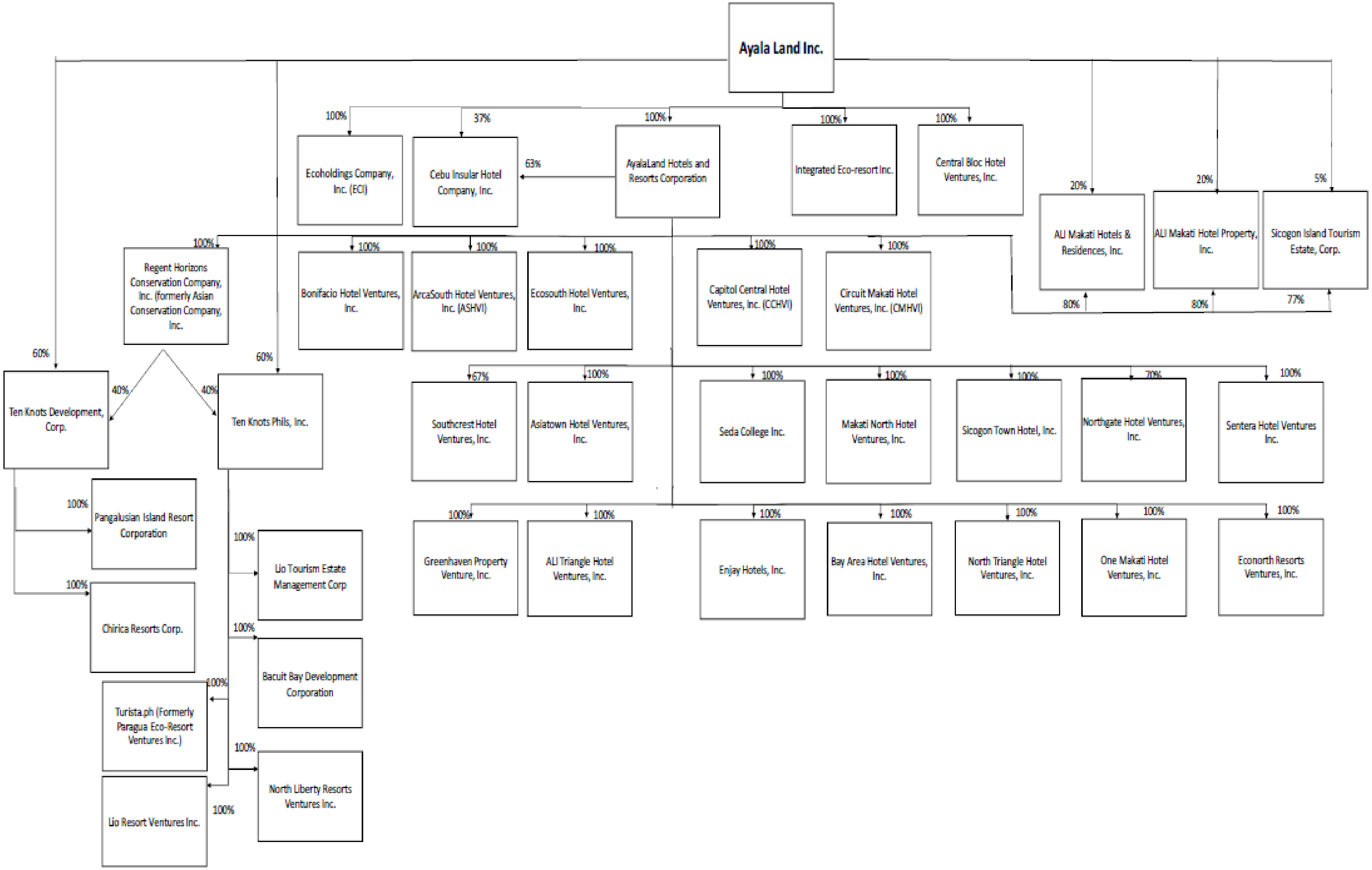


Ayala Land, Inc.
100%
Alveo Land Corporation
100%
BellaVita Land Corporation
55%
Ayalaland-Tagle Properties, Inc.
100%
Verde Golf Development Corporation
100%
Avida Land Corporation
100%
AyalaLand Premier, Inc.
67%
Accendo Commercial Corp.
100%
Southportal Properties, Inc.
100%
Amaia Land Co. (formerly First Realty Communities, Inc.)
100%
Amorsedia Development Corporation
50%
Roxas Land Corporation
50%
AKL Properties Inc.
100%
Ayala Hotels Inc.
100%
Portico Land Corp.
100%
Amicassa Process Solutions, Inc.
70%
Avenco South Corporation
30%
10%
50%
Aviana Development Corporation
35%
Amaia Southern Properties, Inc.
65%
100%
OLC Development Corporation
100%
HLC Development Corporation
100%
Allysonia International Ltd
50%
Ayala Greenfield Development Corp.
27%
12%
11%
BGWest Properties, Inc.
28%
39%
Serendra, Inc.
35%
65%
Solinea, Inc. (formerly Bigfoot Palms, Inc.

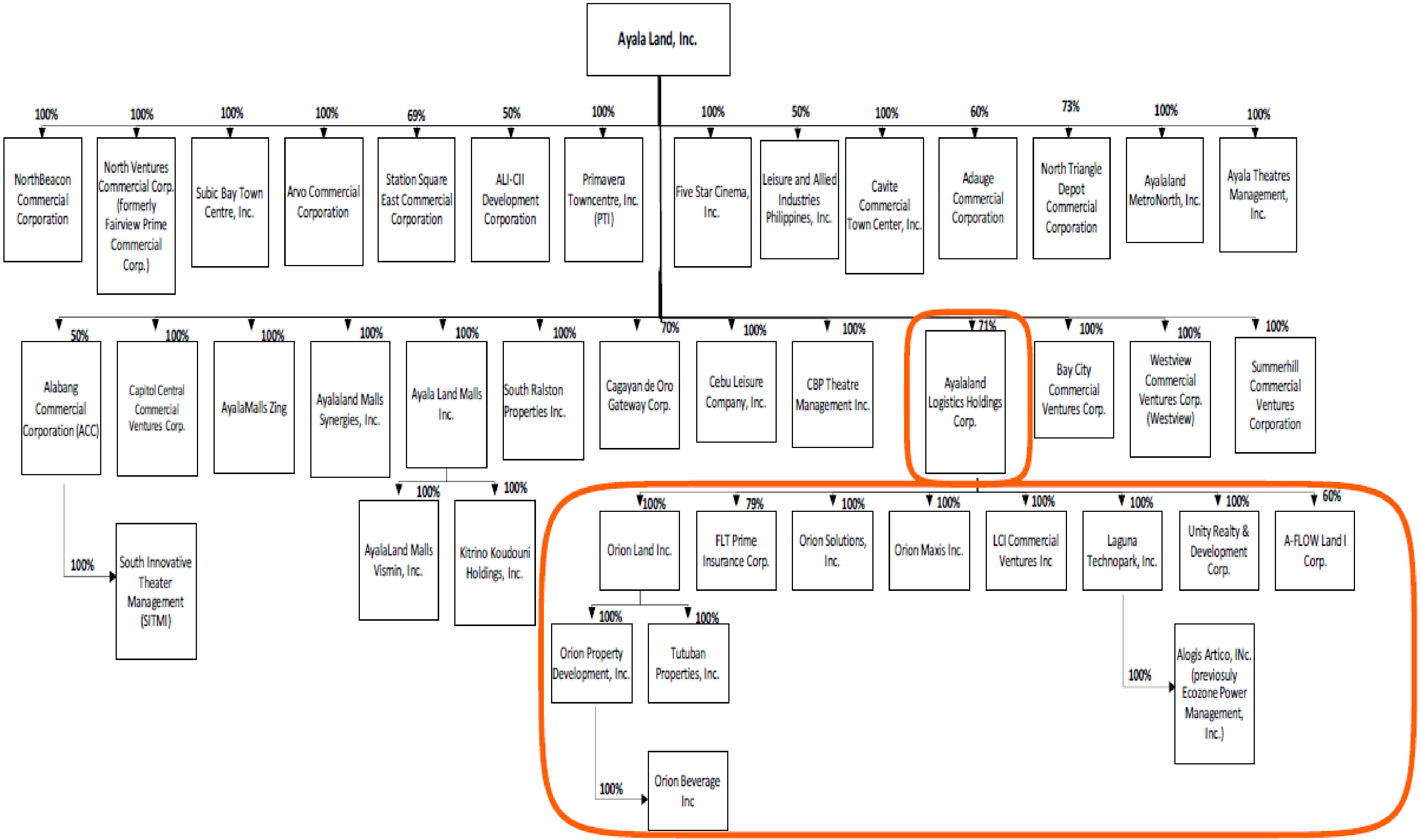

Ayala Land, Inc.
81%
Aurora Properties, Incorporated
60%
Ceci Realty, Inc.
88%
Vesta Property Holdings, Inc.
100%
Buendia Landholdings, Inc.
55%
Prow Holdings Inc.
100%
Altaraza Prime Realty Corporation
51%
Altaraza Development Corporation
100%
Ayalaland Estates, Inc. (formerly Southgateway Development Corp.)
55%
Taft Punta Engaño Property Inc.
60%
Lagdian Land Corporation
100%
Regent Time International, Limited
54%
Nuevo Centro, Inc.
93%
Alviera Country Club
20%
20%
60%
Soltea Commercial Corp.
100%
Crimson Field Enterprises, Inc.
100%
Cebu District Property Enterprise, Inc.
100%
Crans Montana Holdings, Inc.
100%
Red Creek Properties, Inc.
100%
Prima Gaedi Development Corp
100%
Rookwood Properties, Inc.
100%
Javantiger, Inc.
100%
Southcreston Holdings Inc
100%
Balitiger Inc.
100%
Gomaisa Development Corp.
100%
Praecipua Development Corp
60%
Torcello Holdings, Inc.
100%
Redheap Holdings Inc.
100%
Wedgemore Property Inc
100%
Cebalrai Development Corp
100%
Alchiba Development Corp.
100%
Froston Inc.
80%
Kleysha Development Corp.
60%
Arabica Midland Holdings, Inc.
80%
Erinome Holdings, Inc.

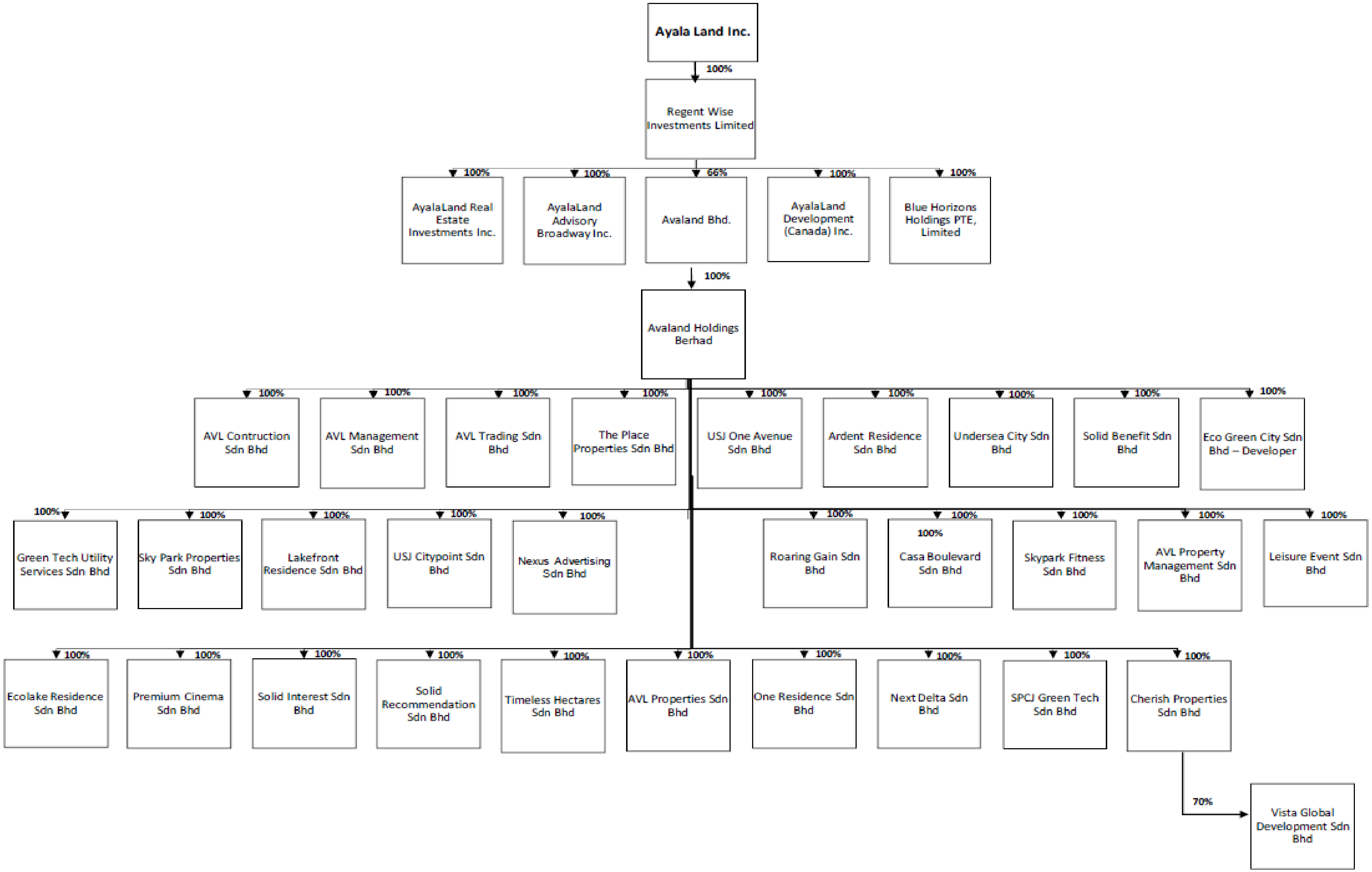


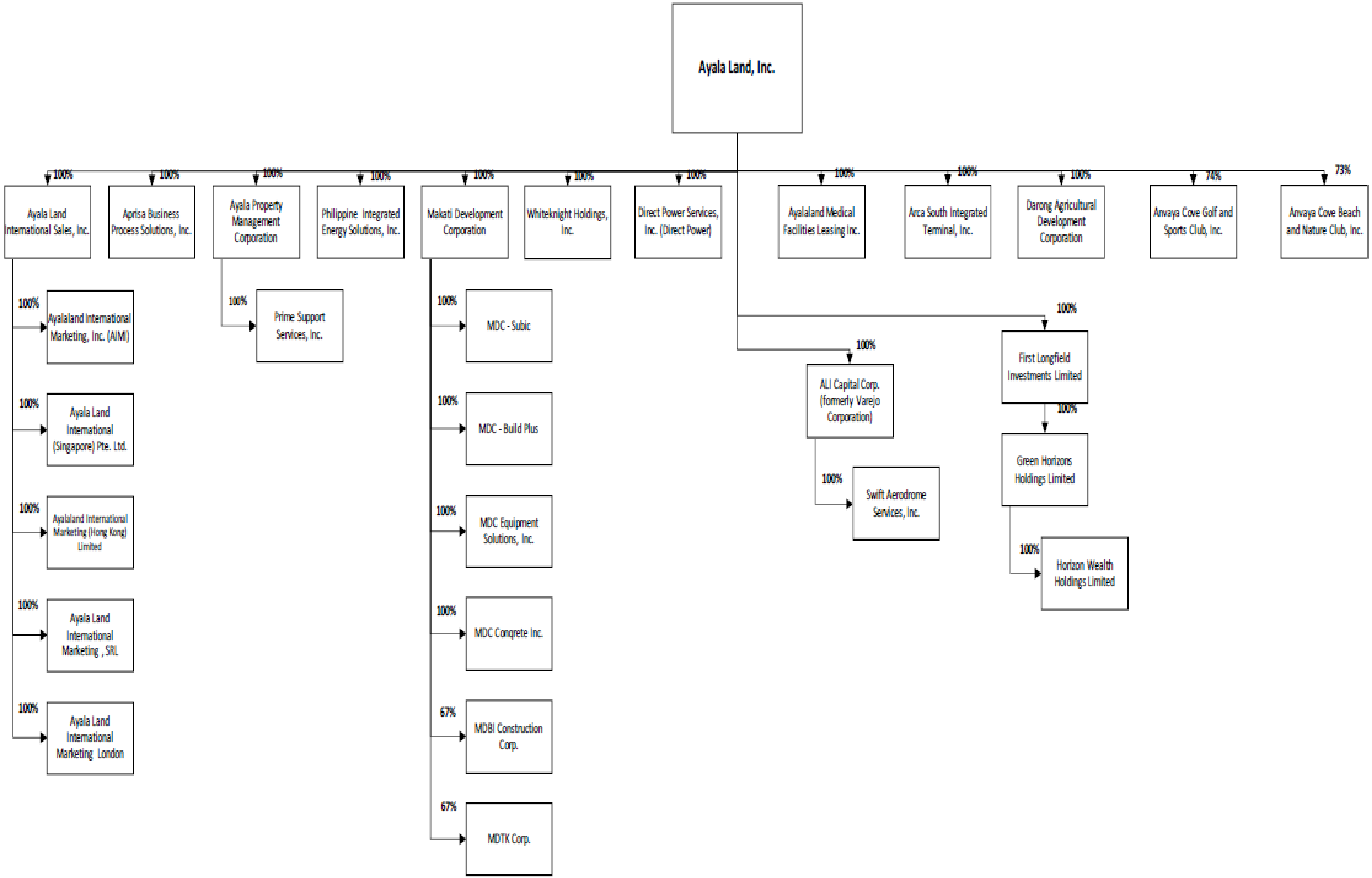
Ayala Land, Inc.
100%
Hillsford Property Corporation
100%
Sunnyfield E-Office Corporation
100%
ALO Prime Realty Corporation
100%
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo))
55%
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.)
100%
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc.)
100%
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.)
100%
Makati Cornerstone Leasing Corp.
100%
First Gateway Real Estate Corp.
100%
Glensworth Development, Inc.
100%
UP North Property Holdings, Inc.



Ayala Land Inc.
100%
Ecoholdings Company, Inc. (ECI)
37%
Cebu Insular Hotel Company, Inc.
63%
100%
AyalaLand Hotels and Resorts Corporation
100%
Integrated Eco-resort Inc.
100%
Central Bloc Hotel Ventures, Inc.
20%
ALI Makati Hotels & Residences, Inc.
20%
ALI Makati Hotel Property, Inc.
5%
Sicogon Island Tourism Estate, Corp.
80%
80%
77%
100%
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc.
100%
Bonifacio Hotel Ventures, Inc.
100%
ArcaSouth Hotel Ventures, Inc. (ASHVI)
100%
Ecosouth Hotel Ventures, Inc.
100%
Capitol Central Hotel Ventures, Inc. (CCHVI)
100%
Circuit Makati Hotel Ventures, Inc. (CMHVI)
60%
Ten Knots Development, Corp.
40%
40%
60%
Ten Knots Phils, Inc.
67%
Southcrest Hotel Ventures, Inc.
100%
Asiatown Hotel Ventures, Inc.
100%
Seda College Inc.
100%
Makati North Hotel Ventures, Inc.
100%
Sicogon Town Hotel, Inc.
70%
Northgate Hotel Ventures, Inc.
100%
Sentera Hotel Ventures Inc.
100%
Pangalusian Island Resort Corporation
100%
Chirica Resorts Corp.
100%
Lio Tourism Estate Management Corp
100%
Bacuit Bay Development Corporation
100%
Turista.ph (Formerly Paragua Eco-Resort Ventures Inc.)
100%
North Liberty Resorts Ventures Inc.
100%
Lio Resort Ventures Inc.
100%
Greenhaven Property Venture, Inc.
100%
ALI Triangle Hotel Ventures, Inc.
100%
Enjay Hotels, Inc.
100%
Bay Area Hotel Ventures, Inc.
100%
North Triangle Hotel Ventures, Inc.
100%
One Makati Hotel Ventures, Inc.
100%
Econorth Resorts Ventures, Inc.

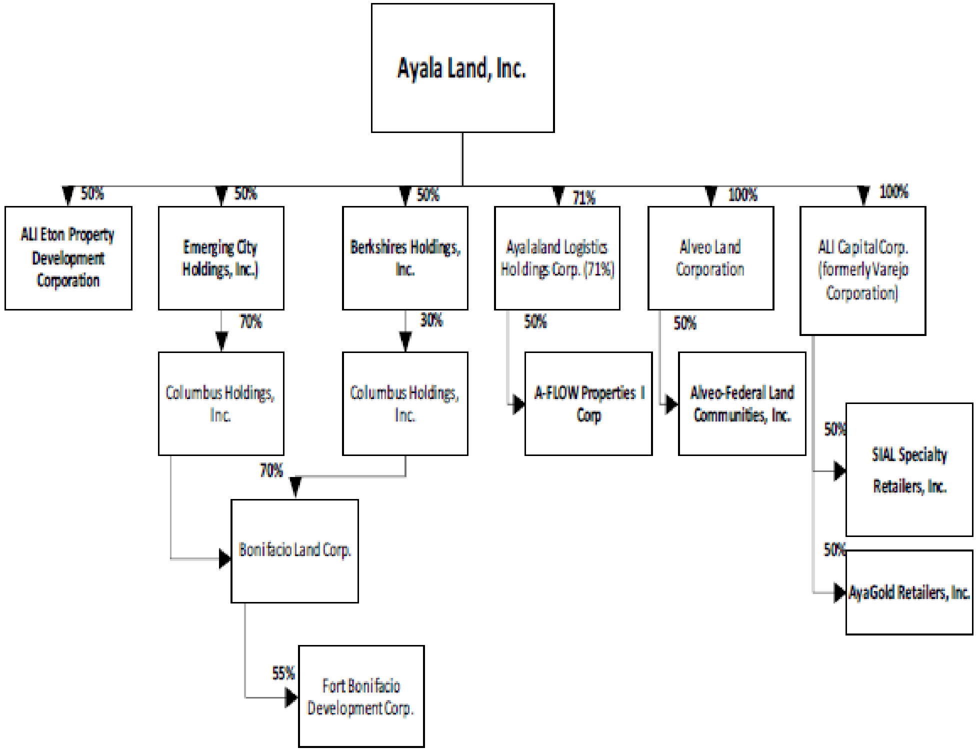

Ayala Land, Inc.
100%
NorthBeacon Commercial Corporation
100%
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.)
100%
Subic Bay Town Centre, Inc.
100%
Arvo Commercial Corporation
69%
Station Square East Commercial Corporation
50%
ALI-CII Development Corporation
100%
Primavera Towncentre, Inc. (PTI)
100%
Five Star Cinema, Inc.
50%
Leisure and Allied Industries Philippines, Inc.
100%
Cavite Commercial Town Center, Inc.
60%
Adauge Commercial Corporation
73%
North Triangle Depot Commercial Corporation
100%
Ayalaland MetroNorth, Inc.
100%
Ayala Theatres Management, Inc.
50%
Alabang Commercial Corporation (ACC)
100%
South Innovative Theater Management (SITMI)
100%
Capitol Central Commercial Ventures Corp.
100%
AyalaMalls Zing
100%
Ayalaland Malls Synergies, Inc.
100%
Ayala Land Malls Inc.
100%
AyalaLand Malls Vismin, Inc.
100%
Kitrino Koudouni Holdings, Inc.
100%
South Ralston Properties Inc.
70%
Cagayan de Oro Gateway Corp.
100%
Cebu Leisure Company, Inc.
100%
CBP Theatre Management Inc.
71%
Ayalaland Logistics Holdings Corp.
100%
Bay City Commercial Ventures Corp.
100%
Westview Commercial Ventures Corp. (Westview)
100%
Summerhill Commercial Ventures Corporation
100%
Orion Land Inc.
100%
Orion Property Development, Inc.
100%
Orion Beverage Inc
100%
Tutuban Properties, Inc.
79%
FLT Prime Insurance Corp.
100%
Orion Solutions, Inc.
100%
Orion Maxis Inc.
100%
LCI Commercial Ventures Inc
100%
Laguna Technopark, Inc.
100%
Alogis Artico, INc. (previosuly Ecozone Power Management, Inc.)
100%
Unity Realty & Development Corp.
60%
A-FLOW Land I Corp.


Ayala Land Inc.
100%
Regent Wise Investments Limited
100%
AyalaLand Real Estate Investments Inc.
100%
AyalaLand Advisory Broadway Inc.
66%
Avaland Bhd.
100%
AyalaLand Development (Canada) Inc.
100%
Blue Horizons Holdings PTE, Limited
100%
Avaland Holdings Berhad
100%
AVL Contruction Sdn Bhd
100%
AVL Management Sdn Bhd
100%
AVL Trading Sdn Bhd
100%
The Place Properties Sdn Bhd
100%
USJ One Avenue Sdn Bhd
100%
Ardent Residence Sdn Bhd
100%
Undersea City Sdn Bhd
100%
Solid Benefit Sdn Bhd
100%
Eco Green City Sdn Bhd – Developer
100%
Green Tech Utility Services Sdn Bhd
100%
Sky Park Properties Sdn Bhd
100%
Lakefront Residence Sdn Bhd
100%
USJ Citypoint Sdn Bhd
100%
Nexus Advertising Sdn Bhd
100%
Roaring Gain Sdn Bhd
100%
Casa Boulevard Sdn Bhd
100%
Skypark Fitness Sdn Bhd
100%
AVL Property Management Sdn Bhd
100%
Leisure Event Sdn Bhd
100%
Ecolake Residence Sdn Bhd
100%
Premium Cinema Sdn Bhd
100%
Solid Interest Sdn Bhd
100%
Solid Recommendation Sdn Bhd
100%
Timeless Hectares Sdn Bhd
100%
AVL Properties Sdn Bhd
100%
One Residence Sdn Bhd
100%
Next Delta Sdn Bhd
100%
SPCJ Green Tech Sdn Bhd
100%
Cherish Properties Sdn Bhd
70%
Vista Global Development Sdn Bhd

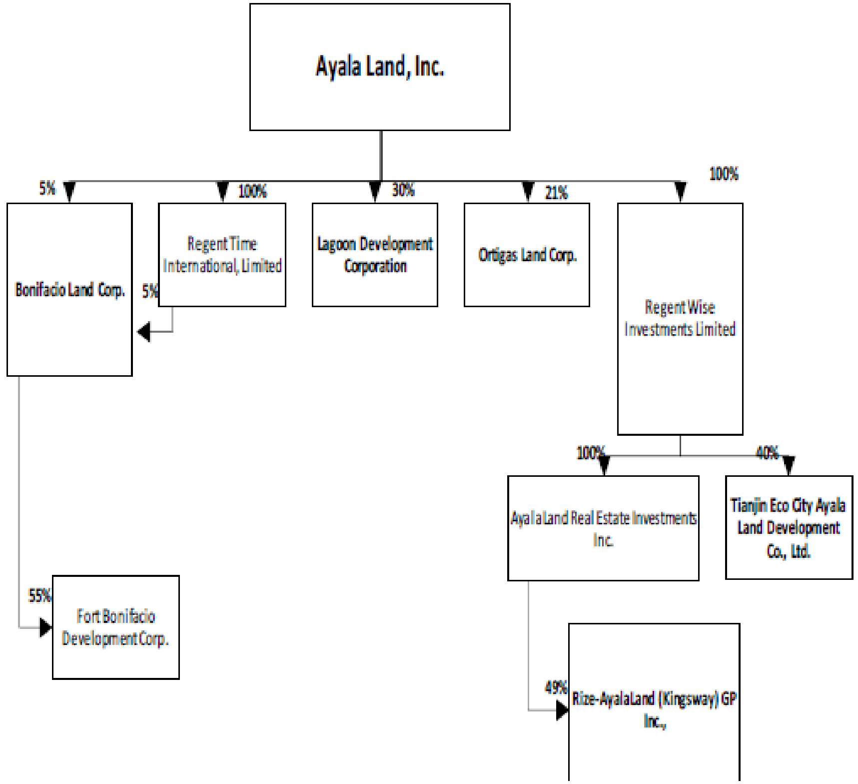


Ayala Land, Inc.
100%
Ayala Land International Sales, Inc.
100%
Aprisa Business Process Solutions, Inc.
100%
Ayala Property Management Corporation
100%
Philippine Integrated Energy Solutions, Inc.
100%
Makati Development Corporation
100%
Whiteknight Holdings, Inc.
100%
Direct Power Services, Inc. (Direct Power)
100%
Ayalaland Medical Facilities Leasing Inc.
100%
Arca South Integrated Terminal, Inc.
100%
Darong Agricultural Development Corporation
74%
Amaya Cove Golf and Sports Club, Inc.
73%
Amaya Cove Beach and Nature Club, Inc.
100%
Ayalaland International Marketing, Inc. (AIMI)
100%
Ayala Land International (Singapore) Pte. Ltd.
100%
Ayalaland International Marketing (Hong Kong) Limited
100%
Ayala Land International Marketing , SRL
100%
Ayala Land International Marketing London
100%
Prime Support Services, Inc.
100%
MDC - Subic
100%
MDC - Build Plus
100%
MDC Equipment Solutions, Inc.
100%
MDC Conqrete Inc.
67%
MDBI Construction Corp.
67%
MDTK Corp.
100%
ALI Capital Corp. (formerly Varejo Corporation)
100%
Swift Aerodrome Services, Inc.
100%
First Longfield Investments Limited
100%
Green Horizons Holdings Limited
100%
Horizon Wealth Holdings Limited

Investments in Joint Ventures



Investments in Associates



Annex C

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

Schedule A - Financial Assets
As at December 31, 2024
Amounts In Thousands *(Except For Number Of Shares)*

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Income received and accrued
A. CASH IN BANK AND CASH EQUIVALENTS			
SAVINGS/CURRENT ACCOUNT (PESO)			
BDO Unibank, Inc.		8,536	7
Bank of the Philippine Islands		213,758	660
Metropolitan Bank and Trust Company		165	-
Rizal Commercial Banking Corp.		5,391	-
United Coconut Planters Bank		13,661	-
Sub-total		241,511	667
SAVINGS/CURRENT ACCOUNT (FCDU)			
Bank of the Philippine Islands		721	43
BDO Unibank, Inc.		51	82
		772	125
		242,283	792
B. SHORT TERM INVESTMENTS		**-**	**-**
C. INVESTMENT IN BONDS AND OTHER SECURITIES			
Available for sale investments:			
Listed equity securities			
Asia United Bank	50	2	-
Philippine Long Distance Telephone Company	500	90	-
Top Frontier Holdings, Inc.	4,200	536	-
Philippine Central Depository, Inc.	5,000	500	-
Sta. Elena Golf Club-A	3	74,000	-
Alviera Country Club (Class C)	1	950	-
Alabang Country Club	1	6,400	-
Zeus Holdings, Inc.	1,175,600	8,776	-
MERALCO	59,837	18,934	-
PLDT	419,688	4,199	-
	1,664,880	114,387	-
Quoted debt securities			
Ayala Corporation	5,000	4,155	-
FIRST METRO 20-17	**-**	14,858	1,072
Rizal Commercial Banking Corp .- RTB 10-60	**-**	3,492	297
SECURITY BANK 20-13	**-**	1,323	88
BDO Unibank, Inc. UITF	13,000,000	13,826	-
	13,005,000	37,654	1,457
TOTAL INVESTMENTS IN BONDS & OTHER SECURITIES	14,669,880	152,041	1,457

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than Related Parties)
As at December 31, 2024
Amounts In Thousands

			Deductions				
Account Type	**Balance at Beginning period**	**Additions**	**Amounts Collected**	**Amounts Written off**	**Current**	**Not Current**	**Balance at End Period**
Advances to employees for company expenses	1,049	4,758	3,806	-	2,001	-	2,001
Salary loan	-	115	-	-	115	-	115
Car loan	2,071	914	1,507	-	181	1,298	1,479
Others	2,421	-	518	-	-	1,904	1,904
	5,541	5,787	5,831	-	2,297	3,202	5,499

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

As at December 31, 2024
Amounts In Thousands

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Accounts Written off*	Current	Not Current	Balance at end period
Orion I Holdings Philippines, Inc./Subsidiary*	199,153	-	-	-	-	199,153	199,153
LCI Commercial Ventures, Inc./Subsidiary	867	-	(867)	-	-	-	0
FLT Prime Insurance Corporation/Subsidiary	288	-	(40)	-	248	-	248
Tutuban Properties, Inc./Subsidiary	16,337	92,256	(89,009)	-	19,584	-	19,584
Unity Realty & Development Corporation/Subsidiary	15,796	94,443	(93,824)	-	16,416	-	16,416
Orion Land Inc./Subsidiary	20,065	45,472	(38,336)	-	27,200	-	27,200
Laguna Technopark, Inc./Subsidiary	14,249	314,647	(286,791)	-	42,105	-	42,105
A Flow Land I Corp/Subsidiary	82,776	-	-	-	82,776	-	82,776
	349,531	546,818	(508,867)	-	188,329	199,153	387,482

** Shortening of its corporate term approved in June 2023.*

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

As at December 31, 2024
Amounts In Thousands

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under the caption "Current Portion of long-term debt" in related balance sheet	Amount shown under the caption "Long-Term Debt" in related balance sheet
Term Loan	2,480,000	24,800	2,421,089

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

As at December 31, 2024
Amounts In Thousands

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

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2024
Amounts In Thousands

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

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule G - Capital Stock
As at December 31, 2024

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties*	Number of shares held Directors, officers and employees*	Number of shares held by Others
COMMON SHARES	**7,500,000,000**					
ISSUED		6,158,660,192		4,467,752,834	73,034,557	
SUBSCRIBED		142,931,795		49,444,216		
		6,301,591,987		4,517,197,050	73,034,557	

AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
December 31, 2024

Financial Ratios			
	Pursuant to SRC Rule 68, As Amended	(One Year) 31-Dec-24	(One Year) 31-Dec-23
	Formula		
Return on assets	Net Income / Average Assets	0.02	0.02
Return on equity	Net Income / Average Equity	0.05	0.05
Gross profit margin	Gross profit / Total Revenues	0.34	0.34
Net profit margin	Net income / Sales revenue	0.14	0.18
Cost to income ratio	Cost and expenses / Revenues	0.72	0.73
Current ratio	Current Assets / Current Liabilities	1.15	1.14
Quick ratio	Current Assets less Inventory less Prepayments / Current Liabilities	0.56	0.54
Solvency ratio	After tax net profit(loss) + Depreciation / Long Term Liabilities + Short Term Liabilities	0.09	0.07
Asset to equity ratio	Total Assets / Equity	2.07	2.06
Debt to equity ratio	Total Liability / Equity	1.07	1.06
Interest rate coverage ratio	EBITDA / Interest expense	3.91	3.15
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	15.16	17.40

AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2024
All amounts in Philippine Peso

	2024	2023
Total audit fees (including VAT)	3,139,360	2,422,560
Total non-audit services fees	-	-
Total audit and non-audit fees	3,139,360	2,422,560

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