



SECURITIES AND EXCHANGE COMMISSION

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The following document has been received:

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Company Information

SEC Registration No.: CS200411461

Company Name: MEGAWIDE CONSTRUCTION CORPORATION

Industry Classification: F45000

Company Type: Stock Corporation

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MEGAWIDE CONSTRUCTION CORPORATION
Company's Full Name

**20 N. Domingo Street,
Barangay Valencia
Quezon City**
Company's Address

655-1111
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17-Q
Form Type

September 30, 2025
Period Ended Date

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17(2)(b) THEREUNDER**

1. For the Quarterly Period Ended **September 30, 2025**
2. SEC Identification Number **CS200411461**
3. BIR Tax Identification No. **232-715-069-000**
4. Exact Name of Issuer as Specified in its Charter **Megawide Construction Corporation**
5. Province, Country or other Jurisdiction of Incorporation or Organization **Philippines**
6. Industry Classification Code (SEC use only)
7. Address of Principal Office **No. 20 N. Domingo Street, Barangay
Valencia, Quezon City
Postal Code 1112**
8. Issuer's Telephone Number, including Area Code **(02) 655-1111**
9. Former Name, Former Address and Fiscal Year, if Changed since Last Report **Not Applicable**

10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA:

Title of Each Class	Number of Shares Issued and Outstanding	Amount of Debt Outstanding (Php)
MWIDE (Common)	2,399,426,127	0
MWP2B (Preferred)	17,405,880	0
MWP3 (Preferred)	45,000,000	0
MWP4 (Preferred)	40,000,000	0
MWP5 (Preferred)	15,000,000	0
MWP6A (Preferred)	17,791,740	0
MWP6B (Preferred)	11,913,600	0
MWP6C (Preferred)	23,033,680	0

11. Are any or all these securities listed on a stock exchange?

Yes No

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

The Philippine Stock Exchange, Inc. - **Common Shares (MWIDE)**
- **Preferred Shares (MWP2B, MWP4, MWP5, MWP6A, MWP6B, and MWP6C)**

12. Check whether the issuer:

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

Yes No

has been subject to such filing requirements for the past 90 days.

Yes No

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The interim Consolidated Financial Statements of Megawide Construction Corporation (“Megawide”) as of September 30, 2025 with comparative figures as of December 31, 2024 and September 30, 2024, Cash Flows and Schedule of Aging Accounts Receivable is incorporated by reference as Exhibit 1.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The Company’s net income during the period reached Php501 million – representing 92% of full year 2024’s net income. This came from revenues of Php12.3 billion, contributed mainly by the construction business, with significantly increasing contribution from the real estate segment and steady share from landport operations. In terms of balance sheet, the Company’s current loans decreased by Php2.13 billion as a portion of short-term debt was retired during the latter part of September.

Below is a more detailed discussion of the Company’s operating and financial performance as well as the financial position.

A. RESULTS OF OPERATIONS

Review of results for the nine (9) months ended September 30, 2025 as compared with the results for the nine (9) months ended September 30, 2024.

Consolidated revenues slower at Php12.3 billion

Consolidated revenues for the period amounted to Php12.3 billion, Php4.04 billion less than the same period last year due mainly to the cyclical nature of the construction business. Specifically, projects under construction during the period are at the tail-end of the project cycles, thus generating less revenues.

In terms of segment, construction operations contributed Php10.4 billion and accounted 85% of total consolidated revenues. The performance was traced to the winding down phase for a number of existing projects, which generate lower revenues based on the S-Curve.

Revenue from real estate operations amounted to Php1.52 billion – more than 3x from the previous year – and accounted for 12% of consolidated revenues. This came from ongoing projects, such as My Enso Lofts, The Hive, Northscapes, Modan Lofts Ortigas Hills, and One Lancaster Park, which steadily increase their construction completion during the year. Lykke Condo, on the other hand, generated strong sales, which boosted unbooked revenues and provided a healthy stock of future revenues.

Landport operations delivered revenue of Php358 million from its leasing assets and contributed close to 3% of consolidated revenues. The segment continued to benefit from strong commercial performance from the terminal as passenger traffic sustain a steady influx during the period.

Direct Costs at Php9.09 billion, 31% lower

With slower revenue recognition, consolidated direct costs also declined 31% - or Php4.15 billion - to Php9.09 billion. Construction-related direct costs were 37% lower at Php8.03 billion, which was consistent with the pace of revenue associated with the tail-end phase in the S-Curve. The application of strategic vendor sourcing as well as push for project-wide use of more cost-efficient methodologies also contributed to the reduction in costs.

Cost of real estate operations likewise increased to Php851 million as construction progress in ongoing projects also accelerate. Landport-related costs amounted to Php210 million, slightly lower by Php35 million from the previous year, as office occupancy is still experiencing ramp-up mode.

Gross Profit higher by 4% or Php130 million

Consolidated gross profit reached Php3.24 billion, translating to a consolidated gross profit margin of 26%.

Per segment, the construction business contributed Php2.42 billion – representing a gross margin of 23% and contributed 75% to consolidated gross profit.

Real estate development chipped in Php671 million and landport operations accounted for the balance of P148 million, representing gross margins of 44% and 41%, respectively.

Other Operating Expenses totaled Php1.23 billion, higher by 16%

Other Operating Expenses during the period amounted to Php1.23 billion – 16% higher year-on-year – and attributed mainly due sales and marketing expenses associated with project launches from the real estate arm, PH1 World Developers, Inc.

Finance Costs reached Php2.13 billion, up by 15%

Finance costs amounted to Php2.13 billion, higher by Php282 million, due to the Group's bond issuance last May 2024 and availment of working lines at the start of the year to support operations.

Finance Income amounted to Php529 million, down 3%

With a downward trend in interest rates, finance income tapered off to Php529 million, which was Php19 million less than the same period in 2024. The amount came largely from interest income due from related parties, which were used to finance portion of their investing and working capital requirements, as well as money market placements.

Others - net increased to Php207 million, higher by 43%

Others - net generated an income of Php206 million, traced mainly to sales of scrap materials as well as charges on ancillary services and common area usage offered at PITX and gain on disposals of property, plant and equipment.

Tax Expense totaled Php106 million, lower by 66%

In line with lower pre-tax income, tax expense was also reduced to Php106 million – Php202 million lower compared to the same period last year.

Consolidated Net Income amounted to Php501 million

Consolidated net income amounted to Php501 million – slightly behind the previous year – as the main construction business enter a winding down phase, generating lower revenues, thus net income albeit improved margins, based on the project S-Curve cycle.

B. FINANCIAL CONDITION

Review of financial conditions as of September 30, 2025 as compared with financial conditions as of December 31, 2024.

ASSETS

Current Assets at Php50.0 billion, higher Php2.89 billion

The following discussion provides a detailed analysis of the increase in current assets:

Cash and Cash Equivalents at Php4.04 billion, decreased by 30%

The decrease in cash and cash equivalents was mainly due to dividend payments on preferred shares, coupons on outstanding bonds, payment of interest on and repayments of loans and borrowings, as well as other working capital requirements.

Trade and Other Receivables at Php22.9 billion, 4% higher

The increase in trade and other receivables is attributable to timing difference between the billing evaluation and collection cycle, as substantial portion of work accomplishment have been billed towards the end of the period. On the other hand, the Company collected Php3.5 billion of advances due from its parent, Citicore Holdings Investment, Inc., which will be used to pay down a portion of the outstanding debt.

Construction Materials at Php1.23 billion, up by 18%

The increase in materials inventory during the period is mainly attributable to the higher volume of materials required to support upcoming projects, particularly in the real estate segment. Furthermore, several ongoing projects in the construction segment have reached peak construction phases, necessitating larger quantities of materials on hand to replenish inventory and avoid supply interruptions.

Real estate inventories increased 51% to Php6.84 billion

The increase in real estate inventories is attributed to the costs incurred and construction completion related largely to the property development arm's ongoing and recently launched projects.

Contract Assets 19% higher to Php4.02 billion

The increase in contract assets is attributed to the timing difference between actual billing and evaluation process for portion of work-in-progress completed during the period, which will be billed and evaluated by the client upon completion of the said scope or activity.

Other Current Assets inched up by 3% Php11.0 billion

The increase was mainly due to advances made to suppliers and subcontractors for new projects to lock in volume and prices for major construction materials. There is also an increase in deferred input VAT and prepaid taxes related to the excess of creditable withholding tax payments over the current tax due.

Non-current Assets amounted to Php242 million

The following discussion provides a detailed analysis of the decrease in non-current assets:

Property, Plant and Equipment steady at Php5.81 billion

The slight movement represents additional equipment and machinery procured across the Group to support operations and address specific requirements of the ongoing projects.

Investment Properties slightly decreased to Php4.79 billion

The decrease is mainly related to the depreciation charges on investment properties for the period and acquisition of additional investment properties.

Deferred tax assets declined 10% to Php877 million

The movement was attributed to temporary discrepancies arising from the difference between the tax reporting and financial reporting bases used in revenue recognition.

Goodwill unchanged at Php3.8 billion

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 World Developers, Inc. (PH1) from Citicore Holdings Investment, Inc. (CHII) for a total cash consideration of Php5.20 billion. The transaction resulted in a goodwill from acquisition as the paid consideration is higher than the fair value of net identifiable assets acquired.

Other Non-Current Assets rose 5% to Php410 million

The increase in Other Non-current assets was mainly due to the procurement of computer software licenses.

LIABILITIES AND EQUITY**Current Liabilities steady at Php28.0 billion**

The following discussion provides a detailed analysis of the increase in current liabilities:

Interest-Bearing Loans and Borrowings-Current reduced to Php16.2 billion

The decrease is mainly due to the retirement of short-term loans during the latter part of the review period, coming from the proceeds of the partial settlement of advances from CHII.

Trade and Other Payables rose to Php6.21 billion

The increase was mainly due to volume and timing of purchases and payments to suppliers and subcontractors as well as from the dividend declaration to the holders of Series 6 Preferred Shares.

Contract liabilities – current inched up to Php5.14 billion

The higher amount is mainly related to reclassification from non-current portion to current portion of contract liabilities – representing downpayments from clients – reduced by the recoupments from progress billings.

Other Current Liabilities climbed 9% to Php466 million

The movement was traced to the reclassification from non-current to current portion of the deposits and advances received from tenants.

Non-current Liabilities higher by 8% to Php19.8 billion

The following discussion provides a detailed analysis of the increase in non-current liabilities:

Loans and Borrowings – noncurrent climbed 7% to Php17.8 billion

The increase is attributed to the additional drawdown by Cebu2world from its OLSA and availment by PH1 from its development loan to support its ongoing real estate projects.

Contract liabilities – noncurrent jumped 66% to Php1.49 billion

The increase is related to the downpayments received for newly awarded contracts.

Other non-current liabilities amounted to Php116 million, down 57%

The decrease is largely related to the application of outstanding security deposits from commercial tenants in the landport business.

Equity attributable to Parent increased to Php17.8 billion

The increase was primarily attributed to the issuance of Series 6 preferred shares amounting to Php5.2 billion, which was mainly used to redeem Php4.0 billion worth of Series 4 preferred shares and the balance to fund growth prospects as well as general corporate purposes. The Net Income for the period of Php501 million, less dividends to preferred stock shareholders amounting to Php481 million, also helped shore up Retained Earnings and boost equity.

C. MATERIAL EVENTS AND UNCERTAINTIES

There are no other material changes in Megawide's financial position by five percent (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

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

Megawide has capital commitment on unutilized preferred shares amounting to Php1,991.5 million various PPP projects and other pipeline projects. Other than that, there are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of Megawide.

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

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature. Neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth information from Megawide's statements of cash flows for the period indicated:

(Amounts in P Millions)	For the nine (9) months ended September 30	
	2025 UNAUDITED	2024 UNAUDITED
Cash Flow		
Net cash from (used in) operating activities	(P1,567)	P487
Net cash from (used in) investing activities	P2,188	(P633)
Net cash from (used in) financing activities	(P2,364)	P1,107

Indebtedness

As of September 30, 2025 Megawide has not been in default in paying interests and principal amortizations.

Megawide is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

E. RISK MANAGEMENT OBJECTIVES AND POLICIES

Megawide is exposed to a variety of financial risks in relation to its financial instruments. Its risk management is coordinated with the Board of Directors, and focuses on actively securing Megawide's short-to-medium term cash flows by minimizing the exposure to financial markets.

Megawide does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which it is exposed to are market risk, credit risk and liquidity risk. The detailed discussion of the impact of these risks are discussed in the quarterly financial statements, Exhibit 1.

F. KEY PERFORMANCE INDICATORS

Megawide's top KPIs are as follows:

Amounts in Php Billion, except Ratios and Earnings per Share	September 30, 2025	September 30, 2024
Current Ratio ¹	1.79	1.31
Net Debt to Equity Ratio ²	1.64	1.46
Book Value Per Share ³	4.70	4.74
Earnings / (loss) per Share ⁴	0.05	0.13
Gross Profit Margin ⁵	0.26	0.19

The KPIs were chosen to provide management with a measure of Megawide's sustainability on financial strength (Current Ratio), and profitability (Earnings per Share, Return on Assets, Return on Equity, Gross Profit Margin).

PART II—OTHER INFORMATION

There are no any information not previously reported in a report on SEC Form 17-C.

¹ Current Assets/Current Liabilities

² Interest bearing loans and borrowings less cash and cash equivalents and financial assets valued through profit or loss/Stockholder's Equity


³ Total Equity/Issued and Outstanding Shares

⁴ Net Profit/Issued and Outstanding Shares

⁵ Gross Profit / Revenue

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer, by the undersigned, thereto duly authorized, in QUEZON CITY on NOV 13 2025.

By: 
EDGAR B. SAAVEDRA
 Chairman and Chief Executive Officer

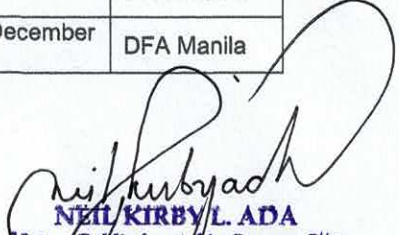

JEZ G. DELA CRUZ
 Group Chief Financial Officer

SUBSCRIBED AND SWORN TO before me in QUEZON CITY on NOV 13 2025, Affiants exhibiting to me their respective valid IDs, as follows:

Name	Competent Evidence of Identity	Date Issued/Date of Expiration	Place Issued
Edgar B. Saavedra	Philippine Passport No. P6875140B	Expiring on: May 26, 2031	DFA Manila
Jez G. Dela Cruz	Philippine Passport No. P8477381B	Expiring on: December 15, 2031	DFA Manila

Doc. No. 390 ;
 Page No. 39 ;
 Book No. IV ;
 Series of 2025.




NEIL KIRBY L. ADA

Notary Public for and in Quezon City
 Notarial Commission No. NP-260 (2025-2026)
 Until 31 December 2026
 No. 20 N. Domingo Street, Barangay Valencia, Quezon City
 Roll No. 77893
 PTR No. 7033091 / 01.06.2025 / Quezon City
 IBP No. 499859 / 01.06.2025 / Batangas Chapter
 MCLE Compliance No. VIII-0034433 valid until 14 April 2028

DOCUMENTARY STAMP TAX PAID
 Serial No.: 25982394 Date: NOV 13 2025

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

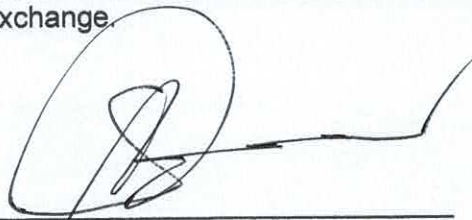
The management of **Megawide Construction Corporation and its Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at September 30, 2025 and December 31, 2024 and for the periods ended September 30, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Group for the year ended December 31, 2024, in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit. The financial statements as of and for the period ended September 30, 2025, 2024 and 2023 were not audited as allowed under the applicable rules of the Securities and Exchange Commission and the Philippine Stock Exchange.



ENGR. EDGAR B. SAAVEDRA
Chairman of the Board of Directors
Chief Executive Officer, and President
195-661-064-000



JEZ G. DELA CRUZ
Group Chief Financial Officer
215-462-291-000

NOV 13 2025

SUBSCRIBED AND SWORN TO before me this _____ at
CITY OF SAN JUAN affiants exhibiting to me their valid Tax Identification
Numbers stated above.

Signed this NOV 13 2025 th day of _____ 2025.

Doc. No. 309 ;
Page No. 63 ;
Book No. 1 ;
Series of 2025.



Janelle Caryn A. Dela Cruz
JANELLE CARYN A. DELA CRUZ
Notary Public for and in the City of San Juan
Appointment No. 16 (2025-2026)
Until 31 December 2026

11th floor, Santolan Town Plaza, 276 Col. Bonny Serrano
Ave., Barangay Little Baguio, San Juan City
Roll of Attorneys No. 84112
PTR No. 1821877 / 01.09.25 / City of San Juan
IBP No. 499976 / 01.06.25 / Rizal RSM Chapter
MCLE Compliance No. VIII - 0031500 (Until 14 April 2028)

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2025
(With Comparative Figures as of December 31, 2024)
(Amounts in Philippine Pesos)

			September 30, 2025 <u>(Unaudited)</u>		December 31, 2024 <u>(Audited)</u>
	<u>Notes</u>				
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	P	4,039,378,346	P	5,780,839,900
Trade and other receivables - net	5		22,915,580,698		22,028,537,213
Construction materials	6		1,228,754,986		1,044,446,803
Real estate inventories	6		6,840,474,149		4,526,132,734
Contract assets - net	7		4,018,336,585		3,385,788,211
Other current assets	9		<u>10,999,924,628</u>		<u>10,382,431,128</u>
Total Current Assets			<u>50,042,449,392</u>		<u>47,148,175,989</u>
NON-CURRENT ASSETS					
Investments in associates - net	8		255,894,880		256,096,148
Property, plant and equipment - net	10		5,811,098,007		5,898,965,573
Investment properties - net	11		4,794,853,014		4,868,163,697
Goodwill	12		3,797,069,546		3,797,069,546
Deferred tax assets - net			876,876,604		976,399,193
Other non-current assets	9		<u>410,398,814</u>		<u>391,885,885</u>
Total Non-current Assets			<u>15,946,190,865</u>		<u>16,188,580,042</u>
TOTAL ASSETS		P	<u>65,988,640,257</u>	P	<u>63,336,756,031</u>

	Notes	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	15	P 16,153,885,300	P 18,285,881,142
Trade and other payables	14	6,213,518,196	4,872,693,155
Contract liabilities	16	5,143,929,778	4,519,512,582
Other current liabilities	17	<u>465,695,030</u>	<u>425,709,547</u>
Total Current Liabilities		<u>27,977,028,304</u>	<u>28,103,796,426</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	15	17,806,677,045	16,716,115,759
Contract liabilities	16	1,486,244,498	892,644,800
Retirement benefit obligation		364,361,679	364,361,679
Other non-current liabilities	17	<u>115,897,867</u>	<u>267,896,526</u>
Total Non-current Liabilities		<u>19,773,181,089</u>	<u>18,241,018,764</u>
Total Liabilities		<u>47,750,209,393</u>	<u>46,344,815,190</u>
EQUITY			
Equity attributable to shareholders of the Parent Company:			
Capital stock	20.1	2,604,541,157	2,549,302,137
Additional paid-in capital	20.2	23,633,601,615	18,460,789,667
Deposit on future stock subscription	20.3	90,233,592	90,233,592
Treasury shares	20.4	(15,237,703,576)	(11,237,703,576)
Revaluation reserves - net		137,754,936	139,520,464
Retained earnings		<u>6,568,907,717</u>	<u>6,460,568,054</u>
Total equity attributable to shareholders of the Parent Company		17,797,335,441	16,462,710,338
Non-controlling interests	20.5	<u>441,095,423</u>	<u>529,230,503</u>
Total Equity	20	<u>18,238,430,864</u>	<u>16,991,940,841</u>
TOTAL LIABILITIES AND EQUITY		<u>P 65,988,640,257</u>	<u>P 63,336,756,031</u>

See Selected Notes to Interim Condensed Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Amounts in Philippine Pesos)
(UNAUDITED)

	Notes	2025		2024	
		Year-to-date	Quarter	Year-to-date	Quarter
REVENUES	18				
Construction operations	18.1	P 10,445,165,464	P 3,131,469,480	P 15,521,868,514	P 4,623,450,069
Landport operations	18.2	357,996,627	141,030,487	386,014,990	180,799,111
Real estate operations	18.3	1,522,469,683	453,833,822	440,176,638	129,061,396
		<u>12,325,631,774</u>	<u>3,726,333,789</u>	<u>16,348,060,142</u>	<u>4,933,310,576</u>
DIRECT COSTS	19				
Construction operations	19.1	8,028,211,712	2,417,653,034	12,809,300,543	3,810,502,198
Landport operations	19.2	210,135,232	69,733,211	245,836,401	94,278,925
Real estate operations	19.3	851,169,196	230,837,307	186,736,672	31,460,025
		<u>9,089,516,140</u>	<u>2,718,223,552</u>	<u>13,241,873,616</u>	<u>3,936,241,148</u>
GROSS PROFIT		<u>3,236,115,634</u>	<u>1,008,110,237</u>	<u>3,106,186,526</u>	<u>997,069,428</u>
INCOME AND EXPENSES					
Finance costs		(2,130,641,207)	(755,295,722)	(1,848,152,013)	(706,017,720)
Other operating expenses		(1,234,087,092)	(491,941,577)	(1,068,065,178)	(364,297,232)
Finance income		528,881,479	170,839,169	548,048,491	240,611,261
Others - net		206,969,981	27,239,031	145,001,332	69,200,977
		<u>(2,628,876,839)</u>	<u>(1,049,159,099)</u>	<u>(2,223,167,368)</u>	<u>(760,502,714)</u>
PROFIT BEFORE TAX		607,238,795	(41,048,862)	883,019,158	236,566,714
TAX EXPENSE		<u>106,187,327</u>	<u>(105,684,752)</u>	<u>308,098,982</u>	<u>99,229,551</u>
NET PROFIT		<u>P 501,051,468</u>	<u>P 64,635,890</u>	<u>P 574,920,176</u>	<u>P 137,337,163</u>

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Amounts in Philippine Pesos)
(UNAUDITED)

Note	<u>2025</u>		<u>2024</u>	
	<u>Year-to-date</u>	<u>Quarter</u>	<u>Year-to-date</u>	<u>Quarter</u>
Net Profit Attributable To:				
Shareholders of the Parent Company:	589,186,548	154,395,784	589,734,235	142,703,573
Non-controlling interests:	(<u>88,135,080</u>)	(<u>89,759,894</u>)	(<u>14,814,059</u>)	(<u>5,366,410</u>)
	P <u>501,051,468</u>	P <u>64,635,890</u>	P <u>574,920,176</u>	P <u>137,337,163</u>
Earnings per Share:				
24	P <u>0.05</u>		P <u>0.12</u>	

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Amounts in Philippine Pesos)
(UNAUDITED)

	2025		2024	
	<u>Year-to-date</u>	<u>Quarter</u>	<u>Year-to-date</u>	<u>Quarter</u>
NET PROFIT	P 501,051,468	P 64,635,890	P 574,920,176	P 137,337,163
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	(1,765,528)	(6,616,871)	7,653,825	1,913,456
Tax expense	-	-	(1,913,456)	(1,913,456)
Other Comprehensive Income (Loss) – net of tax	(1,765,528)	(6,616,871)	5,740,369	-
TOTAL COMPREHENSIVE INCOME	P 499,285,940	P 58,019,019	P 580,660,545	P 137,337,163
Total Comprehensive Income Attributable To:				
Shareholders of the Parent Company:	587,421,020	147,778,913	595,474,604	142,703,573
Non-controlling interests:	(88,135,080)	(89,759,894)	(14,814,059)	(5,366,410)
	P 499,285,940	P 58,019,019	P 580,660,545	P 137,337,163

See Selected Notes to Interim Condensed Consolidated Financial Statements.

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(UNAUDITED)
(Amounts in Philippine Pesos)

	Attributable to Shareholders of the Parent Company (See Note 20)										Non-controlling Interests (See Note 20)	
	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit on future stock subscription	Treasury Shares	Revaluation Reserves	Other Reserves	Retained Earnings	Total		Total	
Balance at January 1, 2025	P 2,399,426,127	P 149,876,010	P 18,460,789,667	P 90,233,592	(P 11,237,703,576)	P 139,520,464	P -	P 6,460,568,054	P 16,462,710,338	P 529,230,503	P 16,991,940,841	
Issuance of preferred shares (Series 6)	-	52,739,020	5,172,811,948	-	-	-	-	-	5,225,550,968	-	5,225,550,968	
Issuance of preferred shares (Series 3)	-	2,500,000	-	-	-	-	-	-	2,500,000	-	2,500,000	
Retirement of preferred shares (Series 4)	-	-	-	-	(4,000,000,000)	-	-	-	(4,000,000,000)	-	(4,000,000,000)	
Declaration of cash dividends	-	-	-	-	-	-	-	(480,846,885)	(480,846,885)	-	(480,846,885)	
Total comprehensive income (loss) for the period	-	-	-	-	-	(1,765,528)	-	589,186,548	587,421,020	(88,135,080)	499,285,940	
Balance at September 30, 2025	P 2,399,426,127	P 205,115,030	P 23,633,601,615	P 90,233,592	(P 15,237,703,576)	P 137,754,936	P -	P 6,568,907,717	P 17,797,335,441	P 441,095,423	P 18,238,430,864	
Balance at January 1, 2024	P 2,399,426,127	P 145,876,010	P 18,460,789,667	-	(P 11,237,703,576)	P 175,787,119	P -	P 6,471,907,771	P 16,294,770,474	P 516,690,629	P 16,811,461,103	
Declaration of cash dividends	-	-	-	-	-	-	-	(322,985,109)	(322,985,109)	-	(322,985,109)	
Total comprehensive income (loss) for the period	-	-	-	-	-	5,740,369	-	589,734,235	595,474,604	(14,814,059)	580,660,545	
Balance at September 30, 2024	P 2,399,426,127	P 145,876,010	P 18,460,789,667	-	(P 11,237,703,576)	P 181,527,488	P -	P 6,738,656,897	P 16,567,259,969	P 501,876,570	P 17,069,136,539	

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(UNAUDITED)
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2025</u>		<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 607,238,795	P	883,019,158
Adjustments for:				
Finance costs		2,130,641,207		1,848,152,013
Depreciation and amortization	9.5, 10, 11	743,450,904		1,102,328,713
Finance income	21	(528,881,479 )	(	548,048,491)
Gain on disposals of property, plant and equipment	10	(8,322,032 )	(	15,853,237)
Equity in net losses on associates and joint ventures	8.1, 23	11,961,268		10,664,725
Operating profit before working capital changes		<u>2,956,088,663</u>		3,280,262,881
Increase in trade and other receivables		(3,205,787,581 )	(	1,221,724,192)
Decrease (increase) in construction materials		(184,308,183 )	(	293,377,788)
Increase in real estate inventories		(2,314,341,415 )	(	490,862,209)
Increase in contract assets		(632,548,374 )	(	412,466,021)
Decrease (increase) in other current assets		(628,873,825 )	(	579,924,562)
Increase (decrease) in contract liabilities		1,294,880,499	(	1,359,908,510)
Increase (decrease) in trade and other payables		1,150,285,104	(	141,202,216)
Decrease in other liabilities		(112,013,176 )	(	137,482,585)
Cash generated from (used in) operations		(1,676,618,288)		389,919,498
Interest received		109,394,814		97,501,610
Cash paid for income taxes		-	(	903,995)
Net Cash From (Used in) Operating Activities		<u>(1,567,223,474)</u>		486,517,113
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment, and computer software license	9.5, 10	(607,173,503 )	(	588,106,711)
Acquisitions of investment properties	11	(42,219,274 )	(	41,882,147)
Investment in an associate	8.1	(11,760,000 )	(	36,309,000)
Proceeds from sale of property, plant and equipment	10	61,148,759		36,834,684
Financing granted to related parties		-	(	29,179,180)
Financing collected from related parties		<u>2,788,475,192</u>		26,059,367
Net Cash From (Used in) Investing Activities		<u>2,188,471,174</u>	(	632,582,987)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans and borrowings	28	18,481,211,144		21,300,345,474
Repayment of loans and borrowings	28	(19,542,356,644 )	(	18,067,001,342)
Redemption of preferred shares	20.4	(4,000,000,000)	(-
Interest paid		(2,155,757,327 )	(	1,803,024,505)
Dividends paid	20.2	(375,415,996 )	(	322,985,109)
Proceeds from issuance of preferred shares	20.1	<u>5,228,050,968</u>		-
Net Cash From (Used in) Financing Activities		<u>(2,364,267,855)</u>		1,107,334,518
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents		<u>1,558,601</u>		9,087,531
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(1,741,461,554)</u>		970,356,175
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		<u>5,780,839,900</u>		4,878,885,375
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	<u>P 4,039,378,346</u>	P	<u>5,849,241,550</u>

See Selected Notes to Interim Condensed Consolidated Financial Statements.

Megawide Construction Corporation and Subsidiaries

(A Subsidiary of Citicore Holdings Investment, Inc.)

Selected Notes to the Condensed Interim Consolidated Financial Statements

As at and for the nine months ended September 30, 2025

(With comparative figures as at December 31, 2024 and for the nine months ended September 30, 2024)

(All amounts are in Philippine Peso unless otherwise stated)

1 General information

1.1 Incorporation and operations

Megawide Construction Corporation (Megawide or the “Parent Company”) was incorporated in the Philippines on July 28, 2004 and is engaged in the general construction business, including constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures. It performs other allied construction business like the construction and sale of precast items, concrete production, and purchase sale and/or lease of formworks system and construction equipment.

On January 28, 2011, the Philippine Stock Exchange (PSE) and the Securities Exchange Commission (SEC) approved the Parent Company’s application for the listing of its common stock. The approval covered the initial public offering (IPO) of 292.0 million unissued common shares of the Parent Company at P7.84 offer price per share and the listing of those shares in PSE’s main board on February 18, 2012. On December 3, 2014, the Parent Company made a primary offer of 40.0 million preferred shares at an offer price of P100.0 per share. These preferred shares are also listed in the PSE (Note 20.1). Moreover, the Parent Company also made follow-on offerings in 2020, 2021, 2023, and 2025 (Note 20.1).

The Parent Company remains a subsidiary of Citicore Holding Investment, Inc. (Citicore) which owns and controls 35.57% of the issued and outstanding capital stock of the Parent Company as of September 30, 2025 and December 31, 2024, because Citicore still directs the overall business operations of the Parent Company through its Chief Executive Officer and President, who is also the President of Citicore. Moreover, Citicore also appoints majority of the board members and remains as the single largest stockholder controlling the Board of Directors (BOD).

Citicore is a company incorporated in the Philippines and is engaged in the business of a holding company through buying and holding shares of other companies. The registered address of the Parent Company, which is also its principal place of business, is at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

1.2 Subsidiaries, associates and joint arrangements

The Parent Company holds ownership interest in the following subsidiaries, associates and joint arrangements (together with the Parent Company, collectively hereinafter referred to as the Group):

Subsidiaries/Associates/Joint Operations/Joint Ventures	Notes	Percentage of effective ownership	
		2025	2024
Subsidiaries:			
PH1 World Developers, Inc. (PH1)	a	100%	100%
PH1 World Landscapes Inc. (PH1-WL)	a	100%	100%
Famtech Properties, Inc. (Famtech)	a	49%	49%
PH1Vel Properties, Inc. (PH1-VEL)	a	100%	100%
Megawatt Clean Energy, Inc. (MCEI)	b	70%	70%
Megawide Land, Inc. (MLI)	c	100%	100%
Megawide Cold Logistics, Inc. (MCLI)	c	60%	60%
Megawide Construction (BVI) Corporation (MCBVI)	d	100%	100%
Megawide Construction DMCC (DMCC)	d	100%	100%
Megawide Infrastructure DMCC (MW Infrastructure)	d	100%	100%
MWM Terminals, Inc. (MWMTI)	e	100%	100%
Megawide Terminals, Inc. (MTI)	f	100%	100%
Megawide International Limited (MIL)	g	100%	100%
Megawide Construction (Singapore) Pte. Ltd. (MC-SG)	g	100%	100%
Cebu2World Development, Inc. (CDI)	h	100%	100%
Wide-Horizons, Inc. (WHI)	i	100%	100%
Tiger Legend Holdings Limited (TLH)	j	100%	100%
Megawide OneMobility Corporation (MOMC)	k	80%	80%
Tunnel Prefab Corporation (TPC)	l	90%	90%
Megawide GMR Construction Joint Venture, Inc. (MGCJVI)	r	100%	50%
Accounted for as Asset Acquisition - Altria East Land, Inc. (Altria)	m	100%	100%
Associates:			
Megawide World Citi Consortium, Inc. (MWCCI)	n	51%	51%
Citicore Megawide Consortium, Inc. (CMCI)	n	10%	10%
GMR Megawide Cebu Airport Corporation (GMCAC)*	o	-	-
Evolution Data Centres Philippines, Inc. (EDC)	p	49%	49%
Joint Operations:			
Megawide GISPL Construction Joint Venture (MGCJV)	q	50%	50%
HDEC- Megawide-Dongah JV (HMDJV)	s	35%	35%
Tokyu-Tobishima-Megawide Joint Venture (TTM-JV)	t	30%	30%

*No longer subsidiaries of the Group in 2025 and 2024

(a) PH1

On July 12, 2023, the Parent Company and Citicore executed a Share Purchase Agreement (SPA) for the Parent Company to acquire 100% of the outstanding capital stock of PH1 from Citicore. The fulfilment of the conditions precedent under the SPA such as the transfer of 579,457,844 common shares from Citicore to the Parent Company, and the payment by the Parent Company to Citicore for the purchase price of P5,200.0 million were fulfilled on July 27, 2023 that resulted in the closing of the transaction.

PH1 was registered with the SEC on February 6, 2009 primarily to engage in the business of buying, selling, leasing, developing and managing real estate properties. The registered office address of PH1, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 has a wholly owned subsidiary, PH1-WL. PH1-WL, which was registered on September 16, 2022, is engaged in real estate business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 also has a 49% ownership in Famtech, a company incorporated in the Philippines and was established to engage in real estate development. Famtech is consolidated in the Group's financial statements as the management considers that the Group has de facto control over Famtech even though it effectively holds less than 50% ownership interest. The registered office of Famtech is located at 5th Floor Pro-Friends Center, 55 Tinio Street, Brgy. Additional Hills, Mandaluyong City.

PH1 has a wholly owned subsidiary, PH1-VEL. PH1-VEL, which was registered on March 1, 2024, is engaged in real estate development business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112. As at September 30, 2025, PH1-VEL has not yet started operations.

(b) MCEI

On September 4, 2014, the Company acquired 70% of the issued and outstanding capital stock of MCEI. MCEI was incorporated to engage in the development of clean or renewable energy sources for power generation. MCEI's registered address, which is also its principal place of business, is located at 9/F, 45 San Miguel, 45 San Miguel Avenue, Ortigas Center, Pasig City. As of September 30, 2025, MCEI has not yet started operations.

(c) MLI

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. MLI has not commenced its operations as at September 30, 2025.

MLI has a 60% ownership interest in MCLI, a company incorporated in the Philippines and was established to engage in cold and dry storage business. The registered office address of MCLI, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The entity did not engage in any commercial activities during the period ended September 30, 2025. Consequently, there were no revenue-generating operations or transactions recorded for this period.

(d) MCBVI

On June 20, 2017, the Parent Company acquired 100% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. MCBVI's registered address, which is also its principal place of business, is Marcy Building, 2nd floor, Purcell Estate, Road Town Tortola, British Virgin Islands. In 2018, MCBVI commenced business operations.

MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW Infrastructure have not commenced operations as at September 30, 2025.

(e) MWMTI

MWMTI, whose registered office is at No. 1 Kennedy Road, Barangay Tambo, Parañaque City, is a joint venture arrangement formed on February 10, 2015 by the Parent Company and MTI, both exercising joint control to direct the relevant activities of MWMTI. The joint venture undertakes the development and implementation of the Parañaque Integrated Terminal Exchange (PITX) Project granted by the Philippine Government to MWMTI under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr. In November 2018, MWMTI commenced commercial operations.

MWMTI is effectively owned by the Company and MTI at 51% and 49%, respectively. However, the Company and MTI are exercising joint control over MWMTI. In 2018, the Company and MTI infused additional P542.5 million and P526.6 million, respectively, that is intended to be converted into capital stock. The same has been converted to capital stock in 2020 upon approval from SEC of the increase in authorized capital stock which was filed in 2019. The Company and MTI retained joint control over MWMTI after the stock issuance.

In 2022, the Company infused cash amounting to P350.0 million to MWMTI that is intended to be converted to capital stock relative to MWMTI's planned increase in capital stock.

(f) MTI

On August 9, 2018, the Parent Company acquired 344.5 million shares or 100% ownership interest in MTI from existing shareholders of MTI for P344.1 million. MTI owns 49% interest over MWMTI.

MTI is an entity incorporated and registered on November 11, 2011 to establish, own, manage, administer, operate, maintain, and carry the business of providing property management services, either directly or through third parties, but not limited to the services of rent collection, tenant and lease management, marketing and advertising, repair and maintenance, liaison and other similar services. MTI's registered address and principal place of business is at 20 N. Domingo Street Brgy. Valencia, Quezon City.

(g) MIL

MIL, whose registered office is at Marcy Building, 2nd Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross Street #24-03/04 Manulife Tower Singapore. MIL and MC-SG has not commenced operations as of September 30, 2025.

(h) CDI

CDI, whose registered office is at 3/F Unit 2, Carbon Market, Quezon Blvd, Ermita, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust. The Parent Company owns 100% interest over CDI. In 2025, the Parent Company infused cash amounting to P195.8 million to CDI, which was recognized as part of investment in CDI.

(i) WHI

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of September 30, 2025, WHI has not yet started commercial operations.

(j) TLH

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of September 30, 2025.

(k) MOMC

MOMC, whose registered address is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated in the Philippines and registered with SEC on March 11, 2015 to engage in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other stockholders by way of assignment in private sale. In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of September 30, 2025.

(l) TPC

In 2022, the Parent Company acquired 90% ownership interest in TPC. TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects.

(m) Altria

On December 26, 2012, pursuant to a memorandum of agreement dated December 17, 2012, the Parent Company acquired 100% ownership interest in Altria. Altria is a company incorporated in the Philippines and holds an investment property in the form of land. The registered office of Altria, which is also its principal place of business, is located at Coastal Road Bangiad, San Juan, Taytay, 1920 Rizal. As of September 30, 2025, Altria has not started operations and its assets mainly pertain to the land where the Company's precast and batching facilities are constructed.

The Parent Company's acquisition of Altria is accounted for as an asset acquisition since it does not constitute an acquisition of business.

(n) MWCCI and CMCI

MWCCI was incorporated in the Philippines on January 16, 2014 and is primarily established to undertake and implement the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital (New Hospital Facility), under the Modernization of the Philippine Orthopedic Center (MPOC) Project. MWCCI's registered office, which is also its principal place of business, is at 20 N. Domingo Street, 1112 Valencia, Quezon City.

CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business. CMCI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Group's investments in MWCCI and CMCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities.

Significant assets of MWCCI pertain to its receivables from the Department of Health (DOH) from the Build-Operate-Transfer Agreement. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group has wrote off its investment in MWCCI in 2022.

As of September 30, 2025, the Company owns 10% interest in CMCI.

(o) *GMCAC*

GMCAC was incorporated in the Philippines and registered in the SEC in 2014. GMCAC's primary purpose is to construct, develop, operate and maintain the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility (MCIA Project). GMCAC started commercial operations on November 1, 2014.

GMCAC was established for the purpose of implementing the provisions of the Concession Agreement that was signed on April 22, 2014 between the Parent Company and GMR Infrastructure Limited (GIL) or GMR, and the Department of Transportation and Communications (currently, the Philippine Department of Transportation or DOTr) and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors).

GIL is an entity duly organized and registered in India. DOTr and MCIAA are the agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA Project. GMCAC's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City.

On October 30, 2024, in accordance with the agreement dated September 2, 2022 among the Parent Company, GAIBV, and AIC, the Parent Company opted to exchange the rest of its 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock in favor of AIC, for the total amount of P7,763.2 million. On the same date, the Company assigned, sold, transferred, and conveyed, absolutely and irrevocably unto AIC all its remaining 2,643.3 million outstanding capital stock in GMCAC to AIC for the total price of P7,763.2 million.

(p) *EDC*

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of technological services. As of December 31, 2024 and 2023, the Parent Company has 49% ownership interest in EDC [Note 8.1(b)].

(q) *MGCJV*

MGCJV is an unincorporated joint venture formed in 2014 by the Parent Company and GMR Infrastructure (Singapore) PTE Limited - Philippines Branch (GISPL) each owning 50% interest and exercising joint control. MGCJV was established to provide construction of works for the renovation and expansion of the MCIA Project and other airport related construction projects of the Group. MGJCV began to operate in 2015.

(r) *MGCJVI*

MGCJVI is an incorporated joint arrangement formed in January 2018 by the Parent Company owning 50% interest and GISPL with 45% interest and GMR Holdings Overseas (Singapore) PTE Limited owning the remaining 5%. The Parent Company and GISPL both exercising joint control. MGCJVI was established to provide general construction business including construction, improvement and repair of Clark Airport project. MGJCVI began to operate in 2018.

On January 9, 2025, the Parent Company, executed a share purchase agreement for the acquisition of the outstanding capital stock of Megawide GMR Construction JV, Inc. ("JV"), from GMR Global Pte. Ltd. (formerly GMR Holdings Overseas Singapore PTE Limited ("GHOSPL") and GMR Infrastructure (Singapore) Pte Limited ("GISPL"). The transaction allows the Parent Company to wholly own its existing subsidiary, Megawide GMR Construction JV, Inc., the developer of the Clark International Airport Project, where it can leverage its engineering and construction expertise; and at the same time strengthen its balance sheet.

(s) *HMDJV*

HMDJV is an unincorporated joint venture formed on October 27, 2020, by the Parent Company owning 35% and Hyundai Engineering & Construction Co., Ltd. and Dong-ah Geological Engineering Company Ltd. Owning 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDJV was established to provide construction works for the civil structures, viaducts, bridges, and stations of Malolos-Clark Railway Project. HMDJV began to operate in 2021.

(t) *TTM-JV*

TTM-JV is an unincorporated joint venture formed on May 31, 2022, by the Parent Company owning 30% and Tokyu Construction Co., Ltd. and Tobishima Corporation owning 40%, and 30% interest, respectively, and exercising joint control over the assets and liabilities of the arrangement. TTM-JV was established to provide construction works of the two underground stations (Ortigas North and Ortigas South) and tunnels of Metro Manila Subway Project. TTM-JV began to operate in 2023.

(u) *MTRGC*

MTRGC was incorporated and registered with the SEC on March 21, 2018 to develop, set-up, operate, maintain and manage the duty paid outlets at the locations in the Mactan Cebu International Airport. It started operations in 2018.

(v) *SSPPC*

SSPPC was incorporated and registered with the SEC on March 13, 2018 to develop, set-up, operate, maintain and manage food and beverage outlets at specified locations in Terminal 1 and Terminal 2 of Mactan Cebu International Airport and the provision of related services thereto. It started operations in 2018.

1.3 Approval of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of the Group as of and for the nine months ended September 30, 2025 (including the comparative consolidated financial statements as at December 31, 2024 and condensed interim consolidated financial statements for the nine months ended September 30, 2024 and 2023) were authorized for issue by the Parent Company's BOD on November 13, 2025.

2 Segment reporting

The Group's operating businesses are recognized and managed separately according to the nature of services provided with a segment representing a strategic business unit. The Group's business segments follow:

2.1 Business segments

- (a) *Construction operations* - principally refers to general construction business, including constructing and sale of precast items and concrete production and rental of construction equipment.
- (b) *Landport operations* - principally relates to the development and implementation of the PITX Project.
- (c) *Real estate operations* - mainly pertains to the development and sale of residential condominium units.

Other operations of the Group comprise the operations and financial control groups. These segments are also the basis of the Group in reporting to its executive committee for its strategic decision-making activities. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

2.2 Segment assets and liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred taxes.

2.3 Analysis of segment information

Presented below are the relevant operating segment information about the results of operations and financial position of the Group's business segments for the nine months ended September 30, 2025 and 2024 and financial position as of September 30, 2025 and December 31, 2024 (amounts in thousands).

	Construction		Landport		Real Estate		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Results of operations								
Sales to external customers	10,445,165	15,521,868	357,997	386,015	1,522,470	440,177	12,325,632	16,348,060
Intersegment sales	1,575,047	524,113	-	-	-	-	1,575,047	524,113
Segment revenues	12,020,212	16,045,981	357,997	386,015	1,522,470	440,177	13,900,679	16,872,173
Cost and other operating expenses:								
Cost excluding depreciation and amortization	8,857,886	12,401,479	101,611	101,842	851,169	186,737	9,810,666	12,690,058
Depreciation and amortization	576,798	891,735	113,086	148,186	33,229	45,616	723,113	1,085,537
Interest income	(605,840)	(582,289)	(28,747)	(5,862)	(119)	(34,188)	(634,706)	(622,339)
Interest expense	1,662,813	1,594,686	174,148	186,615	290,310	64,789	2,127,271	1,846,090
Equity share in profit or loss and joint ventures	11,961	10,665	-	-	-	-	11,961	10,665
Other expense (income)	(165,994)	(21,275)	(82,045)	(51,812)	120,498	(908)	(127,541)	(73,995)
Tax expense (income)	108,268	328,691	(2,402)	(21,598)	1,699	3,142	107,565	310,235
Other expenses	514,829	464,915	124,701	104,426	399,358	312,846	1,038,888	882,187
	10,960,721	15,088,607	400,352	461,797	1,696,144	578,034	13,057,217	16,128,438
Segment net profit (loss)	1,059,491	957,374	(42,355)	(75,782)	(173,674)	(137,857)	843,462	743,735
Consolidated statements of financial position								
Total segment assets	58,332,874	57,250,463	5,266,028	5,642,973	11,447,648	6,524,996	75,046,550	69,418,432
Total segment liabilities	39,471,822	40,196,107	4,129,710	4,464,299	8,677,074	4,248,198	52,278,606	48,908,604
Capital expenditures	128,517	711,310	-	200	17,242	6,537	145,759	718,047
Investment in associates and joint ventures accounted for by the equity method	255,895	256,096	-	-	-	-	255,895	256,096

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its condensed interim consolidated financial statements for the nine months ended September 30, 2025 and 2024 (amounts in thousands).

	2025	2024
Revenues		
Segment revenues	13,900,679	16,872,173
Intersegment sales	(1,575,047)	524,113
Revenues as reported in the consolidated statements of income	12,325,632	16,348,060
Profit or loss		
Segment net profit	843,463	743,735
Other unallocated (charges) income - net	(342,411)	(560,314)
Net profit as reported in the consolidated statements of income	501,051	183,420
Assets		
Total segment assets	74,153,037	69,418,432
Elimination of intercompany accounts	(20,995,937)	(18,393,716)
Other unallocated assets	12,831,541	12,312,040
Total assets as reported in the consolidated statements of financial position	65,988,641	63,336,756
Liabilities		
Total segment liabilities	51,385,093	48,908,604
Elimination of intercompany accounts	(7,762,698)	(6,549,350)
Other unallocated liabilities	4,127,814	3,985,561
Total liabilities as reported in the consolidated statements of financial position	47,750,209	46,344,815

2.4 Other segment information

The Group has not identified any segment based on geographical location since the Group's operation is concentrated in one country of location.

3 Additional notes in compliance with Philippines Accounting Standard (PAS) 34

1. The Group is dependent on the ability of real estate developers to market, sell and dispose of condominium units to potential customers. The Group is gradually diversifying into the affordable and socialized housing segments and infrastructure projects pushed by the Government to capitalize on demand.
2. The Group has various agreements for the period ended September 30, 2025, primarily construction agreements with its related parties.

3. Related party transactions include advances to (from) related parties which are made to finance working capital requirements including cash advances granted and obtained, revenue from services, interest receivable, rent and advances to employees (Note 21).
4. Refer to Note 18 for the disaggregation of the Group's revenue from contracts with customers recognized for the periods ended September 30, 2025 and 2024.
5. The Group's equity transactions for the period ended September 30, 2025 includes (i) redemption of its Series 4 Preferred Shares, on April 29 2025, at a redemption price of P100.00 per share increasing the treasury shares by P4,000.0 million.; (ii) issuance of Series 6 preferred shares amounting to P52.74 million with additional paid-up capital (APIC) amounting to P5.17 billion; and (iii) cash dividend declaration amounting to P480.85 million (Note 20).
6. There were no items not in the ordinary course of business for the period ended September 30, 2025 that affected assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.
7. There were no other off-balance sheet arrangements or obligations for the period ended September 30, 2025 that were likely to have a current or future effect on the financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.
8. Aside from interest earnings from the Group's cash deposits, short term placements and interest from related parties, there are no significant elements of income or loss for the period ended September 30, 2025 that did not arise from the Company's continuing operations.
9. Any material changes from period to period in any line items of the Group's condensed interim consolidated financial statements that have not been explained were the results of normal fluctuations in operations.

4 Cash and cash equivalents

Cash and cash equivalents as at the reporting periods consist of:

	September 30, 2025	December 31, 2024
Cash on hand	6,852,232	6,401,063
Cash in banks	3,997,970,633	5,044,134,713
Cash equivalents	34,555,481	730,304,124
	<u>4,039,378,346</u>	<u>5,780,839,900</u>

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

Cash equivalents consist of investments in short-term placements, which have an average maturity of 30 to 90 days and earn annual average effective interest of 5% to 6% on September 30, 2025 and December 31, 2024.

Accrued interest receivable from these financial assets amounted to P4.2 million as at September 30, 2025 (2024 - P4.5 million) and is presented as part of accrued interest receivable under Trade and other receivables account in the condensed interim consolidated financial position (Note 5).

5 Trade and other receivables, net

Trade and other receivables as at the reporting periods consist of:

	Notes	September 30, 2025	December 31, 2024
Contract receivables			
Third parties		7,931,860,815	4,337,794,312
Related parties	21.1	1,120,474,690	1,431,387,389
		9,052,335,505	5,769,181,701
Retention receivables			
Third parties		3,732,561,205	3,408,435,268
Related parties	21.1	858,265,599	753,260,102
		4,590,826,804	4,161,695,370
Real estate sales receivables		198,013,116	219,522,138
Advances to:			
Related parties	21.4	3,747,352,928	6,443,714,428
Employees	21.3	108,135,333	80,938,542
		3,855,488,261	6,524,652,970
Rental receivables:			
Lease receivable - per contract		875,206,739	1,153,989,791
Lease receivable - effect of straight-line method		16,714,044	97,642,793
		891,920,783	1,251,632,584
Accrued interest receivables	4, 21.4	2,996,643,315	2,988,194,665
Other receivables	21.2, 21.5	1,564,372,987	1,385,557,311
		23,149,600,771	22,300,436,739
Allowance for impairment		(234,020,073)	(271,899,526)
		22,915,580,698	22,028,537,213

Retention receivables pertain to progress billings which are withheld by the project owners equivalent to 5.0% or 10.0% as provided in the respective construction contract of each project. These will only be collected after a certain period of time upon acceptance by project owners of the certificate of completion.

Real estate sales pertain to the balance of uncollected portion of the contract price of completed units sold that are subject for collection from customers through their respective bank financing, which is normally completed within one to two months.

Rental receivables include those unpaid rentals from third party tenants of the Group, and the related rent receivables arising from the difference between the cash basis rent income and the straight-line rent income of all lease contracts with fixed payments as of the end of the reporting period.

Trade and other receivables except certain advances to related parties do not bear any interest.

All receivables, except advances to employees which are subject to liquidation, are subject to credit risk exposure. The Group's trade and other receivables have been reviewed for impairment using the provision matrix as determined by the management.

The total allowance for impairment for contract receivables provided by the Group amounted to P234.0 million as at September 30, 2025 and December 31, 2024.

A reconciliation of the allowance for impairment are as follows:

	September 30, 2025	December 31, 2024
Balance at beginning of the period	271,899,526	262,111,638
Additional ECL for the period	-	45,056,864
Write off	(37,879,453)	(35,268,976)
Balance at end of period	234,020,073	271,899,526

In 2025 and 2024, the Company wrote off contract receivables which were previously provided with allowance for impairment since the management assessed that there is no reasonable expectation of recovery for these receivables.

6 Inventories

6.1 Real estate inventories

As at the reporting periods, real estate inventories consist of the following:

	September 30, 2025	December 31, 2024
Land and land development	2,824,381,418	2,353,740,758
Construction costs	4,016,092,731	2,172,391,976
	6,840,474,149	4,526,132,734

Construction costs include actual costs of construction and related engineering, architectural and other consultancy fees, and capitalized borrowing costs. In 2025 and 2024, the Group has not capitalized any borrowing costs in relation to the development and construction of its residential condominium projects as a result of its adoption of PIC Q&A 2018-12. All costs incurred relating to the Group's development and construction of its residential condominium projects are recorded under real estate inventories account. The cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized. There were no liens and encumbrances attached to these inventories.

There were no inventory write-downs recognized in relation to real estate inventories.

6.2 Construction materials

As at the reporting periods, construction materials were stated at cost which is lower than net realizable value. This account consists of the following:

	September 30, 2025	December 31, 2024
Materials issued to project sites	723,241,639	417,369,162
Consumables and spare parts	298,999,943	387,185,164
Mechanical electrical plumbing and fireproof materials	49,408,288	49,990,566
Hardware	36,248,691	75,445,124
Rebars	5,960,340	30,904,239
Precast	32,671,147	30,551,235
Others	82,224,938	53,001,313
	1,228,754,986	1,044,446,803

Materials issued to project sites pertain to various construction materials delivered to project warehouses and are yet to be installed or used by its subcontractors. The Parent Company recognizes revenue from these construction project contracts over time during the course of the construction.

Others pertain to construction materials which include collapsible container office, sand, cement, painting materials, nails and adhesive items.

No liens and encumbrances are attached to these inventories.

7 Contract assets

The breakdown of contract assets as at the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Construction contracts	3,868,201,016	3,868,201,016
Real estate operations	1,237,550,871	605,002,497
	5,105,751,887	4,473,203,513
Allowance for impairment	(1,087,415,302)	(1,087,415,302)
	4,018,336,585	3,385,788,211

The significant changes in the contract assets balances during the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Balance at beginning of period	4,473,203,513	6,727,603,916
Increase as a result of changes in measurement of progress	2,748,112,178	6,449,169,751
Decrease as a result of reversal to trade receivables	(2,115,563,804)	(6,282,648,038)
Write-off	-	(2,420,922,116)
	5,105,751,887	4,473,203,513
Allowance for impairment	(1,087,415,302)	(1,087,415,302)
Balance at end of period	4,018,336,585	3,385,788,211

As at September 30, 2025 and December 31, 2024, the allowance for impairment on contract assets amounted to P1,087.4 million. The Group did not recognize any additional allowance during the year.

Contract assets pertains to the gross amount due from customers for contract works of all contracts in progress and the portion arising from the real estate operations, which are not yet billed. Contract assets also include the cost of the landport area of the PITX Project will be recovered through the Grantor payments. In 2024, the Company reclassified the contract asset account to appropriate receivable accounts upon commencement of the collection from the Department of Transportation which is expected to continue in subsequent years.

The Group recognizes contract assets, due to timing difference of billings and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Changes in the contract assets are recognized by the Group when a right to receive payment is already established.

In 2024, the Group wrote-off certain contract assets representing receivables related to projects that were already completed in prior years and were undergoing the close-out process. The Company pursued the collectability of such accounts and engaged in several discussions with these counterparties for the past 18-24 months. Determination of allowance for impairment losses is based on individual assessment of impaired contract asset.

8 Investments in associates and joint venture and acquisition of assets

The Group's associates and joint venture are not listed in the local stock exchange; hence, the fair value of the shares cannot be determined reliably. However, management believes that the carrying amounts of the investments are fully recoverable based on either the prospect of the business or the recoverable amount from the net assets of these associates and joint ventures.

8.1 Investment in associates

The components of the carrying values of this account as at the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Acquisition cost:		
CMCI	200,000,000	200,000,000
EDC	112,756,000	100,996,000
Equity share in net losses:	312,756,000	300,996,000
Balance at beginning of period	(44,899,852)	(4,452,344)
Equity in net loss for the period	(11,961,268)	(40,447,508)
Balance at end of period	(56,861,120)	(44,899,852)
	255,894,880	256,096,148

These associates do not have any other comprehensive income or loss in 2025 and 2024.

(a) CMCI

The Parent Company, together with Citicore, formed CMCI as a consortium for the construction of classrooms in Regions 3 and 4 under the build-lease-transfer Public Private Partnership (PPP) agreement with the Philippine Department of Education (DepEd) ownership interest.

As at September 30, 2025 and December 31, 2024, the Parent Company owns 10% interest in CMCI.

(b) EDC

In 2023, the Parent Company subscribed to 616,910 new shares or equivalent to 49% ownership interest in EDC for a total subscription price of P61.7 million. The rights and powers of the Parent Company over the management and control of EDC are exercised through a seat in the BOD of EDC. Taking this into consideration, the Parent Company concluded that it has significant influence over the investee; accordingly, the investment is accounted for as an investment in an associate.

In 2025, the Parent Company made an additional investment in EDC amounting to P5.9 million, intended to support the working capital and funding requirements of ongoing projects.

As at September 30, 2025 and December 31, 2024, the Parent Company did not receive any dividends from its associates.

8.2 Interest in joint operations

As discussed in Note 1.2(q), 1.2(s), and 1.2(t), MGCJV shall undertake the construction works for the renovation and expansion of the MCIA Project in Cebu, HMDJV shall undertake the construction works of the Malolos-Clark Railway, while TTM-JV shall undertake the construction works of the two underground stations (Ortigas North and Ortigas South) and tunnels of Metro Manila Subway Project. The Parent Company's interests in MGCJV, MGCJVI, HMDJV and TTM-JV are accounted for as joint arrangement - joint operation, as such, the Parent Company accounts for its interest in the relevant assets, liabilities, revenues, and expenses of MGCJV, HMDJV and TTM-JV.

On January 9, 2025, the Parent Company executed a Share Purchase Agreement, resulting in MGCJVI becoming a wholly-owned subsidiary of the Group. Consequently, as at September 30, 2025, is accounted for as a subsidiary.

As at September 30, 2025 and December 31, 2024, the relevant financial information of the Group's interest in MGCJV, HMDJV and TTM-JV which are included in the appropriate accounts in the Group's consolidated statements of financial position and consolidated statements of total comprehensive income are presented below.

	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	1,717,695,114	1,928,516,053
Trade and other receivables	2,888,924,913	2,219,461,855
Other current assets	302,046,675	402,771,559
Property, plant, and equipment - net	58,877,139	88,855,947
	4,967,543,841	4,639,605,414
Liabilities		
Trade and other payables	2,621,128,311	2,929,929,086
Due to related parties	4,940,474	19,217,766
Other liabilities	256,104,916	286,470,494
	2,882,173,701	3,235,617,346
	September 30, 2025	September 30, 2024
Revenues and expenses		
Contract revenues	1,826,090,805	2,188,001,420
Contract costs	(1,126,903,899)	(1,667,867,573)
Operating expenses	-	(4,793,267)
Finance income	43,215,225	(41,600,886)
	742,402,131	473,739,694

9 Other assets

Other assets as at the reporting periods consist of:

	Notes	September 30, 2025	December 31, 2024
Current			
Advances to contractors and suppliers	9.1	7,392,944,702	7,281,483,040
Prepaid taxes	9.4	1,423,925,863	1,276,841,169
Input VAT	9.2	1,118,776,360	753,692,675
Deferred input VAT	9.2	363,665,513	334,272,762
Deferred fulfilment costs - net	9.6	336,451,907	306,704,966
Refundable security and bond deposits		157,375,453	178,860,542
Prepaid insurance		65,678,250	138,130,459
Deferred commission		83,286,971	44,067,729
Prepaid subscription		12,005,947	1,246,070
Prepaid debt issuance cost		18,239,027	8,604,300
Prepaid rent		1,341,792	37,259,564
Miscellaneous		26,232,843	21,267,852
		10,999,924,628	10,382,431,128
Non-current			
Deposits for condominium units	9.3	290,185,982	286,215,614
Refundable security deposits		61,572,143	45,339,712
Computer software license - net	9.5	37,597,821	23,304,426
Prepaid debt issuance cost		17,389,370	33,477,230
Financial assets at fair value through other comprehensive income		3,544,472	3,544,472
Miscellaneous		109,026	4,431
		410,398,814	391,885,885
		11,410,323,442	10,774,317,013

9.1 Advances to contractors and suppliers

Advances to contractors and suppliers pertain to down payments made by the Group based on a certain percentage of the contract price. The initial payment will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the contractors and supplier. These advances are classified as current since it would be applied as payments for subcontractors. This also includes materials and supplies provided by the Group to subcontractors which will be deducted to the progress billings of the subcontractors upon installation. The risk of loss on these materials and supplies is borne by the subcontractors.

Impairment of advances to contractors and suppliers was assessed through determining the financial position of the contractors and suppliers on their capacity to comply according to their performance obligation. The Group deemed the advances to be recouped by qualifying contractors and suppliers through their work progress as well as using outstanding liability of the Group to the contractors and suppliers as leverage. As at September 30, 2025 and December 31, 2024, there were no impairment losses on advances recognized.

9.2 Input VAT

Input VAT under other current assets pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months. Deferred input VAT pertains to the unamortized input VAT on purchases of capital goods exceeding P1.0 million.

Input VAT arising from the purchase of capital goods exceeding P1.0 million starting January 1, 2022 are not amortized. The related input VAT on purchase of capital goods exceeding P1.0 million shall be allowed as credit against output tax outright pursuant to Republic Act (R.A.) No. 10963, known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The balance of deferred input VAT non-current pertains to unamortized portion of purchases of capital goods exceeding P1.0 million prior to January 1, 2022.

9.3 Deposits for condominium units

Deposits for condominium units represent initial downpayments made for the purchase of condominium units. These will be reclassified to investment property upon execution of contract to sell and deed of sale. As at September 30, 2025 and December 31, 2024, there are no contracts to sell executed for these properties yet.

9.4 Prepaid taxes

Prepaid taxes pertain to the excess of quarterly income tax payments over the current tax due during the year and creditable withholding taxes.

9.5 Computer software license

The details of this account as at the reporting periods are presented below.

	September 30, 2025	December 31, 2024
Cost	214,055,903	189,446,231
Accumulated amortization	(176,458,082)	(166,141,805)
	37,597,821	23,304,426

A reconciliation of the carrying amounts of computer software license at the beginning and end of the reporting periods is shown below.

	September 30, 2025	December 31, 2024
Balance at beginning of period	23,304,426	27,178,891
Additions	24,609,672	13,178,925
Amortization expense for the period	(10,316,277)	(17,053,390)
Balance at end of period	37,597,821	23,304,426

9.6 Deferred fulfilment costs

Deferred fulfilment costs pertain to costs that are directly related to a specific construction contract, generate or enhance resources that will be used to fulfill a performance obligation of the Group in the future, and are recoverable under the contract. Such costs include, but are not limited to, mobilization costs of equipment and labor, engineering and design costs, insurance and depreciation of equipment related to a specific contract.

The movements of deferred fulfilment costs as at the reporting periods are shown below:

	September 30, 2025	December 31, 2024
Balance at beginning of period	635,310,171	664,289,891
Additions	29,746,941	25,955,446
Write off	-	(54,935,166)
	665,057,112	635,310,171
Allowance for impairment	(328,605,205)	(328,605,205)
Balance at end of period	336,451,907	306,704,966

The Group did not recognize amortization of deferred fulfillment costs during the reporting periods due to the absence of identified progress and percentage of completion associated with these projects.

10 Property, plant and equipment

The gross carrying amounts and accumulated depreciation at the beginning and end of September 30, 2025 and December 31, 2024 are shown below.

	Land	Building	Precast factory	Office furniture, fixture and equipment	Transportation equipment	Precast and construction equipment	Construction in progress	Right of use assets	Total
September 30, 2025									
Cost	1,629,710,539	526,499,829	1,035,230,467	1,479,260,212	1,181,299,279	7,844,886,456	1,855,209,811	1,174,506,461	16,726,603,054
Accumulated depreciation	-	(279,714,721)	(632,525,213)	(1,266,475,572)	(1,024,376,575)	(7,085,128,144)	-	(627,284,821)	(10,915,505,046)
Net carrying amount	1,629,710,539	246,785,108	402,705,254	212,784,640	156,922,704	759,758,312	1,855,209,811	547,221,640	5,811,098,007
December 31, 2024									
Cost	1,495,920,145	518,378,304	1,035,230,467	1,416,912,767	1,094,408,725	7,949,055,770	1,585,307,071	1,204,139,345	16,299,352,594
Accumulated depreciation	-	(265,382,243)	(609,456,046)	(1,202,664,161)	(938,700,688)	(6,776,521,816)	-	(607,662,067)	(10,400,387,021)
Net carrying amount	1,495,920,145	252,996,061	425,774,421	214,248,606	155,708,037	1,172,533,954	1,585,307,071	596,477,278	5,898,965,573

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of September 30, 2025 and December 31, 2024 are shown below.

	Land	Building	Precast factory	Office furniture, fixture and equipment	Transportation equipment	Precast and construction equipment	Construction in progress	Right of use assets	Total
Balance at January 1, 2025, net of accumulated depreciation	1,495,920,145	252,996,061	425,774,421	214,248,606	155,708,037	1,172,533,954	1,585,307,071	596,477,278	5,898,965,573
Additions	133,790,394	8,121,525	-	63,087,043	39,844,450	46,312,348	269,902,740	21,505,331	582,563,831
Disposals	-	-	-	(125,810)	(874,370)	(51,826,547)	-	-	(52,826,727)
Reclassification	-	-	-	-	22,936,476	-	-	22,936,476	-
Depreciation charges for the year	-	(14,332,478)	(23,069,167)	(64,425,199)	(60,691,889)	(407,261,444)	-	(47,824,492)	(617,604,670)
Balance at September 30, 2025, net of accumulated depreciation	1,629,710,539	246,785,108	402,705,254	212,784,640	156,922,704	759,758,311	1,855,209,811	547,221,640	5,811,098,007
Balance at January 1, 2024, net of accumulated depreciation	1,523,642,836	270,931,758	472,310,962	235,149,250	167,972,355	1,696,477,966	1,388,139,720	522,994,667	6,277,619,514
Additions	17,599,125	16,949,959	75,784,810	243,271,710	69,787,321	353,392,940	197,167,351	141,569,974	1,115,523,190
Disposals	-	-	-	(128,199)	(980,000)	(6,388,336)	-	-	(7,496,535)
Pre-termination	-	-	-	-	-	-	-	(993,025)	(993,025)
Reclassification	(45,321,816)	-	-	-	-	-	-	-	(45,321,816)
Remeasurement	-	-	-	-	-	-	-	18,184,535	18,184,535
Adjustment	-	-	-	13,972,161	-	-	-	-	13,972,161
Depreciation charges for the year	-	(34,885,656)	(122,321,351)	(278,016,316)	(81,071,639)	(870,948,616)	-	(85,278,873)	(1,472,522,451)
Balance at December 31, 2024, net of accumulated depreciation	1,495,920,145	252,996,061	425,774,421	214,248,606	155,708,037	1,172,533,954	1,585,307,071	596,477,278	5,898,965,573

For the periods ended September 30, 2025 and December 31, 2024, the Group recognized additions to property, plant and equipment totaling to P582.6 million and P1,115.5 million, respectively, and sold certain property, plant and equipment for P61.1 million and P25.6 million, respectively. As a result of sale, the Group recognized gains amounting to P8.3 million and P17.1 million for the periods ended September 30, 2025 and December 31, 2024, respectively, and are presented as part of Others - net under Income and Expenses section in the condensed interim consolidated statements of income.

In 2024, management reclassified certain parcels of land from property, plant and equipment to investment property. This reclassification was undertaken to better reflect the change in the intended use of these assets. The land, previously utilized in operational activities, is now held for the purpose of generating rental income and for the future capital appreciation.

There are no restrictions on title, and property, plant and equipment pledged as security liabilities, except for right-of-use assets with carrying amount of P547.2 million and P596.5 million as of September 30, 2025 and December 31, 2024, respectively. There is no contractual commitment to acquire property and equipment.

There were no items of property, plant and equipment that were impaired or retired, lost or given up as of September 30, 2025 and December 31, 2024.

11 Investment properties

As of September 30, 2025, and December 31, 2024, the investment properties are composed of land, commercial area and construction in progress totaling P4,794.9 million and P4,868.2 million, respectively.

MWMTI was granted exclusive rights and obligations under a Concession Agreement. In relation to this arrangement, the MWMTI incurred pre-construction costs, general requirements, construction costs, and pre-operating and operating expenses for the integrated terminal.

Investment properties account includes parcels of land that are not used by the Group for administrative and supply of goods or services of the business and only held for capital appreciation. This includes an industrial lot acquired by MWM Terminals, Inc. from one of its tenants through dacion en pago, with a valuation of P106.1 million. Based on management's assessment, the carrying amounts of these assets are fully recoverable, hence, no impairment loss is required in both years.

There are no restrictions on the realizability of investment property or the remittance of income and proceeds of disposal. No contractual obligations to purchase, construct, or develop investment property, or for repairs and maintenance or enhancements has been agreed with.

For the periods ended September 30, 2025 and December 31, 2024, the Group recognized total additions amounting to P42.2 million and P195.3 million, respectively. There were no disposals of investment properties in 2025 and 2024. In addition, the Group recognized depreciation expense from investment properties amounting to P115.53 million and P97.5 million for the periods ended September 30, 2025 and September 30, 2024, respectively.

As of September 30, 2025 and December 31, 2024, the investment properties has a fair value amounting to P5,901.1 million which was recognized under the Level 3 fair value hierarchy.

12 Goodwill

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1, which was accounted for under the acquisition method. The business combination is expected to integrate the innovative approaches of the Parent Company and PH1 in terms of construction and engineering to the residential projects of PH1 with respect to sustainability and technological advancement in living and community spaces.

At the date of acquisition, PH1 owns 100% and 49% of the outstanding capital stock of PH1-WL and Famtech, respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famtech [Note 1.2(a)]. There were no contingent considerations arrangements and indemnification assets recognized by the Parent Company related to the business combination. Presented below is the breakdown of the acquisition-date fair value of the assets and liabilities, including the cost of investment.

Assets	
Cash	158,812,124
Contract and other receivables	1,058,277,667
Real estate inventories	3,280,736,757
Property and equipment	33,002,846
Right-of-use assets	9,312,106
Other assets	233,084,701
	4,773,226,201
Liabilities	
Trade and other payables	1,688,417,798
Interest-bearing loans and borrowings	508,475,383
Reservation deposits	322,954,005
Contract liabilities	76,644,783
Lease liabilities	8,412,681
Deferred tax liabilities	107,696,473
Other liabilities	129,219,090
	2,841,820,213
Fair value of net assets	1,931,405,988
Cash consideration	5,200,000,000
Non-controlling interest	528,475,534
	5,728,475,534
Goodwill	3,797,069,546

Based on the management's assessment, the gross contractual amounts of receivable approximate the fair values as of the acquisition date. The best estimate of the contractual cash flows not expected to be collected at acquisition date is also deemed immaterial.

There were no significant acquisition-related costs incurred from this transaction.

The goodwill recognized from the foregoing acquisition reflects the opportunity to strengthen the Group's position in the real estate market, the synergies and economies of scale expected from combining the operations of the Group as a contractor and real estate developer. This also reflects the opportunity to accelerate the Group's growth momentum associated with property development in the long term.

The Group performed impairment testing of goodwill by using value-in-use in determining the recoverable amount. The value-in-use of the cash generating unit was determined using cash flow projections for 13 years, which reflects the timing of the development and completion of the residential projects including the collection period. The management applied a discount rate of 8.95% and growth rate of nil which are the key assumptions used in determining the value-in-use of the cash-generating unit.

The recoverable amount of the cash-generating unit was determined to be higher than its carrying amount. Management believes that any reasonably possible change of +/-1% in the discount rate and +/-1% in the growth rate would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount; hence, management assessed that there is no impairment loss required to be recognized on goodwill as at September 30, 2025 and December 31, 2024.

13 Leases

The Group has leases for certain construction equipment and transportation equipment. Lease asset land, on the other hand, pertains to the share of the parent company's joint venture (HDEC-Megawide-Dongah JV). With the exception of short-term leases and leases of low-value underlying assets, each right-of-use asset and lease liability from leases are reflected on the consolidated statements of financial position as part of property, plant and equipment and interest-bearing loans and borrowings, respectively. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over warehouses and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

13.1 Right-of-use assets

The carrying amounts of the Group's right-of-use assets presented as part of Property, Plant and Equipment account as at September 30, 2025 and December 31, 2024, and the movements during the periods are shown below.

	Land	Precast and construction equipment	Transportation equipment	Total
Balance at January 1, 2025	17,707,097	351,510,644	227,259,537	596,477,278
Additions	-	-	21,505,331	21,505,331
Reclassification	-	-	(22,936,476)	(22,936,476)
Amortization	(13,280,322)	(10,316,379)	(24,227,792)	(47,824,493)
Balance at September 30, 2025	4,426,775	341,194,265	201,600,600	547,221,640
Balance at January 1, 2024	16,990,939	390,986,834	115,016,894	522,994,667
Additions	-	-	141,569,974	141,569,974
Disposal	-	-	(993,025)	(993,025)
Remeasurement	18,184,535	-	-	18,184,535
Amortization	(17,468,377)	(39,476,190)	(28,334,306)	(85,278,873)
Balance at December 31, 2024	17,707,097	351,510,644	227,259,537	596,477,278

In 2024, the Company remeasured its lease liability pertaining to its joint venture (HDEC-Megawide-Dongah JV) due to an extension in the lease term. This remeasurement was necessitated by an increase in the lease term, which resulted in an adjustment to both the lease liability and the corresponding right-of-use asset amounting to P18.1 million.

13.2 Lease liabilities

Lease liabilities are presented in the condensed interim consolidated statements of financial position as part of Interest-bearing Loans and Borrowings (Note 15) as at the reporting period as follows:

	September 30, 2025	December 31, 2024
Current	47,153,874	70,087,016
Non-current	91,388,545	112,313,897
	138,542,419	182,400,913

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's business strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As at September 30, 2025 and December 31, 2024, the Group has not committed to any leases which had not commenced.

13.3 Lease payments not recognized as liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses pertaining to short-term leases and low-value assets amounted to P64.5 million in 2025 (2024 – P47.8 million) is presented as part of Other Operating Expenses in the condensed interim consolidated statements of income.

13.4 Additional profit or loss and cash flow information

The total cash outflow in respect of leases accounted as finance lease amounted to P65.4 million in September 30, 2025 (September 30, 2024 – P128.6 million) and is presented as part of Repayment of Loans and Borrowings in the condensed interim consolidated statements of cash flows. Interest expense in relation to lease liabilities amounted to P4.9 million in September 30, 2025 (September 30, 2024 – P13.0 million) and is presented as part of Finance costs under Income and Expenses section in the condensed interim consolidated statements of income.

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities as at the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Within one year	55,735,894	82,043,143
One to two years	33,574,175	40,944,697
Two to three years	29,057,128	43,008,283
Three to four years	18,197,126	33,653,907
Four to five years	20,209,385	10,131,094
	156,773,708	209,781,124

14 Trade and other payables

Trade and other payables as at the reporting periods consist of:

	Note	September 30, 2025	December 31, 2024
Trade payables		2,557,447,488	1,543,092,955
Retention payable		2,614,168,490	2,456,197,713
Reservation deposits		397,270,668	389,965,890
Interest payable		207,625,785	248,983,497
Dividends payable		135,071,638	29,640,750
Due to related parties	21.4	80,723,100	82,603,200
Accrued expenses		129,655,218	46,405,504
Security deposits		53,816,821	40,148,070
Others		37,738,988	35,655,576
		6,213,518,196	4,872,693,155

Retention payable pertains to amounts withheld from payments made to subcontractors to ensure compliance and completion of contracted projects ranging from 5% to 10% of every billing made by the contractor. Upon completion of the subcontracted projects, the amounts are paid to the subcontractors.

Reservation deposits pertain to the payments received from the buyers of condominium units which have not yet reached the collection threshold for revenue recognition.

Accrued expenses include mainly unpaid utilities.

Others include accrued salaries and other non-trade payables.

15 Interest-bearing loans and borrowings

The details of short-term and long-term interest-bearing loans and borrowings as at the reporting periods are as follows:

	Notes	September 30, 2025	December 31, 2024
Current			
Bank loans	15.2	16,106,731,426	18,215,794,126
Lease liabilities	13.2	47,153,874	70,087,016
		16,153,885,300	18,285,881,142
Non-current			
Bonds payable	15.3	8,954,604,855	8,934,893,911
Bank loans		6,927,183,645	5,828,907,951
Notes payables	15.1	1,833,500,000	1,840,000,000
Lease liabilities	13.2	91,388,545	112,313,897
		17,806,677,045	16,716,115,759
		33,960,562,345	35,001,996,901

15.1 Notes payable

(a) 2016 various notes facility

In 2016, the Parent Company entered into various notes facility arrangement with a local bank to refinance the corporate note issued in 2011 and to finance its capital expenditure and general corporate requirements.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued with the following details:

Date issued	Principal	Term in years	Interest rate
September 16, 2016	650,000,000	10	5.50%
December 5, 2016	350,000,000	10	6.37%
December 16, 2016	1,000,000,000	10	6.37%
	2,000,000,000		

These 10-year corporate notes bear an interest rate based on the closing per annum rates of a ten (10)-year PDST-R2 rate on the PDS Group website plus a certain spread. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.1.

On August 10, 2017, the Parent Company sent a letter to the bank requesting the waiver of one of the loan negative covenants that prohibits the stockholdings of Citicore in the Parent Company to fall below 51% or enter into profit sharing, partnership or joint venture whereby its profits are shared with any other person that may have a material adverse effect (Note 1.1). In September 2017, the request was granted by the bank.

As at September 30, 2025 and December 31, 2024, the carrying amount of all the corporate notes is P1,833.5 million and P1,840.0 million, respectively.

As of September 30, 2025 and December 31, 2024, the Parent Company has complied with all the debt covenants set forth in the notes facility agreement.

(b) 2020 various notes facility

On February 19, 2020, the Parent Company signed a P5,000.0 million corporate note facility, the proceeds of

which will be used by the Parent Company to (a) retire maturing debt obligations, (b) to fund growth projects, and (c) for general corporate purposes.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes will be issued in five tranches as follows:

	Principal
Tranche A	3,600,000,000
Tranche B	350,000,000
Tranche C	350,000,000
Tranche D	350,000,000
Tranche E	350,000,000
	5,000,000,000

These 4.5-year corporate notes bear a fixed interest rate based on the closing per annum rates of a 4.5-year PHP BVAL reference rate on the PDS Group website plus a certain spread, subject to a floor rate of 5%. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.10. Debt pertains to all interest-bearing loans and borrowing.

The Parent Company is in compliance with all the covenants required to be observed under the loan facility agreement as of September 30, 2025 and December 31, 2024.

15.2 Bank loans

(a) OLSA for PITX project

In 2015, MWMTI entered into an Omnibus Loan and Security Agreement (OLSA) with a local universal bank for a loan facility amounting to P3,300.0 million to finance the construction of the ITS Project. In 2019, MWMTI requested the lender to increase the loan by P600.0 million making the total principal loan to P3,900.0 million. In 2017, MWMTI made its first drawdown amounting to P825.0 million while the remaining loan facility was fully drawn in 2019 in tranches amounting to P3,075.0 million. The loan principal shall be amortized quarterly over 15 years and the first principal repayment is due on January 16, 2021. The interest-bearing loan is secured by the Joint Venturers and bears annual interest rates ranging from 6.7% to 7.3% in 2025 (2024 - 7.0% to 7.5%).

The interest-bearing loan requires the MWMTI to maintain a maximum debt-to-equity ratio of 70:30. In addition, the MWMTI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.25.

In 2025 and 2024, MWMTI complied with all affirmative and negative covenants indicated in the OLSA.

The current portion of the bank loans of MWMTI as at September 30, 2025 amounted to P241.1 million (December 31, 2024 - P211.9 million), while the non-current portion as at September 30, 2025 amounted to P2,975.4 million (December 31, 2024 - P3,165.6 million).

(b) OLSA - May 10, 2023

On May 10, 2023, CDI entered into an OLSA with a local universal bank for a loan facility to finance the development, design, construction and completion of the ongoing projects.

The interest-bearing loans are issued with the following details:

Date issued	Principal	Term in years	Interest rate
February 29, 2024	676,130,000	12	8.80%
March 31, 2024	78,881,000	12	8.76%
April 30, 2024	78,881,000	12	9.35%
July 1, 2024	78,881,000	12	9.04%
October 1, 2024	78,881,000	12	8.21%
January 2, 2025	102,660,000	11	8.63%
April 1, 2025	102,660,000	11	8.51%
July 1, 2025	102,660,000	11	8.52%
	1,299,634,000		

The interest-bearing loans shall be amortized quarterly and the first and final principal repayments are due on February 28, 2027 and February 29, 2036, respectively.

The interest-bearing loans require CDI to maintain at most a debt-to-equity ratio of 60:40 during the loan availability period and 70:30 at the end of such period. In addition, the CDI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.05. CDI complied with all affirmative and negative covenants indicated in the OLSA.

(c) Other bank loans

As a result of acquisition of PH1, the Group recognized bank loans amounting to P508.5 million in 2023 (Note 12). Subsequent to the acquisition, PH1 obtained additional bank loans amounting to P1,731.0 million and P1,033.8 million in 2025 and 2024, respectively.

As of September 30, 2025, the Group obtained various bank loans with total outstanding balance of P16,106.7 million (December 31, 2024 - P18,215.8 million), representing unsecured short-term loans from other local banks. The loans bear fixed average annual interest rates of 7% in 2025 and 2024.

15.3 Bonds Payable

On August 17, 2022, the Parent Company listed fixed-rate bonds in the total amount of P4,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series A (P1.6 billion maturing in three years and six months from issue date at rate of 6.9506%) and Series B (P2.4 billion maturing in five years from issue date a rate of 7.9663%).

The net proceeds of the fixed-rate bonds shall be used by the Parent Company primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements. The bonds require the Parent Company to maintain a debt-to equity ratio of not more than 2.33 and a debt service coverage ratio of not less than 1.10.

Bond issue cost capitalized as part of this bonds amounted to P64.6 million. As at September 30, 2025, amortization amounted to P11.8 million (December 31, 2024 - P14.7 million) while its net carrying value amounted to P19.5 million (December 31, 2024 - P31.4 million).

On July 11, 2024, the Parent Company listed fixed-rate bonds in the total amount of P5,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series C (P3.1 billion maturing in three years from issue date at rate of 7.6348%) and Series D (P1.1 billion maturing in five years from issue date at a rate of 8.0580%) and Series E (P0.8 billion maturing in seven years from issue date at a rate of 8.4758%).

The net proceeds of the fixed-rate bonds shall be used by the Parent Company primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements. The bonds require the Parent Company to maintain a debt-to equity ratio of not more than 2.33 and a debt service coverage ratio of not less than 1.10.

Bond issue cost capitalized as part of this bonds amounted to P37.1 million. As at September 30, 2025, amortization amounted to P7.0 million (December 31, 2024 – P3.3 million) while its net carrying value amounted to P25.9 million (December 31, 2024 - P33.7 million).

As at September 30, 2025 and December 31, 2024, the Parent Company is in compliance with these covenants.

16 Contract liabilities

Contract liabilities represent excess of collections from the buyers over the related revenue recognized using the percentage of completion (POC). The breakdown of contract liabilities as at the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Construction contracts	5,278,182,767	5,077,056,949
Real estate sales	1,351,991,509	335,100,433
	6,630,174,276	5,412,157,382

These are presented and classified in the consolidated statements of financial position as at the reporting periods as follows:

	September 30, 2025	December 31, 2024
Current	5,143,929,778	4,519,512,582
Non-current	1,486,244,498	892,644,800
	6,630,174,276	5,412,157,382

The significant changes in the contract liabilities balances during the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Balance at beginning of period	5,412,157,382	5,275,363,483
Increase due to billings excluding amount recognized as revenue during the period	3,236,585,397	3,003,333,619
Revenue recognized that was included in contract liability at the beginning of the period	(2,019,390,310)	(2,899,134,782)
Effect of financing component	821,807	32,595,062
Balance at end of period	6,630,174,276	5,412,157,382

17 Other liabilities

The details of this account as at the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Current:		
Deferred output VAT	117,358,995	116,087,356
Deferred revenue	144,279,739	124,812,167
Vat Payable	105,619,451	93,655,346
Withholding taxes	49,311,796	51,831,696
Government liabilities	32,108,883	28,422,803
Others	17,016,166	10,900,179
	465,695,030	425,709,547
Non-current:		
Security deposits	63,143,081	126,512,494
Unearned rent income	52,754,786	141,384,032
	115,897,867	267,896,526
	581,592,897	693,606,073

Deferred revenue represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period.

The Group also received security deposits upon full operations of MWMTI's PITX. These deposits on lease agreements will be refunded at the end of the lease terms, which ranges from one to six years.

Unearned rent income pertains to the difference between the fair value and principal amount of security deposits received at the inception of the lease with concessionaires, which are amortized over the corresponding lease term.

18 Revenues

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Note 2.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's management can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15 [except for rentals accounted for under PFRS 16 and disclosed herein as additional information], which is to disaggregate revenue from contracts with customers and other counterparties into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

A summary of additional disaggregation from the segment revenues and other unallocated income for continuing operations is shown in the succeeding page.

	Note	Point in time	Over time	Short-term	Long-term	Total
Nine-month period ended						
September 30, 2025						
Construction operations:	18.1					
Contract revenues		-	9,170,454,720	-	9,170,454,720	9,170,454,720
Sale of ready-mix concrete		-	481,500,632	481,500,632	-	481,500,632
Sale of precast		-	544,892,896	544,892,896	-	544,892,896
Equipment rental		-	248,317,216	248,317,216	-	248,317,216
		-	10,445,165,464	1,274,710,744	9,170,454,720	10,445,165,464
Landport operations:	18.2					
Rental revenue - per contract		-	438,925,376	438,925,376	-	438,925,376
Rental revenue - effect of straight-line method		-	(80,928,749)	(80,928,749)	-	(80,928,749)
		-	357,996,627	357,996,627	-	357,996,627
Real Estate operations						
Real estate revenue	18.3	-	1,522,469,683	-	1,522,469,683	1,522,469,683
		-	12,325,631,774	1,632,707,371	10,692,924,403	12,325,631,774
Nine-month period ended						
September 30, 2024						
Construction operations:	18.1					
Contract revenues		-	12,724,512,802	-	12,724,512,802	12,724,512,802
Sale of ready-mix concrete		-	620,186,431	620,186,431	-	620,186,431
Sale of precast		-	1,894,588,696	1,894,588,696	-	1,894,588,696
Equipment rental		-	282,580,585	282,580,585	-	282,580,585
		-	15,521,868,514	2,797,355,712	12,724,512,802	15,521,868,514
Landport operations:	18.2					
Rental revenue - per contract		-	345,285,170	-	345,285,170	345,285,170
Rental revenue - effect of straight-line method		-	(28,715,582)	-	(28,715,582)	(28,715,582)
Revenue from grantor payments		-	69,445,402	-	69,445,402	69,445,402
		-	386,014,990	-	386,014,990	386,014,990
Real Estate operations						
Real estate revenue	18.3	-	440,176,638	-	440,176,638	440,176,638
		-	16,348,060,142	2,797,355,712	13,550,704,430	16,348,060,142

Revenue from landport operations arising from the lease of its office and commercial spaces is recognized on the straight-line basis over the lease term based on the provision of the covering lease contracts, including any minimum rent-free period therein, plus additional rent-free period as mutually agreed by the contracting parties. This is recognized in accordance with PFRS 16.

Revenue from real estate sales from pre-completed real estate properties is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development.

Revenue from real estate sales on completed real estate properties is recognized at a point in time when the control over the real estate property is transferred to the buyer.

18.1 Construction operations revenues

The details of this account for the nine months ended September 30 are composed of the revenues from:

	2025	2024
Contracts in progress	9,869,492,784	11,343,509,290
Completed contracts	575,672,680	4,178,359,224
	<u>10,445,165,464</u>	<u>15,521,868,514</u>

18.2 Landport operations revenue

The PITX Project undertaken by the Group with the DOTr gives the Group the control over the landport area and the right to collect concessionaire revenue. As disclosed in Note 7, contract assets include unbilled receivables which pertain to the cost of the landport area which is to be recovered through the Grantor payments.

The construction of the PITX Project was completed in 2019 and the Group has no unsatisfied performance obligations as at September 30, 2025 and December 31, 2024.

The details of landport operations revenue for the nine-month periods ended September 30 are composed of the revenues from:

	2025	2024
Rental revenue - per contract	438,925,376	345,285,170
Rental revenue - effect of straight-line method	(80,928,749)	(28,715,582)
Revenue from grantor payments	-	69,445,402
	<u>357,996,627</u>	<u>386,014,990</u>

18.3 Real estate operations revenues

Real estate operations revenues comprise of residential condominium units sold as at September 30, 2025 amounted to P1,522.5 million (2024 – P440.2 million).

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as at September 30, 2025 is P7,180.1 million. As at September 30, 2025, the Group expects to recognize revenue from unsatisfied contracts as follows:

Within one year	1,674,523,150
More than one year to three years	5,505,614,853
	<u>7,180,138,003</u>

19 Direct costs

19.1 Cost of construction operations

The following is the breakdown of this account for the nine months ended September 30:

	2025	2024
Outside services	2,832,421,617	4,773,647,759
Materials	2,653,714,987	4,455,416,965
Salaries and employee benefits	1,345,900,178	1,372,849,431
Depreciation	557,206,616	858,653,177
Project overhead	638,968,314	1,348,733,211
	<u>8,028,211,712</u>	<u>12,809,300,543</u>

Project overhead includes insurance, repairs and maintenance, gas and oil, travel and transportation, professional fees, utilities, municipal permits, taxes, security services, office supplies and various rental expenses of staging areas.

19.2 Cost of landport operations

The following is the breakdown of cost of landport operations for the nine months ended September 30:

	2025	2024
Depreciation and amortization	108,524,054	143,993,954
Terminal costs	64,745,150	69,445,402
Cost of leasing activity	36,866,028	32,397,045
	<u>210,135,232</u>	<u>245,836,401</u>

19.3 Cost of real estate operations

Cost of real estate operations include allocated land and development costs aggregating to P851.2 million for the period ended September 30, 2025 (2024 - P186.7 million).

20 Equity

20.1 Share capital

Share capital consists of:

	Shares		Amount	
	2025	2024	2025	2024
Common shares - P1 par value				
Authorized	4,930,000,000	4,930,000,000	4,930,000,000	4,930,000,000
Subscribed and paid in:	2,399,426,127	2,399,426,127		
Less: Treasury shares				
Balance at beginning of year and end of period	386,016,410	386,016,410	4,615,690,576	4,615,690,576
Issued and outstanding	2,013,409,717	2,013,409,717	2,399,426,127	2,399,426,127
Preferred shares - P1 par value				
Authorized				
Balance at beginning of year	250,000,000	250,000,000	250,000,000	250,000,000
Balance at end of period	290,000,000	250,000,000	290,000,000	250,000,000
Subscribed and paid in:				
Balance at beginning of year:				
Series 1	40,000,000	40,000,000	40,000,000	40,000,000
Series 2A	26,220,130	26,220,130	26,220,130	26,220,130
Series 2B	17,405,880	17,405,880	17,405,880	17,405,880
Series 3	45,000,000	29,000,000	45,000,000	29,000,000
Series 4	40,000,000	40,000,000	40,000,000	40,000,000
Series 5	15,000,000	15,000,000	15,000,000	15,000,000
Issuance during the year:				
Series 3	10,000,000	16,000,000	10,000,000	16,000,000
Series 5	-	-	-	-
Series 6A	17,791,740	-	17,791,740	-
Series 6B	11,913,600	-	11,913,600	-
Series 6C	23,033,680	-	23,033,680	-
	246,365,030	183,626,010	246,365,030	183,626,010
Less: Subscription receivable:				
Balance at beginning of year	33,750,000	21,750,000	33,750,000	21,750,000
Subscription - Series 3	7,500,000	12,000,000	7,500,000	12,000,000
Balance at end of year	41,250,000	33,750,000	41,250,000	33,750,000
Balance at end of period	205,115,030	149,876,010	205,115,030	149,876,010
Less: Treasury shares:				
Balance at beginning of year	66,220,130	66,220,130	6,622,013,000	6,622,013,000
Redemption of Series 2A	-	-	-	-
Redemption of Series 4	40,000,000	-	4,000,000,000	-
Balance at end of period	106,220,130	66,220,130	10,622,013,000	6,622,013,000
Issued and outstanding	98,894,900	83,655,880	98,894,900	149,876,010

On September 22, 2014, the SEC approved the Parent Company's amendment of articles of incorporation, which includes: (i) the Parent Company's power to extend corporate guarantees to its subsidiaries and affiliates; and, (ii) the increase in its authorized capital stock of P5,000.0 million divided into 4,930.0 million common shares and 70.0 million cumulative, non-voting, non-participating, non-convertible to common shares and redeemable, at the option of the Parent Company, perpetual preferred shares. Both common and preferred shares have a par value of P1.00 per share.

On August 16, 2017, Megacore Holdings, Inc. (Megacore) acquired 313,786,575 shares representing 14.7% ownership over the Parent Company from Citicore. This resulted in a decrease in Citicore's ownership from 66.7% to 51.0%.

On December 20, 2017, the state-owned Social Security System acquired a total of 110,532,500 shares or equivalent to 5.2% interest of the Parent Company through purchase of 3.45% stake held by Megacore and the remaining interest from the public.

On December 22, 2017, Megacore further acquired additional shares from Citicore which resulted in an increase in Megacore's equity interest to the Parent Company equivalent to 28.9% or 617,709,197 as of December 31, 2017.

On September 22, 2020, the SEC has approved the increase of the authorized capital stock of the Parent Company increasing the total authorized capital stock of the Parent Company to P5,054,000,000, divided into the following classes:

- a. 4,930,000,000 voting common shares with the P1 par value; and
- b. 124,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares with the P1 par value

The Preferred Shares shall be issued in series, sub-series or in tranches as the BOD may determine, and authority is hereby expressly granted to the BOD, to establish and designate the series, sub-series or tranches of the Preferred Shares, fix the issue price and the number of shares in each sub-series or tranche, establish the specific terms and conditions of each sub-series or tranche and determine the manner by which the Preferred Shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering.

Preferred shares of stock shall be cumulative, non-voting, non-participating, non-convertible, perpetual; Provided, that no share will be issued below par value. The preferred shares shall have the following features, rights and privileges:

- a. The issue value of shares shall be determined by the BOD at the time of the issuance of the shares;
- b. The BOD shall declare a dividend rate equivalent to the 7-year benchmark rate or any other rate determined by the BOD as of issue date, payable on a date to be set by the BOD in accordance with Philippine laws, rules and regulations;
- c. Preferred shares shall be non-convertible into common shares;
- d. Preference over holders of common stock in the distribution of the corporate assets in the event of dissolution and liquidation of the corporation and in the payment of the dividend at the rate specified at the time of issuance;
- e. Preferred shares shall be cumulative;
- f. Preferred shares shall be non-participating in any other or further dividends beyond that specifically payable on the shares;
- g. Holders of preferred shares shall have no pre-emptive rights to any issue of shares, common or preferred; and,
- h. The preferred shares may be redeemed by the corporation at the sole option of the BOD at the price to be determined by the BOD.

On September 30, 2020, the Parent Company entered into a Subscription Agreement with Citicore whereby Citicore subscribed to 13,500,000 preferred shares of the Parent Company at P1.00 each and paid 25% of such subscription in cash amounting to P3.4 million.

On November 5, 2020, the SEC has approved the Parent Company's offer and sale of Series 2 preferred shares which are to be issued in two subseries: Series 2A and Series 2B preferred shares, at a subscription price of P100.00. As of December 31, 2020, preferred shares of 26,220,130 and 17,405,880 for Series 2A and 2B, respectively, were subscribed and listed in the PSE. As a result, the Parent Company recognized additional paid-in capital amounting to P4,281.4 million, arising from the excess of subscription price over par value of the issuance of Series 2A and 2B preferred shares. The Parent Company also recognized issuance-related costs amounting to P37.1 million which was charged against the additional paid in capital recorded from the issuance of Series 2A and 2B preferred shares.

On February 26, 2021, the Parent Company's BOD approved the resolution increasing the Parent Company's authorized capital stock on preferred shares by 26.0 million shares, to a total of 150.0 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares at a par value of P1.00 per share, increasing the Parent Company's total authorized capital stock to P5,080.0 million. At the same date, the BOD approved the offer and sale of up to 40.0 million preferred shares from the unissued authorized capital stock of the Parent Company and the issuance of 6.5 million shares to Citicore. On September 9, 2021, the SEC has approved the increase in capital stock of preferred shares.

On July 23, 2021, the Parent Company filed with the SEC a registration statement and preliminary prospectus relating to its offer and sale of up to 40.0 million Series 4 preferred shares with a par value of P1.00 per share, composed of a base offer of 30.0 million shares and an oversubscription option of up to 10.0 million shares, at an offer price of P100.00 per share. On September 30, 2021, the SEC has approved the Parent Company's offer and sale of Series 4 preferred shares. As a result, the Parent Company recognized additional paid-in capital amounting to P3,930.1 million, arising from the excess of subscription price over par value related to the issuance of Series 4 preferred shares. Transaction costs from the issuance amounting to P29.9 million was charged against the additional paid in capital relating to this issuance. The proceeds from such issuance were used for the redemption of the outstanding Series 1 preferred shares as discussed in the succeeding paragraphs.

On September 10, 2021, Citicore subscribed to additional 6.5 million preferred shares at a price of P1.00 per share and paid P1.6 million in cash representing the 25% of such subscription. As of December 31, 2021, Citicore has subscribed to a total of 20.0 million preferred shares at a par value of P1.00 per share, and has paid 25% of such subscription.

On October 19, 2021, the BOD approved the redemption of the Parent Company's Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000.0 million. The cost of the redemption was considered temporarily as part of treasury shares until such time that the SEC approves the decrease in authorized capital stock of the Parent Company to reflect such redemption wherein the redemption price will be charged against the paid-up capital arising from the original issuance. The details of the redemption are as follows:

Ex-date	November 4, 2021
Record date	November 9, 2021
Redemption date	December 3, 2021

On November 4, 2022 and December 20, 2022, the Parent Company's BOD and stockholders, respectively, has approved the following increase in its authorized capital stock:

	Common shares		Preferred shares	
	Number of shares	Amount	Number of shares	Amount
From -				
Authorized - P1 par value	4,930,000,000	4,930,000,000	150,000,000	150,000,000
To -				
Authorized - P1 par value	4,930,000,000	4,930,000,000	186,000,000	186,000,000

Common shares - Voting

Preferred shares - Cumulative, non-voting, non-participating, non-convertible, perpetual

On December 23, 2022, the Parent Company received deposits from Citicore amounting to P2.3 million equivalent to 25% of the subscription price of 9.0 million shares of stock of the Parent Company at par value of P1.00 per share. The deposit is presented as Deposits on Future Stock Subscription under Equity section in the 2022 consolidated statement of financial position.

On January 6, 2023, the Company filed with the SEC a Registration Statement and Preliminary Prospectus relating to its offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual preferred shares with a par value of P1.0 per share (the Offer Shares). The Offer Shares is for a total of 15.0 million Series 5 Preferred Shares, which shall be issued at a subscription price of P100.0 per share.

On February 15, 2023, the Parent Company's application for the increase in authorized capital stock was approved by the SEC. In 2023, the deposits on future stock subscription were converted to preferred shares (Series 3).

On October 25, 2024, the Board of Directors approved the increase of the Parent Company's authorized capital stock of preferred shares by 64 million shares, to a total 250 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares; thereby increasing the Parent Company's total authorized capital stock to P5,180 million, and amending Article Seventh of its Articles of Incorporation while the authorized capital stock of preferred shares increased to 250 million shares.

On December 27, 2024, the SEC issued the certificate of approval of the increase of capital stock and certificate of filing of amended articles of incorporation, both of which were received by the Parent Company on January 7, 2025. Following the approval by the SEC of the increase of capital stock, Citicore Holdings Investment Inc., the ultimate parent of the Parent Company, formally subscribed to at 25% of the increase in the Parent Company's authorized capital stock, equivalent to P16 million, through the execution of a subscription agreement dated January 7, 2025. Payment of 25% of such subscription, amounting to P4 million, was received by the Parent Company on December 12, 2024.

On April 14, 2025, the Group listed a total of P5,300 million Series 6 preferred shares in the PSE, comprising a base offer of 30 million shares, plus an oversubscription option for another 30 million, at P100 per share. The proceeds were utilized for the redemption of the outstanding Series 4 perpetual preferred shares, partial financing for projects in the pipeline and general corporate purposes. This resulted in additional preferred capital stock of P52.74 million and additional paid in capital of P5.17 billion.

As at September 30, 2025 and December 31, 2024, the Parent Company has 34 and 32 holders of its common equity securities owning at least one board lot of 100 shares listed in the PSE, respectively, and its share price closed at P3.10 per share at September 30, 2025 (December 31, 2024 - P3.08 per share). The Parent Company has 2,013.4 million common shares traded in the PSE as of September 30, 2025 and December 31, 2024.

As at September 30, 2025, and December 31, 2024, the Parent Company has the following preferred shares traded in the PSE:

	2025		2024	
	No of shares	Closing price	No of shares	Closing price
Series 2B	17,405,880	98.5	17,405,880	95.0
Series 4	-	-	40,000,000	98.0
Series 5	15,000,000	102.9	15,000,000	100.8
Series 6A	17,791,740	96.1	-	-
Series 6B	11,913,600	103.5	-	-
Series 6C	23,033,680	104.0	-	-

20.2 Dividends

20.2.1 Preferred shares dividends

Dividend Declaration	Quarterly dividend rate	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Total
2025						
Preferred shares:						
Series 2B	1.4375	25,020,953	25,020,953	25,020,952	-	75,062,858
Series 4	1.325	53,000,000	53,000,000	-	-	106,000,000
Series 5	1.97605	29,640,750	29,640,750	29,640,750	-	88,922,250
Series 6A	1.907075	-	33,930,183	33,930,182	-	67,860,365
Series 6B	1.99015	-	23,709,851	23,709,851	-	47,419,702
Series 6C	2.074825	-	47,790,855	47,790,855	-	95,581,710
		107,661,703	213,092,592	160,092,590	-	480,846,885
2024						
Preferred shares:						
Series 2B	1.4375	25,020,953	25,020,953	25,020,953	25,020,953	100,083,812
Series 4	1.325	53,000,000	53,000,000	53,000,000	53,000,000	212,000,000
Series 5	1.97605	29,640,750	29,640,750	29,640,750	29,640,750	118,563,000
		107,661,703	107,661,703	107,661,703	107,661,703	430,646,812

In 2024, the Group declared dividends with total amount of P430.6 million of which the P29.6 million remained outstanding as of December 31, 2024. And as at September 30, 2025, the Group declared dividends amounting to P480.9 million and paid P345.8 million, inclusive of P29.6 million outstanding dividend payable as at December 31, 2024.

(a) Series 2B Preferred Shares

Similarly, for holders of Series 2B preferred shares in 2025 and 2024, the Parent Company's BOD approved the declaration of cash dividends of P1.4 per share or equivalent to P25.0 million per quarter (total of 100.1 million for each year), which were taken out of the unrestricted earnings of the Parent Company as at September 30, 2025 and December 31, 2024, respectively.

The series of record dates and payments are as follows:

	1 st Quarter	2 nd Quarter	3 rd Quarter	4th Quarter
2025				
Series 2B Preferred Shares:				
Approval dates	January 22, 2025	April 22, 2025	July 22, 2025	-
Record dates	February 11, 2025	May 13, 2025	August 8, 2025	-
Payment dates	February 27, 2025	May 27, 2025	August 27, 2025	-
2024				
Series 2B Preferred Shares:				
Approval dates	January 16, 2024	April 23, 2024	July 22, 2024	October 25, 2024
Record dates	February 7, 2024	May 10, 2024	August 8, 2024	November 12, 2024
Payment dates	February 27, 2024	May 27, 2024	August 27, 2024	November 27, 2024

(b) Series 4 Preferred Shares

In 2025 and 2024, the Parent Company's BOD approved the declaration of cash dividends of P1.3 per share or equivalent to P53.0 million per quarter which were taken out of the unrestricted earnings of the Parent Company as of September 30, 2025 and December 31, 2024, respectively.

The series of record dates and payments are as follows:

	1 st Quarter	2 nd Quarter	3 rd Quarter	4th Quarter
2025				
Series 4 Preferred Shares:				
Approval dates	January 3, 2025	March 24, 2025	-	-
Record dates	January 22, 2025	April 10, 2025	-	-
Payment dates	January 30, 2025	April 29, 2025	-	-
2024				
Series 4 Preferred Shares:				
Approval dates	January 5, 2024	March 22, 2024	June 26, 2024	September 27, 2024
Record dates	January 22, 2024	April 12, 2024	July 12, 2024	October 14, 2024
Payment dates	January 29, 2024	April 29, 2024	July 29, 2024	October 29, 2024

(c) Series 5 Preferred Shares

In 2025 and 2024, the Parent Company's BOD approved the declaration of cash dividends of P1.98 per share or equivalent to P29.6 million per quarter to holders of Series 5 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as at September 30, 2025 and December 31, 2024, respectively.

The series of record dates and payments are as follows:

	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
2025				
Series 5 Preferred shares:				
Approval dates	March 12, 2025	June 13, 2025	September 15, 2025	-
Record dates	April 2, 2025	July 2, 2025	October 2, 2025	-
Payment dates	April 21, 2025	July 17, 2025	October 17, 2025	-
2024				
Series 5 Preferred shares:				
Approval dates	March 13, 2024	June 14, 2024	September 16, 2024	December 10, 2024
Record dates	April 2, 2024	July 2, 2024	October 2, 2024	December 27, 2024
Payment dates	April 17, 2024	July 17, 2024	October 17, 2024	January 17, 2025

The Group's retained earnings are restricted up to the extent of the cost of its treasury shares, except those treasury shares acquired in the redemption of redeemable preferred shares amounting to P10,622.0 million and P6,622.0 million as at September 30, 2025 and December 31, 2024, respectively.

Under Section 4(1) of the SEC's 1982 Rules Governing Redeemable and Treasury Shares, the amount of unrestricted retained earnings equivalent to the cost of the treasury shares being held, other than those acquired in accordance with the exceptions provided in Section 3(1) of these rules, shall be restricted from being declared and issued as dividends. Section 3(1) provides that redeemed redeemable shares, although part of treasury shares, is not subtracted from the unrestricted retained earnings to determine the Retained Earnings Available for Dividend Declaration provided that the corporation must still have sufficient assets to cover debts and liabilities inclusive of capital stock, after redemption of the redeemable preferred shares.

(d) Series 6 Preferred Shares

In 2025, the Parent Company's BOD approved the declaration of cash dividends of P1.91 per share or equivalent to P33.9 million to holders of Series 6A preferred shares, P1.99 per share or equivalent to P23.7 million to holders of Series 6B preferred shares, and P2.07 per share or equivalent to P47.79 million to holders of Series 6C preferred shares which were taken out of the unrestricted earnings of the Parent Company as at September 30, 2025.

The series of record dates and payments are as follows:

	2 nd quarter	3 rd quarter
2025		
Series 6A Preferred shares:		
Approval dates	June 10, 2025	September 11, 2025
Record dates	June 27, 2025	September 29, 2025
Payment dates	July 17, 2025	October 14, 2025
2025		
Series 6B Preferred shares:		
Approval dates	June 10, 2025	September 11, 2025
Record dates	June 27, 2025	September 29, 2025
Payment dates	July 17, 2025	October 14, 2025
2025		
Series 6C Preferred shares:		
Approval dates	June 10, 2025	September 11, 2025
Record dates	June 27, 2025	September 29, 2025
Payment dates	July 17, 2025	October 14, 2025

20.3 Deposit on future stock subscription

As at September 30, 2025 and December 31, 2024, the Group has P90 million outstanding deposits which are presented already as deposit for future stock subscription under equity in the statement of financial position. As at December 31, 2023 this was presented as a liability under the Due to Related Party account. The SEC approved PH1's increase in authorized capital from 620,000,000 shares to 2,600,000,000 shares last March 2025 and expected to be converted into capital stock in 2025.

20.4 Treasury shares

On July 20, 2016, the Parent Company's BOD approved the buy-back of 410.8 million common shares held by Sybase Equity Investment Corporation at a price equal to the seven-trading day volume weighted average price ending on July 28, 2016 or equivalent to P10.03 per share. Total purchase price of the treasury shares including incidental cost of the buy-back amounted to P4,138.8 million.

On October 20, 2016, the Parent Company's BOD approved the sale of its 150.0 million treasury shares at P14.90 per share. Net proceeds of the sale of treasury share amounted to P2,181.7 million, net of incidental cost of the transaction. The outstanding balance of the treasury shares after the sale is 260.8 million treasury shares at cost of P2,627.7 million.

On October 1, 2018, the Parent company's BOD approved a share buyback program worth up to P2.0 billion over a period of two years. Total cost to acquire treasury shares in 2020 and 2019 amounted to P703.1 million and P457.8 million, respectively, which is equivalent to 50.2 million and 26.1 million shares, respectively.

On March 3, 2020, the Parent Company's BOD approved an additional P3.0 billion to its share buyback program, making it a total of P5.0 billion and removal of the period within which to execute the program, making it open-ended. Total cost of acquired treasury shares in 2020 amounted to P703.1 million, which is equivalent to 50.2 million shares. There are no buyback transactions in 2022 and 2021.

On October 19, 2021, the Parent Company's BOD approved the redemption of its Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000 million.

On April 26, 2023, the Parent Company's BOD approved the redemption of its Series 2A Preferred Shares, on May 29, 2023, at a redemption price of P100.00 per share, increasing the treasury shares by P2,622.0 million.

On March 24, 2025, the Parent Company's BOD approved the redemption of its Series 4 Preferred Shares, on April 29 2025, at a redemption price of P100.00 per share increasing the treasury shares by P4,000.0 million.

20.5 Non-controlling interest

Noncontrolling interests pertain to the equity ownership of minority stockholders in MCLI, MCEI, MOMC, TPC, and Famtech.

As at September 30, 2025, the non-controlling interests amounted to P441.1 million (December 31, 2024 - P529.2 million) as presented in the condensed interim consolidated statements of financial position.

There were no dividends declared to non-controlling interests in 2025 and 2024.

20.6 Others

On February 14, 2018, the PIC issued 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)*, 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 Philippine 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 Group 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 elected to apply such amendments by recognizing the cumulative effect as an adjustment to the retained earnings as at January 1, 2024, which is the date of initial application. The Group elected to apply such amendments retrospectively only to contracts that are not completed contracts at the date of the initial application. The adjustment on the 2024 beginning balance of equity affecting Retained earnings is a decrease of P44.06 million.

21 Related party transactions

The Group's related parties include its ultimate parent company and other shareholders, subsidiaries, associates, joint ventures, parties related to the Parent Company by common ownership and key management personnel.

Based on the requirement of SEC Memorandum Circular 2019-10, Rules of Material Related Party Transactions of Publicly listed Companies, transactions amounting to 10% or more of the total consolidated assets based on its latest consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the Parent Company's BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock.

For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

The summary of the Group's transactions with related parties for the nine months ended September 30, 2025 is as follows:

Related party category	Notes	Amount of transaction	Outstanding receivable (payable)	Terms	Conditions
Ultimate parent company:					
Cash advance granted	5, 21.4	(3,009,295,108)	80,000,000	Interest-bearing On demand;	Unsecured; Unimpaired
Interest receivable	5, 21.4	214,531,920	1,273,575,689	Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 21.2	40,178	349,598	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	90,233,593	-	Noninterest-bearing	Unsecured; Unimpaired
Associate:					
Revenue from services	5, 17.1, 21.1	-	997,247,697	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	15,535,066	20,298,297	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	13, 21.4	-	(30,000,000)	Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 21.2	40,178	482,321	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	5, 17.1, 21.1	466,163,903	17,543,763	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	-	-	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	-	-	Noninterest-bearing	Unsecured; Unimpaired
Shareholder:					
Revenue from services	5, 21.1	106,813,320	671,432,835	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	-	889,795	Noninterest-bearing	Unsecured; Unimpaired
Related parties under common ownership:					
Rent income	5, 21.2	8,551,622	52,838,228	Normal credit terms	Unsecured; Unimpaired
Revenue from services	5, 17.1, 21.1	1,144,306,584	292,515,993	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	297,398,542	3,646,164,835	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	1,880,100	(50,723,100)	Noninterest-bearing On demand;	Unsecured; Unimpaired
Interest receivable	5, 21.4	204,954,746	1,718,904,029	Noninterest-bearing Upon retirement of beneficiaries	Unsecured; Unimpaired
Retirement fund		-	5,211,295	Upon liquidation,	Unsecured; Unimpaired
Advances to employees	5, 21.3	27,196,791	108,135,333	Noninterest-bearing	Unsecured; Unimpaired
Key management personnel compensation	21.6	235,668,109	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for the year ended December 31, 2024 is as follows:

Related party category	Notes	Amount of transaction	Outstanding receivable (payable)	Terms	Conditions
Ultimate parent company:					
Cash advance granted	5, 21.4	200,000	3,089,295,108	Interest-bearing On demand;	Unsecured; Unimpaired
Interest receivable	5, 21.4	255,750,000	1,469,748,661	Noninterest-bearing Normal credit term	Unsecured; Unimpaired
Rent income	5, 21.2	53,571	309,420	On demand;	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	-	(90,233,593)	Noninterest-bearing	Unimpaired
Associate:					
Revenue from services	5, 17.1, 21.1	193,084,720	998,316,553	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	(4,629,189)	4,763,231	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	13, 21.4	-	(30,000,000)	Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 21.2	53,571	442,143	Normal credit terms	Unimpaired
Joint Arrangement:					
Revenue from services	5, 17.1, 21.1	813,087,293	11,896,476	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	(901,012)	-	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	-	-	Noninterest-bearing	Unimpaired
Shareholder:					
Revenue from services	5, 21.1	-	671,432,835	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	-	889,795	Noninterest-bearing	Unimpaired
Related parties under common ownership:					
Rent income	5, 21.2	9,196,532	44,286,606	Normal credit terms	Unsecured; Unimpaired
Revenue from services	5, 17.1, 21.1	1,179,912,369	503,001,627	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	6,802,041	3,348,766,293	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	(28,199,568)	(52,603,200)	Noninterest-bearing On demand;	Unsecured; Unimpaired
Interest receivable	5, 21.4	303,218,255	1,513,949,283	Noninterest-bearing Upon retirement of beneficiaries	Unsecured; Unimpaired
Retirement fund		263,604	5,211,295	Upon liquidation,	Unsecured; Unimpaired
Advances to employees	5, 21.3	(17,574,237)	80,938,542	Noninterest-bearing	Unsecured; Unimpaired
Key management personnel compensation	21.6	242,394,279	-	On demand	Unimpaired

The summary of the Group's transactions with related parties for the nine months ended September 30, 2024 is as follows:

Related party category	Notes	Amount of transaction	Outstanding receivable (payable)	Terms	Conditions
Ultimate parent company:					
Cash advance granted	5, 21.4	200,000	3,089,295,108	Interest-bearing On demand;	Unsecured; Unimpaired
Interest receivable	5, 21.4	191,812,500	1,405,811,161	Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 21.2	40,179	296,027	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance obtained	13, 21.4	-	(90,233,593)	Noninterest-bearing	Unsecured; Unimpaired
Associate:					
Revenue from services	5, 21.1	-	997,247,698	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	(2,211,438)	7,180,981	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	-	(30,000,000)	Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 21.2	40,179	428,750	Normal credit terms	Unsecured; Unimpaired
Joint Arrangement:					
Revenue from services	5, 17.1, 21.1	608,163,822	43,383,873	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	(901,012)	-	Noninterest-bearing On demand;	Unsecured; Unimpaired
Cash advance obtained	13, 21.4	-	-	Noninterest-bearing	Unsecured; Unimpaired
Shareholder:					
Revenue from services	5, 21.1	-	682,865,804	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	-	889,796	Noninterest-bearing	Unsecured; Unimpaired
Related parties under common ownership:					
Rent income	5, 21.2	4,676,325	39,766,399	Normal credit terms	Unsecured; Unimpaired
Revenue from services	5, 17.1, 21.1	903,212,849	383,157,736	Normal credit terms On demand;	Unsecured; Unimpaired
Cash advance granted	5, 21.4	32,091,630	3,374,055,883	Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	14, 21.4	(26,059,367)	(50,463,000)	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	5, 21.4	227,241,887	1,437,972,915	On demand; Noninterest-bearing	Unsecured; Unimpaired
Retirement fund		-	4,947,691	Upon retirement of beneficiaries	Unsecured; Unimpaired
Advances to employees	5, 21.3	(4,112,861)	94,399,918	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
Key management personnel compensation	21.6	172,543,661	-	On demand	Unsecured; Unimpaired

21.1 Rendering of services

In the normal course of business, the Group provides construction services to its associate and other related parties. The related revenue from these transactions amounted to P1,717.3 million for the period ended September 30, 2025 (September 30, 2024 - P1,511.4 million) and is recognized as part of Construction Operation Revenues account in the interim condensed consolidated statements of income. Services rendered to related parties are based on normal terms similar to terms that would be available to non-related parties.

The outstanding contract receivables from these transactions, which are generally unsecured and settled through cash within three to six months, and the related retention receivables, which can only be collected after a certain period of time upon acceptance by project owners of the certificate of completion, are as part of Contract and Retention receivables under Trade and Other Receivables account in the condensed interim consolidated statements of financial position (Note 5).

There were no impairment losses recognized in 2025 and 2024 for these related party receivables.

21.2 Rental of land and building

The Group is a lessee for certain parcels of land and building owned by related parties under common ownership.

The Parent Company also leases out its office space to its associates and related parties under common ownership. As a result, the Group recognized rent income amounting to P8.6 million in 2025 and P4.8 million in 2024 from the lease of its office building to several related parties. This is recognized as part of Others - net under Income and Expenses section in the condensed interim consolidated statements of income. The outstanding balances arising from these transactions are presented as part of Other receivables under the Trade and Other Receivables account in the condensed interim consolidated statements of financial position (Note 5).

21.3 Advances to employees

Advances to employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are to be liquidated 60 days from the date the cash advances were received. The outstanding receivables from these transactions are presented as part of Trade and Other Receivables (Note 5).

No impairment losses were recognized in 2025 and 2024 for these advances.

21.4 Advances to and from related parties

The Group has provided unsecured, interest-bearing, and noninterest-bearing cash advances to its associates and certain related parties under common ownership to finance portion of their working capital requirement which are payable upon demand. Interest income arising from advances to related parties amounted to P419.5 million in 2025 (2024 - P419.1 million) are presented under Finance income. Outstanding interest receivable on advances to related parties amounting to P2,992.5 million in 2025 (2024 - P2,983.7 million) is presented as part of Accrued interest receivables under Trade and Other Receivables (Note 5). In 2025 and 2024, the Parent Company provided bridge financing to its parent and associates for the Group's business expansion and diversification program.

The breakdown of the outstanding balances for the reporting periods are as follows:

	September 30, 2025	December 31, 2024
Advances to related parties:		
Related party under common ownership	3,646,164,835	3,348,766,293
Ultimate parent company	80,000,000	3,089,295,108
Associates	20,298,297	4,763,231
Shareholder	889,795	889,795
	<u>3,747,352,927</u>	<u>6,443,714,427</u>
Due to related parties:		
Associates	(30,000,000)	(30,000,000)
Related party under common ownership	(50,723,100)	(52,603,200)
	<u>(80,723,100)</u>	<u>(82,603,200)</u>

Further, upon assessment of recoverability based on the capacity to pay and expected collectability of these advances, no impairment losses were recognized on September 30, 2025 and December 31, 2024.

The Group's outstanding receivables from and payables to the same related parties as presented can be potentially offset to the extent of their corresponding outstanding balances.

The Group has existing material related party transaction policy to adhere with SEC Memorandum Circular No. 10, Series of 2019 which include: the identification of related parties, coverage of material related party transactions, adjusted thresholds, identification and prevention or management of potential or actual conflicts of interests arising out of or in connection with the material related party transactions, guidelines in ensuring arm's length terms, approval of material related party transactions, self-assessment and periodic review of policy, disclosure requirements, whistleblowing mechanisms, and remedies for abusive material related party transactions. The BOD, with the assistance of the Audit and Compliance Committee shall oversee, review, and approve all related party transactions to ensure that these are conducted in the regular course of business and on an arm's length basis and not undertaken on more favorable economic terms to the related parties than with non-related or independent parties under similar circumstances. The Audit and Compliance Committee shall be granted the sole authority to review related party transactions. Those falling within the materiality thresholds set by the Group's BOD shall require the approval of the Chief Executive Officer and/or President or the BOD, as the case may be.

21.5 Others

The Parent Company's retirement plan is in the form of a bank-trustee managed account. The fair value of the retirement plan totaled to P5.2 million as at September 30, 2025 and December 31, 2024.

21.6 Key management compensation

The compensation of key management personnel for the nine months ended September 30, 2025 and 2024 amounted to P235.7 million and P172.5 million, respectively.

22 Commitments and contingencies

The following are the significant commitments and contingencies involving the Group:

22.1 Credit lines

Credit lines are revolving in nature, allowing repeated drawdowns within the approved limit. Loan availments during the year include reavailments of previously settled amounts, consistent with the terms of the facility agreements.

The Parent Company has existing credit lines with local banks totaling P25,300 and P23,800 million in September 30, 2025 and December 31, 2024, respectively.

The Parent Company availed of bank loans totaling P16,442.2 million and P18,983.8 million from the credit lines in September 30, 2025 and December 31, 2024, respectively (Note 15.2). Unused credit lines as at September 30, 2025 and December 31, 2024 amounted to P9,350 million and P5,796 million, respectively.

22.2 Use of proceeds

The Parent Company has capital commitments to utilize the proceeds from the issuance of its preferred shares amounting to P9,547.2 million for various expansion of its facilities and construction of infrastructure projects as stated in the use of proceeds report. As of September 30, 2025 and December 31, 2024, the balance of the unutilized proceeds amounted to P1,991.5 million and P1,248.4 million, respectively.

22.3 Others

Apart from the foregoing significant commitments, and the Group's construction commitments with various counterparties under the ordinary course of business, there are other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's consolidated financial statements, taken as a whole.

There are other pending claims, tax assessment, and other legal actions filed by the Group or against the Group arising from the normal course of business. There are no related provisions recognized in the consolidated financial statements as management believes that the Group has strong legal positions related to such claims. Moreover, management believes that the ultimate liability, if any, with respect to such litigations, claims and disputes will not materially affect the financial position and results of operations of the Group.

23 Others - net

The details of this account as at the reporting period are as follows:

	September 30, 2025	September 30, 2024
Income from scrap sales	59,554,078	4,719,271
Commercial, public market and parking rentals	63,489,711	53,799,463
Utility recoveries	59,441,570	29,826,793
CUSA charges	17,537,025	19,929,001
Income from retirement sales	8,322,032	15,853,237
Others	(1,374,435)	20,873,567
	206,969,981	145,001,332

Commercial public market and parking rentals are revenues generated from a range of rental options, including long-term leases and short-term rentals to regular market vendors and businesses for commercial purposes.

Utility recoveries represent additional income recognized arising from utility bills that are to be recovered from and billed to tenants, supplementing the usual revenue streams.

Common use service area (CUSA) charges are supplementary to cover the costs associated with the maintenance and operation of the building's common areas.

Income from retirement sales arises from the sale of fixed assets as derecognized from the books.

24 Earnings per share

Earnings per share is calculated as Group's profit divided by the outstanding shares of its common stock and computed as follows:

	September 30, 2025	December 31, 2024
Net profit attributable to shareholders of the Parent Company	589,186,548	447,030,662
Dividends on cumulative preferred shares	(480,846,885)	(215,323,406)
Net profit available to common shareholders of the Parent Company	108,339,663	231,707,256
Divided by weighted average number of outstanding common shares	2,013,409,717	2,013,409,717
Basic and diluted earnings per share	0.05	0.12

The Group does not have dilutive potential common shares outstanding as at September 30, 2025 and December 31, 2024; hence, diluted earnings per share is equal to the basic earnings per share.

25 Significant accounting judgments and estimates

The preparation of the interim condensed consolidated financial statements in accordance with PAS 34, "Interim Financial Reporting" requires management to make judgments and estimates that affect the amounts reported in the condensed interim consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

26 Risk management objectives and policies

The Group is exposed to a variety of financial risks in relation to its financial instruments. The Group's financial assets and financial liabilities by category are summarized in succeeding pages. The main types of risk are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated with the Group's Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The relevant financial risks to which the Group is exposed to are described below and in the succeeding pages.

26.1 Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from its operating, investing, and financing activities.

(a) Foreign currency risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. The Group also holds US dollar denominated cash in banks. The Group does not have any financial liabilities denominated in foreign currency.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency transactions.

(b) Interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Group is exposed to changes in market rates through its cash in banks and short-term placements which are subject to monthly repricing intervals and some short-term working capital loans which are subject to variable interest rate. Any increase in finance costs due to changes in interest rates will be mitigated by the finance income on cash and cash equivalents and short-term placements.

26.2 Credit risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, such as the granting of loans and receivables to customers and related parties and placing deposits with local banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. Based on the Company's analysis, it has a degree of concentration of credit risk since a significant portion of its receivables is attributed only to three customers.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the related assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as summarized below.

	Notes	September 30, 2025	December 31, 2024
Cash and cash equivalents*	4	4,032,526,114	5,774,438,837
Trade and other receivables - net**	5	22,807,445,365	21,947,598,672
Contract assets	7	4,018,336,585	3,385,788,211
Refundable security and bond deposits	9	218,947,596	224,200,254
		31,077,255,660	31,332,025,974

*excludes cash on hand

**excludes advances to employees

None of the Group's financial assets are secured by or other credit enhancements, except for cash and cash equivalents, as described below and in the succeeding pages.

(a) Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) Trade and other receivables and contract assets

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

To measure the ECL, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Group also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of 36 months before September 30, 2025 or December 31, 2024 respectively, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the interest rate in the Philippines to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Group identifies a default when the receivables become credit impaired or when the customer has not been able to settle the receivables when due, depending on the terms with customers or after completion and acceptance of the stage of completion as represented by the billings. In making the assessment, the Group considers the net position of the customer after advances and deposits received from the customer, reason for non-payment (i.e. dispute related to quality of work completed has been raised by the customer) and the credit standing of the customer. In addition, the Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty. When customer is unlikely to pay a past due account in the next year due to financial difficulty, an ECL is recognized in the books.

The Group has determined that the credit standing and liquidity of the significant portion of its receivables and customers from the construction segment are not affected severely by COVID-19 as these customers have reputable cash management strategies.

On that basis, the loss allowance as at September 30, 2025 and December 31, 2024 was determined based on months past due, as follows, for both trade and other receivables:

	Not more than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year	Total
September 30, 2025:					
Expected credit loss rate	-	-	-	33.56%	
Contract receivables	6,849,137,500	1,584,570,535	217,018,158	401,609,312	9,052,335,505
Lease receivables	548,507,510	40,393,026	7,212,691	295,807,556	891,920,783
	7,397,645,010	1,624,963,561	224,230,849	697,416,868	9,944,256,288
Loss allowance	-	-	-	234,020,073	234,020,073
December 31, 2024:					
Expected credit loss rate	-	-	-	27.40%	
Contract receivables	5,151,409,095	58,466,673	33,690,803	525,615,130	5,769,181,701
Lease receivables	762,307,611	17,883,719	4,841,948	466,599,306	1,251,632,584
	5,913,716,706	76,350,392	38,532,751	992,214,436	7,020,814,285
Loss allowance	-	-	-	271,899,526	271,899,526

The Group recognized an allowance for ECL amounting to P1,087.4 million representing unbilled costs incurred by the Group and assessed to be not recoverable (Note 7).

The real estate sales receivables account pertaining to PH1 is secured to the extent of the fair value of the residential condominium units sold (i.e., based on current prices less estimated cost to sell) since the title to the real estate properties remains with the Group until the real estate sales receivables are fully collected. In 2024, estimated fair value of collaterals held against the real estate sales receivables of PH1 exceeded the gross maximum exposure hence, the related credit risk exposure is deemed immaterial, and the expected loss given default on real estate sales receivables is nil.

The Group's rental receivables are secured to the extent of advance rentals and security deposits received from lessees. Furthermore, in case of delay in collection of rentals from lessees, the Group imposes penalties pursuant to its standard lease agreements.

ECL for advances to and receivable from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Group does not consider any significant risks in the advances to and receivable from related parties since the related parties have enough capacity to pay the advances and receivables upon demand.

(c) *Refundable security and bond deposits*

The Group is not exposed to any significant credit risk exposures to its lessors as lease agreements were executed with reputable entities. The Group can negotiate, before the end of the lease term, to apply deposit to rentals due.

26.3 Liquidity risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

	Current		Non-current
	Within 6 months	6 to 12 months	1 to 5 years
September 30, 2025:			
Interest-bearing loans and borrowings	27,009,473,111	399,753,471	10,174,405,989
Trade and other payables	6,213,518,196	-	-
Security deposits*	-	-	63,143,081
	33,222,991,307	399,753,471	10,237,549,070
December 31, 2024:			
Interest-bearing loans and borrowings	18,159,860,564	840,625,786	21,052,079,582
Trade and other payables	4,872,013,956	-	-
Security deposits*	-	-	126,512,494
	23,031,874,520	840,625,786	21,178,592,076

**Under other non-current liabilities only, current portion of security deposits is included as part of trade and other payables*

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of reporting periods.

27 Categories, offsetting and fair values of financial assets and financial liabilities

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the condensed interim consolidated statements of financial position are shown below:

	Notes	September 30, 2025		December 31, 2024	
		Carrying values	Fair values	Carrying values	Fair values
Financial assets					
At amortized cost:					
Cash and cash equivalents	4	4,039,378,346	4,039,378,346	5,780,839,900	5,780,839,900
Trade and other receivables - net*	5	22,807,445,365	22,807,445,365	21,947,598,671	21,947,598,671
Contract assets	7	4,018,336,585	4,018,336,585	3,385,788,211	4,473,203,513
Refundable security and bond deposits	9	218,947,596	218,947,596	224,200,254	224,200,254
		31,084,107,892	31,084,107,892	31,338,427,036	32,425,842,338
Financial assets at FVOCI:					
Club shares		1,044,472	1,044,472	1,044,472	1,044,472
Investment in SSPI		2,500,000	2,500,000	2,500,000	2,500,000
		3,544,472	3,544,472	3,544,472	3,544,472
		31,087,652,364	31,087,652,364	31,341,971,508	32,429,386,810
Financial Liabilities					
At amortized cost:					
Interest-bearing loans and borrowings	15	33,960,562,345	33,960,562,345	35,001,996,901	35,001,996,901
Trade and other payables	14	6,213,518,196	6,213,518,196	4,872,693,155	4,872,693,155
Security deposits	17	63,143,081	63,143,081	126,512,494	126,512,494
		40,237,223,622	40,237,223,622	40,001,202,550	40,001,202,550

*Excluding advances to employees.

27.1 Offsetting of financial assets and financial liabilities

Currently, all other financial assets and financial liabilities are settled on a gross basis and no offsetting of financial instruments has been made in 2025 and 2024. However, each party to the financial instrument (particularly related parties) will have the option to settle amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 20 can be potentially offset to the extent of their corresponding outstanding balances.

27.2 Fair value hierarchy

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

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

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

27.3 Financial instruments measured at amortized cost

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
September 30, 2025:				
Financial assets:				
Cash and cash equivalents	4,039,378,346	-	-	4,039,378,346
Trade and other receivables - net	-	-	22,807,445,365	22,807,445,365
Contract assets	-	-	4,018,336,585	4,018,336,585
Refundable security and bond deposits	-	-	218,947,596	218,947,596
	4,039,378,346	-	27,044,729,546	31,084,107,892
Financial liabilities:				
Interest-bearing loans and borrowings	-	-	33,960,562,345	33,960,562,345
Trade and other payables	-	-	6,213,518,196	6,213,518,196
Security deposit	-	-	63,143,081	63,143,081
	-	-	40,237,223,622	40,237,223,622
December 31, 2024:				
Financial assets:				
Cash and cash equivalents	5,780,839,900	-	-	5,780,839,900
Trade and other receivables - net	-	-	21,947,598,671	21,947,598,671
Contract assets	-	-	3,385,788,211	3,385,788,211
Refundable security and bond deposits	-	-	224,200,254	224,200,254
	5,780,839,900	-	25,557,587,136	31,338,427,036
Financial liabilities:				
Interest-bearing loans and borrowings	-	-	35,001,996,901	35,001,996,901
Trade and other payables	-	-	4,872,693,155	4,872,693,155
Security deposit	-	-	126,512,494	126,512,494
	-	-	40,001,202,550	40,001,202,550

The table below shows the fair value of the Group's investment property measured at cost but for which fair value is disclosed and determined under the Level 3 fair value hierarchy.

	Note	September 30, 2025	December 31, 2024
Commercial property	11	3,985,165,000	3,985,165,000
Land	11	1,915,926,447	1,915,926,447
		5,901,091,447	5,901,091,447

Commercial property

The fair value of certain commercial property are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location.

In estimating the fair value of investment property, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use. In 2024 and 2023, the Level 3 fair value of commercial area under investment properties was determined using the cost approach which considers a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay.

The fair values of the commercial property as at September 30, 2025 and December 31, 2024 were based on the latest appraisal report dated October 3, 2023 using the cost approach for the Group.

Land

The fair value of certain parcels of land are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size, age, and condition of the land, and the comparable prices in the corresponding property location. The fair value of other parcels of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Both valuation processes were applied as sale comparable method.

In estimating the fair value of investment property, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use. In 2025 and 2024, the Level 3 fair value of commercial area under investment properties was determined using the cost approach which considers a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay.

Valuations are performed with sufficient regularity at least once every three (3) years enough to ensure that the fair value of the revalued asset does not differ significantly from its carrying value.

28 Reconciliation of liabilities arising from financing activities

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Bank Loans (Note 15.2)	Notes payable (Note 15.1)	Lease liabilities (Note 13)	Bonds payable (Note 15.3)	Exchangeable Note	Total
Balance as of January 1, 2025	24,044,702,077	1,840,000,000	182,400,913	8,934,893,911	-	35,001,996,901
Cash flows from						
financing activities:						
Additional borrowings	18,481,211,144	-	-	-	-	18,481,211,144
Repayment of borrowings	(19,491,998,150)	(6,500,000)	(43,858,494)	-	-	(19,542,356,644)
Non-cash financing activities:						
Amortization of deferred charges	-	-	-	19,710,944	-	19,710,944
Balance as of September 30, 2025	23,033,915,071	1,833,500,000	138,542,419	8,954,604,855	-	33,960,562,345
Balance as of January 1, 2024	21,090,547,054	5,388,000,000	169,586,723	3,953,869,786	7,763,200,000	38,365,203,563
Cash flows from						
financing activities:						
Additional borrowings	11,792,215,531	-	-	-	-	11,792,215,531
Repayment of borrowings	(9,602,881,703)	(36,000,000)	(64,795,801)	-	-	(9,703,677,504)
Non-cash financing activities:						
Remeasurement	-	-	-	-	-	-
Maturation of	-	-	-	-	-	-
Exchangeable note	-	-	52,562,924	-	-	52,562,924
Amortization of deferred charges	-	-	-	7,299,565	-	7,299,565
Balance as of September 30, 2024	23,279,880,882	5,352,000,000	157,353,846	3,961,169,351	7,763,200,000	40,513,604,079

29 Capital management objectives, policies and procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented on the consolidated statements of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, re-issuance of treasury shares or sell assets to reduce debt.

	Note	September 30, 2025	December 31, 2024
Interest-bearing loans and borrowings (excluding lease liabilities)	15	33,822,019,926	34,819,595,988
Total equity		18,238,430,864	16,991,940,841
		1.85:1:00	2.05:1:00

30 Basis of Preparation of Condensed Interim Consolidated Financial Statements

These condensed interim consolidated financial statements as at and for the nine-month reporting period ended September 30, 2025 have been prepared in accordance with PAS 34, "Interim Financial Reporting".

The condensed interim consolidated financial statements do not include all the notes normally included in annual consolidated financial statements. Accordingly, these condensed interim financial statements are to be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2024 and any public announcements made by the Company during the nine-month period ended September 30, 2025.

The accounting policies adopted are consistent with those of the previous financial year. The same accounting policies and methods of computation are followed in the interim report as compared with the most recent annual financial statements.

30.1 Adoption of Amended Standards

(a) New standards, amendments and interpretations applied by the Group

The Group has applied the following amendments for the first time for their reporting period commencing January 1, 2025:

- Amendments to PAS 21 - Lack of Exchangeability

The Financial and Sustainability Reporting Standards Council (FSRSC) has approved on October 10, 2023 the adoption of amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, Lack of Exchangeability issued by the International Accounting Standards Board (IASB) in August 2023 as amendments to PAS 21 The Effects of Changes in Foreign Exchange Rates, Lack of Exchangeability.

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2025.

The adoption did not have a significant impact on the Group's consolidated financial statements as at September 30, 2025 and December 31, 2024.

(b) New standards, amendments and interpretations not yet adopted by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the September 30, 2025 reporting period and have not been early adopted by 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.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at September 30, 2025 and December 31, 2024 reporting periods. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

31 Events after the end of the reporting period

Preferred Shares Dividends

The Parent Company's BOD approved the declaration of dividends at a rate of P1.4375 per share on October 22, 2025 with November 12, 2025 as the record date and November 27, 2025 as the payment date which shall be taken out of the unrestricted earnings of the Group.

There were no other significant post period-end events after September 30, 2025 except for the information that were disclosed in the respective notes.

14 October 2025

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

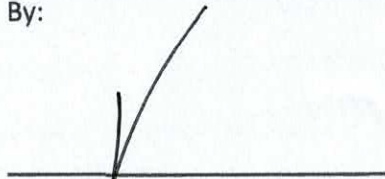
Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Quarterly Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the Quarter Ended 30 September 2025; and
2. Report of Independent Auditors on Factual Findings.

MEGAWIDE CONSTRUCTION CORPORATION

By:



JEZ G. DELA CRUZ
Chief Financial Officer

14 October 2025

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Re: **MEGAWIDE CONSTRUCTION CORPORATION**
Quarterly Progress Report as of and for the Quarter Ended 30 September 2025 on the Application of Proceeds from the Preferred Shares Offering with Certification of Independent Auditors

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 21 March 2025, we submit herewith the Company's quarterly report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the quarter ended 30 September 2025 are as follows:

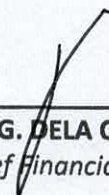
Offering Proceeds (52,739,020) shares at PhP 100.00 per share)	PhP	5,273,902,000.00
Less: Expenses related to the public offering		
SEC Registration Fees		2,083,125.00
PSE Filing Fees		6,720,000.00
Documentary Stamp Tax		527,390.20
Underwriting Fees		20,063,602.15
Selling Fees		19,432,662.35
Legal Counsel Fees		2,797,548.99
Receiving and Stock Transfer Agency Fees		182,400.00
Other Expenses		356,732.05
Net Offering Proceeds	PhP	5,221,738,539.26
Less: Disbursements		
Accumulated costs incurred as of June 30, 2025		4,235,963,150.63
Costs incurred for the quarter ended September 30, 2025		220,528,322.05
	PhP	4,456,491,472.68
Balance of the Offering Proceeds as of September 30, 2025	PhP	765,247,066.58

We hope you find everything in order.

Very truly yours,

MEGAWIDE CONSTRUCTION CORPORATION

By:



JEZ G. DELA CRUZ
Chief Financial Officer



Isla Lipana & Co.

Agreed-upon Procedures Report on Quarterly Progress Report on Independent Use of Proceeds from the Listing of Megawide Construction Corporation

To the Board of Directors and Stockholders
Megawide Construction Corporation
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia, Quezon City

Purpose of this Agreed-upon Procedures Report

Our report is solely for the purpose of assisting Megawide Construction Corporation (the “Company”) in connection with the Company’s compliance with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor’s certification on the information being presented by the Company with respect to the Quarterly Progress Report (the “Report”) dated October 14, 2025 on the application of net proceeds received by Company from its shares offering (“Offering Proceeds”) as at September 30, 2025 and for the period from April 14, 2025 (listing date) to September 30, 2025 relating to the application of the Offering Proceeds and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The board of directors and shareholders of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

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

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board of Accountants (IESBA) Code.

Our firm applies Philippine Standard on Quality Control (PSQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 14, 2025 performed solely to assist the Company comply with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's certification on the information being presented by the Company relating to the application of the Offering Proceeds.

The agreed-upon procedures and the results thereof are summarized as follows:

1. Obtained and checked the mathematical accuracy of the following:
 1. The Report;
 2. Reallocation of the Use of Proceeds Report, if any;
 3. Schedule of planned use of proceeds from the Offering Prospectus; and,
 4. Detailed schedule of utilization of proceeds as of and for the quarter ended September 30, 2025.

No exceptions noted.

We present below the summary of the breakdown and application of the Offering Proceeds as of and for the quarter ended September 30, 2025 based on the information we obtained from the Company.

	Initial Balance of Allocation of Offering Proceeds on March 21, 2025	Application of Offering Proceeds as of June 30, 2025	Application of Offering Proceeds for the Quarter ended September 30, 2025	Balance of Offering Proceeds as of September 30, 2025
Redemption of series 4 preferred shares	4,000,000,000	4,000,000,000	-	-
Partial financing of pipeline projects	1,033,436,757	148,736,152	119,453,538	765,247,067
General corporate purposes	188,301,782	87,226,998	101,074,784	-
	5,221,738,539	4,235,963,150	220,528,322	765,247,067

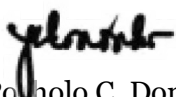
2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the quarter ended September 30, 2025. No exceptions noted.

	Amount	
	Per Report	Per schedule of disbursements
Use of proceeds	220,528,322	220,528,322

3. We compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus, dated March 21, 2025, and published through the Philippine Stock Exchange Electronic Disclosure Generation Technology on March 24, 2025. No exceptions noted.
4. We inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds. Disbursements for the quarter pertain to the partial financing of pipeline projects and general corporate purposes. No exceptions noted.
5. We traced the reported application of Offering Proceeds amounting to P220,528,322 for the quarter July 1, 2025 to September 30, 2025 to the Company's accounting records and certain material transactions to corresponding supporting documents. No exceptions noted.

Restriction on distribution and use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Ponolo C. Domondon

Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 3, 2025 at Makati City

SEC A.N. (Individual) as general auditors 108839 - SEC, Category A;

valid to audit 2021 to 2025 financial statements

SEC A.N. (Firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

October 15, 2025

14 October 2025

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Quarterly Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the Quarter Ended 30 September 2025; and
2. Report of Independent Auditors on Factual Findings.

MEGAWIDE CONSTRUCTION CORPORATION

By:



JEZ G. DE LA CRUZ
Chief Financial Officer

14 October 2025

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

Re: **MEGAWIDE CONSTRUCTION CORPORATION**
Quarterly Progress Report as of and for the Quarter Ended 30 September 2025 on the Application of Proceeds from the Preferred Shares Offering with Certification of Independent Auditors

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 27 November 2020, we submit herewith the Company's quarterly report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the quarter ended 30 September 2025 are as follows:

Offering Proceeds (43,626,010 shares at PhP 100.00 per share)	PhP	4,362,601,000.00
Less: Expenses related to the public offering*		
Underwriting fees		23,881,930.83
Registration and filing fees		6,830,655.00
Professional fees		5,986,013.50
Documentary stamp tax		436,260.10
Net Offering Proceeds	PhP	4,325,466,140.57
Less: Disbursements		
Accumulated costs incurred as of June 30, 2025		3,096,464,223.38
Costs incurred for the quarter ended September 30, 2025		2,773,728.26
	PhP	3,099,237,951.64
Balance of the Offering Proceeds as of September 30, 2025	PhP	1,226,228,188.93

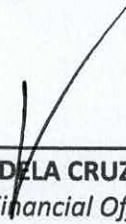
**The expenses related to the preferred shared offering amounting to PhP 37.1 million, which were incurred prior to the receipt of the proceeds from the offering, were initially funded using the Company's working capital. The Company charged this amount against the proceeds from the offering in the last quarter of 2020.*

We hope you find everything in order.

Very truly yours,

MEGAWIDE CONSTRUCTION CORPORATION

By:



JEZ G. DELA CRUZ
Chief Financial Officer



Agreed-upon Procedures Report on Quarterly Progress Report on Independent Use of Proceeds from the Listing of Megawide Construction Corporation

To the Board of Directors and Stockholders
Megawide Construction Corporation
(A Subsidiary of Citicore Holdings Investment, Inc.)
20 N. Domingo Street
Brgy. Valencia, Quezon City

Purpose of this Agreed-upon Procedures Report

Our report is solely for the purpose of assisting Megawide Construction Corporation (the “Company”) in connection with the Company’s compliance with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor’s certification on the information being presented by the Company with respect to the Quarterly Progress Report (the “Report”) dated October 14, 2025 on the application of net proceeds received by Company from its shares offering (“Offering Proceeds”) as at September 30, 2025 and for the period from November 27, 2020 (listing date) to September 30, 2025 relating to the application of the Offering Proceeds and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The board of directors and shareholders of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

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

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board of Accountants (IESBA) Code.

Our firm applies Philippine Standard on Quality Control (PSQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 14, 2025 performed solely to assist the Company comply with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's certification on the information being presented by the Company relating to the application of the Offering Proceeds.

The agreed-upon procedures and the results thereof are summarized as follows:

1. Obtained and checked the mathematical accuracy of the following:
 - a. The Report;
 - b. Reallocation of the Use of Proceeds Report, if any;
 - c. Schedule of planned use of proceeds from the Offering Prospectus; and,
 - d. Detailed schedule of utilization of proceeds as of and for the quarter ended September 30, 2025.

No exceptions noted.

We present below the summary of the breakdown and application of the Offering Proceeds as of and for the quarter ended September 30, 2025 based on the information we obtained from the Company.

	Initial Balance of Allocation of Offering Proceeds on November 27, 2020	Revised Allocation of Offering Proceeds as of June 13, 2025	Application of Offering Proceeds as of June 30, 2025	Application of Offering Proceeds for the Quarter ended September 30, 2025	Balance of Offering Proceeds as of September 30, 2025
Ninoy Aquino International Airport (NAIA) rehabilitation Development of Cebu Integrated Transport Hub	1,224,188,530	-	-	-	-
Expansion of MCI A Under Concession Agreement 2 (CA2)	830,037,568	1,274,700,551	1,274,700,551	-	-
Development of Lot 2 of the Paranaque Integrated Terminal Exchange (PITX) and other locations	816,125,687	816,125,687	816,125,687	-	-
Expansion of Pre-cast and other ancillary business	647,702,951	1,248,374,586	19,372,669	2,773,728	1,226,228,189
Mactan Cebu International Airport (MCI A) multi-use development	375,609,437	576,828,779	576,828,779	-	-
General corporate purposes	215,900,984	77,874,313	77,874,313	-	-
	215,900,984	331,562,225	331,562,225	-	-
	4,325,466,141	4,325,466,141	3,096,464,224	2,773,728	1,226,228,189

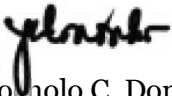
2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the quarter ended September 30, 2025. No exceptions noted.

	Amount	
	Per Report	Per schedule of disbursements
Use of proceeds	2,773,728	2,773,728

3. We compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus and its subsequent revision of allocation as approved by the Company's Board of Directors (BOD) on June 13, 2025 and disclosed in the Philippine Stock Exchange Electronic Disclosure Generation Technology on June 13, 2025. No exceptions noted.
4. We inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds. Disbursement for the quarter pertains to the development of Lot 2 of the Paranaque Integrated Terminal Exchange (PITX) and other locations. No exceptions noted.
5. We traced the reported application of Offering Proceeds amounting to P 2,773,728 for the quarter July 1, 2025 to September 30, 2025 to the Company's accounting records and certain material transactions to corresponding supporting documents. No exceptions noted.

Restriction on distribution and use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Pololo C. Domondon

Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 3, 2025 at Makati City

SEC A.N. (Individual) as general auditors 108839 - SEC, Category A;

valid to audit 2021 to 2025 financial statements

SEC A.N. (Firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

October 15, 2025

Accounts Receivable Aging

	<u>Not more than 3 mos.</u>	<u>More than 3 mos. but not more than 6 mos.</u>	<u>More than 6 mos.</u>	<u>More than 1 year</u>	<u>TOTAL</u>
September 30, 2025					
Contract receivables	6,849,137,500	1,584,570,535	217,018,158	401,609,312	9,052,335,505
Rental receivables	548,507,510	40,393,026	7,212,691	295,807,556	891,920,783
	7,397,645,010	1,624,963,561	224,230,849	697,416,868	9,944,256,288

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended
Sep 30, 2025
2. SEC Identification Number
CS200411461
3. BIR Tax Identification No.
232-715-069-000
4. Exact name of issuer as specified in its charter
Megawide Construction Corporation
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
No. 20 N. Domingo Street, Barangay Valencia, Quezon City
Postal Code
1112
8. Issuer's telephone number, including area code
(02)8655-1111
9. Former name or former address, and former fiscal year, if changed since last report
Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	2,013,409,717
Preferred	140,144,900

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

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

The Philippine Stock Exchange, Inc. -- Common Shares (MWIDE), Preferred Shares (MWP2B, MWP4, MWP5, MWP6A, MWP6B, and MWP6C)

12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Megawide Construction Corporation MWIDE

PSE Disclosure Form 17-2 - Quarterly Report
*References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules*

For the period ended	Sep 30, 2025
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2025	Dec 31, 2024
Current Assets	50,042,449,392	47,148,175,989
Total Assets	65,988,640,257	63,336,756,031
Current Liabilities	27,977,028,304	28,103,796,426
Total Liabilities	47,750,209,393	46,344,815,190
Retained Earnings/(Deficit)	6,568,907,717	6,460,568,054
Stockholders' Equity	18,238,430,864	16,991,940,841
Stockholders' Equity - Parent	17,797,335,441	16,462,710,338
Book Value per Share	4.7	4.64

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
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Gross Revenue	3,753,572,820	5,002,511,553	12,532,601,755	16,493,061,474
Gross Expense	3,794,621,682	4,765,944,839	11,925,362,960	15,610,042,316
Non-Operating Income	27,239,031	69,200,977	206,969,981	145,001,332
Non-Operating Expense	584,456,553	465,406,459	1,601,759,728	1,300,103,522
Income/(Loss) Before Tax	-41,048,862	236,566,714	607,238,795	883,019,158
Income Tax Expense	-105,684,752	99,229,551	106,187,327	308,098,982
Net Income/(Loss) After Tax	64,635,890	137,337,163	501,051,468	574,920,176
Net Income Attributable to Parent Equity Holder	154,395,784	142,703,573	589,186,548	589,734,235
Earnings/(Loss) Per Share (Basic)	0.05	0.04	0.05	0.04
Earnings/(Loss) Per Share (Diluted)	-	-	-	-

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.05	0.13
Earnings/(Loss) Per Share (Diluted)	-0.03	-0.03

Other Relevant Information
None.

Filed on behalf by:

Name	Melissa Ester Chavez-Dee
Designation	Corporate Secretary/Corporate Information Officer